



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

COMPANY SERVICES GROUP
FINANCIAL EXAMINATION DIVISION

Tel 919.807.6602 Fax 919.807.6635

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 PruittHealth Premier North Carolina, LLC, as of December 31, 2024 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 31st day of March, 2026.



Mike Causey
Commissioner of Insurance

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

PruittHealth Premier North Carolina, LLC

Raleigh, North Carolina

Report on Examination

As of December 31, 2024

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March 3, 2026

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, pursuant to 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

PruittHealth Premier North Carolina, LLC

(hereinafter referred to as the “Company”), acknowledging that its main administrative office is located at 10900 Nuckols Road, Suite 110, Glen Allen, Virginia 23060. The Company’s statutory home office is located at 513 East Whitaker Mill Road, Raleigh, North Carolina 27068. The following report on examination is respectfully submitted.

SCOPE OF THE EXAMINATION

We performed a full-scope statutory examination of the Company. This examination covers the period from January 1, 2022, to December 31, 2024, 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, 2021.

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 multi-state coordinated financial condition examination of the Company and PruittHealth Premier, Inc., which are subsidiaries of UNICO Premier, LLC (“UNICO”), collectively known as the Unico Premier Group. Georgia served as the Lead State and North Carolina was a Participating State.

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:

Capital and Surplus
Claims Handling and Reserving
Eligibility, Enrollment and Revenue
Investments
Reinsurance Ceding
Related Party

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). Lattimore Black Morgan & Cain, P.C. of Brentwood, Tennessee, 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, 2024.

REPORT ACRONYMS

AllyAlign Health, Inc.	“AllyAlign”
Board of Directors	“Board”
Centers for Medicare and Medicaid Services	“CMS”
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”
Institutional Special Needs Plans	“I-SNP”
NAIC Health Annual Statements Instructions	“AS Instructions”
National Association of Insurance Commissioners	“NAIC”
North Carolina Department of Insurance	“Department”
UNICO Premier, LLC	“UNICO”
UNICO Services, Inc.	“UNICO Services”
<u>Unico Premier Group</u>	
PruittHealth Premier, Inc.	
PruittHealth Premier North Carolina, LLC	“Company”

SUMMARY OF SIGNIFICANT FINDINGS

COMMENTS, RECOMMENDATIONS AND DIRECTIVES

- a. The Company did not maintain sufficient meeting minutes related to the Board of Directors’ (“Board”) oversight of key corporate governance areas including 1) appointment of the independent certified public accountant in accordance with GS § 58-10-245 and 2) approval of the investment transactions in accordance with GS § 58-7-168. The Company is directed to comply with GS § 58-10-245 and GS § 58-7-168.
- b. The Company did not execute conflict of interest statements for all officers for the years 2022 through 2024. The Company is directed to comply with Title 11 of the North Carolina Administrative Code Chapter 11C.0117.
- c. The Company indicated that the 2024 Actuarial Memorandum and Actuarial Opinion were received; however, there was no indication in the meeting minutes that these were presented to the Board in accordance with the 2024 NAIC Health Annual Statements Instructions (“AS Instructions”) which state, “The Actuarial Opinion and the Actuarial Memorandum must be made available to the Board of Directors. The minutes of the Board of Directors should indicate that the Appointed Actuary has presented such information to the Board of Directors or the Audit Committee and that the Actuarial Opinion and the Actuarial Memorandum were made available.” The Company is directed to comply with the AS Instructions in accordance with GS § 58-2-165(c) pursuant to GS § 58-67-55.
- d. The Company’s 2024 Actuarial Memorandum did not include sufficient technical content related to the basic data, specifically claim lags, Accrued Medical Incentive Pool and Bonus Amounts, Medicare Part C and Part D risk score accruals associated with late diagnosis data submissions and Health Care Receivables, to support the conclusions. Additionally, the Company’s 2024 Actuarial Memorandum did not include documentation of the reconciliation of data to the Underwriting and Investment Exhibit within the 2024 Annual Statement. The AS Instructions state, “...The Actuarial

Memorandum should contain both narrative and technical components. The narrative component should provide sufficient detail to clearly explain to company management, the regulator, or other authority the findings, recommendations and conclusions, as well as their significance. The technical component would provide sufficient documentation and disclosure for another actuary practicing in the same field to evaluate the work. This technical component must show the analysis from the basic data, (e.g., claim lags) to the conclusions.” The AS Instructions also state, “The Memorandum must also include... Documentation of the required reconciliation from the data used for analysis to the Underwriting and Investment Exhibit, Part 2B.” The Company is directed to comply with the AS Instructions in accordance with GS § 58-2-165(c) pursuant to GS § 58-67-55.

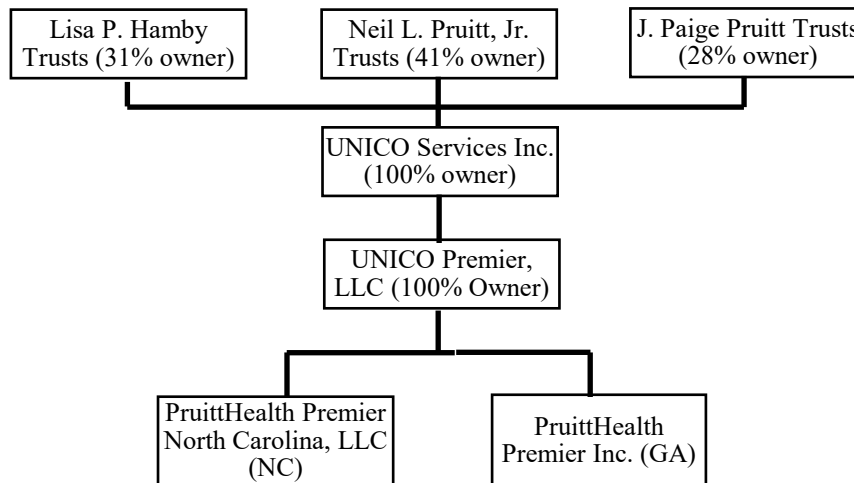
- e. The Company did not properly complete the Supplemental Compensation Exhibit filed with the Department for the years 2022, 2023, and 2024. The AS Instructions require the Company to provide information to regulators concerning payments to senior management and directors that could negatively impact the Company’s financial condition. Insurers that are part of a group of insurers or other holding company system may file amounts paid to officers and employees of more than one insurer in the group or system either on a total gross basis or by allocation to each insurer. The Company is directed to comply with the AS Instructions in accordance with GS § 58-2-165(c) pursuant to GS § 58-67-55.
- f. The Company did not properly disclose multiple related parties and agreements in Note 10 and Schedule Y of its 2024 Annual Statement in accordance with the AS Instructions. The following related parties and agreements were omitted by the Company: ancillary provider agreements with PruittHealth Home Health, Inc., PruittHealth Pharmacy Services, Inc., and PruittHealth Therapy Services, Inc.; a participating nurse practitioner agreement with PruittHealth Physician Services, Inc.; and facility provider services agreements with various affiliated skilled nursing providers. The Company is directed to comply with the AS Instructions in accordance with GS § 58-2-165(c) pursuant to GS § 58-67-55.

ORGANIZATIONAL STRUCTURE

The Company is part of an insurance holding company system as defined in GS § 58-19 and is a wholly owned subsidiary of UNICO, a Georgia corporation, which is a wholly owned subsidiary of UNICO Services, Inc., a Georgia corporation (“UNICO Services”). UNICO Services is owned by trusts in the names of Lisa P. Hamby, Neil L. Pruitt, Jr., and J. Paige Pruitt.

ORGANIZATIONAL CHART

The Company’s 2024 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, 2024:



COMPANY HISTORY

The Company was formed by UNICO and AllyAlign Health, Inc. (“AllyAlign”) on November 6, 2015. At the Company’s inception, UNICO and AllyAlign were members with ownership percentages totaling 60% and 40%, respectively. In 2017, the Company received surplus contributions totaling \$399,499 from UNICO and \$266,299 from AllyAlign.

On April 16, 2018, UNICO committed to ensure the Company remains in compliance with the statutory minimum capital requirement of \$1,000,000 and the risk-based capital ratio requirement of 300%, by providing additional capital to the Company when necessary to maintain a 300% risk-based capital ratio. The Company became licensed as a Health Maintenance Organization (“HMO”) on April 20, 2018, and in 2018, the Company received surplus contributions totaling \$760,000 and \$1,140,000 from AllyAlign and UNICO, respectively.

The Company began writing business on January 1, 2019. On August 8, 2019, the Company issued surplus notes totaling \$174,000 to AllyAlign and \$261,000 to UNICO with an interest rate equal to the Wall Street Journal Prime Rate payable semi-annually. Repayment of the surplus notes may occur when the Company’s total surplus is the greater of risk-based capital or minimum capital and surplus, as required by the Department. (Refer to Surplus Notes)

In 2019, the Company received surplus contributions totaling \$320,000 from AllyAlign and \$480,000 from UNICO. UNICO contributed an additional \$700,000 to surplus in 2020 and AllyAlign's surplus note was converted to contributed surplus in 2021.

Effective March 31, 2021, UNICO acquired AllyAlign's 40% ownership interest and became 100% owner of the Company. In exchange, AllyAlign has no further financial responsibility for the Company.

DIVIDENDS

Dividends to UNICO 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 parent 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. In 2024, the Company paid dividends of \$1,597,694 to UNICO. The Company paid no dividends in 2022 and 2023.

MANAGEMENT AND CONTROL

CORPORATE GOVERNANCE

Members

The operating agreement of the Company provides that meetings of the members will be held from time to time at such time and place as the Board determines.

Board of Directors

The business of the Company is conducted by its management team and subject to review by the Board. The operating agreement specifies that the initial number of directors shall be three (3) as appointed by the initial members, AllyAlign and UNICO. The Board may increase the size of the Board as it shall deem advisable. Directors hold office until they resign, die, become permanently disabled, or are removed.

The following individuals served as directors as of December 31, 2024:

Name	Location	Principal Occupation
Neil Pruitt, Jr.	Norcross, Georgia	Chairman and Chief Executive Officer, Pruitt Health, Inc. and the Company
Fred Watson	Norcross, Georgia	Retired Community Board Member
Randall Loggins	Norcross, Georgia	Chief Financial Officer, Pruitt Health, Inc. and the Company

The Board has established an Audit and Risk Committee to act on behalf of the Company. All directors served on the Audit and Risk Committee as of December 31, 2024.

Officers

The operating agreement provides that officers are elected by a unanimous vote of the Board. The officers of the Company may consist of a president, chief executive officer, secretary, treasurer, chief financial officer, controller, chief operating officer, chairman of the Board, compliance officer or any other executive officer deemed necessary by the Board. Officers may be removed by a majority vote of the Board.

The following individuals served as officers of the Company as of December 31, 2024:

Name	Title
Neil Pruitt Jr.	President
Robert Strang	Treasurer
Ryan Beddingfield	Chief Operating Officer
Phillip Small	Chief Financial Officer
Laura Christopher	Medicare Compliance Officer

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 did not comply with its policy and procedure for disclosure of conflicts of interest. (See Summary of Significant Findings)

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 that the directors approved these transactions and events with the exception of 1) the Board's approval of the appointment of the independent certified public accountant; 2) the Board's review and approval of investment transactions; and 3) the Board's review of the appointed actuary's opinion. (Refer to Summary of Significant Findings)

The Company's articles of incorporation and operating agreement were reviewed for any changes during the period under examination. Based on the review, it appears that no changes to the Company's articles of incorporation or operating agreement were made 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, 2024, the Company maintained statutory deposits in North Carolina and South Carolina totaling \$524,112 and \$307,597, respectively.

ACCOUNTS AND RECORDS

The Company's books and records are maintained at the main administrative office at 10900 Nuckols Road, Suite 110, Glen Allen, Virginia 23060.

The Company utilizes information systems to sell products to customers, to establish services, and maintain customer policies, as well as to gather and report financial information. The Company's environment for internal controls over financial reporting includes application controls and system generated reports supporting its financial reporting functions. The Company utilizes cloud-based applications where possible.

INFORMATION TECHNOLOGY CONTROLS

A risk-based assessment and review of the Unico Premier 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 Unico Premier 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 Unico Premier 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 Unico Premier Group had a process in place to effectively identify, mitigate, and manage its IT risks;
- b. the Unico Premier Group's control structure, policies, and procedures were suitably designed to achieve the control objectives specified in Exhibit C; and
- c. the Unico Premier Group was complying with those policies and procedures.

The objectives above were achieved through a combination of reviewing the Unico Premier Group's policies and procedures, testing key areas related to Exhibit C, interviewing the Unico Premier Group's IT management, reviewing IT risk assessment processes, and leveraging relevant risk assessment procedures performed by Lattimore Black Morgan & Cain, P.C.

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

FIDELITY BONDS AND OTHER INSURANCE

At December 31, 2024, the Company had fidelity bond coverage totaling \$3,000,000 in aggregate, which exceeds the minimum amount of fidelity bond coverage recommended by the Handbook.

In addition, the Company is a named insured on a managed care errors and omissions liability policy issued to its affiliate, PruittHealth Premier, Inc., which appeared to be adequate to cover risks in the normal course of business.

EMPLOYEE BENEFITS AND PENSION PLANS

The Company had no employee benefits or pension plans for the period under examination.

THIRD PARTY AGREEMENTS

The Company has a pharmacy benefit management services agreement, effective October 15, 2018, and amended March 21, 2019, with Navitus Health Solutions, LLC, whereby Navitus Health Solutions, LLC provides pharmacy benefit management services as prescribed in the Medicare Part D Delegation Agreement. These services include prescription drug claims processing, formulary management, pharmacy network administration, rebate management, clinical support, and reporting functions. Navitus administers services in compliance with Medicare requirements and the Centers for Medicare and Medicaid Services

("CMS") guidelines. Under this agreement, the Company incurred fees totaling \$102,070 and \$104,069 in 2024 and 2023, respectively.

The Company has a management service agreement with AllyAlign, effective October 1, 2017, and amended March 31, 2021, whereby AllyAlign provides management services for the Company's Institutional Special Needs Plans ("I-SNP") program. Services provided include administrative information systems, financial systems and services, claims administration and premium collection, underwriting and rating, payment of claims and other support services. Under this agreement, the Company incurred fees totaling \$1,950,133 and \$2,063,537 in 2024 and 2023, respectively.

RELATED PARTY AGREEMENTS

The Company has a Capital Agreement with UNICO effective April 16, 2018, whereby UNICO unconditionally guarantees the capital obligations of the Company to maintain North Carolina statutory minimum level of net worth of one million dollars and to maintain a satisfactory risk-based capital level of 300%. In the event that either obligation is not met, UNICO shall promptly pay the Company amounts sufficient for the Company to meet such obligation.

The Company has an administrative service agreement with PruittHealth, Inc., effective January 1, 2019, whereby PruittHealth, Inc. provides general administrative services and support, including but not limited to accounting, case management, clinical and compliance staffing, compliance, and insurance and bonding. Under this agreement, the Company incurred fees totaling \$853,799 and \$823,060 in 2024 and 2023, respectively.

The Company has an ancillary provider participation agreement, effective January 1, 2019, with PruittHealth Home Health, Inc., whereby PruittHealth Home Health, Inc. provides or arranges medically necessary professional service and/or related healthcare services to individuals designated by the Company. Under this agreement, the Company incurred fees totaling \$0 and \$4,129 in 2024 and 2023, respectively. (See Summary of Significant Findings)

The Company has an ancillary provider participation agreement with PruittHealth Pharmacy Services – Atlanta, Inc., effective September 1, 2021, and amended June 1, 2022, and August 9, 2023, whereby the provider provides health care services to the Company's members. Under this agreement, the Company incurred fees totaling \$5,850,096 and \$6,061,479 in 2024 and 2023, respectively. (See Summary of Significant Findings)

The Company has an ancillary provider participation agreement with PruittHealth Therapy Services, Inc., effective November 1, 2021, and amended August 11, 2023, whereby the provider provides health care services to the Company's members. Under this agreement, the Company incurred fees totaling \$1,466,513 and \$1,639,785 in 2024 and 2023, respectively. (See Summary of Significant Findings)

The Company has a participating nurse practitioner agreement with PruittHealth Physicians Services, LLC, effective January 1, 2019, whereby PruittHealth Physicians Services, LLC provides nurse practitioner health care services to individuals designated by the Company. Nurse practitioners' duties include diagnosing, managing, and preventing acute and chronic illness and disease, and prompt wellness. Under this agreement, the Company incurred fees totaling \$1,777,412 and \$1,801,965 in 2024 and 2023, respectively. (See Summary of Significant Findings)

The Company has skilled nurse facility provider agreements with various contracted PruittHealth Nursing Home Centers for the facility to provide covered healthcare services through licensed healthcare professionals to enrollees in the Company's I-SNP. Under this agreement, the Company incurred fees totaling \$773,417 and \$1,107,453 in 2024 and 2023, respectively. (See Summary of Significant Findings)

TERRITORY AND PLAN OF OPERATION

The Company is licensed as an HMO to write Medicare Advantage business only. Through a contract with the CMS, the Company is authorized to provide health insurance coverages for Medicare medical services in various counties in the State of North Carolina and South Carolina. The Company has 656 members at December 31, 2024.

The Company offers Medicare Advantage Plans with Part D and I-SNPs. The Medicare Advantage Plans with Part D cover the cost of prescription drugs. I-SNP enrollment is limited to Medicare patients who meet an institutional level of care and live or are expected to live in a long-term medical facility for 90 days or longer. Coverage under the I-SNP plan includes enhanced onsite nurse practitioner, primary care physician visits, vision, hearing, non-emergency transportation, podiatry, therapy visits, skilled nursing and specialist visits.

The Company was licensed in the following eleven (11) counties in North Carolina:

Cabarrus	Carteret	Craven	Durham	Forsyth
Pitt	Richmond	Surry	Transylvania	Union
Wake				

The Company was licensed in the following thirteen (13) counties in South Carolina:

Aiken	Bamberg	Barnwell	Berkeley	Colton
Dillion	Fairfield	Hampton	Horry	Orangeburg
Pickens	Richland	York		

In 2024, approximately 70% of the Company's total direct premiums were written in South Carolina, and the remaining 30% were written in 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 three-year period ended December 31, 2024:

Year	Net Admitted Assets	Surplus	Gross Premiums Written	Net Earned Premiums	Net Income
2024	\$10,787,204	\$5,816,269	\$21,027,278	\$20,953,436	\$921,539
2023	\$13,268,465	\$6,706,991	\$21,272,662	\$21,154,212	\$560,826
2022	\$11,792,675	\$6,128,860	\$21,193,822	\$21,083,317	\$2,422,988

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 AS Instructions and GS § 58-2-165(c) pursuant to GS § 58-67-55.

The statutory reserves and related items for 2024 were reviewed and certified by the Company's Appointed Actuary, Mary G. Yeh, FSA, MAA Principal and Senior Consulting Actuary of Milliman, Inc. Actuarial opinions regarding the Company's reserves for claims unpaid and unpaid claims adjustment expenses 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 and unpaid claims adjustment expense reserves. According to the actuarial opinions, the Company's reserve for claims unpaid and unpaid claims adjustment expenses 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 unpaid claims adjustment expenses obligations of the Company. However, the 2024 actuarial opinion did not include sufficient technical content and documentation of reconciliations as required by the AS Instructions. (See Summary of Significant Findings)

REINSURANCE PROGRAM OVERVIEW

REINSURANCE CEDED

The Company has an HMO Specific Medical Excess of Loss Reinsurance contract with Zurich American Insurance Company, which provides reinsurance coverage for 100% of the ultimate net loss in excess of \$350,000 for each covered member in each calendar year. The Company ceded written premiums totaling \$73,842 and \$118,450 in 2024 and 2023, respectively, under this contract.

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, 2024. 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, 2023, are unexamined and are presented for comparative purposes only.

PruittHealth Premier North Carolina, LLC
Statutory Statement of Admitted Assets
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Bonds	\$3,794,601	\$305,748
Common stocks	2,072,445	-
Cash, cash equivalents and short-term investments	3,195,624	10,691,525
Total cash and invested assets	\$9,062,670	\$10,997,273
Investment income due and accrued	19,770	6,167
Uncollected premiums and agents' balances in course of collection	46	-
Accrued retrospective premiums and contracts subject to redetermination	587,721	547,292
Amounts receivable relating to uninsured plans	453,000	393,653
Current federal income tax recoverable and interest thereon	157,516	378,975
Net deferred tax asset	112,950	106,045
Receivables from parent, subsidiaries, and affiliates	-	353,780
Health care and other amounts receivable	350,133	474,058
Prepaid health benefits claims	34,500	-
Other receivables	8,898	11,222
Total admitted assets	\$10,787,204	\$13,268,465

PruittHealth Premier North Carolina, LLC
Statutory Statement of Liabilities and Surplus
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Claims unpaid	\$2,883,577	\$3,400,265
Accrued medical incentive pool and bonus amounts	1,510,189	2,243,926
Unpaid claims adjustment expenses	94,590	121,312
Premiums received in advance	106,818	125,751
General expenses due or accrued	297,685	362,268
Amounts due to parent, subsidiaries and affiliates	78,076	307,952
Total liabilities	\$4,970,935	\$6,561,474
Gross paid in and contributed surplus	4,239,748	4,239,748
Surplus notes	-	261,000
Unassigned funds	1,576,521	2,206,243
Total surplus	5,816,269	6,706,991
Total liabilities and surplus	\$10,787,204	\$13,268,465

PruittHealth Premier North Carolina, LLC
Statutory Statement of Revenue and Expenses
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Underwriting income		
Net premium income	\$20,953,436	\$21,154,212
Change in unearned premium reserves	-	298,144
Total revenues	20,953,436	21,452,356
Hospital/medical benefits	8,332,256	8,166,273
Other professional services	3,051,097	3,404,213
Emergency room and out-of-area	299,475	119,261
Prescription drugs	1,663,971	1,309,413
Durable medical equipment	90,215	112,005
Incentive pool, withhold adjustments and bonus amounts	3,308,014	4,296,609
Subtotal	16,745,028	17,407,774
Deductions		
Claims adjustment expenses	975,904	1,046,257
General administrative expenses	2,513,296	2,566,687
Total underwriting deductions	20,234,228	21,020,718
Net underwriting gain	719,208	431,638
Investment income		
Net investment income earned	421,072	260,928
Net realized capital gains	2,147	-
Net investment gain	423,219	260,928
Net income after capital gains and before federal income taxes	1,142,427	692,566
Federal income taxes incurred	220,888	131,740
Net income	\$921,539	\$560,826

PruittHealth Premier of North Carolina, LLC
Statutory Statement of Surplus
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Surplus, beginning of year	\$6,706,991	\$6,128,860
Surplus increases (decreases):		
Net income	921,539	560,826
Change in net unrealized capital gains	66,335	-
Change in net deferred income tax	(9,217)	(17,338)
Change in non-admitted assets	(10,685)	34,643
Change in surplus notes	(261,000)	-
Dividends to stockholders	(1,597,694)	-
Net change in surplus	(890,722)	578,131
Surplus, end of year	\$5,816,269	\$6,706,991

PruittHealth Premier North Carolina, LLC
Statutory Statement of Cash Flow
December 31, 2024

	2024	2023 <i>(unexamined)</i>
Cash (used by) from operations		
Premiums collected net of reinsurance	\$20,894,028	\$21,007,992
Net investment income	395,797	258,683
Total	21,289,825	21,266,675
Benefit and loss related payments	17,934,202	15,759,444
Commissions, expenses paid and aggregate write-ins	3,639,852	4,723,219
Federal income taxes paid	-	339,891
Total	21,574,054	20,822,554
Net cash (used by) from operations	(284,229)	444,121
Cash from investments		
Proceeds from investments sold, matured or repaid:	214,106	831,000
Cost of investments acquired	5,677,046	305,712
Net cash (used by) from investments	(5,462,940)	525,288
Cash from (used by) financing and miscellaneous sources		
Surplus notes, capital notes	(261,000)	-
Dividends to stockholders	(1,597,694)	-
Other cash provided	109,962	185,108
Net cash (used by) from financing and miscellaneous sources	(1,748,732)	185,108
Reconciliation of cash, cash equivalents, and short-term investments		
Net change in cash and short-term investments	(7,495,901)	1,154,517
Cash and short-term investments, beginning of year	10,691,525	9,537,008
Cash and short-term investments, end of year	\$3,195,624	\$10,691,525

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 NAIC market value. Bonds not backed by other loans are stated at amortized cost using the scientific method.

Common stocks: Carried at market value.

Cash and short-term investments: 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, net of premiums ceded to reinsurers, are earned in the period to which healthcare coverage relates. Premiums collected in advance of the month for which coverage applies are deferred and recorded as unearned premium revenue.

Reinsurance: Premiums, commissions, expense reimbursements, and reserves are reported on a basis consistent with the original policies issued and the terms of the reinsurance agreements. Premiums ceded are reported as a reduction of premium income. Unpaid claims and unpaid claims adjustment expenses are reported as reductions of those items.

Nonadmitted assets: Certain assets, such as receivables over 90 days past due and prepaid expenses, are “nonadmitted” and are charges against surplus.

Unpaid claims and unpaid claims adjustment expense: 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 the following assets as non-admitted at December 31, 2024: 1) deferred tax assets totaling \$79,415; 2) healthcare receivables totaling \$240,191; 3) prepaid expenses totaling \$4,459; and 4) other receivables totaling \$494.

Reinsurance Activity:

The Company has an excess of loss contract to minimize its exposure to losses. Reinsurance contracts do not relieve the Company of its primary obligation to policyholders. Failure of the reinsurers to discharge their obligations could result in losses to the Company. The Company utilizes Guy Carpenter & Company, Inc. as a reinsurance intermediary to negotiate and obtain reinsurance contracts on its behalf for specifically identified risks.

Direct and ceded premiums written and earned are as follows:

	2024	2023
Direct written	\$21,027,278	\$21,272,662
Ceded written	73,842	118,450
Net written	20,953,436	21,154,212
Direct earned	21,027,278	21,272,662
Ceded earned	73,842	118,450
Net earned	\$20,953,436	\$21,154,212

The reinsurer shares the risks at different levels as specified in the reinsurance contract. The type of contracts and retention limit is described under the Reinsurance Program Overview.

Summary of Reserves:

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

	2024	2023
Reserves for claims unpaid and unpaid claims adjustment expenses beginning of year	\$3,521,577	\$3,623,906
Add:		
Provision for claims unpaid and unpaid claims adjustment expenses, current year	15,479,392	16,063,484
Change in estimated unpaid and unpaid claims adjustment expenses prior years	(1,066,470)	(1,906,061)
Total incurred	14,412,922	14,157,423
Deduct:		
Claims unpaid and unpaid claims adjustment expenses paid, current year	13,404,863	13,158,653
Claims unpaid and unpaid claims adjustment expenses paid, prior year	1,551,469	1,101,099
Total paid	14,956,332	14,259,752
Reserves for claims unpaid and unpaid claims adjustment end of year	2,978,167	3,521,577
(Decrease) in reserves for claims unpaid and unpaid claims adjustment expenses	\$(1,186,422)	\$(102,329)

Reserves for claims unpaid and unpaid claims adjustment expenses are reported net of the amounts that are recoverable under the Company’s reinsurance contracts. At December 31, 2024, and 2023, the liabilities for claims unpaid and unpaid claims adjustment expenses were not reduced for any amounts to be recovered from reinsurers.

Surplus:

The following, in conjunction with the Statutory Statement of Surplus, represents the changes in the Company’s surplus since the Department’s last examination as of December 31, 2021:

	2022
Surplus, beginning of year	\$3,646,248
Surplus increases (decreases):	
Net income	2,422,988
Change in net deferred income tax	236,555
Change in nonadmitted assets	(176,931)
Change in surplus as regards policyholders for the year	2,482,612
Surplus, end of year	\$6,128,860

Surplus Notes:

Surplus notes impose no restrictions on the Company making distributions to members. The principal sum of its surplus notes is not payable in whole or in part without written approval of the Department.

In 2021, the Company’s surplus note totaling \$174,000 issued to AllyAlign was forfeited and converted to contributed surplus.

On April 13, 2023, the Department approved the Company’s request to repay \$261,000 in principal and \$40,571 in accrued interest related to the surplus note issued to UNICO. On September 25, 2024, the surplus note and accrued interest were paid. At December 31, 2024, the Company had no surplus notes outstanding.

Medicare Part D Subsidies:

CMS subsidies represent cost reimbursements under the Medicare Part D program. Amounts received for these subsidies are not reflected as premium revenues, but as cost reimbursements, with any outstanding amounts recorded as a liability for amounts retained relating to uninsured plans, or as an amount receivable relating to uninsured plans on the accompanying statutory statements of admitted assets, liabilities, and capital and surplus. Pharmacy benefit costs and administrative costs under the contract are expensed as incurred. The Company reported Medicare Part D subsidies due from CMS totaling \$453,000 and \$393,653 at December 31, 2024 and 2023, respectively.

SUBSEQUENT EVENTS

On August 26, 2025, the Department approved a custodial agreement between the Company and J.P. Morgan Securities, LLC.

PruittHealth Premier North Carolina, LLC
DISTRIBUTION OF REPORT ON EXAMINATION
December 31, 2024

Laura Christopher, Medicare Compliance Officer
10900 Nuckols Road, Suite 110
Glen Allen, Virginia 23060

Neil Pruitt, Jr., President
10900 Nuckols Road, Suite 110
Glen Allen, Virginia 23060

CONCLUSION

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

We conclude that the Company complies with the minimum net worth requirements of GS § 58-67-110(b) for the kinds of insurance that the Company has been authorized to write, which is \$1,000,000 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,



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

March 3, 2026

STATE OF NORTH CAROLINA

COUNTY OF WAKE

Jeffrey Streyle, Chief Examiner with the 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:

3/3/26

Sworn and subscribed before me this 3rd day of March, 2026.

Notary Public Signature:



Notary Public Seal:

