

STATE OF INDIANA) BEFORE THE INDIANA
) SS:
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
Anthem Life Insurance Company)
220 Virginia Avenue)
Indianapolis, Indiana 46204)

Examination of: **Anthem Life Insurance Company**

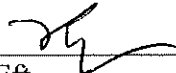
NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Amy L. Beard, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of Anthem Life Insurance Company any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on May 31, 2024 has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of Anthem Life Insurance Company shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

June 24, 2024
Date


Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7019 0700 0000 3590 3093

STATE OF INDIANA) BEFORE THE INDIANA
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COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
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Anthem Life Insurance Company)
220 Virginia Avenue)
Indianapolis, Indiana 46204)

Examination of: **Anthem Life Insurance Company**

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the Anthem Life Insurance Company (hereinafter “Company”) for the time period January 1, 2018 through December 31, 2022.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on May 30, 2024.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on May 31, 2024 and was received by the Company on June 6, 2024.

The Company did not file any objections.

NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the Anthem Life Insurance Company as of December 31, 2022.
2. That the Examiner’s Recommendations are reasonable and necessary in order for the Anthem Life Insurance Company to comply with the laws of the State of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed this 24 day of
June, 2024.



Amy L. Beard
Insurance Commissioner
Indiana Department of Insurance

ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

STATE OF INDIANA
Department of Insurance
REPORT OF EXAMINATION
OF

ANTHEM LIFE INSURANCE COMPANY

NAIC Co. CODE 61069
NAIC GROUP CODE 0671

As of

December 31, 2022

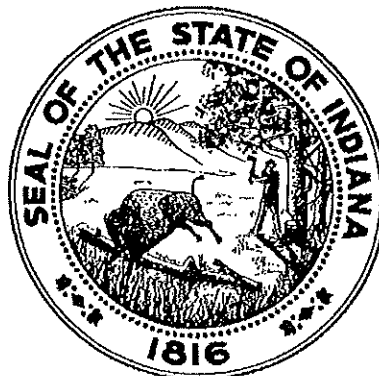
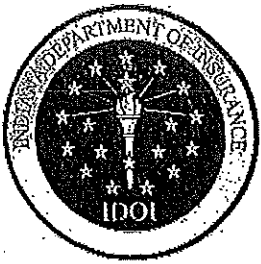


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STATE OF INDIANA

ERIC J. HOLCOMB, GOVERNOR

Indiana Department of Insurance

Amy L. Beard, Commissioner
311 W. Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: 317-232-2385
Fax: 317-234-2103
Website: in.gov/idoi

May 30, 2024

Honorable Amy L. Beard, Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 4117, an examination has been made of the affairs and financial condition of:

Anthem Life Insurance Company
220 Virginia Avenue
Indianapolis, Indiana 46204

hereinafter referred to as the "Company," or "ALIC," an Indiana domestic stock, life, accident, and health insurance company. The examination was conducted remotely with assistance from the Company in Indianapolis, Indiana.

The Report of Examination, reflecting the status of the Company as of December 31, 2022, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES
317-232-2389

COMPANY COMPLIANCE
317-232-3495

CONSUMER SERVICES
317-232-2395/1-800-622-4461

FINANCIAL SERVICES
317-232-2390

MEDICAL MALPRACTICE
317-232-5253

COMPANY RECORDS
317-232-2383

STATE HEALTH INSURANCE PROGRAM
1-800-452-4800

SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) and covered the period from January 1, 2014, through December 31, 2017. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2018, through December 31, 2022, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted in accordance with the NAIC *Financial Condition Examiners Handbook* (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.

The examinations of the Indiana domestic insurance companies of Elevance Health, Inc. (Elevance Health) were called by the INDOI in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The INDOI served as the lead state on the examination. The following Departments of Insurance accepted the invitation to participate on the coordinated examination of the Anthem Group, serving in the capacity of participating states.

Arizona	District of Columbia	Maryland	New York	Washington
Arkansas	Iowa	Mississippi	Ohio	West Virginia
California	Kentucky	Missouri	Pennsylvania	Wisconsin
Colorado	Louisiana	Nebraska	Texas	
Connecticut	Maine	New Jersey	Virginia	

Several other insurers within the holding company system did not participate in this coordinated examination due to various reasons including having been recently examined, having been recently acquired, the desire to stay on their current exam cycles, and similar other reasons.

Mark Alberts, FSA, MAAA, of Alberts Actuarial Consulting, LLC, and Micheal Berman, FSA, MAAA, of Davies Group, provided all actuarial services throughout the examination and conducted a review of the Company's actuarial related risks as of December 31, 2022.

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, as mentioned in the Indiana Code (IC) 27-1-3.1-10 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.

HISTORY

The Company was incorporated under the laws of the state of Indiana on June 10, 1953, as a stock, life, accident, and health insurer under the name of Associates Life Insurance Company. On December 31, 2000, Rocky Mountain Life Insurance Company and Anthem Life Insurance Company of California were merged into the Company, and ALIC's present name was adopted at that time. On December 27, 2006, the Company became a wholly-owned subsidiary of Rocky Mountain Hospital and Medical Services, Inc. (RMHMS) upon the transfer of its common stock from Anthem Midwest, LLC. RMHMS was a wholly-owned, indirect subsidiary of Anthem, Inc. (Anthem).

On June 28, 2022, Anthem changed its name to Elevance Health, Inc. and began trading under the new ticker symbol ELV on the New York Stock Exchange.

CAPITAL AND SURPLUS

RMHMS, owned 100% of the Company's issued and outstanding stock as of the examination date. There were 5,452,599 authorized shares of common stock with a par value of \$1 per share and 3,267,547 shares issued and outstanding throughout the examination period. In addition, during the examination period, the Company had 1 million shares of preferred stock with a value of \$6.75 per share authorized with no shares issued and outstanding.

On December 22, 2020, RMHMS authorized and paid a capital contribution to the Company of \$30 million.

On February 28, 2022, RMHMS authorized and paid a capital contribution to the Company of \$30 million.

DIVIDENDS TO STOCKHOLDERS

The Company paid the following dividends to the RMHMS during the examination period:

Year	Total	Ordinary Dividends	Extraordinary Dividends
2022	\$ -	\$ -	\$ -
2021	-	-	-
2020	23,200,000	23,200,000	-
2019	-	-	-
2018	12,500,000	12,500,000	-
Total	<u>\$ 35,700,000</u>	<u>\$ 35,700,000</u>	<u>\$ -</u>

In accordance with IC 27-1-23-4(h), the payment of dividends to holding companies or affiliated insurers may not exceed the greater of 10% of the prior year's surplus or the net gain from operations of such insurer of the prior year. The Company paid dividends during the examination period that were ordinary in nature and did not require prior regulatory approval. In accordance with IC 27-1-23-1.5, the Company notified the INDOI of all declared dividends to the parent during the examination period.

TERRITORY AND PLAN OF OPERATION

ALIC principally writes life, disability, and accident insurance business in forty-seven (47) states and the District of Columbia. ALIC is a licensee of the Blue Cross Blue Shield Association. ALIC's accounts range from very small companies to groups with thousands of members across many states. ALIC also offers administrative services

only plans for larger employers, but these plans are limited to short-term disability. As of October 1, 2011, ALIC assumed all individual and group life insurance contracts issued and in force from affiliate, Unicare Life and Health Insurance Company (ULH). ALIC also assumes 100% of certain life and long-term care business from Anthem Blue Cross Life and Health Insurance Company, an affiliated company. ALIC also sold medical stop loss business to groups.

GROWTH OF THE COMPANY

The following table summarizes the financial results of the Company during the examination period:

Year	Admitted Assets	Liabilities	Surplus and Other Funds	Premiums and Annuities	Net Income
2022	\$ 827,684,566	\$ 652,500,663	\$ 175,183,903	\$ 454,172,730	\$ 19,118,528
2021	869,683,722	706,510,189	163,173,533	513,435,260	(57,830,771)
2020	801,088,029	635,047,827	166,040,402	612,758,141	(21,934,110)
2019	761,705,083	581,082,150	180,622,933	507,967,639	23,175,615
2018	732,294,224	583,344,937	148,949,287	430,760,923	21,851,183

The decrease in net income for 2020 and 2021 was due to an increase in life and medical stop loss benefit expense along with a decrease in premiums, which were offset by an increase in current federal income tax recoverable. The increase in life claims was due to the COVID-19 pandemic. In 2022, the Company saw an increase in net income primarily due to a significant decrease in life and medical stop loss benefit expenses. In July 2022, ALIC entered into a new ceded reinsurance agreement for stop loss business with ULH.

The Company has a history of increases in surplus primarily due to net underwriting and investment gains, offset by dividends paid to RMHMS.

MANAGEMENT AND CONTROL

Directors

The Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of no less than five (5) and no more than the number of directors specified in the Articles of Incorporation of the Company. At least one (1) of the directors must be a resident of Indiana. The shareholders, at each annual meeting, elect the members of the Board. Directors are elected for a one (1) year term.

The following is a listing of persons serving as directors as of December 31, 2022, and their principal occupations as of that date:

Name and Address	Principal Occupation
Laurie Helm Benintendi Cincinnati, Ohio	Vice President and Counsel Elevance Health, Inc.
Kathleen Susan Kiefer Indianapolis, Indiana	Vice President, Legal and Corporate Secretary Elevance Health, Inc.
Ronald William Penczek Zionsville, Indiana	Senior Vice President and Chief Accounting Officer Elevance Health, Inc.
Heather Chockley Steinmeyer Chicago, Illinois	Vice President and Counsel Elevance Health, Inc.
Scott William Towers Lakeville, Minnesota	President and Chairperson Anthem Life Insurance Company, Inc.

Officers

The Bylaws state that the elected officers of the Company shall consist of a Chairman of the Board, a President, a Treasurer, and a Secretary. The Board may also elect a Vice Chairman, one (1) or more Vice Presidents; Assistant Secretaries, Assistant Treasurers and such other officers or assistant officers as the Board may from time to time determine to perform such duties and functions as prescribed and approved by the Chairman of the Board. Each of these officers is elected by the Board and shall hold office for one (1) year or until their respective successors are duly chosen and have qualified.

The following is a list of key officers and their respective titles as of December 31, 2022:

Name	Office
Scott William Towers	President and Chairperson
Vincent Edward Scher	Treasurer
Kathleen Susan Kiefer	Secretary
Eric Kenneth Noble	Assistant Treasurer
Kristan Jane Andrews	Assistant Secretary

CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2021. Based on this review, it was determined a review for 2022 was unnecessary.

OATH OF OFFICE

IC 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she

will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that not all directors listed in the Management and Control section of this Report of Examination have subscribed to an oath as of December 31, 2022. See the Other Significant Issues section of this Report of Examination.

CORPORATE RECORDS

Articles of Incorporation

There were no amendments made to the Articles of Incorporation during the examination period.

Bylaws

There were no amendments made to the Bylaws during the examination period.

Minutes

The Board and shareholders meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. The Company's Bylaws require the annual meeting to be held by the end of April each year, and do not specify the date or time the annual meeting of shareholders is to be held. For each year under review, the annual meeting of shareholders was held by the end of April following the close of each fiscal year.

The Elevance Health committee meeting minutes for the examination period, and through the fieldwork date, were reviewed for the following committees: Audit Committee, Compensation Committee, Finance Committee and Governance Committee.

AFFILIATED COMPANIES

Organizational Structure

The following abbreviated organizational chart shows the Company's parent and select affiliates as of December 31, 2022:

	<u>NAIC Co. Code</u>	<u>Domiciliary State/Country</u>
Elevance Health, Inc.		IN
Anthem Insurance Companies, Inc.	28207	IN
Associated Group, Inc.		IN
Anthem Financial, Inc.		DE
ATH Holding Company, LLC		IN
Rocky Mountain Hospital and Medical Services, Inc.	11011	CO
Anthem Life Insurance Company	61069	IN
Anthem Holding Corp.		IN
UNICARE National Services, Inc.		DE
UNICARE Life & Health Insurance Company	80314	IN

Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI, as required, in accordance with IC 27-1-23-4.

Master Administrative Services Agreement

Effective January 1, 2005, the Company entered into an Amended and Restated Master Administrative Services Agreement (MASA) with Elevance Health and other affiliates. Under the MASA, each company provides certain administrative, consulting, and other support services for the benefit/use of the other affiliated companies. Administrative expenses for services performed under the Agreement are captured in cost centers and allocated to legal entities supported by the specific cost centers using reasonable and appropriate allocation methodologies such as weighted membership, headcount, and others.

Effective January 1, 2014, the MASA was amended to incorporate certain changes to holding company laws and regulations resulting from the NAIC's 2010 amendment to its Model Law and Regulation.

Effective July 1, 2018, a new attachment to the MASA, the Fair Market Value Attachment, (FMV Attachment) was incorporated, modifying the compensation arrangement with respect to certain of the services that may be provided to ALIC. Pursuant to the FMV Attachment, the compensation to be paid by a party receiving certain specified services will be an amount up to, but no more than, fair market value of the services at the time such services are provided; and such amount will be fair and reasonable and shall not exceed what a party would pay for similar services from an unrelated third-party in an arm's length transaction.

The amount allocated to ALIC pursuant to the FMV Attachment in 2022 was \$4.9 million.

Total expenses for services performed under the MASA are captured in cost centers and allocated to legal entities that are supported by the specific cost centers using reasonable and appropriate allocation methodologies such as weighted membership, headcount, etc. the amount attributable to ALIC under the MASA in 2022 was \$42.2 million.

Cash Concentration Agreement

Effective November 20, 2007, the Company entered into a Cash Concentration Agreement with Elevance Health and its affiliates. An addendum was added to the Agreement in 2018 which set forth additional provisions related to receivership. Under this Agreement, any one of the parties may be designated as a "Cash Manager" to handle the collection and/or payment of funds on behalf of one (1) or more affiliates. An affiliate acting as a Cash Manager may collect premium payments and other revenue, collect benefit and administrative expenses and accounts payable payments on behalf of one (1) or more affiliates. The Cash Manager shall be reimbursed for the direct and indirect costs and expenses it incurs while acting in its capacity as Cash Manager. As of December 31, 2022, the Company has an estimated net payable/receivable of \$71.0 million pursuant to this Agreement.

Beacon Master Services Agreement

Effective January 1, 2021, upon Elevance Health's acquisition of Carelon Behavioral Health, Inc. (formerly Beacon Health Options, Inc.), the Company became a party to the Beacon Master Services Agreement. Under such Agreement, the Carelon Behavioral Health companies may provide administrative, management and utilization review services in connection with mental health and substance abuse services on behalf of the Company. Amounts attributable to ALIC under this agreement in 2022 are \$314 thousand.

On October 1, 2022, the Company sold Joint Ventures of \$20.2 million to HealthKeepers, Inc., an affiliated entity.

FIDELITY BOND AND OTHER INSURANCE

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity

bond issued by Fidelity and Deposit Company of Maryland through Zurich. The bond has a single loss coverage limit of \$10 million with a \$5 million deductible. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2022, including but not limited to auto liability, commercial property liability, cyber liability, management indemnity/directors' and officers' liability, professional indemnity liability, umbrella liability, and workers' compensation liability.

PENSION, STOCK OWNERSHIP, AND INSURANCE PLANS

The Company participates in a frozen non-contributory defined benefit pension plan sponsored by ATH Holding Company, LLC (ATH Holding), covering most employees of Elevance Health and its subsidiaries. ATH Holding allocates a share of the total accumulated costs of the plan to the Company based on the number of allocated employees. During 2022, the Company was allocated credits totaling \$75.9 thousand. The Company has no legal obligation for benefits under this plan.

The Company participates in a postretirement medical benefit plan, sponsored by ATH Holding, providing certain health, life, vision, and dental benefits to eligible retirees. ATH Holding allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. During 2022, the Company was allocated credits totaling \$47.3 thousand. The Company has no legal obligation for benefits under this plan.

The Company participates in a nonqualified deferred compensation plan sponsored by Elevance Health, which covers certain employees once the participant reaches the maximum contribution amount for the Elevance Health 401(k) Plan. The deferred amounts are payable according to the terms and subject to the conditions of the deferred compensation plan. Elevance Health allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees subject to the deferred compensation plan. During 2022, the Company was allocated costs totaling \$7 thousand. The Company has no legal obligation for benefits under this plan.

The Company participates in the 401(k) Plan, sponsored by ATH Holding and covering substantially all employees. Voluntary employee contributions are matched by ATH Holding, subject to certain limitations. ATH Holding allocates a share of the total accumulated costs of the plan to the Company based on the number of allocated employees. During 2022, the Company was allocated costs totaling \$722.7 thousand. The Company has no legal obligation for benefits under this plan.

The Company participates in a stock incentive compensation plan, sponsored by Elevance Health, providing incentive awards to non-employee directors and employees, consisting of Elevance Health stock options, restricted stock, restricted stock units, stock appreciation rights, performance shares, and performance units. Elevance Health allocates a share of the total share-based compensation expense of this plan to the Company based on the number of allocated employees. During 2022, the Company was allocated costs totaling \$457.6 thousand. The Company has no legal obligation for benefits under this plan.

SPECIAL AND STATUTORY DEPOSITS

The Company reported the following deposits as of December 31, 2022:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For All Policyholders:		
Indiana	\$1,631,208	\$1,597,838
All Other Special Deposits:		
California	805,660	783,532
Florida	127,206	116,772
Georgia	34,026	32,040
Massachusetts	215,430	194,414
New Mexico	254,785	248,685
North Carolina	487,009	485,168
Total Deposits	<u>\$ 3,555,324</u>	<u>\$ 3,458,449</u>

REINSURANCE

Ceded Reinsurance – Affiliates

Effective July 1, 2022, the Company entered into a quota share arrangement to cede 100% of its medical stop loss business to ULH, an affiliated company and an Indiana domiciled insurer. In 2022, premiums of \$87.9 million and claims of \$64.5 million were ceded under this agreement.

Ceded Reinsurance – Non-Affiliates

The Company cedes, under various reinsurance arrangements, certain of its insurance risk for its life, disability and accident and health coverage to unaffiliated reinsurers. In 2022, premiums of \$19.1 million, claims of \$18.7 million, and policy and contract liabilities of \$2.6 million were ceded under these agreements.

Assumed Reinsurance – Affiliates

Effective July 1, 2022, the Company entered into an amended and restated quota share reinsurance agreement with ULH. The Company will assume 100% of individual and group life contracts and certificates, all accidental death and dismemberment and disability products issued by ULH and in force or following the effective date, but that are issued prior to January 1, 2024. In 2022, premiums of \$22 million, claims of \$22.9 million and policy reserves of \$65.1 million were assumed under this agreement.

Effective July 1, 2022, the Company amended its reinsurance agreement with Anthem Blue Cross Life and Health Insurance Company (ABCL&H), an affiliated company and California domiciled insurer. The Company assumes under a coinsurance arrangement, 100% of life and disability insurance, following any assuming arrangements already in-force. The Company terminated the long-term care assuming reinsurance contract with ABCL&H. In 2022, premiums of \$86.6 million, claims and claims adjustment expense of \$54.9 million and policy reserves of \$33.3 million were assumed under this agreement.

ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balance prepared from the Company's general ledger for the year ended

December 31, 2022, was agreed to the Annual Statement. The Annual Statement for the year ended December 31, 2022, was agreed to the independent audit report without material exception. In May 2024, the Company restated the 2022 amounts in the 2023 Audited Financial Statements due to incorrect accounting for stop loss business. See the Subsequent Events section of this report for additional details.

FINANCIAL STATEMENTS

ANTHEM LIFE INSURANCE COMPANY

Assets

As of December 31, 2022

	<u>Per Examination*</u>
Bonds	\$ 662,568,426
Stocks:	
Preferred stocks	1,494,200
Common stocks	3,856,000
Cash, cash equivalents and short-term investments	19,605,956
Contract loans	159,502
Derivatives	133,293
Other invested assets	2,733,675
Securities lending reinvested collateral assets	<u>74,972,637</u>
Subtotals, cash and invested assets	765,523,689
Investment income due and accrued	5,202,146
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	36,995,589
Deferred premiums, agents' balances and installments booked but deferred and not yet due	10,702
Accrued retrospective premiums	364,161
Reinsurance:	
Amounts recoverable from reinsurers	3,043,153
Amounts receivable relating to uninsured plans	44,570
Current federal and foreign income tax recoverable and interest thereon	14,360,154
Guaranty funds receivable or on deposit	725,180
Aggregate write-ins for other than invested assets	<u>1,415,222</u>
Totals	<u>\$ 827,684,566</u>

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

ANTHEM LIFE INSURANCE COMPANY
Liabilities, Surplus, and Other Funds
As of December 31, 2022

	<u>Per Examination*</u>
Aggregate reserve for life contracts	\$ 107,498,754
Aggregate reserve for accident and health contracts	209,147,092
Liability for deposit-type contracts	42,095,791
Contract claims:	
Life	43,919,438
Accident and health	11,826,710
Premiums and annuity considerations for life and accident and health contracts received in advance	1,359,858
Contract liabilities not included elsewhere:	
Provision for experience rating refunds, including the liability	18,058,339
Interest maintenance reserve	21,221,549
Commissions to agents due or accrued-life and annuity contracts	6,750,661
General expenses due and accrued	13,911,148
Taxes, licenses, and fees	3,986,040
Unearned investment income	5,350
Amounts withheld or retained by reporting entity as agent or trustee	5,158
Remittances and items not allocated	20,757,232
Miscellaneous liabilities:	
Asset valuation reserve	4,184,895
Payable to parent, subsidiaries, and affiliates	70,959,359
Derivatives	167,048
Payable for securities lending	74,972,637
Aggregate write-ins for liabilities	1,673,604
Total liabilities	<u>652,500,663</u>
Common capital stock	3,267,547
Gross paid in and contributed surplus	103,126,549
Unassigned funds (surplus)	68,789,807
Surplus	<u>171,916,356</u>
Total capital and surplus	<u>175,183,903</u>
Total liabilities, capital and surplus	<u>\$ 827,684,566</u>

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

ANTHEM LIFE INSURANCE COMPANY
Summary of Operations
For the Year Ended December 31, 2022

	<u>Per Examination*</u>
Premiums and annuity considerations for life and accident and health contracts	\$454,172,730
Net investment income	26,276,015
Amortization of Interest Maintenance Reserve	(2,525,991)
Commissions and expense allowances on reinsurance ceded	6,988,253
Aggregate write-ins for underwriting deductions	85,980
Total	<u>484,996,987</u>
Death benefits	179,770,281
Matured endowments	3,745
Annuity benefits	2,250
Disability benefits and benefits under accident and health contracts	154,755,817
Surrender benefits and withdrawals for life contracts	508,467
Group conversions	46,233
Interest and adjustments on contract or deposit-type contract funds	569,156
Increase in aggregate reserves for life and accident and health contracts	<u>(2,530,537)</u>
Totals	333,125,412
Commissions on premiums, annuity considerations, and deposit-type contract funds	37,936,184
Commissions and expense allowances on reinsurance assumed	9,678,734
General insurance expenses and fraternal expenses	66,927,680
Insurance taxes, licenses and fees excluding federal income taxes	10,881,052
Increase in loading on deferred and uncollected premiums	(2,171)
Aggregate write-ins for deductions	2,303
Totals	<u>458,549,194</u>
Net gain from operations after dividends to policyholders, refunds to members and federal income taxes	26,447,793
Net gain from operations after dividends to policyholders	<u>26,447,793</u>
Federal and foreign income taxes incurred	1,444,081
Net gain from operations after dividends to policyholders	<u>25,003,712</u>
Net realized capital gains (losses)	(5,885,184)
Net income	<u>\$ 19,118,528</u>

* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

ANTHEM LIFE INSURANCE COMPANY
Capital and Surplus Account Reconciliation
(In 000s)

	2022	2021	2020	2019	2018
Surplus as regards policyholders, December 31 prior year	\$ 163,173,533	\$166,040,403	\$180,622,933	\$148,949,287	\$125,129,529
Net income	19,118,528	(57,830,771)	(21,934,110)	23,175,615	21,851,183
Change in net unrealized capital gains or (losses) less capital gains tax	(4,044,772)	22,657,018	(2,463,631)	9,229,036	11,136,179
Change in net deferred income tax	(3,643,146)	3,536,894	2,737,654	(1,267,747)	5,355,449
Change in nonadmitted assets	(730,395)	97,215	(1,128,873)	1,213,229	(1,108,109)
Change in asset valuation reserve	1,310,155	(1,327,226)	1,406,430	(676,487)	(914,944)
Surplus adjustments:					
Paid in	-	30,000,000	30,000,000	-	-
Dividends to stockholders	-	-	(23,200,000)	-	(12,500,000)
Change in surplus as regards policyholders for the year	12,010,370	(2,866,869)	(14,582,530)	31,673,646	23,819,758
Surplus as regards policyholders, December 31 current year	<u>\$175,183,903</u>	<u>\$163,173,533</u>	<u>\$166,040,403</u>	<u>\$180,622,933</u>	<u>\$148,949,287</u>

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2022, based on the results of this examination.

OTHER SIGNIFICANT ISSUES

IC 27-1-7-10(i) stipulates that every director, when elected, shall take, and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the Company and will not knowingly violate any of the laws applicable to such Company. It was determined that an oath was missing for one (1) director in 2018.

It is recommended that every director shall take and subscribe to an Oath of Office at the time of annual election to the Board in compliance with IC 27-1-7-10(i).

SUBSEQUENT EVENTS

While preparing its 2023 Annual Statement, the Company identified an error related to stop loss and the Multiple Employer Welfare Arrangement (MEWA) business. Since 2019, an affiliated company, Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. recorded the business, however, the Company was the appropriate party to the contracts. In accordance with SSAP 3, *Accounting Changes and Corrections of Errors*, the Company recorded a \$5,618,954 increase to correct unassigned surplus (deficit) as of January 1, 2023.

The sale of the Company by RMHMS to StanCorp Financial Group, Inc., a provider of financial products and services for employers and individuals, was announced on March 28, 2023. The sale closed on April 1, 2024.

AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiners-in-Charge appointed by the Indiana Department of Insurance and that they, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from both Alberts Actuarial Consulting, LLC and Davies Group, performed an examination of Anthem Life Insurance Company, as of December 31, 2022.

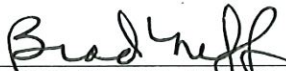
The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

The attached Report of Examination is a true and complete report of the condition of the Anthem Life Insurance Company as of December 31, 2022, as determined by the undersigned.



Lori Brock, CFE, ALMI
Noble Consulting Services, Inc.



Brad Neff, CFE, CIE, CPA, FLMI
Noble Consulting Services, Inc.

Under the Supervision of:

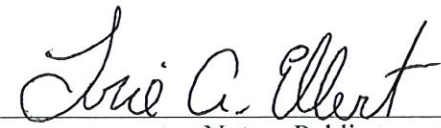


Jerry Ehlers, CFE, AES
Examinations Manager
Indiana Department of Insurance

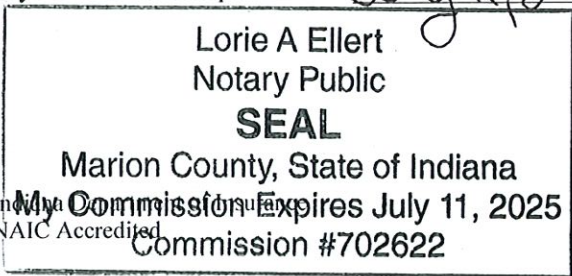
State of: Indiana
County of: Marion

On this 13th day of June, 2024, before me personally appeared, Lori Brock, Brad Neff, and Jerry Ehlers, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires: July 11, 2025 

Notary Public



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