



**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 the Report on Examination of Cigna Dental Health of North Carolina, Inc. as of December 31, 2023 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 30th day of June, 2025.



Mike Causey  
Commissioner of Insurance

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

**Cigna Dental Health of North Carolina, Inc.**

Raleigh, North Carolina

**Report on Examination**

As of December 31, 2023

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May 22, 2025

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

Sir:

Pursuant to your instructions and in accordance with Section (“§”) 58-67-100 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

**Cigna Dental Health of North Carolina, Inc.**

(hereinafter referred to as the “Company”), acknowledging that its main administrative office is located at 1571 Sawgrass Corporate Parkway Suite 300, Sunrise, Florida 33323. The Company’s statutory home office is located at 225 Hillsborough Street, Raleigh, North Carolina 27603. The following report on examination is respectfully submitted.

**SCOPE OF THE EXAMINATION**

We performed a full-scope statutory examination of the Company. This examination covered the period from January 1, 2019, to December 31, 2023, 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 the Company was as of December 31, 2018.

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

This was a coordinated financial examination of forty (40) insurance company subsidiaries of The Cigna Group, collectively known as "Cigna Insurance Group". Connecticut served as the Lead and Facilitating State, and Participating States included Arizona, Colorado, Delaware, Florida, Georgia, Indiana, Illinois, Kentucky, Maryland, Missouri, Montana, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Tennessee and Virginia.

The following table lists the forty (40) insurance company subsidiaries included in the Cigna Insurance Group:

<b>Description</b>	<b>State of Domicile</b>	<b>NAIC Company Code</b>
Cigna Healthcare of Arizona, Inc.	Arizona	95125
Cigna Dental Health Plan of Arizona, Inc.	Arizona	47013
Cigna Healthcare of Colorado, Inc.	Colorado	95604
Cigna Health & Life Insurance Company	Connecticut	67369
Connecticut General Life Insurance Company	Connecticut	62308
Cigna Healthcare of Connecticut, Inc.	Connecticut	95660
Cigna Arbor Life Insurance Company	Connecticut	13733
Cigna Worldwide Insurance Company	Delaware	90859
Cigna Dental Health of Delaware, Inc.	Delaware	95380
HealthSpring of Florida, Inc.	Florida	11532
Cigna Healthcare of Florida, Inc.	Florida	95136
Cigna Healthcare of Georgia, Inc.	Georgia	96229
Cigna Healthcare of Illinois, Inc.	Illinois	95602
Sterling Life Insurance Company	Illinois	77399
Cigna Healthcare of Indiana, Inc.	Indiana	95525
Cigna Dental Health of Kentucky, Inc.	Kentucky	52108
Bravo Health Mid-Atlantic, Inc.	Maryland	10095
Cigna Dental Health of Maryland, Inc.	Maryland	48119
Cigna Healthcare of St Louis, Inc.	Missouri	95635
Cigna Dental Health of Missouri, Inc.	Missouri	11160
Allegiance Life & Health Insurance Company, Inc.	Montana	12814
Cigna Healthcare of North Carolina, Inc.	North Carolina	95132
Cigna Dental Health of North Carolina, Inc.	North Carolina	95179
Carecore NJ LLC	New Jersey	10144
Cigna Dental Health of New Jersey, Inc.	New Jersey	11167
Cigna Healthcare of New Jersey, Inc.	New Jersey	95500
American Retirement Life Insurance Company	Ohio	88366
Loyal Amer Life Insurance Company	Ohio	65722
Cigna National Health Insurance Company	Ohio	61727
Cigna Dental Health of Ohio, Inc.	Ohio	47805
Provident Amer Life & Health Insurance Company	Ohio	67903
Cigna Insurance Company	Ohio	65269
Bravo Health Pennsylvania, Inc.	Pennsylvania	11524
Cigna Dental Health of Pennsylvania, Inc.	Pennsylvania	47041
Cigna Healthcare of South Carolina, Inc.	South Carolina	95708
Cigna Healthcare of Tennessee, Inc.	Tennessee	95606
Healthspring Life & Health Insurance Company, Inc.	Texas	12902
Cigna Healthcare of Texas, Inc.	Texas	95383
Cigna Dental Health of Texas, Inc.	Texas	95037
Cigna Dental Health of Virginia, Inc.	Virginia	52617

We conducted our examination in accordance with auditing 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 Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process and the following key functional activities were identified:

Actuarial Reserving/Pricing  
Capital and Surplus  
Claims Handling and Reserving  
Financial Reporting  
Investments  
Related Parties  
Taxes and Expenses  
Underwriting and Premiums

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 Company’s financial statements.

This examination report includes significant findings of fact 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 the Company.

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

The books and records of the Company are audited annually by independent certified public accountants in accordance with GS § 58-10-185(a). PricewaterhouseCoopers, LLP of Hartford, Connecticut, the designated independent public accountant of the Company, issued an unmodified opinion for each year subsequent to the Department’s prior examination through, and including, the year ended December 31, 2023.

## REPORT ACRONYMS

Board of Directors	“Board”
Cigna Dental Health, Inc.	“Cigna Dental”
Cigna Dental Health of North Carolina, Inc	“Company”
Cigna Health and Life Insurance Company	“Cigna Health & Life”
Cigna Investments, Inc.	“Cigna Investments”
Financial Condition Examiners Handbook	“Handbook”
General Statutes of North Carolina	“GS”
Health Maintenance Organization	“HMO”
Information Technology General Controls	“ITGCs”
Information Technology Planning Questionnaire	“ITPQ”
National Association of Insurance Commissioners	“NAIC”
North Carolina Department of Insurance	“Department”

## SUMMARY OF SIGNIFICANT FINDINGS

### COMMENTS, RECOMMENDATIONS AND DIRECTIVES

- a. The Company did not maintain evidence that its investment transactions in 2023 were authorized or approved by the Board of Directors (“Board”) as required by GS § 58-7-168. The Company is directed to comply with GS § 58-7-168 by maintaining meeting minutes of the Board’s authorization and approval of investments.
- b. The Company did not properly disclose its related party transactions regarding its the dental access and services agreement with Cigna Dental Health, Inc. (“Cigna Dental”) in the Notes to the 2023 Annual Statement according to the NAIC Health Annual Statement Instructions. (Refer to Related Party Agreements) The Company is directed to ensure accurate reporting to the Department in future filings pursuant to GS § 58-2-165(c).

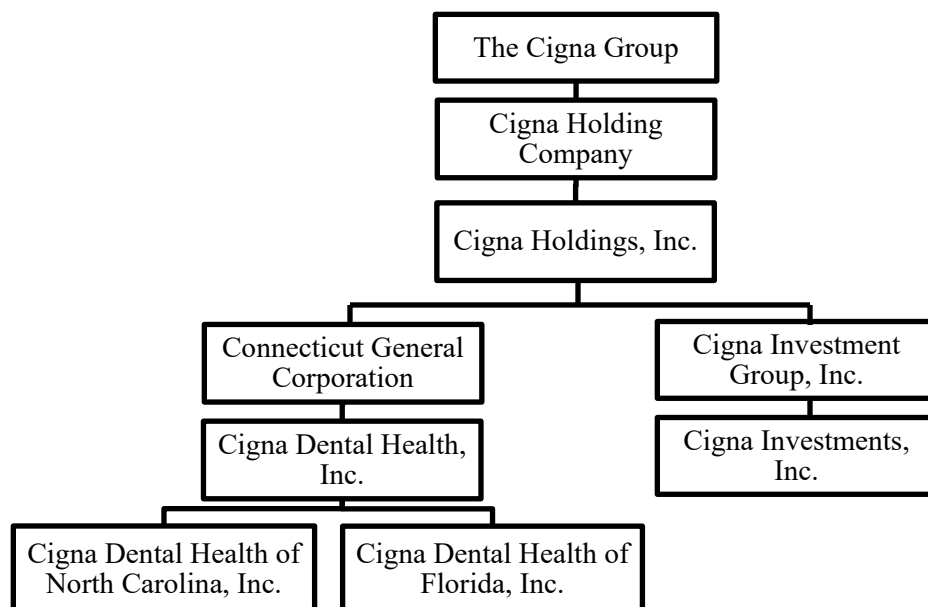
## ORGANIZATIONAL STRUCTURE

The Company is part of an insurance holding company system as defined in GS § 58-19 and is wholly owned by Cigna Dental, a Florida corporation. Cigna Dental and Cigna Health Corporation are wholly owned by Connecticut General Corporation, a Connecticut corporation..

Connecticut General Corporation is wholly owned by Cigna Holdings, Inc., a Delaware corporation. Cigna Holdings, Inc. is wholly owned by Cigna Holding Company, a Delaware corporation. Cigna Holdings, Inc. wholly owns Cigna Investment Group, Inc., a Delaware corporation. Cigna Investment Group, Inc. wholly owns Cigna Investments, Inc. (“Cigna Investments”), a Delaware corporation, that provides investment advisory services to the Company. Cigna Holding Company is wholly owned by The Cigna Group, a publicly-traded global health services organization incorporated in Delaware and the ultimate parent company.

## ORGANIZATIONAL CHART

The Company's 2023 Annual Statement Schedule Y contains a complete organizational chart. The following is a summarized organizational chart of the Company within the holding company group as of December 31, 2023:



## COMPANY HISTORY

The Company was incorporated in North Carolina in 1992 and commenced operations on January 1, 1993, as a dental Health Maintenance Organization (“HMO”) to provide dental health services throughout North Carolina. On February 13, 2023, the Company's ultimate parent changed its name from Cigna Corporation to The Cigna Group.

## CAPITAL STOCK

As of December 31, 2023, the Company's capitalization consisted of the following:

Description	Value
Number of authorized common capital shares	1,000
Number of shares issued and outstanding	1,000
Total common capital stock	\$1,000
Par value per share	\$1.00

The Company received no additional surplus contributions during the examination period. At December 31, 2023, the Company reported \$5,479,000 in gross paid-in and contributed surplus and \$1,671,595 in unassigned funds.



## DIVIDENDS TO STOCKHOLDER

Dividends on common stock are paid as declared by the Board of the Company. Under the insurance regulations of North Carolina, the maximum amount of ordinary dividends which the Company may pay to its shareholder 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 Company paid no dividends during the examination period.

## MANAGEMENT AND CONTROL

### CORPORATE GOVERNANCE

#### Shareholder

The bylaws of the Company provide that an annual meeting of the shareholder be held at such time and place as the Board may appoint. Special meetings of the shareholder may be called at any time by the chairman of the Board, the president or by any two members of the Board.

#### Board of Directors

The business of the Company is conducted by its management team and subject to review by the Board. The bylaws specify that the number of directors shall be no less than three (3) and no more than five (5). Directors are elected annually, at the annual meeting of the shareholder or by the written consent of the shareholder, and each director elected shall hold office until a successor is elected and qualified. Directors are not independent due to their dual roles as employees of The Cigna Group or its affiliates.

The following individuals served as directors as of December 31, 2023:

Name	Location	Principal Occupation
Manish Naik	McLean, VA	Vice President, Vision & Dental Segment, The Cigna Group
Puja Lakdawala	Bloomfield, CT	Business Financial Senior Director, The Cigna Group
Julia Huggins	Baltimore, MD	Senior Vice President US Markets, The Cigna Group

As the ultimate controlling party, The Cigna Group, has a Board that established the following committees to provide group level oversight: Executive, Audit, Finance, Corporate Governance, Compliance and People Resource.

The Company appointed the Audit Committee of Connecticut General Corporation to act on behalf of the Company for the purpose of complying with the Annual Financial Reporting Law in GS Chapter 58 Article 10 Part 7.

The following individuals served on the Audit Committee as of December 31, 2023:

**Audit Committee**

Mary Agoglia Hoeltzel - Chair

Ryan Loyd

Matthew Lynch

John Mimlitz

Andrea Nelson

John Rottkamp

James Yalecki

**Officers**

The bylaws provide that the Board will elect the officers of the Company. The officers of the Company shall consist of a president, vice president(s), secretary, and other officers the Board may from time to time appoint. Any two or more offices may be held by the same person, but no officer may act in more than one capacity where action of two or more officers is required.

The following individuals served as officers of the Company as of December 31, 2023:

<b>Name</b>	<b>Title</b>
Manish Naik	President
Geneva Brown	Secretary and Senior Counsel
Scott Ronald Lambert	Treasurer, Vice President and Treasury Analysis Managing Director
Rebecca Skripol	Actuary and Actuarial Senior Director
Mark Paul Flemming	Vice President and Treasury Senior Manager
Kathleen Murphy O'Neil	Vice President and Accounting Senior Director
Lance Manual Thomas	Vice President of Dental & Vision Care Application Solutions
Julia Huggins	Vice President of United States Markets
Joanne Ruth Hart	Vice President and Treasury Senior Director

**CODE OF CONDUCT AND CONFLICT OF INTEREST**

The Company has an established policy and procedure to identify existing or potential conflicts of interest and to report the same to the Board. Annually, the Company 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 Company acted in accordance with its policies and procedures for disclosure of conflicts of interest.

**CORPORATE RECORDS**

We reviewed the minutes of the meetings of the Board and its committees for the period under examination. Based on our review, it appears that the minutes documented the Company's significant transactions and events, and the directors' approval of these transactions and events, except for the review and approval of investment transactions. (Refer to the Summary of Significant Findings)

The Company's articles of incorporation and bylaws were reviewed for any changes during the period under examination. Based on our review, it appears that there were no changes made to the Company's articles of incorporation or bylaws during the examination period.

## **STATUTORY DEPOSITS**

Statutory deposits are maintained as required by insurance regulatory agencies for doing business in such jurisdictions. At December 31, 2023, the Company maintained a statutory deposit in North Carolina totaling \$385,278.

## **ACCOUNTS AND RECORDS**

The Company's books and records are maintained at the main administrative office at 1571 Sawgrass Corporate Parkway Suite 300, Sunrise, Florida 33323.

## **INFORMATION TECHNOLOGY CONTROLS**

A risk-based assessment and review of the Cigna Insurance Group's Information Technology General Controls ("ITGCs") was completed in accordance with the NAIC requirements as outlined in the Handbook. The guidance and direction used to perform the review of the Cigna Insurance Group's ITGCs were derived from Exhibit C Part 1 - Information Technology Planning Questionnaire ("ITPQ") and Exhibit C Part 2 – Information Technology Work Program (collectively, Exhibit C). The Cigna Insurance Group's responses to the ITPQ were evaluated, and certain controls within the IT control environment were tested to assess whether the selected controls were designed effectively and were functioning properly.

The IT review's objectives were to obtain reasonable assurance about whether:

- a. The Cigna Insurance Group had a process in place to effectively identify, mitigate and manage its IT risks;
- b. The Cigna Insurance Group's control structure, policies and procedures were suitably designed to achieve the control objectives specified in Exhibit C; and
- c. The Cigna Insurance Group complied with those policies and procedures.

The objectives above were achieved through a combination of reviewing the Cigna Insurance Group's policies and procedures, testing in key areas related to Exhibit C, interviewing the Cigna Insurance Group's IT management, reviewing IT risk assessment processes and leveraging relevant risk assessment procedures performed by PricewaterhouseCoopers, LLP and Cigna Insurance Group's internal audit.

Based upon the risk-based assessment and review, The Cigna Insurance Group's ITGCs were determined to be effective.

## **FIDELITY BONDS AND OTHER INSURANCE**

The Company is a named insured under a fidelity bond issued to The Cigna Group with coverage totaling \$15,000,000 in aggregate. The coverage exceeded the minimum amount of fidelity bond coverage recommended by the Handbook for The Cigna Group on a consolidated basis.

In addition, the Company is a named insured on various corporate property and liability policies issued to The Cigna Group, which appeared to be adequate to cover risks in the normal course of business.

## **EMPLOYEE BENEFITS AND PENSION PLANS**

Cigna Health & Life provides certain post-retirement benefits to retired employees, spouses and other eligible dependents through a plan sponsored by the Cigna Group. Cigna Health & Life also participates in a capital accumulation 401(k) plan sponsored by the Cigna Group in which employee contributions are supplemented by employer matching contributions. The Company has no legal obligation for benefits under these plans.

## **RELATED PARTY AGREEMENTS**

The Company is a member of an insurance holding company system and related-party activities have a significant impact on the financial condition of the Company. The majority of the Company's contracts and agreements were with affiliated entities in 2023.

### Administrative Services Agreement

The Company is party to an Administrative Services Agreement effective July 31, 2002, whereby Cigna Dental Health of FL, Inc. and Cigna Dental provide administrative services to the Company for a fixed monthly fee on a per-member per-month basis which are based on the Company's plan participants as a percentage of total applicable participants for the Company and its affiliates. The terms of the agreement require amounts to be settled within 30 days. The Company incurred administrative services fees totaling \$571,511 and \$656,844 in 2023 and 2022, respectively.

### Investment Advisory Agreement

The Company has an Investment Advisory Agreement with Cigna Investments effective October 16, 2009, whereby Cigna Investments serves as the Company's investment advisor. Fees under this agreement are allocated based on the Company's proportionate share of the total publicly traded and non-publicly traded securities of the total value of all such publicly traded and non-publicly traded securities managed by Cigna Investments. Under this agreement, the Company incurred expenses totaling \$2,087 and \$2,937 in 2023 and 2022, respectively.

### Tax Sharing Agreement

The Company participates in The Cigna Group's Consolidated State Tax Sharing Agreement, effective January 1, 2019, which provides a legal obligation to file a unitary state tax return which will compute and unify state tax liabilities for an applicable group in accordance with applicable state laws. No tax liabilities are allocated to the individual companies within the group that have no positive net income and companies with net losses may be paid to the extent that those losses reduce the group's state tax liability. Group members that are allocated a unitary state tax liability shall pay the filing company amounts due by no later than 90 days after the state tax filing is made. The Company incurred no charges under this agreement in 2023 and 2022.

### Dental Network Agreement

The Company has a Dental Network Agreement with Cigna Dental effective January 1, 2023, whereby Cigna Dental provides network access and facilitates the administration of covered dental services to member participant through health care providers that are employed by- or under contract with Cigna Dental. Under this agreement, the Company earned net fee income totaling \$45,879 in 2023. (Refer to the Summary of Significant Findings)

## **TERRITORY AND PLAN OF OPERATION**

The Company is a dental HMO which provides comprehensive dental health services to customers for predetermined prepaid monthly fees. The Company pays monthly fees for dental care services provided to its customers by participating dental care providers based upon the number of individuals enrolled in the plan. The Company is licensed to write insurance in all counties in the state of North Carolina.

### **TRENDS OF THE COMPANY**

The following data, obtained from annual statements filed with the Department, illustrates the trends of the Company for the five-year period ended December 31, 2023:

<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>
2023	\$7,733,738	\$7,151,595	\$7,440,547	\$7,440,547	\$1,161,222
2022	\$6,558,754	\$5,989,526	\$7,292,370	\$7,292,370	\$1,069,861
2021	\$5,489,777	\$4,919,984	\$7,156,348	\$7,156,348	\$861,889
2020	\$4,540,127	\$4,058,263	\$6,555,806	\$6,555,806	\$866,858
2019	\$3,555,657	\$3,191,103	\$5,540,389	\$5,540,389	\$427,620

### **ACTUARIAL OPINION**

Every health insurance company doing business in this State, unless otherwise exempted by the Commissioner, shall annually submit the opinion of an appointed actuary and an actuarial opinion summary in accordance with GS § 58-2-165(c).

The statutory reserves and related items for 2023 were reviewed and certified by the Company's Appointed Actuary, Rebecca A. Skripol, FSA, MAAA, Vice President and Actuary of the Company. Actuarial opinions regarding the Company's reserves for claims unpaid, claims unpaid adjustment expenses and premium deficiency reserves were issued by an appointed actuary for all years in the examination period. The appointed actuary evaluated the data provided by the Company for reasonableness and consistency of the claims unpaid, claims unpaid adjustment expenses and premium deficiency reserves. According to the actuarial opinions, the Company's reserves for claims unpaid, claims unpaid adjustment expenses and premium deficiency reserves met the requirements of the insurance laws of North Carolina; were consistent with reserves computed in accordance with accepted actuarial standards and principles; and made a reasonable provision for all claims unpaid and claims unpaid expense obligations of the Company.

## **FINANCIAL STATEMENTS**

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of the Company for the period ending December 31, 2023. The supporting exhibits present the information required to be included, in conformity with reporting practices prescribed by the Department. The financial statements and supporting schedules as of December 31, 2022, are unexamined and are presented for comparative purposes only.

**Cigna Dental Health of North Carolina, Inc.**  
**Statutory Statement of Admitted Assets**  
**December 31, 2023**

	<b>2023</b>	<b>2022</b> <i>(unexamined)</i>
Bonds	\$385,278	\$385,333
Cash, cash equivalents and short-term investments	6,551,457	5,422,348
<b>Total cash and invested assets</b>	<b>6,936,735</b>	<b>5,807,681</b>
Investment income due and accrued	1,553	1,562
Uncollected premiums and agents' balances in the course of collection	619,908	628,337
Net deferred tax asset	1,987	2,028
Receivable from parent, subsidiaries and affiliates	173,555	119,146
<b>Total admitted assets</b>	<b>\$7,733,738</b>	<b>\$6,558,754</b>

**Cigna Dental Health of North Carolina**  
**Statutory Statement of Liabilities, Capital and Surplus**  
**December 31, 2023**

	<b>2023</b>	<b>2022</b> <i>(unexamined)</i>
Claims unpaid	\$479,164	\$456,969
Unpaid claims adjustment expenses	5,372	5,064
Premiums received in advance	12,022	14,238
General expenses due or accrued	15,378	20,276
Current federal and foreign income tax payable and interest thereon	63,863	67,182
Remittances and items not allocated	6,344	5,499
<b>Total liabilities</b>	<b>582,143</b>	<b>569,228</b>
Common capital stock	1,000	1,000
Gross paid in and contributed surplus	5,479,000	5,479,000
Unassigned funds (surplus)	1,671,595	509,526
<b>Total capital and surplus</b>	<b>7,151,595</b>	<b>5,989,526</b>
<b>Total Liabilities, Capital and Surplus</b>	<b>\$7,733,738</b>	<b>\$6,558,754</b>



**Cigna Dental Health of North Carolina, Inc.**  
**Statutory Statement of Operations**  
**December 31, 2023**

	<b>2023</b>	<b>2022</b> <i>(unexamined)</i>
<b>Underwriting income</b>		
Net premium income	\$7,440,547	\$7,292,370
<b>Hospital and medical</b>		
Other professional services	4,767,073	4,608,680
Outside referrals	871,772	712,747
<b>Total hospital and medical subtotal</b>	<b>5,638,845</b>	<b>5,321,427</b>
Claims adjustment expenses	12,510	10,899
General administration expenses	618,626	677,002
<b>Total underwriting deductions</b>	<b>6,269,981</b>	<b>6,009,328</b>
<b>Net underwriting gain</b>	<b>1,170,566</b>	<b>1,283,042</b>
<b>Investment income</b>		
Net investment income earned	299,473	70,885
Net realized capital gains (losses)	(10)	51
<b>Net investment gains</b>	<b>299,463</b>	<b>70,936</b>
<b>Other income</b>		
Net gain from agents' or premium balances charged off	59	52
<b>Net income or after capital gains tax and before federal income taxes</b>	<b>1,470,088</b>	<b>1,354,030</b>
Federal income taxes incurred	308,866	284,169
<b>Net income</b>	<b>\$1,161,222</b>	<b>\$1,069,861</b>

**Cigna Dental Health of North Carolina, Inc.**  
**Statutory Statement of Capital and Surplus**  
**December 31, 2023**

	<b>2023</b>	<b>2022</b> <i>(unexamined)</i>
<b>Capital and surplus, beginning of year</b>	\$5,989,526	\$4,919,984
Net income	1,161,222	1,069,861
Change in net deferred income tax	(41)	(126)
Change in non-admitted assets	888	(193)
<b>Net change in capital and surplus</b>	<b>1,162,069</b>	<b>1,069,542</b>
<b>Capital and surplus, end of year</b>	<b>\$7,151,595</b>	<b>\$5,989,526</b>

**Cigna Dental Health of North Carolina, Inc.**  
**Statutory Statement of Cash Flow**  
**December 31, 2023**

	2023	2022 (unexamined)
<b>Cash from operations</b>		
Premiums collected net of reinsurance	\$7,447,648	\$7,280,826
Net investment income	299,537	70,661
<b>Total</b>	<b>7,747,185</b>	<b>7,351,487</b>
Benefit and loss related payments	5,616,650	5,288,698
Commissions, expenses paid and aggregate write-ins for deductions	635,667	704,192
Federal and foreign income taxes paid (recovered)	312,182	297,165
<b>Total</b>	<b>6,564,499</b>	<b>6,290,056</b>
<b>Net cash from operations</b>	<b>1,182,686</b>	<b>1,061,432</b>
<b>Cash from (used by) investments</b>		
Proceeds from investments sold, matured, or repaid: Net gains or (losses) on cash, cash equivalents and short-term investments	(13)	65
Cost of Investments acquired (long-term only): Bonds	0	49,988
<b>Total investments acquired</b>	<b>0</b>	<b>49,988</b>
<b>Net cash from (used by) investments</b>	<b>(13)</b>	<b>(49,923)</b>
<b>Cash from (used by) financing and miscellaneous sources</b>		
Other cash provided/(applied)	(53,564)	(30,694)
<b>Net cash from (used by) financing and miscellaneous sources</b>	<b>(53,564)</b>	<b>(30,694)</b>
<b>Reconciliation of cash and short-term investments</b>		
Net change in cash and short-term investments	1,129,109	980,815
Cash and short-term investments, beginning of year	5,422,348	4,441,533
Cash and short-term investments, end of year	<b>\$6,551,457</b>	<b>\$5,422,348</b>

## 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 Company are as follows:

**Bonds:** Carried at amortized cost using the scientific method. Bonds with lower credit ratings are carried at the lower of amortized cost or fair value.

**Cash and cash equivalents:** Carried at amortized cost (which approximates fair value) and includes money market instruments and debt securities with maturities of less than one year.

**Premiums:** Insurance premiums are earned over the terms of the policies. The portion of direct premiums written applicable to the unexpired terms of the policies is recorded as unearned premium.

**Non-admitted assets:** Certain assets, such as premiums over 90 days past due are "non-admitted" and are charges against surplus.

**Claims unpaid and unpaid claims adjustment expenses:** Includes amounts determined from individual case estimates and loss reports and amounts, based on experience, for losses incurred but not reported.

### **Analysis of Assets:**

The Company reported uncollected premiums and agents' balances in the course of collection totaling \$787 as non-admitted at December 31, 2023.

### **Summary of Reserves:**

The following provides a reconciliation of the Company's reserves for claims unpaid and unpaid claims adjustment expenses:

	<b>2023</b>	<b>2022</b>
<b>Reserves for claims unpaid and unpaid claims adjustment expenses, beginning of year</b>	\$ 462,033	\$ 429,452
<b>Incurred related to:</b>		
Current year	5,814,619	5,462,302
Prior years	(163,265)	(129,976)
<b>Total incurred</b>	<b>5,651,354</b>	<b>5,332,326</b>
<b>Paid related to:</b>		
Current year	5,330,083	5,000,269
Prior years	298,768	299,476
<b>Total paid</b>	<b>5,628,851</b>	<b>5,299,745</b>
<b>Reserves for claims unpaid and unpaid claims adjustment expenses, end of year</b>	<b>484,536</b>	<b>462,033</b>
<b>Increase in reserves for claims unpaid and unpaid claims adjustment expenses</b>	<b>\$(22,503)</b>	<b>\$(32,581)</b>

### **Capital and Surplus:**

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

	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Capital and surplus, beginning of year</b>	\$4,058,263	\$3,191,103	\$2,762,810
<b>Capital and surplus increases (decreases):</b>			
Net income	861,889	866,858	427,620
Change in net deferred income tax	99	180	(129)
Change in non-admitted assets	(267)	122	801
<b>Change in surplus for the year</b>	<b>861,721</b>	<b>867,160</b>	<b>428,292</b>
<b>Capital and surplus, end of year</b>	<b>\$4,919,984</b>	<b>\$4,058,263</b>	<b>\$3,191,103</b>

## **SUBSEQUENT EVENTS**

On August 16, 2024, the Department issued a no objection letter for the Company's request to pay a \$750,000 ordinary cash dividend to its parent, Cigna Dental on September 10, 2024.

On November 19, 2024, the Department approved the Company's request to pay a \$4,000,000 extraordinary cash dividend to its parent, Cigna Dental on December 16, 2024.

On May 17, 2024, Rossitza Gotchena and Heather Dlugolenski were appointed as directors of the Company replacing Puja Lakdawala and Julia Huggins.

**Cigna Dental Health of North Carolina, Inc.**  
**DISTRIBUTION OF REPORT ON EXAMINATION**  
**December 31, 2023**

Karen Fogarty  
Exam Coordination Manager  
900 Cottage Grove Road, C6ACC  
Bloomfield, Connecticut 06002

Kimberly Schoolcraft  
Exam Coordination Manager  
900 Cottage Grove Road, C6ACC  
Bloomfield, Connecticut 06002

## CONCLUSION

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

We conclude that the Company complies with the \$50,000 minimum net worth requirements of GS § 58-67-110(b) for the kinds of insurance that the Company has been authorized to write, or the amount required pursuant to the risk-based capital provisions of Article 12 of Chapter 58.

The courteous cooperation and assistance extended by the officers and employees of the Company 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

May 22, 2025



STATE OF NORTH CAROLINA

COUNTY OF WAKE

Jeffrey Streyle, 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:



Date:

5/22/25

Sworn and subscribed before me this 22 day of May, 2025.

Notary Public Signature:



Notary Public Seal:

