



**NC DEPARTMENT**  
*of* **INSURANCE**  
**MIKE CAUSEY, COMMISSIONER**

**COMPANY SERVICES GROUP**  
**FINANCIAL EXAMINATION DIVISION**

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I, Mike Causey, Commissioner of Insurance in and for the State of North Carolina do hereby certify that: I have caused Sentara Group as of December 31, 2022 with the original on file at this Department and find the same to be a correct copy of the whole said original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this the 10th day of April, 2024.



Mike Causey  
Commissioner of Insurance

Monique D. Smith, CPA, CFE, CIA  
Deputy Commissioner Financial  
Examination Division

**Sentara Group**

Virginia Beach, VA

**Multi-Entity Report on Examination**

As of December 31, 2022

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March 26, 2024

Honorable Mike Causey  
Commissioner of Insurance  
State of North Carolina  
Raleigh, North Carolina

Sir:

Pursuant to your instructions and in accordance with Section (“§”) 58-2-131, 58-67-100 and 58-93-60 of the General Statutes of North Carolina (“GS”), the North Carolina Department of Insurance (“Department”) conducted an examination of the records, business affairs and financial condition of

Optima Family Care of North Carolina, Inc. (“OFCNC”)  
Sentara Health Insurance Company of North Carolina (“SHICNC”)  
Sentara Medicare Advantage of North Carolina, Inc. (“SMANC”)

(hereinafter referred to as the “Sentara Group”), acknowledging that its main administrative and statutory home office is located at 1300 Sentara Park, Virginia Beach, Virginia.

## **SCOPE OF THE EXAMINATION**

We performed a full-scope statutory examination of each company within the Sentara Group. This examination covers the period from January 1, 2019, to December 31, 2022, including any material transactions and events occurring subsequent to the examination date and noted during the course of this examination. The Department’s most recent prior examination of Sentara Health Insurance Company of North Carolina was as of December 31, 2018. This will be the initial examination of Optima Family Care of North Carolina, Inc. and Sentara Medicare Advantage of North Carolina, Inc.

The purpose of this examination is to assess the financial condition and controls of the Sentara Group and sets forth findings of fact (together with citations of pertinent laws, regulations, and rules) with regard to any material adverse findings disclosed by the examination.

We conducted our examination in accordance with standards established by the Department and the National Association of Insurance Commissioners (“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 Sentara Group, 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 Sentara Group were considered in accordance with the Handbook risk-focused surveillance process and the following key functional activities were identified:

Capital and Surplus  
Related Parties

This may include assessing significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with GS Chapter 58 and evaluating management's compliance with statutory accounting principles. This 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 from the Sentara Group's financial statements.

This examination report includes significant findings of fact and general information about the insurers and their 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 are separately communicated to the Sentara Group.

The Sentara Group's Annual Statements and work papers were reviewed and relied upon whenever possible. Trial balance reconciliations of the Annual Statements were performed, as were a verification of ownership and valuation of assets, determination of liabilities, and an analysis and review of such accounts and records as deemed necessary by the examination team. A management representation letter attesting to the Sentara Group's ownership of assets, the nonexistence of unrecorded liabilities and contingent liabilities was received from the Sentara Group's management.

Each company in the Sentara Group applied for and was granted an exemption from the annual audit requirement for all years under examination pursuant to GS § 58-10-185(b).

## ABBREVIATIONS

General Statutes of North Carolina	“GS”
North Carolina Department of Insurance	“Department”
National Association of Insurance Commissioners	“NAIC”
Financial Condition Examiners Handbook	“Handbook”
Board of Directors	“Board”
Sentara Healthcare	“Parent”
Sentara Health Plans, Inc.	“SHP”
“Sentara Group”	
Optima Family Care of North Carolina, Inc.	“OFCNC”
Sentara Health Insurance Company of North Carolina	“SHICNC”
Sentara Medicare Advantage of North Carolina, Inc.	“SMANC”

## SUMMARY OF SIGNIFICANT FINDINGS

### COMMENTS, RECOMMENDATIONS, AND DIRECTIVES

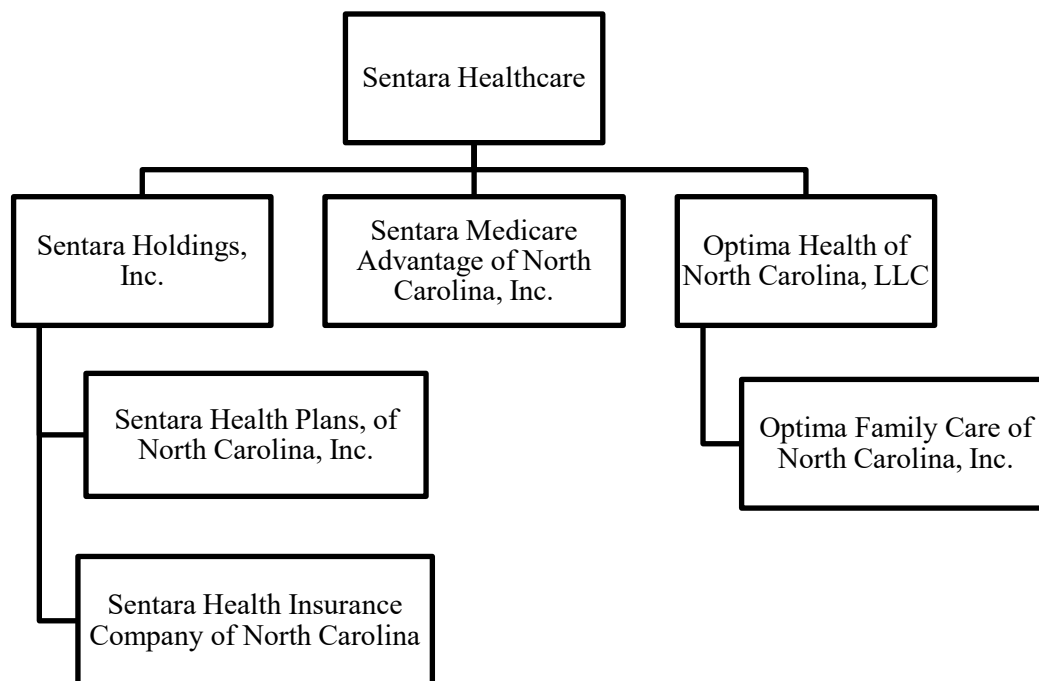
- a. OFCNC and SHICNC did not obtain conflict of interest forms executed by several officers and directors for the years 2019 through 2022. OFCNC and SHICNC are directed to comply with Title 11 of the North Carolina Administrative Code Chapter 11C .0117.
- b. SHICNC is in violation of Article IV, Section 5.2 of its bylaws, which specify that the number of directors shall consist of no less than three (3) individuals. The Board of Directors (“Board”) consisted of only two (2) members in 2022. SHICNC is directed to comply with its bylaws.

## ORGANIZATIONAL STRUCTURE

The companies within the Sentara Group are part of an insurance holding company system as defined in GS §58-19 and are wholly owned subsidiaries of Sentara Healthcare (“Parent”), a Virginia nonprofit corporation. Sentara Holdings, Inc., a Virginia corporation, owns 100% of all outstanding shares of SHICNC. Optima Health of North Carolina, LLC, a North Carolina limited liability corporation, owns 100% of OFCNC.

## ORGANIZATIONAL CHART

Each company's 2022 Annual Statement Schedule Y contains a complete organizational chart. The following is a summarized organizational chart as of December 31, 2022:



## INDIVIDUAL COMPANY HISTORY

### OFCNC

OFCNC is a nonprofit, non-stock company that was incorporated on October 24, 2017, and commenced business on April 5, 2019. Optima Health of North Carolina, LLC is the sole shareholder and initially capitalized OFCNC with \$1,500,000. No additional surplus has been contributed since OFCNC's formation. At December 31, 2022, OFCNC reported \$1,500,000 in gross paid-in and contributed surplus and (\$776) in unassigned funds.

### SHICNC

SHICNC is a for profit stock company, that was incorporated on November 14, 2014, and commenced business on November 21, 2014. Sentara Holdings, Inc. is the sole shareholder and initially capitalized SHICNC with the purchase of 5,000 shares of common stock for \$200 per share for a total purchase price of \$1,000,000 in cash. At December 31, 2022, SHICNC reported \$1,500,000 in gross paid-in and contributed surplus and unassigned funds totaling \$287,529.

### SMANC

SMANC is a nonprofit, non-stock company that was incorporated on May 29, 2019, and commenced business on January 1, 2020. The Parent is the sole shareholder and initially capitalized SMANC with \$15 million. The Parent contributed an additional \$18 million in 2020 to support a proposed expansion for plan year 2021. At December 31, 2022, SMANC reported \$33,000,000 in gross paid-in and contributed surplus and unassigned funds of (\$2,445).

## CAPITAL STOCK

As of December 31, 2022, capitalization of SHICNC consisted of the following:

### SHICNC

Description	Value
Number of authorized common capital shares	5,000
Number of shares issued and outstanding	5,000
Total common capital stock	\$1,000,000
Par value per share	\$200

## DIVIDENDS TO STOCKHOLDER

Dividends are paid as declared by the Board of each respective company in the Sentara Group. Under the insurance regulations of North Carolina, the maximum amount of ordinary dividends which the Sentara Group may pay to shareholders is limited to the greater of 10% of the most recent year-end policyholders' surplus or net income (excluding realized capital gains) earned for that same year-end. Any amounts in excess of this are considered extraordinary. The Sentara Group paid no dividends during the examination period.

## MANAGEMENT AND CONTROL

### CORPORATE GOVERNANCE

#### Shareholders

The bylaws for each company in the Sentara Group provide that an annual meeting of the shareholders be held at such time and place as the Board may appoint. Special meetings of the shareholders for OFCNC and SMANC may be called at any time by the president or by any two members of the Board. Special meetings of the shareholders for SHICNC may be called at any time by the chairman of the Board, the president, or by a majority of the Board.

#### Board of Directors

The business of the Sentara Group is conducted by its management team and is subject to review by the Board.

#### OFCNC

The bylaws for OFCNC specify that the number of directors shall not be less than three (3) and no more than twelve (12). Directors are elected by the shareholder at the annual meeting and each director elected shall hold office until a successor is elected and qualified.



The following individuals served as directors of OFCNC as of December 31, 2022:

<b>Name</b>	<b>Location</b>	<b>Principal Occupation</b>
Colin Drozdowski	Virginia Beach, Virginia	President – Sentara Health Plans
Brian Smith	Virginia Beach, Virginia	Vice President – Sentara Health Plans
Donald Bowling	Elizabeth City, North Carolina	Physician – Sentara Albemarle Medical Center
Paul Stevenson	Elizabeth City, North Carolina	Physician – Albemarle Physician Services
John DiMichele	Elizabeth City, North Carolina	Physician – Albemarle Physician Services

### **SHICNC**

The bylaws for SHICNC specify that the number of directors shall not be less than three (3) and no more than sixteen (16). (Refer to the Summary of Significant Findings). One third of the directors are elected by the shareholder at the annual meeting, and each director elected shall hold office until a successor is elected and qualified. Directors serve staggered three-year terms.

The following individuals served as directors of SHICNC as of December 31, 2022:

<b>Name</b>	<b>Location</b>	<b>Principal Occupation</b>
Colin Drozdowski	Virginia Beach, Virginia	President – Sentara Health Plans
Megan Perry	Virginia Beach, Virginia	Senior Vice President and Chief Strategy Officer – Sentara Healthcare

### **SMANC**

The bylaws for SMANC specify that the number of directors shall not be less than one (1) and no more than five (5). Directors are elected by the shareholder at the annual meeting and each director elected shall hold office until a successor is elected and qualified.

The following individuals served as directors of SMANC as of December 31, 2022:

<b>Name</b>	<b>Location</b>	<b>Principal Occupation</b>
Dennis Matheis	Virginia Beach, Virginia	President and Chief Executive Officer – Sentara Healthcare
Patricia Darnley	Virginia Beach, Virginia	Executive Vice President and Chief Legal Officer – Sentara Health Plans
Megan Perry	Virginia Beach, Virginia	Senior Vice President and Chief Strategy Officer – Sentara Healthcare

The Board of each company within the Sentara Group have the authority to establish committees to act on its behalf including, but not limited to, an executive committee. No Board committees have been established.

## **Officers**

### **OFCNC**

The bylaws for OFCNC provide that the board elects the officers at any regular or special meeting. The officers of OFCNC consist of a chairman, a president, a secretary, and a treasurer and such other officers as may be authorized and determined by the Board. Any person may hold more than one office, except for the offices of the president and the secretary.

The following individuals served as officers of OFCNC as of December 31, 2022:

<b>Name</b>	<b>Title</b>
Brian Smith	Chairman of the Board and President
Earl Barnes	Secretary
Robert Broermann	Treasurer
Sharon Dajon	Assistant Secretary

### **SHICNC**

The bylaws for SHICNC provide that the shareholders appoint the officers at the annual meeting. The officers of SHICNC consist of a chairman, a president, a secretary, and a treasurer and such other officers as may be authorized and determined by the Board. Any person may hold more than one office, except for the offices of the president and the secretary.

The following individuals served as officers of SHICNC as of December 31, 2022:

<b>Name</b>	<b>Title</b>
Colin Drozdowski	Chairman of the Board and President
Sharon Dajon	Secretary
Robert Broermann	Treasurer
John DeGruttola	Senior Vice President Sales and Marketing

### **SMANC**

The bylaws for SMANC provide that the Board elects the officers at any regular or special meeting. The officers of SMANC consist of a chairman, a president, a secretary, and a treasurer and such other officers as may be authorized and determined by the Board. Any person may hold more than one office, except for the offices of the president and the secretary.

The following individuals served as officers of SMANC as of December 31, 2022:

<b>Name</b>	<b>Title</b>
Dennis Matheis	Chairman of the Board and President
Earl Barnes	Secretary
Jeffery Snyder	Treasurer

## **CODE OF CONDUCT AND CONFLICT OF INTEREST**

The Sentara Group has established policies and procedures to identify existing or potential conflicts of interest and to report the same to the Board. Annually, the Sentara Group requires a signed statement from each director and officer disclosing any conflict of interest. A review of the signed conflict of interest statements for the examination period revealed that the Sentara Group did not act in accordance with its policy and procedures for disclosure of conflicts of interest. (Refer to the Summary of Significant Findings)

## **CORPORATE RECORDS**

We reviewed the minutes of the Board meetings for the period under examination. Based on our review, it appears that the minutes documented the Sentara Group's significant transactions and events and that the directors approved these transactions and events.

The Sentara Group's articles of incorporation and bylaws were reviewed for any changes during the period under examination. There were no changes made to the bylaws; however, the articles of incorporation were amended as follows:

On June 13, 2019, SMANC amended its articles of incorporation to change its organization structure from a domestic corporation to a nonprofit organization.

On February 20, 2019, OFCNC amended its articles of incorporation to change its organization structure from a health maintenance organization to a prepaid health plan.

## **STATUTORY DEPOSITS**

Statutory deposits are maintained as required by insurance regulatory agencies for doing business in such jurisdictions. The 2022 Annual Statement Schedule E, Part 3 contains a complete description and listing of the statutory deposits by state. The companies within the Sentara Group only maintain statutory deposits in North Carolina.

## **RELATED PARTY AGREEMENTS**

Pursuant to various agreements, services such as financial management, operational management, accounting, payroll, internal audit, human resources management, tax, legal, investment advisory, and data processing are provided for or by the Sentara Group and its affiliates as follows:

SHICNC has an Administrative Services and Marketing Agreement with SHP, effective September 30, 2016. Under this agreement, SHP provides SHICNC with administrative services such as: finance, information technology, human resources and legal. When SHICNC begins writing business, the agreement will also provide such services as: underwriting, clinic management, quality improvement support, claims administration, enrollment, provider relations, and other services. SHICNC incurred fees of \$50,168 and \$48,363 under these affiliated agreement in 2022 and 2021, respectively.

SHICNC has a Tax Allocation Agreement with SHP, effective January 1, 2009, and amended November 2, 2016. Under this agreement, SHP establishes a method of allocating the consolidated tax liabilities of the affiliated entities within the Sentara Healthcare holding company system, as well as the payment of refunds from carryback of losses or tax credits earned in subsequent years and compensation for the use of tax credits and for reimbursing SHP for the payment of the tax liabilities incurred.

SMANC has an Administrative Services Agreement with SHP effective January 1, 2020. Under this agreement, SHP provides SMANC with administrative services such as: finance, information technology, human resources, legal and risk management. When SMANC begins writing business, the agreement will also provide such services as underwriting, claims administration, utilization management, contract management, compliance, and other services. SMANC incurred fees of \$5,800 and \$750 under this affiliated agreement in 2022 and 2021, respectively.

## **TERRITORY AND PLAN OF OPERATION**

### **OFCNC**

OFCNC commenced operations as a licensed prepaid health plan on April 5, 2019. OFCNC may participate in North Carolina’s Medicaid managed care program once it receives a contract from the North Carolina Department of Health and Human Services (“NCDHHS”). OFCNC has not received a contract from NCDHHS and has not written any business since its inception. OFCNC’s license is restricted to “No New Business.”

At December 31, 2022, OFCNC was authorized to write business in Regions 4, 5, and 6, which include the following North Carolina counties:

Alamance	Columbus	Granville	Lenoir	Pasquotank	Vance
Beaufort	Craven	Greene	Martin	Pender	Wake
Bertie	Cumberland	Halifax	Montgomery	Perquimans	Warren
Bladen	Currituck	Harnett	Moore	Person	Washington
Brunswick	Dare	Hertford	Nash	Pitt	Wayne
Camden	Durham	Hoke	New Hanover	Richmond	Wilson
Carteret	Duplin	Hyde	Northampton	Robeson	
Caswell	Edgecombe	Johnston	Onslow	Sampson	
Chatham	Franklin	Jones	Orange	Scotland	
Chowan	Gates	Lee	Pamlico	Tyrell	

### **SHICNC**

SHICNC commenced operations as a licensed stock life insurance company on November 14, 2014, with the authority to write cancellable accident and health insurance only in North Carolina. SHICNC has not written any business and its license is currently restricted to “No New Direct or Assumed Business.”

### **SMANC**

SMANC commenced operations as a licensed health maintenance organization on January 1, 2020, with the authority to write Medicare Advantage Part C business. SMANC has not written any business and its license is currently restricted to “No New Direct or Assumed Business.”

At December 31, 2022, SMANC was authorized to write business in the following North Carolina counties:

Alamance	Caldwell	Davie	Lincoln	Perquimans	Stanly
Alexander	Camden	Forsyth	McDowell	Polk	Stokes
Alleghany	Catawba	Gaston	Mecklenburg	Randolph	Surry
Anson	Chowan	Gates	Mitchell	Richmond	Union
Ashe	Cleveland	Guilford	Montgomery	Rockingham	Watauga
Avery	Currituck	Halifax	Moore	Rowan	Wilkes
Burke	Dare	Hertford	Northampton	Rutherford	Yadkin
Cabarrus	Davidson	Iredell	Pasquotank	Scotland	

## **GROWTH OF THE COMPANIES**

The data obtained from annual statements filed with the Department, as reflected in Appendix B, illustrates the growth of the companies within the Sentara Group for the five-year period ended December 31, 2022. (Refer to Appendix B)

## **ACTUARIAL OPINION**

Every health insurance company doing business in this State, unless otherwise exempted by the Commissioner, shall annually have an Actuarial Opinion and Actuarial Memorandum made available to the Board in accordance with the Annual Statement Instructions and GS § 58-2-165(c).

In accordance with the NAIC Annual Statement Instructions, OFCNC, SMANC, and SHICNC applied for and were granted an automatic exemption from the annual requirement to obtain a Statement of Actuarial Opinion for each year in the examination period, including the year ended December 31, 2022. The exemption is automatically granted if “an insurer has less than \$1,000,000 total direct plus assumed written premiums during a calendar year, and less than \$1,000,000 total direct plus assumed loss and loss adjustment expense reserves at year-end.”

## **FINANCIAL STATEMENTS**

The financial statements in the Appendix A are based on the statutory financial statements filed with the Department and present the financial condition of each company in the Sentara Group for the period ending December 31, 2022. The supporting tables and exhibits present the information required to be included, in conformity with reporting practices prescribed by the Department.

## COMMENTS ON FINANCIAL STATEMENTS

### Basis of Presentation and Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the basis of the accounting practices prescribed or permitted by the Department.

The more significant accounting policies followed by the Sentara Group are as follows:

**Cash and short-term investments:** Carried at amortized cost.

### Capital and Surplus

The following, in conjunction with the Statutory Statement of Capital and Surplus in Appendix A, represents the changes in capital and surplus of OFCNC and SMANC since their inception:

OFCNC	2021	2020	2019
<b>Surplus, beginning of year</b>	<b>\$1,507,678</b>	<b>\$1,506,264</b>	<b>\$0</b>
Surplus increases (decreases):			
Net income (loss)	(6)	1,413	6,264
Change in net unrealized capital gains	33	-	-
Surplus paid in	-	-	1,500,000
Change in surplus as regards policyholders for the year	27	1,413	1,506,264
<b>Surplus, end of year</b>	<b>\$1,507,705</b>	<b>\$1,507,678</b>	<b>\$1,506,264</b>

SMANC	2021	2020
<b>Surplus, beginning of year</b>	<b>\$33,000,522</b>	<b>\$ 0</b>
Surplus increases (decreases):		
Net income (loss)	(570)	522
Surplus paid in	-	33,000,000
Change in surplus as regards policyholders for the year	(570)	33,000,522
<b>Surplus, end of year</b>	<b>\$32,999,952</b>	<b>\$33,000,522</b>

The following, in conjunction with the Statutory Statement of Capital and Surplus in Appendix A, represents the changes in capital and surplus of SHICNC since the Department's last examination as of December 31, 2018:

SHICNC	2021	2020	2019
<b>Capital and surplus, beginning of year</b>	<b>\$2,635,968</b>	<b>\$ 2,574,460</b>	<b>\$ 2,539,582</b>
Capital and surplus increases:			
Net income	6,323	61,508	34,878
Change in capital and surplus as regards policyholders for the year	6,323	61,508	34,878
<b>Capital and surplus, end of year</b>	<b>\$2,642,291</b>	<b>\$2,635,968</b>	<b>\$2,574,460</b>

## **SUBSEQUENT EVENTS**

On May 23, 2023, the Board of the Parent, approved the following officer changes:

Colin Drozdowski replaced Dennis Matheis as President of SMANC.

Sharon Dajon was appointed as the Assistant Secretary of SMANC.

Sharilyn Campbell was appointed as the Chief Financial Officer for SMANC, OFCNC, and SHICNC.

On June 1, 2023, the Sentara Group changed its main administrative and statutory home office from 4417 Corporation Lane, Virginia Beach, Virginia to 1300 Sentara Park, Virginia Beach, Virginia.

**Sentra Group**  
**DISTRIBUTION OF REPORT ON EXAMINATION**  
**December 31, 2022**

Michael Truesdale, Senior Director of Finance  
Sentara Health Plan  
1300 Sentara Park  
Virginia Beach, Virginia 23462



## CONCLUSION

The examination procedures, described, herein, revealed no material adverse findings or adjustments to surplus.

We conclude that SHICNC compiles with the minimum capital and surplus requirements of GS § 58-7-75 for the kinds of insurance that SHICNC has been authorized to write, which is \$500,000.

We conclude that SMANC compiles with the minimum net worth requirements of GS § 58-67-110 for the kinds of insurance that SMANC has been authorized to write, which is \$1,000,000.

We conclude that OFCNC compiles with the minimum capital and surplus requirements of GS § 58-93-70 for the kinds of insurance that OFCNC has been authorized to write, which is \$1,000,000.

The courteous cooperation and assistance extended by the officers and employees of the Sentra Group during the examination is hereby acknowledged.

Respectfully submitted,



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Monique D. Smith CPA, CFE, CIA  
Deputy Commissioner  
North Carolina Department of Insurance

March 26, 2024

STATE OF NORTH CAROLINA

COUNTY OF WAKE

Bill Keely, Supervising Examiner, North Carolina Department of Insurance, being first, duly sworn, deposes and says that this report on examination, subscribed by him, is true and correct to the best of his knowledge and belief.

Signature: Bill Keely Date: 3/26/24

Sworn and subscribed before me this 26 day of March, 2024.

Notary Public Signature: Jessica N Vaughan Notary Public Seal:

JESSICA N VAUGHAN  
Notary Public, North Carolina  
Wake County  
My Commission Expires  
December 08, 2026

**Sentara Group**  
**Appendix A**  
**December 31, 2022**

**2022 Statutory Statement of Admitted Assets**

	<b>OFCNC</b>	<b>SHICNC</b>	<b>SMANC</b>
Cash and short-term investments	\$1,499,446	\$2,837,698	\$33,000,280
<b>Total cash and invested assets</b>	<b>1,499,446</b>	<b>2,837,698</b>	<b>33,000,280</b>
<b>Total Admitted Assets</b>	<b>\$1,499,446</b>	<b>\$2,837,698</b>	<b>\$33,000,280</b>

### 2022 Statement of Liabilities, Capital, and Surplus

	OFCNC	SHICNC	SMANC
Payable to parent, subsidiaries, and affiliates	\$221	\$50,168	\$2,725
<b>Total liabilities</b>	<b>221</b>	<b>50,168</b>	<b>2,725</b>
Common capital stock	-	1,000,000	-
Gross paid in and contributed surplus	1,500,000	1,500,000	33,000,000
Unassigned funds	(776)	287,529	(2,445)
Total capital and surplus as regards policyholders	<b>1,499,224</b>	<b>2,787,529</b>	<b>32,997,555</b>
<b>Total Liabilities, Capital, and Surplus</b>	<b>\$1,499,446</b>	<b>\$2,837,698</b>	<b>\$33,000,280</b>

## 2022 Statutory Statement of Income

	OFCNC	SHICNC	SMANC
General administrative expenses incurred	\$14,034	\$11,761	\$7,800
Total underwriting deductions	14,034	11,761	7,800
<b>Net underwriting gain (loss)</b>	<b>(14,034)</b>	<b>(11,761)</b>	<b>(7,800)</b>
<b>Investment Income</b>			
Net investment income earned	5,553	196,735	5,403
<b>Net investment gain</b>	<b>5,553</b>	<b>196,735</b>	<b>5,403</b>
<b>Net income before dividends to policyholders</b>	<b>(8,481)</b>	<b>184,974</b>	<b>(2,397)</b>
Federal income taxes incurred	-	38,407	-
<b>Net Income (Loss)</b>	<b>\$(8,481)</b>	<b>\$146,567</b>	<b>\$(2,397)</b>

### Statutory Statement of Capital and Surplus

	OFCNC	SHICNC	SMANC
<b>Capital and surplus, beginning of year</b>	<b>\$1,507,705</b>	<b>\$2,641,023</b>	<b>\$32,999,952</b>
Capital and surplus increases (decreases):			
Net income (loss)	(8,481)	146,567	(2,397)
Change in net unrealized capital gains	-	(60)	-
Change in capital and surplus as regards policyholders for the year	(8,481)	146,507	(2,397)
<b>Capital and surplus, end of year</b>	<b>\$1,499,224</b>	<b>\$2,787,530</b>	<b>\$32,997,555</b>

## 2022 Statutory Statement of Cash Flow

	OFCNC	SHICNC	SMANC
<b>Cash From Operations</b>			
Net investment income	\$5,552	\$196,735	\$5,403
<b>Total</b>	<b>5,552</b>	<b>196,735</b>	<b>5,403</b>
Commissions, expenses paid and aggregate write-ins	14,034	11,761	7,800
Federal income taxes paid	-	38,407	-
<b>Total</b>	<b>14,034</b>	<b>50,168</b>	<b>7,800</b>
<b>Net cash from (used by) operations</b>	<b>(8,481)</b>	<b>146,567</b>	<b>(2,397)</b>
<b>Cash Used by Investments</b>			
Miscellaneous applications	-	(60)	-
<b>Net cash used by investments</b>	<b>-</b>	<b>(60)</b>	<b>-</b>
<b>Cash From Financing and Miscellaneous Sources</b>			
Other cash provided	222	1,805	1,975
<b>Net cash from financing and miscellaneous sources</b>	<b>222</b>	<b>1,805</b>	<b>1,975</b>
Reconciliation of Cash and Short-Term Investments			
Net change in cash and short-term investments	(8,259)	148,312	(422)
Cash and short-term investments, beginning of year	1,507,705	2,689,385	33,000,702
<b>Cash and short-term investments, end of year</b>	<b>\$1,499,446</b>	<b>\$2,837,697</b>	<b>\$33,000,280</b>

**Sentara Group  
Appendix B  
December 31, 2022**

**Growth of the Companies**

The following data, obtained from annual statements filed with the Department, illustrates the trends of OFCNC and SMANC since their inception:

**OFCNC**

<b>Year</b>	<b>Net Admitted Assets</b>	<b>Capital and Surplus</b>	<b>Gross Premiums Written</b>	<b>Net Earned Premiums</b>	<b>Net Income (Loss)</b>
<b>2022</b>	\$1,499,446	\$1,499,224	\$-	\$-	(\$8,481)
<b>2021</b>	\$1,507,705	\$1,507,705	\$-	\$-	(\$6)
<b>2020</b>	\$1,507,678	\$1,507,678	\$-	\$-	\$1,413
<b>2019</b>	\$1,506,264	\$1,506,264	\$-	\$-	\$6,264

**SMANC**

<b>Year</b>	<b>Net Admitted Assets</b>	<b>Capital and Surplus</b>	<b>Gross Premiums Written</b>	<b>Net Earned Premiums</b>	<b>Net Income (Loss)</b>
<b>2022</b>	\$33,000,280	\$32,997,555	\$-	\$-	(\$2,397)
<b>2021</b>	\$33,000,702	\$32,999,952	\$-	\$-	(\$570)
<b>2020</b>	\$33,000,672	\$33,000,522	\$-	\$-	\$522



**SHICNC**

The following data, obtained from annual statements filed with the Department, illustrates the trends of SHICNC for the five-year period ended 2022:

<b>Year</b>	<b>Net Admitted Assets</b>	<b>Capital and Surplus</b>	<b>Gross Premiums Written</b>	<b>Net Earned Premiums</b>	<b>Net Income</b>
<b>2022</b>	\$2,837,698	\$2,787,529	\$-	\$-	\$146,567
<b>2021</b>	\$2,689,386	\$2,641,023	\$-	\$-	\$4,995
<b>2020</b>	\$2,680,520	\$2,635,968	\$-	\$-	\$61,508
<b>2019</b>	\$2,605,209	\$2,574,460	\$-	\$-	\$34,878
<b>2018</b>	\$2,553,111	\$2,539,582	\$-	\$-	\$22,791