STATE OF OREGON

DEPARTMENT OF CONSUMER & BUSINESS SERVICES

DIVISION OF FINANCIAL REGULATION

REPORT OF FINANCIAL EXAMINATION

OF

MARQUIS ADVANTAGE, INC.
DBA AGERIGHT ADVANTAGE HEALTH PLAN
MILWAUKIE, OREGON

AS OF

DECEMBER 31, 2018

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AS OF

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SALUTATION

August 30, 2019

Honorable Lou Savage, Interim Director
Department of Consumer and Business Services
Division of Financial Regulation
State of Oregon
350 Winter Street NE
Salem, Oregon 97301-3883

Dear Director:

In accordance with your instructions and guidelines in the National Association of Insurance Commissioners (NAIC) Examiners Handbook, pursuant to ORS 731.300 and 731.302, respectively, we have examined the business affairs and financial condition of

MARQUIS ADVANTAGE, INC.
DBA AGERIGHT ADVANTAGE HEALTH PLAN
4560 SE International Way #100
MILWAUKIE, OR 97222

NAIC Company Code 15937

Hereinafter referred to as the "Plan." The following report is respectfully submitted.

SCOPE OF EXAMINATION

We have performed a regular, single-state financial examination of Marquis Advantage, Inc. dba AgeRight Advantage Health Plan as of December 31, 2018, covering the three year period then ended. The last examination of this health care service contractor was the qualifying examination completed as of February 12, 2016. This examination covers the period of January 1, 2016, through December 31, 2018.

We conducted our examination pursuant to ORS 731.300 and in accordance with ORS 731.302(1) which allows the examiners to consider the guidelines and procedures in the NAIC *Financial Condition Examiners 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 Plan 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 Plan were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Plan's financial statements.

This examination report includes significant findings of fact, as mentioned in ORS 731.302 and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report, but separately communicated to other regulators and the Plan.

COMPANY HISTORY

The Plan is an Oregon for profit stock corporation formed pursuant to Chapter 60 of the Oregon Revised Statutes and was incorporated on November 30, 2015, to operate as a licensed health care service contractor to provide and improve health care and the health of the population. Marquis Companies I, and its management/administrative services partner, AllyAlign Health, Inc., have formed a joint-venture organization to develop an Institutional Special Needs Plan (I-SNP) in the state of Oregon.

Capitalization

The Plan was formed as a stock corporation with 10,000 common shares authorized and 1,000 common shares issued and outstanding. Marquis Companies I, Inc. owns 600 common shares at cost of $180,000 and AllyAlign Health Inc. owns 400 commons shares at a cost of $120,000, and the Plan reported a total of $300,000 in paid in surplus. Under the Subscription agreement, the Plan issued two surplus notes. The first in the amount of $1,472,000 to AllyAlign Health, Inc. and the other in the amount of $2,208,000 to Marquis Companies I, Inc. Both notes issued has interest at a variable annual rate equal to the Prime Rate as published by the Wall Street Journal.

Dividends to Stockholders and Other Distributions

During the period under examination, the Plan did not declare or pay any dividends or made any distributions to its direct parent.

CORPORATE RECORDS

Board Minutes

In general, the review of the Board meeting minutes of the Plan indicated the minutes support the transactions of the Plan and clearly described the actions taken by its directors. A quorum, defined in the Plan's Bylaws as 80% of the directors, met at all of the meetings held during the period under review.

The Plan's Bylaws, under Article 5, authorize the Board to create one or more committees. The Plan had no committees during the period under examination. As of year-end 2018, the Plan failed to comply with OAR 836-011-0223, requirements for Audit Committee.

I recommend the Plan form an Audit Committee of the Board that complies with OAR 836-011-0223, or formally request a waiver from the Division pursuant to subparagraph 14 of the rule.

The minutes lacked evidence the Board directly approves the CEO's compensation or the compensation of senior executives and the Plan is not in compliance with the provisions of ORS 732.320(3).

I recommend the Plan's Board formally approve the compensation of its senior officers by resolution each year and comply with ORS 732.320(3).

Articles of Incorporation

The Plan's restated Articles of Incorporation were adopted on November 30, 2015. No changes were made during the period under examination and the Articles of Incorporation conform to the Oregon Insurance Code.

Bylaws

The examiner reviewed the corporate Bylaws, adopted on November 30, 2015. The Plan's Bylaws conformed to Oregon statutes.

MANAGEMENT AND CONTROL

Board of Directors

Article IV, Section 4.1, of the Bylaws state the business and affairs of the corporation shall be managed by controlled by the Board of the Directors. The Bylaws state that the number of directors shall be a minimum of three (3) and a maximum of fifteen (15), with the number of directors to be set by resolution of the members of the corporation. As of December 31, 2018, there were three members as follows:

Name and Address	Principal Affiliation	Representative	Member Since
Phillip G. Fogg, Jr. Aurora, Oregon	President and CEO Marquis Companies I, Inc.	Ownership	2015
Steven C. Fogg West Linn, Oregon	Chief Financial Officer Marquis Companies I, Inc.	Ownership	2015
Will F. Saunders Henrico, Virginia	President and CEO AllyAlign Health, Inc.	Ownership	2015

*Chairman

The company is not in compliance with ORS 750.015, as there is no representative member of the public. Pursuant to the statute, at least one-third of the Board of Directors must be representative of the public who are not doctors or employees or trustees of a participant hospital.

I recommend the Plan replace a member of the Board with an individual who complies with the role of 'representative of the public' as defined in ORS 750.015, or elect two additional members who so qualify.

Officers

Principal officers serving at December 31, 2018, were as follows:

Name	Title
Will F. Saunders	President
Phillip G. Fogg, Jr.	Chief Executive Officer and Secretary
Steven C. Fogg	Chief Financial Officer and Treasurer

Conflict of Interest

The Plan established a conflict of interest policy as part of its corporate governance structure and CMS requirement. At year-end 2018, the Board of Directors did not complete any Conflict of Interest statements.

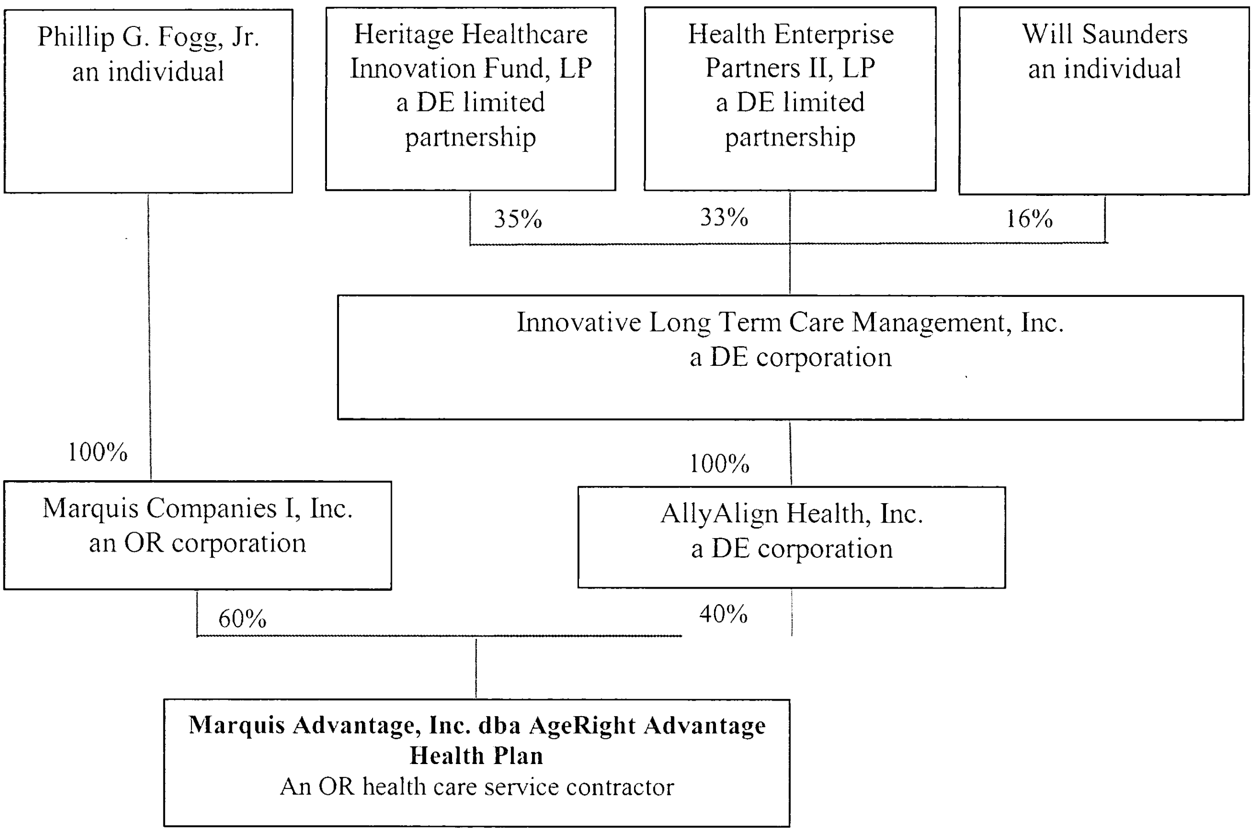
To be in compliance with ORS 65.361 for disclosures of conflicts of interest to Board of Directors, I recommend the Plan's directors, officers and key employees execute a conflict of interest statement on an annual basis.

Insurance Company Holding System

An insurance holding company registration statement was filed by the Plan in accordance with the provisions of ORS 732.552, ORS 732.554, and Oregon Administrative Rule (OAR) 836-027-0020(1). The Plan did not include an Organizational Chart in the Form B filings containing all entities pursuant to ORS 732.552 (1)(b), which should include the entity and relationship of every member of the insurance holding company system.

I recommend the Plan identify all entities of the insurance holding company system in all future Form B filings with the Division, in accordance with the requirement of ORS 732.551 (1)(b).

The following abbreviated organizational chart shows the relationship between the related entities of the Plan:



A description of each of the entities above is as follows:

Heritage Healthcare Innovation Fund, LP is a Delaware domiciled closed private equity fund formed in 2012 and managed by Heritage Group LLC, a venture capital firm investing in healthcare companies.

Health Enterprise Partners II, LP is a Delaware private equity firm formed in 2012 to invest in healthcare services and information technology companies.

Innovative Long Term Care Management, Inc. (ILTCM) is a Delaware domiciled corporation based in Virginia to serve as a holding company.

Marquis Companies I, Inc. is an Oregon domestic business corporation formed on March 25, 1991, as a long term care management company.

AllyAlign Health, Inc. is a Delaware corporation based in Virginia formed as a care management company to enable long-term care providers to launch provider-sponsored managed care plans.

Intercompany Agreements

The following agreements are in place between the Plan and its affiliates or subsidiaries within the insurance company holding system:

Management Services Agreement

Effective as of November 30, 2015, AllyAlign Health and the Plan entered into a Management Services Agreement. The terms of agreement for the performance of specific management and administrative duties related to Medicare Advantage plan operations are to be performed by AllyAlign Health for the benefit of the Plan. The Management Services Agreement was amended effective January 28, 2016 to update the language related to termination notification in the event that any terms of the agreement were found not to meet regulatory requirements. A Second Amendment to the Management Services Agreement was effective on February 15, 2016, to make minor changes to clarify services provided under network providers, covered member services and

Marketing Commissions and Expenses. The management fee paid to AllyAlign was also reduced to 10%.

FIDELITY BOND AND OTHER INSURANCE

The examination of insurance coverages involved a review of adequacy of limits and retentions, and the solvency of the insurers providing the coverages. The insurance coverages are provided through insurance policies issued with the Plan as a named insured. The Plan is insured against employee theft by an employee or agent for losses up to $150,000 per occurrence, after a $5,000 deductible. Fidelity bond coverage was considered adequate based on the NAIC's recommended minimum coverage.

Other insurance coverages in force at December 31, 2018, include:

Commercial General Liability	Automobile Liability
Umbrella Liability	Miscellaneous E&O Liability
Directors & Officers Liability	Cyber Liability
Workers Compensation and Employers' Liability	

TERRITORY AND PLAN OF OPERATION

The Plan write Medicare Advantage business and more specifically, Institutional Special Needs Plans (I-SNP) commencing in 2017. The Plan has provider agreements with twenty (20) long-term care skilled nursing and assisted living facilities owned by Marquis Companies I, Inc. The facilities are located in Clackamas, Klamath, Lane, Marion, Multnomah, Washington and Yamhill counties in Oregon.

The Plan reported total enrolled members since its inception as follows:

Line of Business	2018	2017	2016
Indiv. hospital & medical	-	-	-
Group hospital & medical	-	-	-
Medicare supplement	-	-	-
Dental	-	-	-
Medicare	439	375	-
Total enrollment	439	375	-

GROWTH OF THE COMPANY

Growth of the Plan since inception is reflected in the following schedule. Amounts were derived from Plan's annual statements, except in those years where a report of examination was published by the Oregon Division of Financial Regulation.

Year	Assets	Liabilities	Surplus and Other Funds	Net Income (Loss)
2016	3,011,895	42,110	2,969,785	(660,200)
2017	4,909,019	1,829,476	3,079,543	98,351
2018*	5,235,844	2,138,077	3,097,767	(577)

*Per examination

LOSS EXPERIENCE

The following exhibit reflects the annual underwriting results of the Plan since inception. The amounts were obtained from copies of the Plan's filed annual statements and, where indicated, from the previous examination reports.

	(1)	(2)	(2)/(1)	(3)	(2)+(3)/(1)
Year	Total Revenues	Total Hospital and Medical	Medical Loss Ratio	Claim Adjustment and General Expenses	Combined Loss Ratio
2016	0	0	0.0%	661,238	0.0%
2017	6,672,184	5,172,825	77.5%	1,200,445	95.5%
2018 *	9,476,267	7,854,270	82.9%	1,655,637	100.4%

*Per examination

A combined claims and expense to premium ratio in excess of 100% typically indicates an underwriting loss. The Plan reported underwriting losses in 2018.

REINSURANCE

During the period under examination, the Company's reinsurance program was comprised of an HMO Specific Excess of Loss reinsurance agreement with PartnerRe America Insurance Company (NAIC #11835 and authorized in Oregon on December 22, 1981). Under the terms of the agreement, the reinsurer reimburses 90% of the Company for losses per member at maximum payable of $2,000,000 with respect to any one member after a retention of $150,000. It was determined the Company's reinsurance agreement clearly specified the risk taken by the reinsurer, with no unusual provisions reducing the reinsurer's risk.

The reinsurance agreements contained a proper insolvency clause that specified payments would be made to a statutory successor without diminution in the event of insolvency, as required by the provisions of ORS 731.508.

It was determined that the reinsurance agreement provided for risk transfer in accordance with the requirements of SSAP No. 61R. The Plan's reinsurance agreement requires the Plan to retain $150,000 per risk. In view of the Plan's surplus, as adjusted for this examination, of $3,097,767 at December 31, 2018, the Plan did not retain risk on any one subject of insurance in excess of 10% of its surplus to policyholders, and complied with the maximum risk retention set by ORS 731.504.

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Plan with the Division of Financial Regulation and present the financial condition of the Plan for the period ending December 31, 2018. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements. These statements include:

Statement of Assets
Statement of Liabilities, Capital and Surplus
Statement of Revenue and Expenses
Reconciliation of Surplus since the Last Examination

MARQUIS ADVANTAGE, INC. DBA AGERIGHT ADVANTAGE HEALTH PLAN
ASSETS
As of December 31, 2018

Assets	Balance per Plan	Examination Adjustments	Balance per Examination	Notes
Cash, cash equivalents and short-term investments	$ 4,088,149	$ -	$ 4,088,149	1
Aggregate write-ins for invested assets	-	-	-	
Subtotal, cash and invested assets	4,088,149	$ -	4,088,149	
Investment income due and accrued	-	-	-	
Premiums and considerations				
Uncollected premiums, agents' balances in course of collection	2,914	-	2,914	
Accrued retrospective premiums and contracts subject to redetermination	696,089	-	696,089	
Amounts receivable related to uninsured plans	193,433	-	193,433	
Current FIT recoverable	10,000	-	10,000	
Net deferred tax asset	53,653	-	53,653	
Health care and other amounts receivable	191,606	-	191,606	
Aggregate write-ins for other than invested assets	21,081	-	21,081	
Total Assets	$ 5,235,844	$ -	$ 5,235,844	

MARQUIS ADVANTAGE, INC. DBA AGERIGHT ADVANTAGE HEALTH PLAN
LIABILITIES, CAPITAL AND SURPLUS
As of December 31, 2018

	Balance per Plan	Examination Adjustments	Balance per Examination	Notes
Claims unpaid	$ 1,434,742	$ -	$ 1,434,742	2
Accrued medical incentive pool and bonus amounts	159,357	-	159,357	2
Unpaid claims adjustment expense	45,994	-	45,994	
Aggregate health policy reserves	-	-	-	
Premiums received in advance	34,310	-	34,310	
General expenses due or accrued	81,050	-	81,050	
Liability for amounts held under uninsured plans	382,624	-	382,624	
Borrowed money	-	-	-	3
Aggregate write-ins for liabilities	-	-	-	
Total Liabilities	$ 2,138,077	$ -	$ 2,138,077	
Common capital stock	$ -	$ -	$ -	
Gross paid-in and contributed capital	300,000	-	300,000	
Surplus notes	3,680,000	-	3,680,000	3
Unassigned funds (surplus)	(882,233)	-	(882,233)	
Surplus as regards policyholders	$ 3,097,767	-	$ 3,097,767	
Total Liabilities, Surplus and other Funds	$ 5,235,844	$ -	$ 5,235,844	

MARQUIS ADVANTAGE, INC. DBA AGERIGHT ADVANTAGE HEALTH PLAN
STATEMENT OF REVENUE AND EXPENSES
For the Year Ended December 31, 2018

	Balance per Plan	Examination Adjustments	Balance per Examination	Notes
Revenue				
Net premium income	$ 9,394,547	$ -	$ 9,394,547	
Change in unearned premium reserves and reserves for rate credits	81,720	-	81,720	
Aggregate write-ins for health care related revenues	-	-	-	
Total revenue	9,476,267	-	9,476,267	
Hospital and Medical:				
Hospital/medical benefits	5,276,382	-	5,276,382	
Other professional services	1,478,902	-	1,478,902	
Outside referrals	-	-	-	
Emergency room and out-of-area	204,975	-	204,975	
Prescription drugs	681,021	-	681,021	
Aggregate write-ins for other hospital and medical	203,910		203,910	
Incentive pool, withhold adjustments and bonus amounts	9,080	-	9,080	
Subtotal	7,854,270	-	7,854,270	
Less:				
Net reinsurance recoveries	-	-	-	
Total medical and hospital	7,854,270	-	7,854,270	
Non-health claims	-	-	-	
Claim adjustment expenses	339,990	-	339,990	
General administrative expenses	1,315,647	-	1,315,647	
Increase in reserves for life and accident and health contracts	-	-	-	
Total underwriting deductions	9,509,907	-	9,509,907	
Net underwriting gain or (loss)	(33,640)	-	(33,640)	
Net investment income earned	25,335	-	25,335	
Net realized capital gains (losses)	-	-	-	
Net investment gains (losses)	25,335	-	25,335	
Net gain or (loss) from agents' or premium balances charged off	(8,305)	-	(8,305)	
Aggregate write-ins for other income or expense	-	-	-	
Federal income taxes incurred	(7,728)	-	(7,728)	
Net income	$ (577)	$ -	$ (577)	

MARQUIS ADVANTAGE, INC. DBA AGERIGHT ADVANTAGE HEALTH PLAN
RECONCILIATION OF SURPLUS SINCE THE LAST EXAMINATION
For the Year Ended December 31,

	2018	2017	2016
Surplus as regards policyholders, December 31, previous year	$ 3,079,543	$ 2,969,785	$ 74,985
Net income (loss)	(577)	98,351	(660,200)
Change in net unrealized capital gains or (losses)	-	-	-
Change in net deferred income tax	(12,911)	208,640	-
Change in non-admitted assets	31,712	(197,731)	-
Change in provision for reinsurance	-	-	-
Change in surplus notes	-	555,000	3,000,000
Cumulative effects of changes in accounting principles	-	-	-
Capital changes:			
Paid in	-	(855,000)	555,000
Transferred from surplus (Stock Dividend)	-	-	-
Transferred to surplus	-	-	-
Surplus adjustments:			
Paid in	-	300,000	-
Transferred to capital (Stock Dividend)	-	-	-
Transferred from capital	-	-	-
Distributions to parent (cash)	-	-	-
Change in treasury stock	-	-	-
Examination adjustment	-	-	-
Aggregate write-ins for gains and losses in surplus	-	498	-
Change in surplus as regards policyholders for the year	18,224	109,758	2,894,800
Surplus as regards policyholders, December 31, current year	$ 3,097,767	$ 3,079,543	$ 2,969,785

NOTES TO FINANCIAL STATEMENTS

Note 1 – Invested Assets

At December 31, 2018, the Plan's investment portfolio was comprised of cash held in two depositories. A comparison of the investments classes over the past three years is as follows:

	A	C	Ratio	Ratio
Year	Bonds	Cash and Short-term	A/ Total Assets	C/ Total Assets
2016	-	3,011,895	0%	100.0%
2017	1,992,294	2,742,629	40.6%	55.9%
2018*	-	4,088,149	0%	78.1%

* Balance per examination

As of December 31, 2018, the Plan failed to maintain sufficient invested assets in amply secured obligations of the United States, the State of Oregon, or in FDIC insured cash deposits, and the Plan was not in compliance with ORS 733.580.

I recommend that Plan ensure compliance with ORS 733.580 by purchasing investments of at least $2,500,000 in safe securities as described in the statute.

A review of Board of Director and Committee minutes did not indicate the Board nor any authorized committee approved the investment transactions in any of the years under examination, in violation of ORS 733.730.

I recommend the Plan have the Board of Directors approve all investment transactions on a regular basis, and that a formal resolution be voted on by the Board at each meeting, pursuant to ORS 733.730.

In reviewing the December 31, 2018, Annual Statement, the Plan incorrectly reported a $2 million bond as a special deposit on Schedule E – Part 3. The examiners noted the bond matured earlier in 2018 and had never been properly deposited with Division as a special deposit.

I recommend the Plan ensure it complies with the National Association of Insurance Commissioners' (NAIC) annual statement instruction in accordance with ORS 731.574 and Oregon Administrative Rules (OAR) 836-011-0000.

Prior to purchasing any long-term securities, the Plan is required to enter into a custodial agreement with a bank or trust company as described in OAR 836-027-0200(1). The agreement must contain all of the relevant protections described in OAR 836-027-0200(4)(a) through (l).

Note 2 – Actuarial Reserves

A review of the reserves for the Plan was performed by Michael Sink, ASA, MAAA, life and health actuary for the Oregon Division of Financial Regulation. Mr. Sink reviewed the 2018 Statement of Actuarial Opinion (SAO) by the Plan's consulting actuary, Erich Goetsch, FSA, MAAA, of Milliman, Inc. Mr. Sink also reviewed the underlying paid and incurred claims data used to produce the SAO, the Actuarial Memorandum supporting the SAO, and the entries in the 2018 Annual Statement. In addition, he relied on data collected by the Division's analysts or submitted directly by the company.

Mr. Sink performed an independent analysis and compared the calculated claims results to the company's estimates. Calculations performed by Milliman were not provided:

The appointed actuary opined that the reserves for unpaid claims and CAE carried by the Plan as of December 31, 2018, were reasonable. Mr. Sink's total estimate agreed to the appointed actuary's estimate. He concurred that the reserves of the Plan were reasonably stated as of December 31, 2018.

Note 3 – Surplus Notes

During the examination, the examiners saw evidence the Plan made interest payments to the three surplus notes described in the Capitalization section above, however, the Plan failed to submit a request to the Division for permission to make payments on the surplus notes. The Plan has made approximately $253,682 in interest for 2017 and 2018. Without prior written approval, the terms in the notes could be considered to have been voided and the Plan would need to re-classify the surplus notes as debt (SSAP 41R, paragraph 3d). During the examination, the Plan submitted a request to retroactively approve the interest payments.

I recommend that the Plan request prior approval from DCBS for all future payments on its subordinated surplus notes in accordance with the terms of the surplus notes and SSAP 41R.

In addition, the original two notes were originally funded in part by a receivable due to others instead of cash, which would not meet the requirements of SSAP No. 41R, paragraph 4. These receivable payments were received by the Plan in 2017, prior to the start of the examination.

SUMMARY OF COMMENTS AND RECOMMENDATIONS

The examination did not result in any changes to surplus. However, the following is a summary of the recommendations made in this report of examination:

Page	
6	I recommend the Plan form an Audit Committee of the Board that complies with OAR 836-011-0223, or formally request a waiver from the Division pursuant to subparagraph 14 of the rule.
6	I recommend the Plan's Board formally approve the compensation of its senior officers by resolution each year and comply with ORS 732.320(3).
8	I recommend the Plan replace a member of the Board with an individual who complies with the role of 'representative of the public' as defined in ORS 750.015, or elect two additional members who so qualify.
8	To be in compliance with ORS 65.361 for disclosures of conflicts of interest to Board of Directors, I recommend the Plan's directors, officers and key employees execute a conflict of interest statement on an annual basis.
9	I recommend the Plan identify all entities of the insurance holding company system in all future Form B filings with the Division, in accordance with the requirement of ORS 732.551 (1)(b).
20	I recommend that Plan ensure compliance with ORS 733.580 by purchasing investments of at least $2,500,000 in safe securities as described in the statute.
20	I recommend the Plan have the Board of Directors approve all investment transactions on a regular basis, and that a formal resolution be voted on by the Board at each meeting, pursuant to ORS 733.730.
20	I recommend the Plan ensure it complies with the National Association of Insurance Commissioners' (NAIC) annual statement instruction in accordance with ORS 731.574 and Oregon Administrative Rules (OAR) 836-011-0000.
21	I recommend that the Plan request prior approval from DCBS for all future payments on its subordinated surplus notes in accordance with the terms of the surplus notes and SSAP 41R.

CONCLUSION

During the three-year period covered by this examination, the surplus of the Plan has decreased from \$3,629,970, as presented in the qualifying examination report, to \$3,097,767, as shown in this report. The comparative assets and liabilities are:

	December 31, 2018	February 12, 2016	Change
Assets	\$ 5,235,844	\$ 3,629,970	\$ 1,605,874
Liabilities	2,138,077	-	2,138,077
Surplus	\$ 3,097,767	\$ 3,629,970	\$ (532,203)

ACKNOWLEDGMENT

The cooperation and assistance extended by the officers and employees of the Plan during the examination process are gratefully acknowledged.

In addition to the undersigned, Joseph A. Rome, CFE, CIE, insurance examiner, and Michael Sink, ASA, MAAA, Life & Health Actuary for the State of Oregon, Department of Consumer and Business Services, Division of Financial Regulation, both participated in this examination.

Respectfully submitted,

Khoa Nguyen
Khoa Nguyen, AFE
Insurance Examiner
Division of Financial Regulation
Department of Consumer and Business Services
State of Oregon

AFFIDAVIT

STATE OF OREGON)

County of Marion)

Khoa Nguyen, AFE, being duly sworn, states as follows:

1. I have authority to represent the state of Oregon in the examination of Marquis Advantage, Inc. dba AgeRight Advantage Health Plan, Portland, Oregon.

2. The Division of Financial Regulation of the Department of Consumer and Business Services of the State of Oregon is accredited under the National Association of Insurance Commissioners Financial Regulation Standards and Accreditation.

3. I have reviewed the examination work papers and examination report. The examination of Marquis Advantage, Inc. dba AgeRight Advantage Health Plan was performed in a manner consistent with the standards and procedures required by the Oregon Insurance Code.

The affiant says nothing further.

Khoa Nguyen, AFE
Insurance Examiner
Division of Financial Regulation
Department of Consumer and Business Services
State of Oregon

Subscribed and sworn to before me this 2 day of December, 2019.

Notary Public in and for the State of Oregon

My Commission Expires: 12/17/21

OFFICIAL STAMP
SARA MARIE WARBURTON
NOTARY PUBLIC - OREGON
COMMISSION NO. 969549
MY COMMISSION EXPIRES DECEMBER 17, 2021