



HEALTH ANNUAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2018  
OF THE CONDITION AND AFFAIRS OF THE  
UnitedHealthcare Community Plan of Ohio, Inc.

NAIC Group Code07070707NAIC Company Code12323Employer's ID Number56-2451429  
(Current)(Prior)

Organized under the Laws ofOhio, State of Domicile or Port of EntryOH

Country of DomicileUnited States of America

Licensed as business type:Health Maintenance Organization

Is HMO Federally Qualified? Yes [ ] No [ X ]

Incorporated/Organized03/29/2004Commenced Business10/01/2005

Statutory Home Office5900 Parkwood PlaceDublin, OH, US 43016  
(Street and Number)(City or Town, State, Country and Zip Code)

Main Administrative Office9800 Health Care Lane MN006-W500  
(Street and Number)  
Minnetonka, MN, US 55343952-931-4014  
(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Mail Address9800 Health Care Lane MN006-W500Minnetonka, MN, US 55343  
(Street and Number or P.O. Box)(City or Town, State, Country and Zip Code)

Primary Location of Books and Records9800 Health Care Lane MN006-W500  
(Street and Number)  
Minnetonka, MN, US 55343952-931-4014  
(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Internet Website Addresswww.uhccommunityplan.com

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OFFICERS

President, Chief Executive OfficerTracy Lynn DavidsonChief Financial OfficerDale Ray Moore  
SecretaryChristina Regina Palme-KrizakTreasurerPeter Marshall Gill #

OTHER

Nyle Brent Cottingham, Vice PresidentHeather Anastasia Lang, Assistant Secretary

DIRECTORS OR TRUSTEES

Richard Gordon DunlopJoseph Gilbert GaudioYasmine Herminia Winkler

State ofCounty ofState ofCounty ofState ofCounty of

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions there from for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Tracy Lynn DavidsonChristina Regina Palme-KrizakDale Ray Moore  
President, Chief Executive OfficerSecretaryChief Financial Officer

Subscribed and sworn to before me thisSubscribed and sworn to before me thisSubscribed and sworn to before me this  
day ofday ofday of

a. Is this an original filing?Yes [ X ] No [ ]  
b. If no,  
1. State the amendment number.  
2. Date filed.  
3. Number of pages attached.

ASSETS

|  | Current Year |                         |   | Prior Year                  |
|--|--------------|-------------------------|---|-----------------------------|
|  | 1<br>Assets  | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets<br>(Cols. 1 - 2) | 4<br>Net Admitted<br>Assets |
| 1. Bonds (Schedule D) .....  | 335,601,624  | 0                       | 335,601,624                               | 291,940,871                 |
| 2. Stocks (Schedule D):  |              |                         |   |                             |
| 2.1 Preferred stocks .....   | 0            | 0                       | 0   | 0                           |
| 2.2 Common stocks .....  | 0            | 0                       | 0   | 0                           |
| 3. Mortgage loans on real estate (Schedule B):   |              |                         |   |                             |
| 3.1 First liens .....  | 0            | 0                       | 0   | 0                           |
| 3.2 Other than first liens .....   | 0            | 0                       | 0   | 0                           |
| 4. Real estate (Schedule A):   |              |                         |   |                             |
| 4.1 Properties occupied by the company (less \$ .....0<br>encumbrances) .....  | 0            | 0                       | 0   | 0                           |
| 4.2 Properties held for the production of income (less<br>\$ .....0 encumbrances) .....  | 0            | 0                       | 0   | 0                           |
| 4.3 Properties held for sale (less \$ .....0<br>encumbrances) .....  | 0            | 0                       | 0   | 0                           |
| 5. Cash (\$ .....100,499 , Schedule E - Part 1), cash equivalents<br>(\$ .....79,713,057 , Schedule E - Part 2) and short-term<br>investments (\$ .....10,276,795 , Schedule DA) ..... | 90,090,351   | 0                       | 90,090,351                                | 126,710,942                 |
| 6. Contract loans, (including \$ .....0 premium notes) .....   | 0            | 0                       | 0   | 0                           |
| 7. Derivatives (Schedule DB) .....   | 0            | 0                       | 0   | 0                           |
| 8. Other invested assets (Schedule BA) .....   | 0            | 0                       | 0   | 0                           |
| 9. Receivables for securities .....  | 0            | 0                       | 0   | 0                           |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....  | 0            | 0                       | 0   | 0                           |
| 11. Aggregate write-ins for invested assets .....  | 0            | 0                       | 0   | 0                           |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....  | 425,691,975  | 0                       | 425,691,975                               | 418,651,813                 |
| 13. Title plants less \$ .....0 charged off (for Title insurers<br>only) .....   | 0            | 0                       | 0   | 0                           |
| 14. Investment income due and accrued .....  | 2,518,418    | 0                       | 2,518,418                                 | 2,361,658                   |
| 15. Premiums and considerations:   |              |                         |   |                             |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....   | 14,107,255   | 0                       | 14,107,255                                | 13,199,050                  |
| 15.2 Deferred premiums and agents' balances and installments booked but<br>deferred and not yet due (including \$ .....0<br>earned but unbilled premiums) .....                        | 0            | 0                       | 0   | 0                           |
| 15.3 Accrued retrospective premiums (\$ .....0 ) and<br>contracts subject to redetermination (\$ .....88,521,767 ) .....   | 88,521,767   | 0                       | 88,521,767                                | 20,386,348                  |
| 16. Reinsurance:   |              |                         |   |                             |
| 16.1 Amounts recoverable from reinsurers .....   | 0            | 0                       | 0   | 8,569,296                   |
| 16.2 Funds held by or deposited with reinsured companies .....   | 0            | 0                       | 0   | 0                           |
| 16.3 Other amounts receivable under reinsurance contracts .....  | 0            | 0                       | 0   | 0                           |
| 17. Amounts receivable relating to uninsured plans .....   | 12,343,261   | 0                       | 12,343,261                                | 7,172,343                   |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....   | 5,361,701    | 0                       | 5,361,701                                 | 0                           |
| 18.2 Net deferred tax asset .....  | 4,216,740    | 0                       | 4,216,740                                 | 1,626,755                   |
| 19. Guaranty funds receivable or on deposit .....  | 0            | 0                       | 0   | 0                           |
| 20. Electronic data processing equipment and software .....  | 0            | 0                       | 0   | 0                           |
| 21. Furniture and equipment, including health care delivery assets<br>(\$ .....0 ) .....   | 0            | 0                       | 0   | 0                           |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....   | 0            | 0                       | 0   | 0                           |
| 23. Receivables from parent, subsidiaries and affiliates .....   | 0            | 0                       | 0   | 0                           |
| 24. Health care (\$ .....23,983,228 ) and other amounts receivable .....   | 42,938,814   | 18,955,586              | 23,983,228                                | 22,049,723                  |
| 25. Aggregate write-ins for other than invested assets .....   | 0            | 0                       | 0   | 562,061                     |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 12 to 25) .....  | 595,699,931  | 18,955,586              | 576,744,345                               | 494,579,047                 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell<br>Accounts .....   | 0            | 0                       | 0   | 0                           |
| 28. Total (Lines 26 and 27) .....  | 595,699,931  | 18,955,586              | 576,744,345                               | 494,579,047                 |
| DETAILS OF WRITE-INS   |              |                         |   |                             |
| 1101. ....   |              |                         |   |                             |
| 1102. ....   |              |                         |   |                             |
| 1103. ....   |              |                         |   |                             |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....  | 0            | 0                       | 0   | 0                           |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....   | 0            | 0                       | 0   | 0                           |
| 2501. Reinsurance Premiums Receivable .....  | 0            | 0                       | 0   | 562,061                     |
| 2502. ....   |              |                         |   |                             |
| 2503. ....   |              |                         |   |                             |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....  | 0            | 0                       | 0   | 0                           |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....   | 0            | 0                       | 0   | 562,061                     |

LIABILITIES, CAPITAL AND SURPLUS

|  | Current Year |           |             | Prior Year  |
|--|--------------|-----------|-------------|-------------|
|  | 1            | 2         | 3           | 4           |
|  | Covered      | Uncovered | Total       | Total       |
| 1. Claims unpaid (less \$ .....18,462,343 reinsurance ceded) .....   | 153,990,191  | 0         | 153,990,191 | 158,519,304 |
| 2. Accrued medical incentive pool and bonus amounts .....  | 353,256      | 0         | 353,256     | 537,280     |
| 3. Unpaid claims adjustment expenses .....   | 2,132,603    | 0         | 2,132,603   | 2,058,097   |
| 4. Aggregate health policy reserves, including the liability of<br>\$ .....0 for medical loss ratio rebate per the Public<br>Health Service Act .....              | 528,760      | 0         | 528,760     | 2,753,386   |
| 5. Aggregate life policy reserves .....  | 0            | 0         | 0           | 0           |
| 6. Property/casualty unearned premium reserves .....   | 0            | 0         | 0           | 0           |
| 7. Aggregate health claim reserves .....   | 5,524,453    | 0         | 5,524,453   | 6,199,716   |
| 8. Premiums received in advance .....  | 0            | 0         | 0           | 0           |
| 9. General expenses due or accrued .....   | 34,111,597   | 0         | 34,111,597  | 32,858,812  |
| 10.1 Current federal and foreign income tax payable and interest thereon<br>(including \$ .....0 on realized capital gains (losses)) .....                         | 0            | 0         | 0           | 6,939,702   |
| 10.2 Net deferred tax liability .....  | 0            | 0         | 0           | 0           |
| 11. Ceded reinsurance premiums payable .....   | 255,598      | 0         | 255,598     | 0           |
| 12. Amounts withheld or retained for the account of others .....   | 0            | 0         | 0           | 0           |
| 13. Remittances and items not allocated .....  | 0            | 0         | 0           | 0           |
| 14. Borrowed money (including \$ .....0 current) and<br>interest thereon \$ .....0 (including<br>\$ .....0 current) .....  | 0            | 0         | 0           | 0           |
| 15. Amounts due to parent, subsidiaries and affiliates .....   | 14,700,043   | 0         | 14,700,043  | 9,363,999   |
| 16. Derivatives .....  | 0            | 0         | 0           | 0           |
| 17. Payable for securities .....   | 0            | 0         | 0           | 0           |
| 18. Payable for securities lending .....   | 0            | 0         | 0           | 0           |
| 19. Funds held under reinsurance treaties (with \$ .....0<br>authorized reinsurers, \$ .....0 unauthorized<br>reinsurers and \$ .....0 certified reinsurers) ..... | 0            | 0         | 0           | 0           |
| 20. Reinsurance in unauthorized and certified (\$ .....0 )<br>companies .....  | 0            | 0         | 0           | 0           |
| 21. Net adjustments in assets and liabilities due to foreign exchange rates .....  | 0            | 0         | 0           | 0           |
| 22. Liability for amounts held under uninsured plans .....   | 2,366,249    | 0         | 2,366,249   | 2,204,731   |
| 23. Aggregate write-ins for other liabilities (including \$ .....4,524<br>current) .....   | 4,524        | 0         | 4,524       | 15,255      |
| 24. Total liabilities (Lines 1 to 23) .....  | 213,967,274  | 0         | 213,967,274 | 221,450,282 |
| 25. Aggregate write-ins for special surplus funds .....  | XXX          | XXX       | 0           | 38,183,585  |
| 26. Common capital stock .....   | XXX          | XXX       | 1,000       | 1,000       |
| 27. Preferred capital stock .....  | XXX          | XXX       | 0           | 0           |
| 28. Gross paid in and contributed surplus .....  | XXX          | XXX       | 21,227,057  | 21,227,057  |
| 29. Surplus notes .....  | XXX          | XXX       | 0           | 0           |
| 30. Aggregate write-ins for other than special surplus funds .....   | XXX          | XXX       | 0           | 0           |
| 31. Unassigned funds (surplus) .....   | XXX          | XXX       | 341,549,014 | 213,717,123 |
| 32. Less treasury stock, at cost:<br>32.1 .....0 shares common (value included in Line 26<br>\$ .....0 ) .....   | XXX          | XXX       | 0           | 0           |
| 32.2 .....0 shares preferred (value included in Line 27<br>\$ .....0 ) .....   | XXX          | XXX       | 0           | 0           |
| 33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....   | XXX          | XXX       | 362,777,071 | 273,128,765 |
| 34. Total liabilities, capital and surplus (Lines 24 and 33) .....   | XXX          | XXX       | 576,744,345 | 494,579,047 |
| DETAILS OF WRITE-INS   |              |           |             |             |
| 2301. Unclaimed Property .....   | 4,524        | 0         | 4,524       | 15,255      |
| 2302. ....   |              |           |             |             |
| 2303. ....   |              |           |             |             |
| 2398. Summary of remaining write-ins for Line 23 from overflow page .....  | 0            | 0         | 0           | 0           |
| 2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above) .....   | 4,524        | 0         | 4,524       | 15,255      |
| 2501. Section 9010 ACA Subsequent Fee Year Assessment .....  | XXX          | XXX       | 0           | 38,183,585  |
| 2502. ....   | XXX          | XXX       |             |             |
| 2503. ....   | XXX          | XXX       |             |             |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....  | XXX          | XXX       | 0           | 0           |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....   | XXX          | XXX       | 0           | 38,183,585  |
| 3001. ....   | XXX          | XXX       |             |             |
| 3002. ....   | XXX          | XXX       |             |             |
| 3003. ....   | XXX          | XXX       |             |             |
| 3098. Summary of remaining write-ins for Line 30 from overflow page .....  | XXX          | XXX       | 0           | 0           |
| 3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above) .....   | XXX          | XXX       | 0           | 0           |

STATEMENT OF REVENUE AND EXPENSES

|  | Current Year   |               | Prior Year    |
|--|----------------|---------------|---------------|
|  | 1<br>Uncovered | 2<br>Total    | 3<br>Total    |
| 1. Member Months.....  | XXX            | 3,833,905     | 3,703,252     |
| 2. Net premium income ( including \$ .....0 non-health premium income).....  | XXX            | 2,509,181,293 | 2,229,056,944 |
| 3. Change in unearned premium reserves and reserve for rate credits .....  | XXX            | 1,303,323     | 2,791,165     |
| 4. Fee-for-service (net of \$ .....0 medical expenses).....  | XXX            | 0             | 0             |
| 5. Risk revenue .....  | XXX            | 0             | 0             |
| 6. Aggregate write-ins for other health care related revenues .....  | XXX            | 0             | 0             |
| 7. Aggregate write-ins for other non-health revenues .....   | XXX            | 0             | 0             |
| 8. Total revenues (Lines 2 to 7) .....   | XXX            | 2,510,484,616 | 2,231,848,109 |
| <b>Hospital and Medical:</b>   |                |               |               |
| 9. Hospital/medical benefits .....   | 0              | 1,640,857,634 | 1,453,568,444 |
| 10. Other professional services .....  | 0              | 45,115,660    | 41,817,260    |
| 11. Outside referrals .....  | 0              | 0             | 0             |
| 12. Emergency room and out-of-area .....   | 0              | 0             | 0             |
| 13. Prescription drugs .....   | 0              | 354,996,892   | 321,601,065   |
| 14. Aggregate write-ins for other hospital and medical.....  | 0              | 0             | 0             |
| 15. Incentive pool, withhold adjustments and bonus amounts .....   | 0              | 335,189       | 609,565       |
| 16. Subtotal (Lines 9 to 15) .....   | 0              | 2,041,305,375 | 1,817,596,334 |
| <b>Less:</b>   |                |               |               |
| 17. Net reinsurance recoveries .....   | 0              | 36,976,805    | 20,708,592    |
| 18. Total hospital and medical (Lines 16 minus 17) .....   | 0              | 2,004,328,570 | 1,796,887,742 |
| 19. Non-health claims (net) .....  | 0              | 0             | 0             |
| 20. Claims adjustment expenses, including \$ .....64,595,178 cost containment expenses .....   | 0              | 102,352,197   | 99,533,394    |
| 21. General administrative expenses .....  | 0              | 247,143,730   | 222,901,154   |
| 22. Increase in reserves for life and accident and health contracts (including \$ .....0<br>increase in reserves for life only) .....        | 0              | 0             | 0             |
| 23. Total underwriting deductions (Lines 18 through 22).....   | 0              | 2,353,824,497 | 2,119,322,290 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) .....   | XXX            | 156,660,119   | 112,525,819   |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....   | 0              | 10,358,915    | 7,067,295     |
| 26. Net realized capital gains (losses) less capital gains tax of \$ .....(9,145) .....  | 0              | (101,064)     | 16,955        |
| 27. Net investment gains (losses) (Lines 25 plus 26) .....   | 0              | 10,257,851    | 7,084,250     |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered<br>\$ .....0 ) (amount charged off \$ .....0 )] ..... | 0              | 0             | 0             |
| 29. Aggregate write-ins for other income or expenses .....   | 0              | (11,811)      | (23,307)      |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus<br>27 plus 28 plus 29) .....       | XXX            | 166,906,159   | 119,586,762   |
| 31. Federal and foreign income taxes incurred .....  | XXX            | 42,188,445    | 40,777,077    |
| 32. Net income (loss) (Lines 30 minus 31) .....  | XXX            | 124,717,714   | 78,809,685    |
| <b>DETAILS OF WRITE-INS</b>  |                |               |               |
| 0601. ....   | XXX            |               |               |
| 0602. ....   | XXX            |               |               |
| 0603. ....   | XXX            |               |               |
| 0698. Summary of remaining write-ins for Line 6 from overflow page .....   | XXX            | 0             | 0             |
| 0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....  | XXX            | 0             | 0             |
| 0701. ....   | XXX            |               |               |
| 0702. ....   | XXX            |               |               |
| 0703. ....   | XXX            |               |               |
| 0798. Summary of remaining write-ins for Line 7 from overflow page .....   | XXX            | 0             | 0             |
| 0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....  | XXX            | 0             | 0             |
| 1401. ....   |                |               |               |
| 1402. ....   |                |               |               |
| 1403. ....   |                |               |               |
| 1498. Summary of remaining write-ins for Line 14 from overflow page .....  | 0              | 0             | 0             |
| 1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....   | 0              | 0             | 0             |
| 2901. Fines & Penalties .....  | 0              | (12,000)      | (24,472)      |
| 2902. Other Income .....   | 0              | 189           | 1,165         |
| 2903. ....   |                |               |               |
| 2998. Summary of remaining write-ins for Line 29 from overflow page .....  | 0              | 0             | 0             |
| 2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....   | 0              | (11,811)      | (23,307)      |

STATEMENT OF REVENUE AND EXPENSES (Continued)

|   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| CAPITAL AND SURPLUS ACCOUNT   |                   |                 |
| 33. Capital and surplus prior reporting year.....   | 273,128,765       | 219,739,336     |
| 34. Net income or (loss) from Line 32 .....   | 124,717,714       | 78,809,685      |
| 35. Change in valuation basis of aggregate policy and claim reserves .....                        | 0                 | 0               |
| 36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....(285) ..... | (1,071)           | 0               |
| 37. Change in net unrealized foreign exchange capital gain or (loss) .....                        | 0                 | 0               |
| 38. Change in net deferred income tax .....   | 2,589,700         | (767,351)       |
| 39. Change in nonadmitted assets .....  | (12,658,037)      | (1,752,905)     |
| 40. Change in unauthorized and certified reinsurance .....  | 0                 | 0               |
| 41. Change in treasury stock .....  | 0                 | 0               |
| 42. Change in surplus notes .....   | 0                 | 0               |
| 43. Cumulative effect of changes in accounting principles.....                                    | 0                 | 0               |
| 44. Capital Changes:  |                   |                 |
| 44.1 Paid in .....  | 0                 | 0               |
| 44.2 Transferred from surplus (Stock Dividend).....   | 0                 | 0               |
| 44.3 Transferred to surplus.....  | 0                 | 0               |
| 45. Surplus adjustments:  |                   |                 |
| 45.1 Paid in .....  | 0                 | 0               |
| 45.2 Transferred to capital (Stock Dividend) .....  | 0                 | 0               |
| 45.3 Transferred from capital .....   | 0                 | 0               |
| 46. Dividends to stockholders .....   | (25,000,000)      | (22,900,000)    |
| 47. Aggregate write-ins for gains or (losses) in surplus .....                                    | 0                 | 0               |
| 48. Net change in capital and surplus (Lines 34 to 47) .....                                      | 89,648,306        | 53,389,429      |
| 49. Capital and surplus end of reporting period (Line 33 plus 48)                                 | 362,777,071       | 273,128,765     |
| DETAILS OF WRITE-INS  |                   |                 |
| 4701. ....  |                   |                 |
| 4702. ....  |                   |                 |
| 4703. ....  |                   |                 |
| 4798. Summary of remaining write-ins for Line 47 from overflow page .....                         | 0                 | 0               |
| 4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)                                      | 0                 | 0               |

CASH FLOW

|   | 1             | 2             |
|---|---------------|---------------|
|   | Current Year  | Prior Year    |
| Cash from Operations  |               |               |
| 1. Premiums collected net of reinsurance .....  | 2,440,034,025 | 2,219,768,261 |
| 2. Net investment income .....  | 13,205,955    | 10,853,441    |
| 3. Miscellaneous income .....   | 0             | 0             |
| 4. Total (Lines 1 through 3) .....  | 2,453,239,980 | 2,230,621,702 |
| 5. Benefit and loss related payments .....  | 2,003,291,109 | 1,795,107,777 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                    | 0             | 0             |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....                                      | 353,206,757   | 314,937,809   |
| 8. Dividends paid to policyholders .....  | 0             | 0             |
| 9. Federal and foreign income taxes paid (recovered) net of \$ .....0 tax on capital gains (losses) .....       | 54,480,703    | 39,353,362    |
| 10. Total (Lines 5 through 9) .....   | 2,410,978,569 | 2,149,398,948 |
| 11. Net cash from operations (Line 4 minus Line 10) .....   | 42,261,411    | 81,222,754    |
| Cash from Investments   |               |               |
| 12. Proceeds from investments sold, matured or repaid:  |               |               |
| 12.1 Bonds .....  | 109,602,636   | 65,283,817    |
| 12.2 Stocks .....   | 0             | 0             |
| 12.3 Mortgage loans .....   | 0             | 0             |
| 12.4 Real estate .....  | 0             | 0             |
| 12.5 Other invested assets .....  | 0             | 0             |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....                           | (2,443)       | 81            |
| 12.7 Miscellaneous proceeds .....   | 0             | 0             |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) .....   | 109,600,193   | 65,283,898    |
| 13. Cost of investments acquired (long-term only):  |               |               |
| 13.1 Bonds .....  | 156,359,404   | 69,573,331    |
| 13.2 Stocks .....   | 0             | 0             |
| 13.3 Mortgage loans .....   | 0             | 0             |
| 13.4 Real estate .....  | 0             | 0             |
| 13.5 Other invested assets .....  | 0             | 0             |
| 13.6 Miscellaneous applications .....   | 0             | 3,657,777     |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) .....  | 156,359,404   | 73,231,108    |
| 14. Net increase (decrease) in contract loans and premium notes .....   | 0             | 0             |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....                                   | (46,759,211)  | (7,947,210)   |
| Cash from Financing and Miscellaneous Sources   |               |               |
| 16. Cash provided (applied):  |               |               |
| 16.1 Surplus notes, capital notes .....   | 0             | 0             |
| 16.2 Capital and paid in surplus, less treasury stock .....   | 0             | 0             |
| 16.3 Borrowed funds .....   | 0             | 0             |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities .....                               | 0             | 0             |
| 16.5 Dividends to stockholders .....  | 25,000,000    | 22,900,000    |
| 16.6 Other cash provided (applied) .....  | (7,122,791)   | (10,558,345)  |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) ..... | (32,122,791)  | (33,458,345)  |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS   |               |               |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....       | (36,620,591)  | 39,817,199    |
| 19. Cash, cash equivalents and short-term investments:  |               |               |
| 19.1 Beginning of year .....  | 126,710,942   | 86,893,743    |
| 19.2 End of year (Line 18 plus Line 19.1) .....   | 90,090,351    | 126,710,942   |

Note: Supplemental disclosures of cash flow information for non-cash transactions:

|  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE UnitedHealthcare Community Plan of Ohio, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

|  | 1             | 2                                     | 3                      | 4              | 5              | 6   | 7                          | 8                        | 9            | 10                  |
|--|---------------|---------------------------------------|------------------------|----------------|----------------|---|----------------------------|--------------------------|--------------|---------------------|
|  | Total         | Comprehensive<br>(Hospital & Medical) | Medicare<br>Supplement | Dental<br>Only | Vision<br>Only | Federal<br>Employees<br>Health<br>Benefits Plan | Title<br>XVIII<br>Medicare | Title<br>XIX<br>Medicaid | Other Health | Other<br>Non-Health |
| 1. Net premium income .....  | 2,509,181,293 | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 2,509,181,293            | 0            | 0                   |
| 2. Change in unearned premium reserves and reserve for<br>rate credit .....                    | 1,303,323     | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 1,303,323                | 0            | 0                   |
| 3. Fee-for-service (net of \$ .....0<br>medical expenses) .....                                | 0             | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |
| 4. Risk revenue .....  | 0             | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |
| 5. Aggregate write-ins for other health care related<br>revenues .....                         | 0             | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |
| 6. Aggregate write-ins for other non-health care related<br>revenues .....                     | 0             | XXX                                   | XXX                    | XXX            | XXX            | XXX   | XXX                        | XXX                      | XXX          | 0                   |
| 7. Total revenues (Lines 1 to 6) .....   | 2,510,484,616 | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 2,510,484,616            | 0            | 0                   |
| 8. Hospital/medical benefits .....   | 1,640,857,634 | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 1,640,857,634            | 0            | XXX                 |
| 9. Other professional services .....   | 45,115,660    | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 45,115,660               | 0            | XXX                 |
| 10. Outside referrals .....  | 0             | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |
| 11. Emergency room and out-of-area .....   | 0             | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |
| 12. Prescription drugs .....   | 354,996,892   | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 354,996,892              | 0            | XXX                 |
| 13. Aggregate write-ins for other hospital and medical .....                                   | 0             | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |
| 14. Incentive pool, withhold adjustments and bonus amounts .....                               | 335,189       | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 335,189                  | 0            | XXX                 |
| 15. Subtotal (Lines 8 to 14) .....   | 2,041,305,375 | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 2,041,305,375            | 0            | XXX                 |
| 16. Net reinsurance recoveries .....   | 36,976,805    | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 36,976,805               | 0            | XXX                 |
| 17. Total medical and hospital (Lines 15 minus 16) .....                                       | 2,004,328,570 | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 2,004,328,570            | 0            | XXX                 |
| 18. Non-health claims (net) .....  | 0             | XXX                                   | XXX                    | XXX            | XXX            | XXX   | XXX                        | XXX                      | XXX          | 0                   |
| 19. Claims adjustment expenses including<br>\$ .....64,595,178 cost containment expenses ..... | 102,352,197   | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 102,352,197              | 0            | 0                   |
| 20. General administrative expenses .....  | 247,143,730   | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 247,143,730              | 0            | 0                   |
| 21. Increase in reserves for accident and health contracts .....                               | 0             | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |
| 22. Increase in reserves for life contracts .....  | 0             | XXX                                   | XXX                    | XXX            | XXX            | XXX   | XXX                        | XXX                      | XXX          | 0                   |
| 23. Total underwriting deductions (Lines 17 to 22) .....                                       | 2,353,824,497 | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 2,353,824,497            | 0            | 0                   |
| 24. Total underwriting gain or (loss) (Line 7 minus Line 23) .....                             | 156,660,119   | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 156,660,119              | 0            | 0                   |
| DETAILS OF WRITE-INS .....   |               |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 0501. ....   |               |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 0502. ....   |               |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 0503. ....   |               |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 0598. Summary of remaining write-ins for Line 5 from overflow<br>page .....                    | 0             | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |
| 0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....                             | 0             | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |
| 0601. ....   |               | XXX                                   | XXX                    | XXX            | XXX            | XXX   | XXX                        | XXX                      | XXX          |                     |
| 0602. ....   |               | XXX                                   | XXX                    | XXX            | XXX            | XXX   | XXX                        | XXX                      | XXX          |                     |
| 0603. ....   |               | XXX                                   | XXX                    | XXX            | XXX            | XXX   | XXX                        | XXX                      | XXX          |                     |
| 0698. Summary of remaining write-ins for Line 6 from overflow<br>page .....                    | 0             | XXX                                   | XXX                    | XXX            | XXX            | XXX   | XXX                        | XXX                      | XXX          | 0                   |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....                             | 0             | XXX                                   | XXX                    | XXX            | XXX            | XXX   | XXX                        | XXX                      | XXX          | 0                   |
| 1301. ....   |               |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 1302. ....   |               |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 1303. ....   |               |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 1398. Summary of remaining write-ins for Line 13 from<br>overflow page .....                   | 0             | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |
| 1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....                            | 0             | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

|                  |  | 1               | 2                   | 3                 | 4                                    |
|------------------|--|-----------------|---------------------|-------------------|--------------------------------------|
| Line of Business |  | Direct Business | Reinsurance Assumed | Reinsurance Ceded | Net Premium Income (Cols. 1 + 2 - 3) |
| 1.               | Comprehensive (hospital and medical) .....   | 0               | 0                   | 0                 | 0                                    |
| 2.               | Medicare Supplement .....                    | 0               | 0                   | 0                 | 0                                    |
| 3.               | Dental only .....                            | 0               | 0                   | 0                 | 0                                    |
| 4.               | Vision only .....                            | 0               | 0                   | 0                 | 0                                    |
| 5.               | Federal Employees Health Benefits Plan ..... | 0               | 0                   | 0                 | 0                                    |
| 6.               | Title XVIII - Medicare .....                 | 0               | 0                   | 0                 | 0                                    |
| 7.               | Title XIX - Medicaid .....                   | 2,536,259,575   | 0                   | 27,078,282        | 2,509,181,293                        |
| 8.               | Other health .....                           | 0               | 0                   | 0                 | 0                                    |
| 9.               | Health subtotal (Lines 1 through 8) .....    | 2,536,259,575   | 0                   | 27,078,282        | 2,509,181,293                        |
| 10.              | Life .....                                   | 0               | 0                   | 0                 | 0                                    |
| 11.              | Property/casualty .....                      | 0               | 0                   | 0                 | 0                                    |
| 12.              | Totals (Lines 9 to 11)                       | 2,536,259,575   | 0                   | 27,078,282        | 2,509,181,293                        |



UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

|  | 1             | 2                                     | 3                      | 4           | 5           | 6   | 7                          | 8                        | 9            | 10                  |
|--|---------------|---------------------------------------|------------------------|-------------|-------------|---|----------------------------|--------------------------|--------------|---------------------|
|  | Total         | Comprehensive<br>(Hospital & Medical) | Medicare<br>Supplement | Dental Only | Vision Only | Federal<br>Employees<br>Health<br>Benefits Plan | Title<br>XVIII<br>Medicare | Title<br>XIX<br>Medicaid | Other Health | Other<br>Non-Health |
| 1. Payments during the year:   |               |                                       |                        |             |             |   |                            |                          |              |                     |
| 1.1 Direct .....   | 2,035,423,634 | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 2,035,423,634            | .0           | .0                  |
| 1.2 Reinsurance assumed .....  | .0            | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 1.3 Reinsurance ceded .....  | 32,651,738    | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 32,651,738               | .0           | .0                  |
| 1.4 Net .....  | 2,002,771,896 | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 2,002,771,896            | .0           | .0                  |
| 2. Paid medical incentive pools and bonuses .....                      | 519,213       | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 519,213                  | .0           | .0                  |
| 3. Claim liability December 31, current year from Part 2A:             |               |                                       |                        |             |             |   |                            |                          |              |                     |
| 3.1 Direct .....   | 172,452,535   | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 172,452,535              | .0           | .0                  |
| 3.2 Reinsurance assumed .....  | .0            | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 3.3 Reinsurance ceded .....  | 18,462,343    | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 18,462,343               | .0           | .0                  |
| 3.4 Net .....  | 153,990,192   | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 153,990,192              | .0           | .0                  |
| 4. Claim reserve December 31, current year from Part 2D:               |               |                                       |                        |             |             |   |                            |                          |              |                     |
| 4.1 Direct .....   | 5,524,453     | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 5,524,453                | .0           | .0                  |
| 4.2 Reinsurance assumed .....  | .0            | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 4.3 Reinsurance ceded .....  | .0            | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 4.4 Net .....  | 5,524,453     | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 5,524,453                | .0           | .0                  |
| 5. Accrued medical incentive pools and bonuses, current year .....     | 353,256       | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 353,256                  | .0           | .0                  |
| 6. Net healthcare receivables (a) .....                                | 2,143,435     | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 2,143,435                | .0           | .0                  |
| 7. Amounts recoverable from reinsurers December 31, current year ..... | .0            | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 8. Claim liability December 31, prior year from Part 2A:               |               |                                       |                        |             |             |   |                            |                          |              |                     |
| 8.1 Direct .....   | 164,087,284   | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 164,087,284              | .0           | .0                  |
| 8.2 Reinsurance assumed .....  | .0            | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 8.3 Reinsurance ceded .....  | 5,567,980     | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 5,567,980                | .0           | .0                  |
| 8.4 Net .....  | 158,519,304   | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 158,519,304              | .0           | .0                  |
| 9. Claim reserve December 31, prior year from Part 2D:                 |               |                                       |                        |             |             |   |                            |                          |              |                     |
| 9.1 Direct .....   | 6,199,716     | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 6,199,716                | .0           | .0                  |
| 9.2 Reinsurance assumed .....  | .0            | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 9.3 Reinsurance ceded .....  | .0            | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 9.4 Net .....  | 6,199,716     | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 6,199,716                | .0           | .0                  |
| 10. Accrued medical incentive pools and bonuses, prior year .....      | 537,280       | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 537,280                  | .0           | .0                  |
| 11. Amounts recoverable from reinsurers December 31, prior year .....  | 8,569,296     | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 8,569,296                | .0           | .0                  |
| 12. Incurred Benefits:   |               |                                       |                        |             |             |   |                            |                          |              |                     |
| 12.1 Direct .....  | 2,040,970,187 | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 2,040,970,187            | .0           | .0                  |
| 12.2 Reinsurance assumed .....   | .0            | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 12.3 Reinsurance ceded .....   | 36,976,805    | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 36,976,805               | .0           | .0                  |
| 12.4 Net .....   | 2,003,993,382 | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 2,003,993,382            | .0           | .0                  |
| 13. Incurred medical incentive pools and bonuses .....                 | 335,189       | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 335,189                  | .0           | .0                  |

(a) Excludes \$ .....12,448,107 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

|   | 1           | 2                                     | 3                      | 4           | 5           | 6   | 7                          | 8                        | 9            | 10                  |
|---|-------------|---------------------------------------|------------------------|-------------|-------------|---|----------------------------|--------------------------|--------------|---------------------|
|   | Total       | Comprehensive<br>(Hospital & Medical) | Medicare<br>Supplement | Dental Only | Vision Only | Federal<br>Employees<br>Health<br>Benefits Plan | Title<br>XVIII<br>Medicare | Title<br>XIX<br>Medicaid | Other Health | Other<br>Non-Health |
| 1. Reported in Process of Adjustment:                 |             |                                       |                        |             |             |   |                            |                          |              |                     |
| 1.1 Direct .....                                      | 49,965,138  | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 49,965,138               | .0           | .0                  |
| 1.2 Reinsurance assumed .....                         | .0          | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 1.3 Reinsurance ceded .....                           | .0          | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 1.4 Net .....   | 49,965,138  | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 49,965,138               | .0           | .0                  |
| 2. Incurred but Unreported:                           |             |                                       |                        |             |             |   |                            |                          |              |                     |
| 2.1 Direct .....                                      | 121,968,807 | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 121,968,807              | .0           | .0                  |
| 2.2 Reinsurance assumed .....                         | .0          | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 2.3 Reinsurance ceded .....                           | 18,462,343  | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 18,462,343               | .0           | .0                  |
| 2.4 Net .....   | 103,506,464 | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 103,506,464              | .0           | .0                  |
| 3. Amounts Withheld from Paid Claims and Capitations: |             |                                       |                        |             |             |   |                            |                          |              |                     |
| 3.1 Direct .....                                      | 518,590     | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 518,590                  | .0           | .0                  |
| 3.2 Reinsurance assumed .....                         | .0          | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 3.3 Reinsurance ceded .....                           | .0          | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 3.4 Net .....   | 518,590     | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 518,590                  | .0           | .0                  |
| 4. TOTALS:  |             |                                       |                        |             |             |   |                            |                          |              |                     |
| 4.1 Direct .....                                      | 172,452,535 | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 172,452,535              | .0           | .0                  |
| 4.2 Reinsurance assumed .....                         | .0          | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 4.3 Reinsurance ceded .....                           | 18,462,343  | .0                                    | .0                     | .0          | .0          | .0  | .0                         | 18,462,343               | .0           | .0                  |
| 4.4 Net .....   | 153,990,192 | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 153,990,192              | 0            | 0                   |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

| Line of Business                                    | Claims Paid During the Year                                 |                                       | Claim Reserve and Claim Liability<br>December 31 of Current Year |                                       | 5  | 6   |
|---|---|---------------------------------------|--|---------------------------------------|--|---|
|   | 1   | 2                                     | 3  | 4                                     |  |   |
|   | On Claims Incurred<br>Prior to January 1<br>of Current Year | On Claims Incurred<br>During the Year | On Claims Unpaid<br>December 31 of<br>Prior Year                 | On Claims Incurred<br>During the Year | Claims Incurred<br>In Prior Years<br>(Columns 1 + 3) | Estimated Claim<br>Reserve and Claim<br>Liability<br>December 31 of<br>Prior Year |
| 1. Comprehensive (hospital and medical) .....       | 0   | 0                                     | 0  | 0                                     | 0  | 0   |
| 2. Medicare Supplement .....                        | 0   | 0                                     | 0  | 0                                     | 0  | 0   |
| 3. Dental Only .....                                | 0   | 0                                     | 0  | 0                                     | 0  | 0   |
| 4. Vision Only .....                                | 0   | 0                                     | 0  | 0                                     | 0  | 0   |
| 5. Federal Employees Health Benefits Plan .....     | 0   | 0                                     | 0  | 0                                     | 0  | 0   |
| 6. Title XVIII - Medicare .....                     | 0   | 0                                     | 0  | 0                                     | 0  | 0   |
| 7. Title XIX - Medicaid .....                       | 121,581,748   | 1,889,759,444                         | 3,016,472  | 156,498,171                           | 124,598,220  | 164,719,020   |
| 8. Other health .....                               | 0   | 0                                     | 0  | 0                                     | 0  | 0   |
| 9. Health subtotal (Lines 1 to 8) .....             | 121,581,748   | 1,889,759,444                         | 3,016,472  | 156,498,171                           | 124,598,220  | 164,719,020   |
| 10. Healthcare receivables (a) .....                | 3,674,884   | 25,152,219                            | 0  | 1,663,604                             | 3,674,884  | 28,347,272  |
| 11. Other non-health .....                          | 0   | 0                                     | 0  | 0                                     | 0  | 0   |
| 12. Medical incentive pools and bonus amounts ..... | 483,579   | 35,634                                | 3,256  | 350,000                               | 486,835  | 537,281   |
| 13. Totals (Lines 9 - 10 + 11 + 12)                 | 118,390,443   | 1,864,642,859                         | 3,019,728  | 155,184,567                           | 121,410,171  | 136,909,029   |

(a) Excludes \$ .....12,448,107 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Title XIX

| Year in Which Losses Were Incurred |             | Cumulative Net Amounts Paid |           |           |           |           |
|------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                    |             | 1<br>2014                   | 2<br>2015 | 3<br>2016 | 4<br>2017 | 5<br>2018 |
| 1.                                 | Prior ..... | 47,369                      | 45,692    | 45,584    | 44,838    | 46,026    |
| 2.                                 | 2014 .....  | 940,157                     | 1,058,978 | 1,057,337 | 1,055,877 | 1,057,041 |
| 3.                                 | 2015 .....  | XXX                         | 1,525,370 | 1,632,605 | 1,634,670 | 1,634,269 |
| 4.                                 | 2016 .....  | XXX                         | XXX       | 1,581,430 | 1,699,022 | 1,697,839 |
| 5.                                 | 2017 .....  | XXX                         | XXX       | XXX       | 1,677,657 | 1,790,384 |
| 6.                                 | 2018 .....  | XXX                         | XXX       | XXX       | XXX       | 1,889,795 |

Section B - Incurred Health Claims - Title XIX

| Year in Which Losses Were Incurred |             | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year |           |           |           |           |
|------------------------------------|-------------|--|-----------|-----------|-----------|-----------|
|                                    |             | 1<br>2014  | 2<br>2015 | 3<br>2016 | 4<br>2017 | 5<br>2018 |
| 1.                                 | Prior ..... | 50,524   | 45,692    | 45,584    | 44,838    | 46,026    |
| 2.                                 | 2014 .....  | 1,079,901  | 1,061,345 | 1,057,337 | 1,055,877 | 1,057,041 |
| 3.                                 | 2015 .....  | XXX  | 1,673,786 | 1,633,583 | 1,634,670 | 1,634,269 |
| 4.                                 | 2016 .....  | XXX  | XXX       | 1,738,854 | 1,702,690 | 1,697,839 |
| 5.                                 | 2017 .....  | XXX  | XXX       | XXX       | 1,839,245 | 1,793,404 |
| 6.                                 | 2018 .....  | XXX  | XXX       | XXX       | XXX       | 2,046,643 |

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

| Years in which<br>Premiums were Earned and Claims<br>were Incurred | 1<br><br>Premiums Earned | 2<br><br>Claims Payment | 3<br><br>Claim Adjustment<br>Expense Payments | 4<br><br>(Col. 3/2)<br>Percent | 5<br><br>Claim and Claim<br>Adjustment Expense<br>Payments<br>(Col. 2 + 3) | 6<br><br>(Col. 5/1)<br>Percent | 7<br><br>Claims Unpaid | 8<br><br>Unpaid Claims<br>Adjustment<br>Expenses | 9<br><br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5+7+8) | 10<br><br>(Col. 9/1)<br>Percent |
|--|--------------------------|-------------------------|---|--------------------------------|--|--------------------------------|------------------------|--|--|---------------------------------|
| 1. 2014 .....  | 1,371,958                | 1,057,041               | 67,891  | 6.4                            | 1,124,932  | 82.0                           | 0                      | 0  | 1,124,932  | 82.0                            |
| 2. 2015 .....  | 2,150,582                | 1,634,269               | 82,388  | 5.0                            | 1,716,657  | 79.8                           | 0                      | 0  | 1,716,657  | 79.8                            |
| 3. 2016 .....  | 2,059,211                | 1,697,839               | 95,109  | 5.6                            | 1,792,948  | 87.1                           | 0                      | 0  | 1,792,948  | 87.1                            |
| 4. 2017 .....  | 2,231,848                | 1,790,384               | 99,717  | 5.6                            | 1,890,101  | 84.7                           | 3,020                  | 40   | 1,893,161  | 84.8                            |
| 5. 2018 .....  | 2,537,563                | 1,889,795               | 89,702  | 4.7                            | 1,979,497  | 78.0                           | 156,848                | 2,093  | 2,138,438  | 84.3                            |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

| Year in Which Losses Were Incurred |             | Cumulative Net Amounts Paid |           |           |           |           |
|------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                    |             | 1<br>2014                   | 2<br>2015 | 3<br>2016 | 4<br>2017 | 5<br>2018 |
| 1.                                 | Prior ..... | 47,369                      | 45,692    | 45,584    | 44,838    | 46,026    |
| 2.                                 | 2014 .....  | 940,157                     | 1,058,978 | 1,057,337 | 1,055,877 | 1,057,041 |
| 3.                                 | 2015 .....  | XXX                         | 1,525,370 | 1,632,605 | 1,634,670 | 1,634,269 |
| 4.                                 | 2016 .....  | XXX                         | XXX       | 1,581,430 | 1,699,022 | 1,697,839 |
| 5.                                 | 2017 .....  | XXX                         | XXX       | XXX       | 1,677,657 | 1,790,384 |
| 6.                                 | 2018 .....  | XXX                         | XXX       | XXX       | XXX       | 1,889,795 |

Section B - Incurred Health Claims - Grand Total

| Year in Which Losses Were Incurred |             | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year |           |           |           |           |
|------------------------------------|-------------|--|-----------|-----------|-----------|-----------|
|                                    |             | 1<br>2014  | 2<br>2015 | 3<br>2016 | 4<br>2017 | 5<br>2018 |
| 1.                                 | Prior ..... | 50,524   | 45,692    | 45,584    | 44,838    | 46,026    |
| 2.                                 | 2014 .....  | 1,079,901  | 1,061,345 | 1,057,337 | 1,055,877 | 1,057,041 |
| 3.                                 | 2015 .....  | XXX  | 1,673,786 | 1,633,583 | 1,634,670 | 1,634,269 |
| 4.                                 | 2016 .....  | XXX  | XXX       | 1,738,854 | 1,702,690 | 1,697,839 |
| 5.                                 | 2017 .....  | XXX  | XXX       | XXX       | 1,839,245 | 1,793,404 |
| 6.                                 | 2018 .....  | XXX  | XXX       | XXX       | XXX       | 2,046,643 |

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

| Years in which<br>Premiums were Earned and Claims<br>were Incurred | 1<br><br>Premiums Earned | 2<br><br>Claims Payment | 3<br><br>Claim Adjustment<br>Expense Payments | 4<br><br>(Col. 3/2)<br>Percent | 5<br><br>Claim and Claim<br>Adjustment Expense<br>Payments<br>(Col. 2 + 3) | 6<br><br>(Col. 5/1)<br>Percent | 7<br><br>Claims Unpaid | 8<br><br>Unpaid Claims<br>Adjustment<br>Expenses | 9<br><br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5+7+8) | 10<br><br>(Col. 9/1)<br>Percent |
|--|--------------------------|-------------------------|---|--------------------------------|--|--------------------------------|------------------------|--|--|---------------------------------|
| 1. 2014 .....  | 1,371,958                | 1,057,041               | 67,891  | 6.4                            | 1,124,932  | 82.0                           | 0                      | 0  | 1,124,932  | 82.0                            |
| 2. 2015 .....  | 2,150,582                | 1,634,269               | 82,388  | 5.0                            | 1,716,657  | 79.8                           | 0                      | 0  | 1,716,657  | 79.8                            |
| 3. 2016 .....  | 2,059,211                | 1,697,839               | 95,109  | 5.6                            | 1,792,948  | 87.1                           | 0                      | 0  | 1,792,948  | 87.1                            |
| 4. 2017 .....  | 2,231,848                | 1,790,384               | 99,717  | 5.6                            | 1,890,101  | 84.7                           | 3,020                  | 40   | 1,893,161  | 84.8                            |
| 5. 2018 .....  | 2,537,563                | 1,889,795               | 89,702  | 4.7                            | 1,979,497  | 78.0                           | 156,848                | 2,093  | 2,138,438  | 84.3                            |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

|  | 1         | 2                                     | 3                      | 4           | 5           | 6   | 7                          | 8                        | 9     |
|--|-----------|---------------------------------------|------------------------|-------------|-------------|---|----------------------------|--------------------------|-------|
|  | Total     | Comprehensive<br>(Hospital & Medical) | Medicare<br>Supplement | Dental Only | Vision Only | Federal<br>Employees<br>Health<br>Benefits Plan | Title<br>XVIII<br>Medicare | Title<br>XIX<br>Medicaid | Other |
| 1. Unearned premium reserves .....   | 0         | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 0                        | 0     |
| 2. Additional policy reserves (a) .....  | 0         | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 0                        | 0     |
| 3. Reserve for future contingent benefits .....  | 0         | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 0                        | 0     |
| 4. Reserve for rate credits or experience rating refunds (including<br>\$ .....0 ) for investment income ..... | 201,962   | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 201,962                  | 0     |
| 5. Aggregate write-ins for other policy reserves .....   | 326,798   | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 326,798                  | 0     |
| 6. Totals (gross) .....  | 528,760   | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 528,760                  | 0     |
| 7. Reinsurance ceded .....   | 0         | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 0                        | 0     |
| 8. Totals (Net)(Page 3, Line 4) .....  | 528,760   | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 528,760                  | 0     |
| 9. Present value of amounts not yet due on claims .....  | 0         | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 0                        | 0     |
| 10. Reserve for future contingent benefits .....   | 5,524,453 | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 5,524,453                | 0     |
| 11. Aggregate write-ins for other claim reserves .....   | 0         | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 0                        | 0     |
| 12. Totals (gross) .....   | 5,524,453 | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 5,524,453                | 0     |
| 13. Reinsurance ceded .....  | 0         | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 0                        | 0     |
| 14. Totals (Net)(Page 3, Line 7) .....   | 5,524,453 | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 5,524,453                | 0     |
| DETAILS OF WRITE-INS   |           |                                       |                        |             |             |   |                            |                          |       |
| 0501. Ohio Department of Jobs and Family Services - Pay for Performance Program .....                          | 326,798   | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 326,798                  | 0     |
| 0502. ....   |           |                                       |                        |             |             |   |                            |                          |       |
| 0503. ....   |           |                                       |                        |             |             |   |                            |                          |       |
| 0598. Summary of remaining write-ins for Line 5 from overflow page.....  | 0         | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 0                        | 0     |
| 0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....   | 326,798   | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 326,798                  | 0     |
| 1101. ....   |           |                                       |                        |             |             |   |                            |                          |       |
| 1102. ....   |           |                                       |                        |             |             |   |                            |                          |       |
| 1103. ....   |           |                                       |                        |             |             |   |                            |                          |       |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....                                      | 0         | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 0                        | 0     |
| 1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above) .....  | 0         | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 0                        | 0     |

(a) Includes \$ .....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

|   | Claim Adjustment Expenses            |  | 3<br><br>General<br>Administrative<br>Expenses | 4<br><br>Investment<br>Expenses | 5<br><br>Total       |
|---|--------------------------------------|--|--|---------------------------------|----------------------|
|   | 1<br>Cost<br>Containment<br>Expenses | 2<br>Other Claim<br>Adjustment<br>Expenses |  |                                 |                      |
| 1. Rent (\$ .....0 for occupancy of<br>own building) .....                    | 1,881,221                            | 1,126,769                                  | 2,258,791                                      | 0                               | 5,266,781            |
| 2. Salary, wages and other benefits .....                                     | 33,428,990                           | 20,033,629                                 | 40,330,610                                     | 0                               | 93,793,229           |
| 3. Commissions (less \$ .....0<br>ceded plus \$ .....0 assumed) .....         | 0                                    | 0  | 0  | 0                               | 0                    |
| 4. Legal fees and expenses .....  | 381,741                              | 228,646                                    | 458,359  | 0                               | 1,068,746            |
| 5. Certifications and accreditation fees .....                                | 0                                    | 0  | 0  | 0                               | 0                    |
| 6. Auditing, actuarial and other consulting services .....                    | 3,214,668                            | 1,925,446                                  | 3,859,866                                      | 0                               | 8,999,980            |
| 7. Traveling expenses .....   | 1,033,103                            | 618,784                                    | 1,240,451                                      | 0                               | 2,892,338            |
| 8. Marketing and advertising .....  | 1,981,564                            | 1,186,870                                  | 2,379,273                                      | 0                               | 5,547,707            |
| 9. Postage, express and telephone .....                                       | 1,933,942                            | 1,158,347                                  | 6,595,203                                      | 0                               | 9,687,492            |
| 10. Printing and office supplies .....  | 2,104,731                            | 1,260,642                                  | 2,527,160                                      | 0                               | 5,892,533            |
| 11. Occupancy, depreciation and amortization .....                            | 890,211                              | 533,197                                    | 1,068,880                                      | 0                               | 2,492,288            |
| 12. Equipment .....   | 274,965                              | 164,692                                    | 330,152  | 0                               | 769,809              |
| 13. Cost or depreciation of EDP equipment and<br>software .....               | 3,825,671                            | 2,291,410                                  | 4,593,500                                      | 0                               | 10,710,581           |
| 14. Outsourced services including EDP, claims, and<br>other services .....    | 4,550,564                            | 2,999,428                                  | 4,620,708                                      | 0                               | 12,170,700           |
| 15. Boards, bureaus and association fees .....                                | 54,831                               | 32,842                                     | 65,836   | 0                               | 153,509              |
| 16. Insurance, except on real estate .....                                    | 273,437                              | 163,777                                    | 328,317  | 0                               | 765,531              |
| 17. Collection and bank service charges .....                                 | 171,918                              | 102,971                                    | 206,423  | 0                               | 481,312              |
| 18. Group service and administration fees .....                               | 884,667                              | 529,878                                    | 1,062,223                                      | 0                               | 2,476,768            |
| 19. Reimbursements by uninsured plans .....                                   | 0                                    | 0  | 0  | 0                               | 0                    |
| 20. Reimbursements from fiscal intermediaries .....                           | 0                                    | 0  | 0  | 0                               | 0                    |
| 21. Real estate expenses .....  | 0                                    | 0  | 0  | 0                               | 0                    |
| 22. Real estate taxes .....   | 79,870                               | 30,672                                     | 125,609  | 0                               | 236,151              |
| 23. Taxes, licenses and fees:   |                                      |  |  |                                 |                      |
| 23.1 State and local insurance taxes .....                                    | 0                                    | 0  | 0  | 0                               | 0                    |
| 23.2 State premium taxes .....  | 0                                    | 0  | 0  | 0                               | 0                    |
| 23.3 Regulatory authority licenses and fees .....                             | 0                                    | 0  | 165,085,086                                    | 0                               | 165,085,086          |
| 23.4 Payroll taxes .....  | 1,686,664                            | 647,735                                    | 2,652,563                                      | 0                               | 4,986,962            |
| 23.5 Other (excluding federal income and real<br>estate taxes) .....          | 0                                    | 0  | 0  | 0                               | 0                    |
| 24. Investment expenses not included elsewhere .....                          | 0                                    | 0  | 0  | 201,804                         | 201,804              |
| 25. Aggregate write-ins for expenses .....                                    | 5,942,420                            | 2,721,284                                  | 7,354,720                                      | 0                               | 16,018,424           |
| 26. Total expenses incurred (Lines 1 to 25) .....                             | 64,595,178                           | 37,757,019                                 | 247,143,730                                    | 201,804                         | (a) .....349,697,731 |
| 27. Less expenses unpaid December 31, current year .....                      | 1,345,900                            | 786,703                                    | 34,032,030                                     | 79,566                          | 36,244,199           |
| 28. Add expenses unpaid December 31, prior year .....                         | 1,348,808                            | 709,289                                    | 32,796,158                                     | 62,654                          | 34,916,909           |
| 29. Amounts receivable relating to uninsured plans,<br>prior year .....       | 0                                    | 0  | 0  | 0                               | 0                    |
| 30. Amounts receivable relating to uninsured plans,<br>current year .....     | 0                                    | 0  | 0  | 0                               | 0                    |
| 31. Total expenses paid (Lines 26 minus 27 plus 28<br>minus 29 plus 30) ..... | 64,598,086                           | 37,679,605                                 | 245,907,858                                    | 184,892                         | 348,370,441          |
| DETAILS OF WRITE-INS  |                                      |  |  |                                 |                      |
| 2501. Information Technology .....  | 172,860                              | 103,535                                    | 207,554  | 0                               | 483,949              |
| 2502. Interest .....  | 30,817                               | 18,458                                     | 136,025  | 0                               | 185,300              |
| 2503. Managed Care & Network Access .....                                     | 1,214,872                            | 17,577                                     | 1,726,608                                      | 0                               | 2,959,057            |
| 2598. Summary of remaining write-ins for Line 25 from<br>overflow page .....  | 4,523,871                            | 2,581,714                                  | 5,284,533                                      | 0                               | 12,390,118           |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25<br>above) .....         | 5,942,420                            | 2,721,284                                  | 7,354,720                                      | 0                               | 16,018,424           |

(a) Includes management fees of \$ .....138,912,564 to affiliates and \$ .....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

|                      |   | 1                     | 2                  |
|----------------------|---|-----------------------|--------------------|
|                      |   | Collected During Year | Earned During Year |
| 1.                   | U.S. government bonds .....   | (a) .....419,401      | .....416,811       |
| 1.1                  | Bonds exempt from U.S. tax .....  | (a) .....0            | .....0             |
| 1.2                  | Other bonds (unaffiliated) .....  | (a) .....7,801,799    | .....7,939,935     |
| 1.3                  | Bonds of affiliates .....   | (a) .....0            | .....0             |
| 2.1                  | Preferred stocks (unaffiliated) .....                                     | (b) .....0            | .....0             |
| 2.11                 | Preferred stocks of affiliates .....                                      | (b) .....0            | .....0             |
| 2.2                  | Common stocks (unaffiliated) .....  | .....0                | .....0             |
| 2.21                 | Common stocks of affiliates .....   | .....0                | .....0             |
| 3.                   | Mortgage loans .....  | (c) .....0            | .....0             |
| 4.                   | Real estate .....   | (d) .....0            | .....0             |
| 5                    | Contract Loans .....  | .....0                | .....0             |
| 6                    | Cash, cash equivalents and short-term investments .....                   | (e) .....2,206,510    | .....2,203,973     |
| 7                    | Derivative instruments .....  | (f) .....0            | .....0             |
| 8.                   | Other invested assets .....   | .....0                | .....0             |
| 9.                   | Aggregate write-ins for investment income .....                           | .....0                | .....0             |
| 10.                  | Total gross investment income .....                                       | 10,427,710            | 10,560,719         |
| 11.                  | Investment expenses .....   |                       | (g) .....201,804   |
| 12.                  | Investment taxes, licenses and fees, excluding federal income taxes ..... |                       | (g) .....0         |
| 13.                  | Interest expense .....  |                       | (h) .....0         |
| 14.                  | Depreciation on real estate and other invested assets .....               |                       | (i) .....0         |
| 15.                  | Aggregate write-ins for deductions from investment income .....           |                       | .....0             |
| 16.                  | Total deductions (Lines 11 through 15) .....                              |                       | .....201,804       |
| 17.                  | Net investment income (Line 10 minus Line 16)                             |                       | 10,358,915         |
| DETAILS OF WRITE-INS |   |                       |                    |
| 0901.                | .....   |                       |                    |
| 0902.                | .....   |                       |                    |
| 0903.                | .....   |                       |                    |
| 0998.                | Summary of remaining write-ins for Line 9 from overflow page .....        | .....0                | .....0             |
| 0999.                | Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)                   | 0                     | 0                  |
| 1501.                | .....   |                       |                    |
| 1502.                | .....   |                       |                    |
| 1503.                | .....   |                       |                    |
| 1598.                | Summary of remaining write-ins for Line 15 from overflow page .....       |                       | .....0             |
| 1599.                | Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)                  |                       | 0                  |

- (a) Includes \$ .....141,641 accrual of discount less \$ .....3,128,529 amortization of premium and less \$ .....294,771 paid for accrued interest on purchases.
- (b) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ .....0 paid for accrued dividends on purchases.
- (c) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium and less \$ .....0 paid for accrued interest on purchases.
- (d) Includes \$ .....0 for company's occupancy of its own buildings; and excludes \$ .....0 interest on encumbrances.
- (e) Includes \$ .....57,450 accrual of discount less \$ .....173 amortization of premium and less \$ .....0 paid for accrued interest on purchases.
- (f) Includes \$ .....0 accrual of discount less \$ .....0 amortization of premium.
- (g) Includes \$. .....0 investment expenses and \$ .....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ .....0 interest on surplus notes and \$ .....0 interest on capital notes.
- (i) Includes \$ .....0 depreciation on real estate and \$ .....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

|                      |   | 1  | 2                             | 3  | 4  | 5   |
|----------------------|---|--|-------------------------------|--|--|---|
|                      |   | Realized Gain (Loss)<br>On Sales or Maturity | Other Realized<br>Adjustments | Total Realized Capital<br>Gain (Loss)<br>(Columns 1 + 2) | Change in<br>Unrealized Capital<br>Gain (Loss) | Change in Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
| 1.                   | U.S. Government bonds .....   | 42,587                                       | 0                             | 42,587   | 0  | 0   |
| 1.1                  | Bonds exempt from U.S. tax .....                                      | 0  | 0                             | 0  | 0  | 0   |
| 1.2                  | Other bonds (unaffiliated) .....                                      | (126,146)                                    | (25,569)                      | (151,715)  | 0  | 0   |
| 1.3                  | Bonds of affiliates .....   | 0  | 0                             | 0  | 0  | 0   |
| 2.1                  | Preferred stocks (unaffiliated) .....                                 | 0  | 0                             | 0  | 0  | 0   |
| 2.11                 | Preferred stocks of affiliates .....                                  | 0  | 0                             | 0  | 0  | 0   |
| 2.2                  | Common stocks (unaffiliated) .....                                    | 0  | 0                             | 0  | 0  | 0   |
| 2.21                 | Common stocks of affiliates .....                                     | 0  | 0                             | 0  | 0  | 0   |
| 3.                   | Mortgage loans .....  | 0  | 0                             | 0  | 0  | 0   |
| 4.                   | Real estate .....   | 0  | 0                             | 0  | 0  | 0   |
| 5.                   | Contract loans .....  | 0  | 0                             | 0  | 0  | 0   |
| 6.                   | Cash, cash equivalents and short-term investments .....               | (1,086)                                      | 0                             | (1,086)  | (1,357)  | 0   |
| 7.                   | Derivative instruments .....  | 0  | 0                             | 0  | 0  | 0   |
| 8.                   | Other invested assets .....   | 0  | 0                             | 0  | 0  | 0   |
| 9.                   | Aggregate write-ins for capital gains (losses) .....                  | 0  | 0                             | 0  | 0  | 0   |
| 10.                  | Total capital gains (losses) .....                                    | (84,645)                                     | (25,569)                      | (110,214)  | (1,357)  | 0   |
| DETAILS OF WRITE-INS |   |  |                               |  |  |   |
| 0901.                | .....   |  |                               |  |  |   |
| 0902.                | .....   |  |                               |  |  |   |
| 0903.                | .....   |  |                               |  |  |   |
| 0998.                | Summary of remaining write-ins for Line 9 from<br>overflow page ..... | 0  | 0                             | 0  | 0  | 0   |
| 0999.                | Totals (Lines 0901 thru 0903 plus 0998) (Line 9,<br>above)            | 0  | 0                             | 0  | 0  | 0   |



EXHIBIT OF NON-ADMITTED ASSETS

|   | 1  | 2                                      | 3  |
|---|--|--|--|
|   | Current Year Total<br>Nonadmitted Assets | Prior Year Total<br>Nonadmitted Assets | Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
| 1. Bonds (Schedule D) .....   | 0  | 0                                      | 0  |
| 2. Stocks (Schedule D):   |  |  |  |
| 2.1 Preferred stocks .....  | 0  | 0                                      | 0  |
| 2.2 Common stocks .....   | 0  | 0                                      | 0  |
| 3. Mortgage loans on real estate (Schedule B):  |  |  |  |
| 3.1 First liens .....   | 0  | 0                                      | 0  |
| 3.2 Other than first liens.....   | 0  | 0                                      | 0  |
| 4. Real estate (Schedule A):  |  |  |  |
| 4.1 Properties occupied by the company .....  | 0  | 0                                      | 0  |
| 4.2 Properties held for the production of income.....   | 0  | 0                                      | 0  |
| 4.3 Properties held for sale .....  | 0  | 0                                      | 0  |
| 5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments<br>(Schedule DA) ..... | 0  | 0                                      | 0  |
| 6. Contract loans .....   | 0  | 0                                      | 0  |
| 7. Derivatives (Schedule DB) .....  | 0  | 0                                      | 0  |
| 8. Other invested assets (Schedule BA) .....  | 0  | 0                                      | 0  |
| 9. Receivables for securities .....   | 0  | 0                                      | 0  |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....   | 0  | 0                                      | 0  |
| 11. Aggregate write-ins for invested assets .....   | 0  | 0                                      | 0  |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....   | 0  | 0                                      | 0  |
| 13. Title plants (for Title insurers only) .....  | 0  | 0                                      | 0  |
| 14. Investment income due and accrued .....   | 0  | 0                                      | 0  |
| 15. Premiums and considerations:  |  |  |  |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....  | 0  | 0                                      | 0  |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....                     | 0  | 0                                      | 0  |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination .....                                      | 0  | 0                                      | 0  |
| 16. Reinsurance:  |  |  |  |
| 16.1 Amounts recoverable from reinsurers .....  | 0  | 0                                      | 0  |
| 16.2 Funds held by or deposited with reinsured companies .....  | 0  | 0                                      | 0  |
| 16.3 Other amounts receivable under reinsurance contracts .....   | 0  | 0                                      | 0  |
| 17. Amounts receivable relating to uninsured plans .....  | 0  | 0                                      | 0  |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....                                      | 0  | 0                                      | 0  |
| 18.2 Net deferred tax asset .....   | 0  | 0                                      | 0  |
| 19. Guaranty funds receivable or on deposit .....   | 0  | 0                                      | 0  |
| 20. Electronic data processing equipment and software .....   | 0  | 0                                      | 0  |
| 21. Furniture and equipment, including health care delivery assets .....  | 0  | 0                                      | 0  |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....  | 0  | 0                                      | 0  |
| 23. Receivable from parent, subsidiaries and affiliates .....   | 0  | 0                                      | 0  |
| 24. Health care and other amounts receivable .....  | 18,955,586                               | 6,297,549                              | (12,658,037)   |
| 25. Aggregate write-ins for other than invested assets .....  | 0  | 0                                      | 0  |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts<br>(Lines 12 to 25) ..... | 18,955,586                               | 6,297,549                              | (12,658,037)   |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                                       | 0  | 0                                      | 0  |
| 28. Total (Lines 26 and 27) .....   | 18,955,586                               | 6,297,549                              | (12,658,037)   |
| DETAILS OF WRITE-INS  |  |  |  |
| 1101. ....  |  |  |  |
| 1102. ....  |  |  |  |
| 1103. ....  |  |  |  |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....   | 0  | 0                                      | 0  |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....  | 0  | 0                                      | 0  |
| 2501. ....  |  |  |  |
| 2502. ....  |  |  |  |
| 2503. ....  |  |  |  |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....   | 0  | 0                                      | 0  |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....  | 0  | 0                                      | 0  |

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment   | Total Members at End of |                    |                     |                    |                   | 6<br>Current Year<br>Member Months |
|--|-------------------------|--------------------|---------------------|--------------------|-------------------|------------------------------------|
|  | 1<br>Prior Year         | 2<br>First Quarter | 3<br>Second Quarter | 4<br>Third Quarter | 5<br>Current Year |                                    |
| 1. Health Maintenance Organizations .....                                | 312,886                 | 319,898            | 316,960             | 316,023            | 304,233           | 3,833,905                          |
| 2. Provider Service Organizations .....                                  | 0                       | 0                  | 0                   | 0                  | 0                 | 0                                  |
| 3. Preferred Provider Organizations .....                                | 0                       | 0                  | 0                   | 0                  | 0                 | 0                                  |
| 4. Point of Service .....  | 0                       | 0                  | 0                   | 0                  | 0                 | 0                                  |
| 5. Indemnity Only .....  | 0                       | 0                  | 0                   | 0                  | 0                 | 0                                  |
| 6. Aggregate write-ins for other lines of business.....                  | 0                       | 0                  | 0                   | 0                  | 0                 | 0                                  |
| 7. Total   | 312,886                 | 319,898            | 316,960             | 316,023            | 304,233           | 3,833,905                          |
| DETAILS OF WRITE-INS   |                         |                    |                     |                    |                   |                                    |
| 0601. ....   |                         |                    |                     |                    |                   |                                    |
| 0602. ....   |                         |                    |                     |                    |                   |                                    |
| 0603. ....   |                         |                    |                     |                    |                   |                                    |
| 0698. Summary of remaining write-ins for Line 6 from overflow page ..... | 0                       | 0                  | 0                   | 0                  | 0                 | 0                                  |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)             | 0                       | 0                  | 0                   | 0                  | 0                 | 0                                  |

UNITEDHEALTHCARE COMMUNITY PLAN OF OHIO, INC.

NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

Organization and Operation

UnitedHealthcare Community Plan of Ohio, Inc. (the “Company”), licensed as a health insuring corporation (“HIC”), offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is wholly owned by Three Rivers Holding, Inc. (“TRH”). TRH is a wholly owned subsidiary of AmeriChoice Corporation. AmeriChoice Corporation is a wholly owned subsidiary of UnitedHealth Group Incorporated (“UnitedHealth Group”). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company was incorporated on March 29, 2004, as a HIC and operations commenced in October 2005. The Company is certified as a HIC by the Ohio Department of Insurance (“ODI”). The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees.

The Company has a contract with the State of Ohio Department of Medicaid (“ODM”) to provide health care services to Medicaid, Expansion, and Aged, Blind and Disabled (“ABD”), including Partners for Kids (“PFK”) eligible beneficiaries in Ohio. The contract was renewed on July 1, 2018 and is subject to annual renewal provisions.

The Company also serves as a plan sponsor under an Integrated Care Delivery System Plan, “MyCare Ohio”, offering a Medicare-Medicaid Plan (“MMP”) under contracts with the Centers for Medicare and Medicaid Services (“CMS”) and the ODM. An MMP provides dually-eligible beneficiaries access to Medicare and Medicaid benefits under a single managed care organization through a three-way contract. The contract was renewed on October 1, 2017 and is subject to one-year renewal options through December 31, 2019.

A. Accounting Practices

The statutory basis financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the ODI.

The ODI recognizes only statutory accounting practices, prescribed or permitted by the State of Ohio, for determining and reporting the financial condition and results of operations of a HIC for determining its solvency under Ohio Insurance Law. The state prescribes the use of the National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures manual (“NAIC SAP”) in effect for the accounting periods covered in the statutory basis financial statements.

No significant differences exist between the practices prescribed or permitted by the State of Ohio and the NAIC SAP which materially affect the statutory basis net income and capital and surplus, as illustrated in the table below:

|  | SSAP # | F/S Page # | F/S Line # | 2018                  | 2017                  |
|--|--------|------------|------------|-----------------------|-----------------------|
| <b>Net Income</b>  |        |            |            |                       |                       |
| (1) Company state basis (Page 4, Line 32, Columns 2 & 3)                                     | XXX    | XXX        | XXX        | \$ 124,717,714        | \$ 78,809,685         |
| (2) State prescribed practices that are an increase/(decrease) from NAIC SAP: Not Applicable |        |            |            | -                     | -                     |
| (3) State permitted practices that are an increase/(decrease) from NAIC SAP: Not Applicable  |        |            |            | -                     | -                     |
| (4) NAIC SAP (1 - 2 - 3 = 4)   | XXX    | XXX        | XXX        | <u>\$ 124,717,714</u> | <u>\$ 78,809,685</u>  |
| <b>Capital and Surplus</b>   |        |            |            |                       |                       |
| (5) Company state basis (Page 3, Line 33, Columns 3 & 4)                                     | XXX    | XXX        | XXX        | \$ 362,777,071        | \$ 273,128,765        |
| (6) State prescribed practices that are an increase/(decrease) from NAIC SAP: Not Applicable |        |            |            | -                     | -                     |
| (7) State permitted practices that are an increase/(decrease) from NAIC SAP: Not Applicable  |        |            |            | -                     | -                     |
| (8) NAIC SAP (5 - 6 - 7 = 8)   | XXX    | XXX        | XXX        | <u>\$ 362,777,071</u> | <u>\$ 273,128,765</u> |

**B. Use of Estimates in the Preparation of the Statutory Basis Financial Statements**

The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to hospital and medical benefits, claims unpaid, aggregate health policy reserves, and aggregate health claim reserves. The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income in the period in which the estimate is adjusted.

**C. Accounting Policy**

**Basis of Presentation** — The Company prepares its statutory basis financial statements on the basis of accounting practices prescribed or permitted by the ODI. These statutory practices differ from accounting principles generally accepted in the United States of America ("GAAP").

Accounting policy disclosures that are required by the NAIC Annual Statement instructions are as follows:

- (1–2) Bonds and short-term investments are stated at book/adjusted carrying value if they meet NAIC designation of one or two and stated at the lower of book/adjusted carrying value or fair value if they meet an NAIC designation of three or higher. The Company does not have any mandatory convertible securities or Securities Valuation Office of the NAIC ("SVO") identified funds (i.e.: exchange traded funds or bond mutual funds) in its bond portfolio. Amortization of bond premium or accretion of discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the SVO in accordance with the NAIC Valuation of Securities manual prepared by the SVO or an external pricing service;
- (3–4) The Company holds no common or preferred stock;
- (5) The Company holds no mortgage loans on real estate;
- (6) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in nonagency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets. Total combined investments in mortgage-backed securities and asset-backed securities cannot exceed more than 30% of total cash and invested assets;
- (7) The Company holds no investments in subsidiaries, controlled, or affiliated entities;
- (8) The Company has no investment interests with respect to joint ventures, partnerships, or limited liability companies;
- (9) The Company holds no derivatives;
- (10) Premium deficiency reserves (inclusive of conversion reserves) and the related expenses are recognized when it is probable that expected future health care expenses, claims adjustment expenses ("CAE"), direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts, and are recorded as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts, and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, CAE, and direct administration costs are considered. The methods for making such estimates and for establishing the resulting reserves are periodically reviewed and updated, and any adjustments are reflected as an increase (decrease) in reserves for accident and health contracts in the statutory basis statements of operations in the period in which the change in estimate is identified. The Company anticipates investment income as a factor in the premium deficiency calculation (see Note 30);

- (11) CAE are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the management agreement (“the Agreement”) (see Note 10), the Company pays a management fee to its affiliate, United HealthCare Services, Inc. (“UHS”), in exchange for administrative and management services. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and general administrative expenses (“GAE”) to be reported in the statutory basis statement of operations. It is the responsibility of UHS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid CAE associated with incurred but unpaid claims, which is included in unpaid CAE in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid CAE as of December 31, 2018 is adequate to cover the Company’s cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid CAE are reflected in operating results in the period in which the change in estimate is identified;
- (12) The Company does not carry any fixed assets on the statutory basis financial statements;
- (13) Health care and other amounts receivable consist of pharmacy rebates receivable estimated based on the most currently available data from the Company’s claims processing systems and from data provided by the Company’s affiliated pharmaceutical benefit manager, OptumRx, Inc. (“OptumRx”). Health care and other amounts receivable also include receivables for amounts due to the Company for provider advances and claim overpayments to providers, hospitals and other health care organizations, as well as amounts due from the ODM for reimbursable claims. Health care and other amounts receivable are considered nonadmitted assets under the NAIC SAP if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

The Company has also deemed the following to be significant accounting policies and/or differences between statutory practices and GAAP:

## **ASSETS**

### ***Cash and Invested Assets***

- Bonds include U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities, with a maturity of greater than one year at the time of purchase;
- Certain debt investments categorized as available-for-sale or held-to-maturity under GAAP are presented at the lower of book/adjusted carrying value or fair value in accordance with the NAIC designations in the statutory basis financial statements, whereas under GAAP, these investments are shown at fair value or book/adjusted carrying value, respectively;
- Cash, cash equivalents, and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash, cash equivalents, and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;
- Cash represents cash held by the Company in disbursement accounts. Claims and other payments are made from the disbursement accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments;
- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;
- Cash equivalents include money-market funds and U.S. treasury bills. Cash equivalents have original maturity dates of three months or less from the date of acquisition. Cash equivalents, excluding money-market funds, are reported at cost or book/adjusted carrying value depending on the nature of the underlying security, which approximates fair value. Money-market funds are reported at fair value or net asset value (“NAV”) as a practical expedient;

- Short-term investments include corporate debt securities and U.S. government and agency securities. Short-term investments have a maturity of greater than three months but less than one year at the time of purchase. Short-term investments also consist of the Company's share of an investment pool sponsored and administered by UHS. The investment pool consists principally of investments with original maturities of less than one year, with the average life of the individual investments being less than 60 days. The Company's share of the pool represents an undivided ownership interest in the pool and is immediately convertible to cash at no cost or penalty. The participants within the pool have an individual fund number to track those investments owned by the Company. In addition, the Company is listed as a participant in the executed custodial agreement between UHS and the custodian whereby the Company's share in the investment pool is segregated and separately maintained. The pool is primarily invested in government obligations, commercial paper, certificates of deposit, and short-term agency notes and is recorded at cost or book/adjusted carrying value depending on the composition of the underlying securities. Interest income from the pool accrues daily to participating members based upon ownership percentage;
- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses are reported as net realized capital (losses) gains less capital gains (benefit) tax in the statutory basis statements of operations;
- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital (losses) gains less capital gains (benefit) tax in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for loan-backed securities for periods subsequent to the loss recognition. The Company recognized other-than-temporary impairments ("OTTIs") of \$25,569 and \$0 for the years ended December 31, 2018 and 2017, respectively;
- The statutory basis statements of cash flows reconcile cash, cash equivalents, and short-term investments, which includes restricted cash reserves, with original maturities of one year or less from the time of acquisition; whereas under GAAP, pursuant to Accounting Standards Update 2016-18, *Statement of Cash Flows, Restricted Cash*, the statements of cash flows reconcile the corresponding captions of cash, cash equivalents and restricted cash with maturities of three months or less. Short-term investments with a final maturity of one year or less from the balance sheet date are not included in the reconciliation of GAAP cash flows. In addition, there are classification differences within the presentation of the cash flow categories between GAAP and statutory reporting. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

#### **Other Assets**

- **Investment Income Due and Accrued** — Investment income earned and due as of the reporting date, in addition to investment income earned but not paid or collected until subsequent periods, is reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and accrued and amounts determined to be uncollectible are written off in the period in which the determination is made. In addition, the remaining balance is assessed for admissibility and any balance greater than 90 days past due is considered a nonadmitted asset.
- **Premiums and Considerations** — The Company reports uncollected premium balances from its insured members as premiums and considerations in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential.

Premiums and considerations also include CMS risk adjustment receivables. The risk adjustment model apportions premiums paid to all health plans according to the health severity and certain demographic factors of its enrollees. The CMS risk adjustment model pays more for members whose medical history indicates they have certain medical conditions. Under this risk adjustment methodology, CMS calculates the risk-adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, and physician treatment settings. The Company and health care providers collect, capture, and submit the necessary and available diagnosis data to CMS within prescribed deadlines. The Company estimates risk adjustment revenues based upon the diagnosis data submitted and expected to be submitted to CMS. The Company recognizes such changes when the amounts become determinable and supportable and collectability is reasonably assured (see Note 24).

Premiums and considerations also include ODM pay for performance (“P4P”) program receivables. The P4P program is based upon the Company’s performance against various quality and operational measures established in the Company’s contract with the State which is based on a stated percentage of total direct premiums written. Premium adjustments for the Medicaid performance guarantee program are accounted for as premium adjustments subject to redetermination (see Note 24).

- **Amounts Receivable Relating to Uninsured Plans** — Receivables for amounts held under uninsured plans represent the costs incurred in excess of the cost reimbursement under the Medicare program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy for the individual members. The Company is fully reimbursed by CMS for costs incurred for these contract elements, and accordingly, there is no insurance risk to the Company. Subsidies for individual members are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. If the Company incurs costs in excess of these subsidies, a corresponding receivable is recorded in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within net cash provided by operations in the statutory basis statements of cash flows. The Patient Protection and Affordable Care Act and its related legislation (“ACA”) mandates consumer discounts of 50% on brand name prescription drugs for Part D plan participants in the coverage gap. As part of the coverage gap discount program (“CGDP”), the Company records a receivable from the pharmaceutical manufacturers for reimbursement of the discounts which is included in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within net cash provided by operations in the statutory basis statements of cash flows. The Company solely administers the application of these funds and has no insurance risk.
- **Current Federal Income Tax Recoverable** — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. A current federal income tax recoverable is recognized when the Company’s allocated intercompany estimated payments are more than its actual calculated obligation based on the Company’s stand-alone federal income tax return (see Note 9).
- **Net Deferred Tax Asset** — The NAIC SAP provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). In addition, under the NAIC SAP, the change in deferred tax assets is recorded directly to unassigned surplus in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under the NAIC SAP, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheet.

## **LIABILITIES**

- **Claims Unpaid and Aggregate Health Claim Reserves** — Claims unpaid and aggregate health claim reserves include claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

The estimates for incurred but not yet reported claims are developed using an actuarial process that is consistently applied, centrally controlled, and automated. The actuarial models consider factors such as historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The Company estimates such liabilities for physician, hospital, and other medical cost disputes based upon an analysis of potential outcomes, assuming a combination of litigation and settlement strategies. These estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during 2018 and 2017. Management believes the amount of claims unpaid and aggregate health claim reserves is a best estimate of the Company's liability for unpaid claims and aggregate health claim reserves as of December 31, 2018; however, actual payments may differ from those established estimates.

The reserves ceded to reinsurers for claims unpaid have been reported as reductions of the related reserves rather than as assets, which would be required under GAAP.

The Company contracts with hospitals, physicians, and other providers of health care under capitated or discounted fee for service arrangements, including a hospital per diem to provide medical care services to enrollees. Some of these contracts are with related parties (see Note 10). Capitated providers are at risk for the cost of medical care services provided to the Company's enrollees; however, the Company is ultimately responsible for the provision of services to its enrollees should the capitated provider be unable to provide the contracted services.

- **Accrued Medical Incentive Pool and Bonus Amounts** — The Company has agreements with certain independent physicians and physician network organizations that provide for the establishment of a fund into which the Company places monthly premiums payable for members assigned to the physician. The Company manages the disbursement of funds from this account as well as reviews the utilization of nonprimary care medical services of members assigned to the physicians. Any surpluses in the fund are shared by the Company and the physician based upon predetermined risk-sharing percentage and the liability is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has incentive and bonus arrangements with providers that are based on quality, utilization, and/or various health outcome measures. The estimated amount due to providers that meet the established metrics is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Aggregate Health Policy Reserves** — Aggregate health policy reserves include:
  - a) CMS risk corridor payables under MyCare Ohio for which adjustments are based on whether the ultimate per member per month ("PMPM") benefit costs of any Medicare program plan varies more than 5% below the level estimated in the original bid submitted by the Company and approved by CMS (see Note 24);
  - b) estimated rebates payable on Expansion and MyCare Ohio products, if the medical loss ratios on these fully insured products, as calculated pursuant to contractual requirements, fall below certain targets. The Company calculates the ratable portions of the premiums annually. Amounts are collected by ODM. (see Note 24); and
  - c) ODM P4P program sanction payables (see Note 24). The Company is subject to contractual sanctions for noncompliance of the defined performance measures as stated in the Company's managed care plan ("MCP") agreements. The Company estimates the impact of sanctions which are collected by ODM. The Company has the ability to also earn back the sanctioned amounts through remediation efforts.
- **General Expenses Due or Accrued** — General expenses that are due as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent period are reported as general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. General expenses due or accrued also include the amounts for unpaid assessments and HIC franchise taxes.
- **Current Federal Income Taxes Payable** — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. A liability for federal income taxes payable is recognized when its allocated intercompany estimated payments are less than its actual calculated obligation based on the Company's stand-alone federal income tax return (see Note 9).



- **Amounts Due to Parent, Subsidiaries, and Affiliates, Net** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts owed as amounts due to parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Liability for Amounts Held Under Uninsured Plans** — Liability for amounts held under uninsured plans also includes hospital incentive pass through payments received from ODM to pay incentive payments to members of the Ohio Hospital Association (“OHA”). These payments will be prefunded by the state through capitation payments. The Company will pay 100% of the funds received for this incentive program. Disbursements are passed through to the OHA per a predetermined payment schedule provided by the ODM, and are based on cash received from the ODM in a given month. The pass through arrangement is recorded pursuant to Statement of Statutory Accounting Principles (“SSAP”) No. 47, *Uninsured Plans* (“SSAP No. 47”). The Company assumes no risk and did not recognize any premium revenue, medical benefit expenses, or general administrative expenses as of December 31, 2018 and 2017, respectively (see Note 18).

Effective January 1, 2017, the Company began to participate in the Comprehensive Primary Care (“CPC”) program in which it administers CPC gain sharing payments received from ODM to pay participating providers. To receive a gain sharing payment, a provider would need to achieve a cost of care level lower than historical levels. The program aims to improve population health outcomes by coordinating with care management entities to develop and implement utilization management programs. The Company assumes no risk and did not recognize any premium revenue, medical benefit expenses, or general administrative expenses as of December 31, 2018 and 2017, respectively. As such, the arrangement is recorded pursuant to SSAP No. 47 (see Note 18).

Effective July 1, 2018, ODM started the Care Innovation and Community Improvement Program (“CICIP”) in which it administers CICIP payments received from ODM to pay quality improvement and bonus payments to both public and nonprofit hospital agencies. The Company assumes no risk and recorded the arrangement pursuant to SSAP No. 47. The Company did not recognize any premium revenue, medical benefit expenses, or general administrative expenses as of December 31, 2018 (see Note 18).

#### **CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS**

- **Nonadmitted Assets** — Certain assets, including certain health care receivables, are considered nonadmitted assets under the NAIC SAP and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus and charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheet.
- **Restricted Cash Reserves** — The Company held regulatory deposits in the amount of \$3,513,642 and \$3,560,215 as of December 31, 2018 and 2017, respectively, in compliance with the state requirements for qualification purposes as a domestic insurer and for a Medicaid provider performance bond requirement. These restricted cash reserves consist principally of government obligations and are stated at book/adjusted carrying value, which approximates fair value. These restricted deposits are included in bonds in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on these deposits accrues to the Company.
- **Minimum Capital and Surplus** — Under the laws of the State of Ohio, the ODI requires the Company to maintain a minimum capital and surplus equal to \$1,700,000, and shall maintain total admitted assets equal to at least 110% of the liabilities of the Company. The minimum capital and surplus requirement is \$1,700,000 for December 31, 2018 and 2017. The Company has \$362,777,071 and \$273,128,765 in total statutory basis capital and surplus as of December 31, 2018 and 2017, respectively, which is in compliance with the required amount.

Risk-based capital (“RBC”) is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. The ODI requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above, or the company action level as calculated by the RBC formula, or the level needed to avoid action pursuant to the trend test in the RBC formula. The Company is in compliance with the required amount.

- **Section 9010 ACA subsequent fee year assessment** — The Company is subject to the Section 9010 ACA subsequent fee year assessment. Under the NAIC SAP, an amount equal to the estimated subsequent year fee must be apportioned out of unassigned surplus and reported as Section 9010 ACA subsequent fee year assessment, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, no such special surplus designation is required. In accordance with the 2019 Health Insurer Fee (“HIF”) moratorium, no HIF will be payable in 2019, therefore no amounts were apportioned out of unassigned surplus in the 2018 statutory basis statements of admitted assets, liabilities, and capital and surplus.

## **STATEMENTS OF OPERATIONS**

- **Net Premium Income and Change in Reserve for Rate Credits** — Revenues consist of net premium income that is recognized in the period in which enrollees are entitled to receive health care services. Net premium income is shown net of reinsurance premiums paid and reinsurance premiums incurred but not paid in the statutory basis statements of operations.

Net premium income also includes amounts paid by the ODM on a per member basis in exchange for the provision and administration of medical benefits under the Medicaid program. Premiums are contractual and are recognized in the coverage period in which members are entitled to receive services, except in the case of maternity payments. Maternity income is billed on contractual rates and recognized as income as each birth case is identified by the Company. Included in net premium income are capitated payments, maternity payments, and PFK payments. PFK is a risk arrangement whereby children (age 18 and under) receive acute services excluding OB/GYN in the Central/Southeast Regions. The majority of net premium income recorded is based on capitated rates, which are monthly premiums paid for each member enrolled.

Net premium income also includes amounts paid jointly by the ODM and CMS for the Medicare program elements for members enrolled in the MMP. Net premium income is recognized ratably over the period in which eligible individuals are entitled to receive health care services.

Net premium income also includes amounts pursuant to the CMS risk adjustment program. The Company recognized \$1,136,588 and \$2,419,585 for changes in prior year Medicare risk factor estimates during the years ended December 31, 2018 and 2017, respectively, which is recorded as net premium income in the statutory basis statements of operations.

The Company also records estimates related to the CMS risk corridor program. Changes to these estimates are reflected as change in reserve for rate credits in the statutory basis statements of operations.

MyCare Ohio and Expansion products are subject to minimum loss ratio (“MLR”) requirements, similar to those of the ACA legislation, under the terms of the contracts. The Company obtained a waiver for the Medicare Advantage plans and Part D prescription drug plans MLR requirements under ACA legislation, based upon the contractual requirements. Plans with medical loss ratios that fall below certain targets are required to rebate ratable portions of premiums annually. The Company classifies its estimated rebates as change in reserve for rate credits in the statutory basis statements of operations (see Note 24).

Revenues also include performance based revenue that is recognized based upon the Company’s performance measured against targets established in its contracts with the ODM. ODM calculates the eligible performance revenue pursuant to the contract annually and pays the providers up to a fixed percentage of net premium and delivery services payments. The Company records estimated payments as premiums and considerations in the accompanying statutory basis statements of admitted assets, liabilities and capital and surplus (see Note 24).

- **Total Hospital and Medical Expenses** — Total hospital and medical expenses include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

Total hospital and medical expenses also include amounts incurred for incentive pool, withhold adjustments, and bonus amounts that are based on the underlying contractual provisions with the respective providers. In addition, adjustments to claims unpaid estimates and aggregate health claim reserves are reflected in the period once the change in estimate is identified and included in total hospital and medical expenses in the statutory basis statements of operations.

- **General Administrative Expenses** — Pursuant to the terms of the Agreement (see Note 10), the Company pays a management fee to UHS in exchange for administrative and management services. Costs for items not included within the scope of the Agreement are directly expensed as incurred. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and GAE to be reported in the statutory basis statements of operations.

The Company is subject to an annual fee under Section 9010 of the ACA. A health insurance entity's annual fee becomes payable once the entity provides health insurance for any U.S. health risk during the calendar year, which is nondeductible for tax purposes. Under the NAIC SAP, the entire amount of the estimated annual fee expense is recognized on January 1 of the fee year in GAE in the statutory basis statements of operations, whereas under GAAP, a deferred asset is created on January 1 of the fee year which is amortized to expense on a straight-line basis throughout the year.

- **Net Investment Income Earned** — Net investment income earned includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income earned (see Note 7).
- **Federal Income Taxes Incurred** — The provision for federal income taxes incurred is calculated based on applying the statutory federal income tax rate of 21% in 2018 and 35% in 2017 to net income before federal income taxes and net realized capital (losses) gains subject to certain adjustments (see Note 9).
- **Comprehensive Income** — Comprehensive income and its components are not separately presented in the statutory basis financial statements, whereas under GAAP, it is a requirement to present comprehensive income and its components in the financial statements.

## **REINSURANCE**

- **Reinsurance Ceded** — In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding premium to other insurance enterprises or reinsurers under excess coverage contracts or specific transfer of risk agreements. The Company remains primarily liable as the direct insurer on the risks reinsured. Reinsurance premiums paid and reinsurance premiums incurred but not paid are deducted from net premium income in the statutory basis statements of operations. Any amounts due to the Company pursuant to this agreement are recorded as amounts recoverable from reinsurers in the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 10 and Note 23).

The Company also has an insolvency-only reinsurance agreement with UnitedHealthcare Insurance Company ("UHIC"), an affiliate, whereby 0.1% of net premium income is ceded to UHIC.

- **Amounts Recoverable from Reinsurers** — The Company records amounts recoverable from reinsurers for excess loss coverage on certain inpatient hospital claims in excess of defined limits in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as net reinsurance recoveries in the statutory basis statements of operations.
- **Ceded Reinsurance Premiums Payable** — The ceded reinsurance premiums payable balance represents amounts due to the reinsurers for specified coverage which will be paid based on the contract terms.

## **OTHER**

- **Vulnerability Due to Certain Concentrations** — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company's existing products in new markets and offerings of new products, both of which may restrict the Company's ability to expand its business.

Direct premiums written and premiums and considerations, including receivables for contracts subject to redetermination, from the ODM under the Medicaid contract as a percentage of total direct premiums written and total premiums and considerations, including receivables for contracts subject to redetermination are 66% and 38% as of December 31, 2018 and 65% and 50% as of December 31, 2017, respectively.

Direct premiums written and premiums and considerations, including receivables for contracts subject to redetermination, from the ODM and CMS under the MyCare Ohio contract for the Medicare Advantage and the Medicare Part D program as a percentage of total direct premiums written and total premiums and considerations, including receivables for contracts subject to redetermination, are 34% and 62% as of December 31, 2018 and 35% and 50% as of December 31, 2017, respectively.

**Recently Issued Accounting Standards** — The Company reviewed all recently issued guidance in 2018 and 2017 that has been adopted for 2018 or subsequent years' implementation and has determined that none of the items would have a significant impact to the statutory basis financial statements.

**D. Going Concern**

The Company has the ability and will continue to operate for a period of time sufficient to carry out its commitments, obligations and business objectives.

**2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS**

No changes in accounting principles or correction of errors have been recorded during the years ended December 31, 2018 and 2017.

**3. BUSINESS COMBINATIONS AND GOODWILL**

**A–D.** The Company was not party to a business combination during the years ended December 31, 2018 and 2017, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

**4. DISCONTINUED OPERATIONS**

**A. Discontinued Operation Disposed of or Classified as Held for Sale**

**(1–4)** The Company did not have any discontinued operations disposed of or classified as held for sale during 2018 and 2017.

**B. Change in Plan of Sale of Discontinued Operation —** Not applicable.

**C. Nature of any Significant Continuing Involvement with Discontinued Operations after Disposal —** Not applicable.

**D. Equity Interest Retained in the Discontinued Operation after Disposal —** Not applicable.

**5. INVESTMENTS AND OTHER INVESTED ASSETS**

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of long-term investments were \$305,450 and \$389,004, respectively, for 2018 and \$176,096 and \$142,777, respectively, for 2017. The gross realized gains and losses on sales of short-term investments were \$135 and \$0, respectively, for 2018 and \$0 and \$0, respectively, for 2017. The net realized (loss) gain is included in net realized capital gains (losses) less capital gains (benefit) tax in the statutory basis statements of operations. Total proceeds on the sale of long-term investments were \$80,307,677 and \$29,254,570 and for short-term investments were \$1,000,673 and \$1,735,192,775 in 2018 and 2017, respectively.

As of December 31, 2018 and 2017, the book/adjusted carrying value, fair value, and gross unrecognized unrealized gains and losses of the Company’s investments, excluding cash and cash equivalents of \$79,813,556 and \$115,634,442, respectively, are as follows:

| 2018                                   |                                 |  |  |  |               |
|--|---------------------------------|--|--|--|---------------|
|  | Book/Adjusted<br>Carrying Value | Gross<br>Unrecognized<br>Unrealized<br>Gains | Gross<br>Unrecognized<br>Unrealized Losses<br>< 1 Year | Gross<br>Unrecognized<br>Unrealized Losses<br>> 1 Year | Fair<br>Value |
| U.S. government and agency securities  | \$ 63,365,469                   | \$ 155,532                                   | \$ 138,288   | \$ 1,649,010   | \$ 61,733,703 |
| State and agency municipal securities  | 42,927,797                      | 344,349                                      | 35,460   | 212,995  | 43,023,691    |
| City and county municipal securities   | 52,009,352                      | 448,705                                      | 45,319   | 372,545  | 52,040,193    |
| Corporate debt securities              | 187,575,801                     | 213,210                                      | 1,234,909  | 1,197,965  | 185,356,137   |
| Total bonds and short-term investments | \$ 345,878,419                  | \$ 1,161,796                                 | \$ 1,453,976   | \$ 3,432,515   | \$342,153,724 |

| 2018                                   |                                 |  |  |  |               |
|--|---------------------------------|--|--|--|---------------|
|  | Book/Adjusted<br>Carrying Value | Gross<br>Unrecognized<br>Unrealized<br>Gains | Gross<br>Unrecognized<br>Unrealized Losses<br>< 1 Year | Gross<br>Unrecognized<br>Unrealized Losses<br>> 1 Year | Fair<br>Value |
| Less than one year                     | \$ 24,491,181                   | \$ 511                                       | \$ 6,179   | \$ 47,887  | \$ 24,437,626 |
| One to five years                      | 150,900,373                     | 398,398                                      | 509,563  | 820,069  | 149,969,139   |
| Five to ten years                      | 104,361,627                     | 609,100                                      | 708,382  | 1,504,528  | 102,757,817   |
| Over ten years                         | 66,125,238                      | 153,787                                      | 229,852  | 1,060,031  | 64,989,142    |
| Total bonds and short-term investments | \$ 345,878,419                  | \$ 1,161,796                                 | \$ 1,453,976   | \$ 3,432,515   | \$342,153,724 |

| 2017                                   |                                 |  |  |  |                |
|--|---------------------------------|--|--|--|----------------|
|  | Book/Adjusted<br>Carrying Value | Gross<br>Unrecognized<br>Unrealized<br>Gains | Gross<br>Unrecognized<br>Unrealized Losses<br>< 1 Year | Gross<br>Unrecognized<br>Unrealized Losses<br>> 1 Year | Fair<br>Value  |
| U.S. government and agency securities  | \$ 55,572,581                   | \$ 31,390                                    | \$ 135,261   | \$ 1,001,263   | \$ 54,467,447  |
| State and agency municipal securities  | 54,444,550                      | 734,637                                      | 79,306   | 119,643  | 54,980,238     |
| City and county municipal securities   | 76,330,120                      | 763,738                                      | 268,453  | 143,883  | 76,681,522     |
| Corporate debt securities              | 116,670,120                     | 702,442                                      | 215,575  | 173,049  | 116,983,938    |
| Total bonds and short-term investments | \$ 303,017,371                  | \$ 2,232,207                                 | \$ 698,595   | \$ 1,437,838   | \$ 303,113,145 |

Included in U.S. government and agency securities and corporate debt securities in the tables above are mortgage-related loan-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities’ final maturity date and at a book/adjusted carrying value of \$58,822,061and fair value of \$57,780,738.

The following table illustrates the fair value and gross unrecognized unrealized losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrecognized unrealized loss position as of December 31, 2018 and 2017:

| 2018                                   |                |   |                |   |                |   |
|--|----------------|---|----------------|---|----------------|---|
|  | < 1 Year       |   | > 1 Year       |   | Total          |   |
|  | Fair<br>Value  | Gross<br>Unrecognized<br>Unrealized<br>Losses | Fair<br>Value  | Gross<br>Unrecognized<br>Unrealized<br>Losses | Fair<br>Value  | Gross<br>Unrecognized<br>Unrealized<br>Losses |
| U.S. government and agency securities  | \$ 8,288,659   | \$ 138,288                                    | \$ 40,438,465  | \$ 1,649,010                                  | \$ 48,727,124  | \$ 1,787,298                                  |
| State and agency municipal securities  | 4,868,503      | 35,460  | 17,090,889     | 212,995                                       | 21,959,392     | 248,455                                       |
| City and county municipal securities   | 6,962,046      | 45,319  | 22,088,440     | 372,545                                       | 29,050,486     | 417,864                                       |
| Corporate debt securities              | 88,412,172     | 1,234,909                                     | 39,253,268     | 1,197,965                                     | 127,665,440    | 2,432,874                                     |
| Total bonds and short-term investments | \$ 108,531,380 | \$ 1,453,976                                  | \$ 118,871,062 | \$ 3,432,515                                  | \$ 227,402,442 | \$ 4,886,491                                  |

| 2017                                   |                |   |               |   |                |   |
|--|----------------|---|---------------|---|----------------|---|
|  | < 1 Year       |   | > 1 Year      |   | Total          |   |
|  | Fair<br>Value  | Gross<br>Unrecognized<br>Unrealized<br>Losses | Fair<br>Value | Gross<br>Unrecognized<br>Unrealized<br>Losses | Fair<br>Value  | Gross<br>Unrecognized<br>Unrealized<br>Losses |
| U.S. government and agency securities  | \$ 16,603,690  | \$ 135,261                                    | \$ 30,321,259 | \$ 1,001,263                                  | \$ 46,924,949  | \$ 1,136,524                                  |
| State and agency municipal securities  | 19,443,446     | 79,306  | 4,768,161     | 119,643                                       | 24,211,607     | 198,949                                       |
| City and county municipal securities   | 33,514,132     | 268,453                                       | 7,477,527     | 143,883                                       | 40,991,659     | 412,336                                       |
| Corporate debt securities              | 38,512,716     | 215,575                                       | 8,195,830     | 173,049                                       | 46,708,546     | 388,624                                       |
| Total bonds and short-term investments | \$ 108,073,984 | \$ 698,595                                    | \$ 50,762,777 | \$ 1,437,838                                  | \$ 158,836,761 | \$ 2,136,433                                  |

The unrealized unrecognized losses on investments in U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities at December 31, 2018 and 2017, were mainly caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its book/adjusted carrying value. The contractual cash flows of the U.S. government and agency securities are guaranteed either by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company evaluated the credit ratings of the municipal, local agency and corporate debt securities, noting whether a significant deterioration since purchase or other factors that may indicate an OTTI, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain loan-backed securities for a period of time sufficient to recover the amortized cost. As a result of these reviews, the Company recorded OTTIs of \$25,569 and \$0 as of December 31, 2018 and 2017, respectively, which are included in net realized capital (losses) gains less capital gains (benefit) tax in the statutory basis statements of operations.

**A–C.** The Company has no mortgage loans, real estate loans, restructured debt, or reverse mortgages. The Company also has no real estate property occupied by the Company, real estate property held for the production of income, or real estate property held for sale.

**D. Loan-Backed Securities**

- (1) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.
- (2) The Company did not recognize any OTTIs on loan-backed securities as of December 31, 2018 and 2017.
- (3) The Company did not have any loan-backed securities with OTTIs to report by CUSIP as of December 31, 2018 or 2017.
- (4) The following table illustrates the fair value, gross unrecognized unrealized losses, and length of time that the loan-backed securities have been in a continuous unrecognized unrealized loss position as of December 31, 2018 and 2017:

|  | 2018       |
|--|------------|
| The aggregate amount of unrealized losses:                             |            |
| 1. Less than 12 months   | \$ 278,743 |
| 2. 12 months or longer   | 1,147,151  |
| The aggregate related fair value of securities with unrealized losses: |            |
| 1. Less than 12 months   | 35,733,253 |
| 2. 12 months or longer   | 40,453,540 |
|  | 2017       |
| The aggregate amount of unrealized losses:                             |            |
| 1. Less than 12 months   | \$ 196,139 |
| 2. 12 months or longer   | 322,854    |
| The aggregate related fair value of securities with unrealized losses: |            |
| 1. Less than 12 months   | 31,743,555 |
| 2. 12 months or longer   | 15,599,066 |

- (5) The Company believes that it will collect all principal and interest due on all investments that have an amortized cost in excess of fair value. The unrecognized unrealized losses as of December 31, 2018 and 2017 were primarily caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities.

**E. Dollar Repurchase Agreements and/or Securities Lending Transactions** — Not applicable.

**F. Repurchase Agreements Transactions Accounted for as Secured Borrowing** — Not applicable.

- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing —**  
Not applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sale —** Not applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale —** Not applicable.
- J. Real Estate —** Not applicable.
- K. Low-Income Housing Tax Credits —** Not applicable.
- L. Restricted Assets**

(1) Restricted assets, including pledged securities as of December 31, 2018 and 2017, are presented below:

|  | 1   | 2   | 3                                      | 4  | 5   | 6  | 7  |
|--|---|---|--|--|---|--|--|
|  | Total Gross<br>(Admitted &<br>Nonadmitted)<br>Restricted From<br>Current Year | Total Gross<br>(Admitted &<br>Nonadmitted)<br>Restricted From<br>Prior Year | Increase/<br>(Decrease)<br>(1 Minus 2) | Total Current<br>Year<br>Nonadmitted<br>Restricted | Total Current<br>Year Admitted<br>Restricted<br>(1 minus 4) | Gross<br>(Admitted &<br>Nonadmitted)<br>Restricted to<br>Total Assets<br>(a) | Admitted<br>Restricted to<br>Total<br>Admitted<br>Assets (b) |
| Restricted Asset Category  |   |   |  |  |   |  |  |
| a. Subject to contractual obligation for which liability is not shown            | \$ -  | \$ -  | \$ -                                   | \$ -   | \$ -  | 0 %  | 0 %  |
| b. Collateral held under security lending agreements                             | -   | -   | -                                      | -  | -   | 0 %  | 0 %  |
| c. Subject to repurchase agreements  | -   | -   | -                                      | -  | -   | 0 %  | 0 %  |
| d. Subject to reverse repurchase agreements                                      | -   | -   | -                                      | -  | -   | 0 %  | 0 %  |
| e. Subject to dollar repurchase agreements                                       | -   | -   | -                                      | -  | -   | 0 %  | 0 %  |
| f. Subject to dollar reverse repurchase agreements                               | -   | -   | -                                      | -  | -   | 0 %  | 0 %  |
| g. Placed under option contracts   | -   | -   | -                                      | -  | -   | 0 %  | 0 %  |
| h. Letter stock or securities restricted as to sale—excluding FHLB capital stock | -   | -   | -                                      | -  | -   | 0 %  | 0 %  |
| i. FHLB capital stock  | -   | -   | -                                      | -  | -   | 0 %  | 0 %  |
| j. On deposit with states  | 3,513,642   | 3,560,215   | (46,573)                               | -  | 3,513,642   | 1 %  | 1 %  |
| k. On deposit with other regulatory bodies                                       | -   | -   | -                                      | -  | -   | 0 %  | 0 %  |
| l. Pledged as collateral to FHLB (including assets backing funding agreements)   | -   | -   | -                                      | -  | -   | 0 %  | 0 %  |
| m Pledged as collateral not captured in other categories                         | -   | -   | -                                      | -  | -   | 0 %  | 0 %  |
| n. Other restricted assets   | -   | -   | -                                      | -  | -   | 0 %  | 0 %  |
| o. Total restricted assets   | <u>\$ 3,513,642</u>   | <u>\$ 3,560,215</u>   | <u>\$ (46,573)</u>                     | <u>\$ -</u>  | <u>\$ 3,513,642</u>   | <u>1 %</u>   | <u>1 %</u>   |

(a) Column 1 divided by Asset Page, Column 1, Line 28  
(b) Column 5 divided by Asset Page, Column 3, Line 28

(2–4) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2018 or 2017.

- M. Working Capital Finance Investments —** Not applicable.
- N. Offsetting and Netting of Assets and Liabilities**

The Company does not have any offsetting or netting of assets and liabilities as it relates to derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending activities.

- O. Structured Notes**

The Company does not have any structured notes.

- P. 5GI Securities**

The Company does not have any investments with an NAIC designation of 5GI as of December 31, 2018 and 2017.

- Q. Short Sales** — Not applicable.
- R. Prepayment Penalty and Acceleration Fees Securities** — Not applicable.

**6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES**

**A–B.** The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of admitted assets and did not recognize any impairment write-down for its investments in joint ventures, partnerships, and limited liability companies during the statement periods.

**7. INVESTMENT INCOME**

- A.** The Company excludes all investment income due and accrued amounts that are over 90 days past due from the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- B.** There were no investment income amounts excluded from the statutory basis financial statements.

**8. DERIVATIVE INSTRUMENTS**

**A–H.** The Company has no derivative instruments.

**9. INCOME TAXES**

The Tax Cuts and Jobs Act (“Tax Reform”) enacted by the U.S. federal government in December 2017 changed the existing United States tax law including reducing the U.S. corporate income tax rate from 35% in 2017 to 21% beginning in 2018. The Company accounted for the impacts of Tax Reform and as of December 31, 2017, remeasured its deferred tax assets/(liabilities) at the 21% enacted tax rate.

**A. Deferred Tax Asset/Liability**

**(1)** The components of the net deferred tax asset at December 31, 2018 and 2017, are as follows:

|  | 2018                |               |                      | 2017                |                   |                      | Change                  |                        |                      |
|--|---------------------|---------------|----------------------|---------------------|-------------------|----------------------|-------------------------|------------------------|----------------------|
|  | 1                   | 2             | 3                    | 4                   | 5                 | 6                    | 7                       | 8                      | 9                    |
|  | Ordinary            | Capital       | (Col 1 + 2)<br>Total | Ordinary            | Capital           | (Col 4 + 5)<br>Total | (Col 1 - 4)<br>Ordinary | (Col 2 - 5)<br>Capital | (Col 7 + 8)<br>Total |
| (a) Gross deferred tax ass   | \$ 4,503,222        | \$ 2,437      | \$ 4,505,659         | \$ 1,653,308        | \$ -              | \$ 1,653,308         | \$ 2,849,914            | \$ 2,437               | \$ 2,852,351         |
| (b) Statutory valuation allowance adjustments                              | -                   | 2,152         | 2,152                | -                   | -                 | -                    | -                       | 2,152                  | 2,152                |
| (c) Adjusted gross deferred tax assets (1a - 1b)                           | 4,503,222           | 285           | 4,503,507            | 1,653,308           | -                 | 1,653,308            | 2,849,914               | 285                    | 2,850,199            |
| (d) Deferred tax assets nonadmitted  | -                   | -             | -                    | -                   | -                 | -                    | -                       | -                      | -                    |
| (e) Subtotal net admitted deferred tax asset (1c - 1d)                     | 4,503,222           | 285           | 4,503,507            | 1,653,308           | -                 | 1,653,308            | 2,849,914               | 285                    | 2,850,199            |
| (f) Deferred tax liabilities   | 286,767             | -             | 286,767              | 23,433              | 3,120             | 26,553               | 263,334                 | (3,120)                | 260,214              |
| (g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f) | <u>\$ 4,216,455</u> | <u>\$ 285</u> | <u>\$ 4,216,740</u>  | <u>\$ 1,629,875</u> | <u>\$ (3,120)</u> | <u>\$ 1,626,755</u>  | <u>\$ 2,586,580</u>     | <u>\$ 3,405</u>        | <u>\$ 2,589,985</u>  |



(2) The components of the adjusted gross deferred tax assets admissibility calculation under SSAP No. 101, *Income Taxes—A Replacement of SSAP No. 10R and SSAP No. 10*, are as follows:

| Admission Calculation<br>Components SSAP No. 101   | 2018          |              |                           | 2017          |              |                           | Change                       |                             |                           |
|--|---------------|--------------|---------------------------|---------------|--------------|---------------------------|------------------------------|-----------------------------|---------------------------|
|  | 1<br>Ordinary | 2<br>Capital | 3<br>(Col 1 + 2)<br>Total | 4<br>Ordinary | 5<br>Capital | 6<br>(Col 4 + 5)<br>Total | 7<br>(Col 1 - 4)<br>Ordinary | 8<br>(Col 2 - 5)<br>Capital | 9<br>(Col 7 + 8)<br>Total |
| (a) Federal income taxes paid in prior years recoverable through loss carrybacks   | \$ 4,503,222  | \$ 285       | \$ 4,503,507              | \$ 1,653,308  | \$ -         | \$ 1,653,308              | \$ 2,849,914                 | \$ 285                      | \$ 2,850,199              |
| (b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation.<br>(The lesser of 2(b)1 and 2(b)2 below) | -             | -            | -                         | -             | -            | -                         | -                            | -                           | -                         |
| 1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date   | -             | -            | -                         | -             | -            | -                         | -                            | -                           | -                         |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold   | XXX           | XXX          | 53,784,050                | XXX           | XXX          | 40,725,302                | XXX                          | XXX                         | 13,058,748                |
| (c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities   | -             | -            | -                         | -             | -            | -                         | -                            | -                           | -                         |
| (d) Deferred tax assets admitted as the result of application of SSAP No. 101  |               |              |                           |               |              |                           |                              |                             |                           |
| Total 2(a) + 2(b) + 2(c))  | \$ 4,503,222  | \$ 285       | \$ 4,503,507              | \$ 1,653,308  | \$ -         | \$ 1,653,308              | \$ 2,849,914                 | \$ 285                      | \$ 2,850,199              |

(3) The ratio percentage and adjusted capital and surplus used to determine the recovery period and threshold limitations for the admissibility calculation are presented below:

|  | 2018        | 2017        |
|--|-------------|-------------|
| (a) Ratio percentage used to determine recovery period and threshold limitation amount                                 | 458 %       | 395 %       |
| (b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above | 358,560,331 | 271,502,010 |

(4) The impact to the gross deferred tax assets balances as a result of tax-planning strategies as of December 31, 2018 and 2017, is presented below:

| Impact of Tax-Planning<br>Strategies   | 2018          |              | 2017          |              | Change                       |                             |
|--|---------------|--------------|---------------|--------------|------------------------------|-----------------------------|
|  | 1<br>Ordinary | 2<br>Capital | 3<br>Ordinary | 4<br>Capital | 5<br>(Col 1 - 3)<br>Ordinary | 6<br>(Col 2 - 4)<br>Capital |
| (a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets by tax character as a percentage. |               |              |               |              |                              |                             |
| 1. Adjusted gross DTAs amount from Note 9A1(c)   | \$ 4,503,222  | \$ 285       | \$ 1,653,308  | \$ -         | \$ 2,849,914                 | \$ 285                      |
| 2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax-planning strategies                    | - %           | - %          | - %           | - %          | - %                          | - %                         |
| 3. Net admitted adjusted gross DTAs amount from Note 9A1(e)  | \$ 4,503,222  | \$ 285       | \$ 1,653,308  | \$ -         | \$ 2,849,914                 | \$ 285                      |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax-planning strategies   | - %           | - %          | - %           | - %          | - %                          | - %                         |
| (b) Does the Company's tax-planning strategies include the use of reinsurance?   |               |              | Yes           |              | No                           | X                           |

B. Unrecognized Deferred Tax Liabilities

(1–4) There are no unrecognized deferred tax liabilities for the years ended December 31, 2018 and 2017.

**C. Significant Components of Income Taxes**

- (1) The current federal income taxes incurred for the years ended December 31, 2018 and 2017 are as follows:

|   | 1                    | 2                    | 3                     |
|---|----------------------|----------------------|-----------------------|
|   | 2018                 | 2017                 | (Col 1 - 2)<br>Change |
| 1. Current income tax                               |                      |                      |                       |
| (a) Federal   | \$ 42,188,445        | \$ 40,777,077        | \$ 1,411,368          |
| (b) Foreign   | -                    | -                    | -                     |
| (c) Subtotal  | 42,188,445           | 40,777,077           | 1,411,368             |
| (d) Federal income tax on net capital gains         | (9,145)              | 16,445               | (25,590)              |
| (e) Utilization of capital loss carryforwards       | -                    | -                    | -                     |
| (f) Other   | -                    | -                    | -                     |
| (g) Total federal and foreign income taxes incurred | <u>\$ 42,179,300</u> | <u>\$ 40,793,522</u> | <u>\$ 1,385,778</u>   |

- (2-4) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2018 and 2017, are as follows:

|   | 1                   | 2                   | 3                     |
|---|---------------------|---------------------|-----------------------|
|   | 2018                | 2017                | (Col 1 - 2)<br>Change |
| 2 Deferred tax assets:  |                     |                     |                       |
| (a) Ordinary:   |                     |                     |                       |
| (1) Discounting of unpaid losses                                  | \$ 522,549          | \$ 253,717          | \$ 268,832            |
| (2) Unearned premium reserve                                      | -                   | -                   | -                     |
| (3) Policyholder reserves   | -                   | -                   | -                     |
| (4) Investments   | -                   | -                   | -                     |
| (5) Deferred acquisition costs                                    | -                   | -                   | -                     |
| (6) Policyholder dividends accrual                                | -                   | -                   | -                     |
| (7) Fixed assets  | -                   | -                   | -                     |
| (8) Compensation and benefits accrual                             | -                   | -                   | -                     |
| (9) Pension accrual   | -                   | -                   | -                     |
| (10) Receivables—nonadmitted                                      | 3,980,673           | 1,322,485           | 2,658,188             |
| (11) Net operating loss carryforward                              | -                   | -                   | -                     |
| (12) Tax credit carryforward                                      | -                   | -                   | -                     |
| (13) Other (including items <5% of total ordinary tax assets)     | -                   | 77,106              | (77,106)              |
| (99) Subtotal   | 4,503,222           | 1,653,308           | 2,849,914             |
| (b) Statutory valuation allowance adjustment                      | -                   | -                   | -                     |
| (c) Nonadmitted   | -                   | -                   | -                     |
| (d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)        | <u>4,503,222</u>    | <u>1,653,308</u>    | <u>2,849,914</u>      |
| (e) Capital:  |                     |                     |                       |
| (1) Investments   | 2,152               | -                   | 2,152                 |
| (2) Net capital loss carryforward                                 | -                   | -                   | -                     |
| (3) Real estate   | -                   | -                   | -                     |
| (4) Other (including items <5% of total capital tax assets)       | 285                 | -                   | 285                   |
| (99) Subtotal   | 2,437               | -                   | 2,437                 |
| (f) Statutory valuation allowance adjustment                      | 2,152               | -                   | 2,152                 |
| (g) Nonadmitted   | -                   | -                   | -                     |
| (h) Admitted capital deferred tax assets (2e99 - 2f - 2g)         | <u>285</u>          | <u>-</u>            | <u>285</u>            |
| (i) Admitted deferred tax assets (2d + 2h)                        | <u>4,503,507</u>    | <u>1,653,308</u>    | <u>2,850,199</u>      |
| 3 Deferred tax liabilities:                                       |                     |                     |                       |
| (a) Ordinary:   |                     |                     |                       |
| (1) Investments   | 36,541              | 23,433              | 13,108                |
| (2) Fixed assets  | -                   | -                   | -                     |
| (3) Deferred and uncollected premium                              | -                   | -                   | -                     |
| (4) Policyholder reserves   | -                   | -                   | -                     |
| (5) Other (including items <5% of total ordinary tax liabilities) | 250,226             | -                   | 250,226               |
| (99) Subtotal   | <u>286,767</u>      | <u>23,433</u>       | <u>263,334</u>        |
| (b) Capital:  |                     |                     |                       |
| (1) Investments   | -                   | 3,120               | (3,120)               |
| (2) Real estate   | -                   | -                   | -                     |
| (3) Other (including items <5% of total capital tax liabilities)  | -                   | -                   | -                     |
| (99) Subtotal   | <u>-</u>            | <u>3,120</u>        | <u>(3,120)</u>        |
| (c) Deferred tax liabilities (3a99 + 3b99)                        | <u>286,767</u>      | <u>26,553</u>       | <u>260,214</u>        |
| 4 Net deferred tax assets/liabilities (2i - 3c)                   | <u>\$ 4,216,740</u> | <u>\$ 1,626,755</u> | <u>\$ 2,589,985</u>   |

The other ordinary deferred tax asset of \$0 and \$77,106 for 2018 and 2017, respectively, consists of bad debts. The other capital deferred tax asset of \$285 and \$0 for 2018 and 2017, respectively, consists of unrealized gain. The other ordinary deferred tax liability of \$250,226 and \$0 for 2018 and 2017, respectively, consists of discounting of unpaid losses.

The Company's measurement of the income tax effects on Tax Reform for the year ended December 31, 2017 was reasonably estimated. The Company has completed the accounting for the income tax effects of Tax Reform by the end of the measurement period in 2018.

The Company assessed the potential realization of the gross deferred tax asset and established a valuation allowance of \$2,152 and \$0 to reduce the gross deferred tax asset to \$4,503,507 and \$1,653,308 as of December 31, 2018 and 2017, respectively, which represents the amount of the asset estimated to be recoverable via carryback of losses and reduction of future taxes. The change in the valuation allowance is attributable to the change in timing of deductibility of expenses, the change in federal income tax rates, and/or expectations for future taxable income.

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 21% in 2018 and 35% in 2017 to net income before federal income taxes incurred, plus capital gains (benefit) tax. A summarization of the significant items causing this difference as of December 31, 2018 and 2017 is as follows:

|   | 2018                 |                    | 2017                 |                    |
|---|----------------------|--------------------|----------------------|--------------------|
|   | Amount               | Effective Tax Rate | Amount               | Effective Tax Rate |
| Tax provision at the federal statutory rate | \$ 35,048,375        | 21%                | \$ 41,861,123        | 35%                |
| Tax-exempt interest                         | (349,940)            | (0)%               | (731,054)            | (1)%               |
| Health insurer fee                          | 7,547,201            | 5%                 | -                    | 0%                 |
| Tax effect of nonadmitted assets            | (2,658,188)          | (2)%               | (613,516)            | 0%                 |
| Change in statutory valuation allowance     | 2,152                | 0%                 | -                    | 0%                 |
| Change in tax law                           | -                    | 0%                 | 1,084,503            | 1%                 |
| Other                                       | -                    | 0%                 | (40,183)             | 0%                 |
|   |                      |                    |                      |                    |
| Total statutory income taxes                | <u>\$ 39,589,600</u> | <u>24%</u>         | <u>\$ 41,560,873</u> | <u>35%</u>         |
|   |                      |                    |                      |                    |
| Federal income taxes incurred               | \$ 42,188,445        | 25%                | \$ 40,777,077        | 34%                |
| Capital gains (benefit) tax                 | (9,145)              | (0)%               | 16,445               | 0%                 |
| Change in net deferred income tax           | <u>(2,589,700)</u>   | <u>(1)%</u>        | <u>767,351</u>       | <u>1%</u>          |
|   |                      |                    |                      |                    |
| Total statutory income taxes                | <u>\$ 39,589,600</u> | <u>24%</u>         | <u>\$ 41,560,873</u> | <u>35%</u>         |

- E. At December 31, 2018, the Company had no net operating loss carryforwards.

Current federal income taxes recoverable (payable) of \$5,361,701 and (\$6,939,702) as of December 31, 2018 and 2017, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds were \$54,480,703 and \$39,353,362 in 2018 and 2017, respectively.

Federal income taxes incurred of \$42,179,299 and \$40,833,702 for 2018 and 2017, respectively, are available for recoupment in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 ("Deposits made to suspend running of interest on potential underpayments, etc.") of the Internal Revenue Service ("IRS") Code.

- F. The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y—Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The IRS has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2016 and prior. UnitedHealth Group's 2017 and 2018 tax returns are under review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2012 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

- G. **Tax Contingencies** — Not applicable.
- H. **Repatriation Transition Tax** — Not applicable.
- I. **Alternative Minimum Tax Credit** — Not applicable.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

A–O. Material Related Party Transactions

Management believes that its transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.

Pursuant to the terms of the Agreement, UHS will provide management services to the Company under a fee structure, which is based on a percentage of premium charges representing UHS’ expenses for services or use of assets provided to the Company. In addition, UHS provides or arranges for services on behalf of the Company using a pass-through of charges incurred by UHS on a PMPM basis (where the charges incurred by UHS is on a PMPM basis) or using another allocation methodology consistent with the Agreement. These services may include, but are not limited to, integrated personal health management solutions, such as disease management, treatment decision support, and wellness services, including a 24-hour call-in service, access to a network of transplant providers, and discount program services. The amount and types of services provided pursuant to the pass-through provision of the Agreement can change year over year as UHS becomes the contracting entity for services provided to the Company’s members. Total administrative services, capitation expenses, and access fees under this arrangement totaled \$152,392,468 and \$143,729,635 in 2018 and 2017, respectively, and are included in GAE and CAE in the statutory basis statements of operations. Direct expenses not covered under the Agreement, such as broker commissions, department of insurance exam fees, ACA assessments, and premium taxes, are paid by UHS on behalf of the Company. UHS is reimbursed by the Company for these direct expenses.

In the ordinary course of business, the Company also directly contracts with related parties to provide services that are routine in nature to its members. The administrative services, access fees, and cost of care services provided are calculated using PMPM, per claim or a combination thereof. These amounts are included in GAE, CAE, and hospital and medical expenses in the statutory basis statements of operations.

United Behavioral Health provides mental health and substance abuse services.

OptumRx and its affiliates provide administrative services related to pharmacy management and pharmacy claims processing for its enrollees, specialty drug pharmacy services, durable medical equipment services including orthotics and prosthetics and personal health products catalogues showing the healthcare products and benefit credits enrollees needed to redeem the respective products.

LifePrint Health, Inc., provides medical management services for the Company's eligible members.

OptumInsight, Inc. provides claim analytics, recovery of medical expense (benefit) overpayments, retroactive fraud, waste and abuse, and subrogation and premium audit services. All recoveries are returned to the Company by OptumInsight, Inc. on a monthly basis.

AxelaCare Intermediate Holdings, LLC provides home infusion therapy services.

The following table identifies the amounts for the capitation expenses, administrative services, and access fees provided by related parties for the years ended December 31, 2018 and 2017, which meet the disclosure requirements pursuant to SSAP No. 25, *Affiliates and Other Related Parties*, regardless of the effective date of the contract:

|                                      | 2018                  | 2017                  |
|--------------------------------------|-----------------------|-----------------------|
| United Behavioral Health             | \$ 121,808,891        | \$ 53,056,428         |
| OptumRx                              | 92,886,116            | 104,552,791           |
| LifePrint Health, Inc.               | 58,678,563            | 63,758,571            |
| OptumInsight, Inc.                   | 9,254,391             | 7,747,023             |
| AxelaCare Intermediate Holdings, LLC | 4,806,676             | 2,590,073             |
| Total                                | <u>\$ 287,434,637</u> | <u>\$ 231,704,886</u> |

The Company has premium payments that are received and claim payments that are processed by an affiliated UnitedHealth Group entity. Both premiums and claims applicable to the Company are settled at regular intervals throughout the month via the intercompany settlement process and any amounts outstanding are reflected in payable amounts due to parent, subsidiaries, and affiliates, net in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

Effective November 1, 2018, the Company holds a \$50,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The credit agreement is for a one-year term and automatically renews annually, unless terminated by either party. The agreement was renewed effective December 31, 2018. No amounts were outstanding under the line of credit as of December 31, 2018 and 2017.

In addition to the agreements above, UHS maintains a private short-term investment pool in which affiliated companies may participate (see Note 1). At December 31, 2018 and 2017, the Company's portion was \$10,276,795 and \$10,075,790, respectively, and is included in short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company has a Tax Sharing Agreement with UnitedHealth Group (see Note 9).

The Company paid dividends of \$25,000,000 and \$22,900,000 in 2018 and 2017, respectively, to its parent (see Note 13).

The Company has entered into a reinsurance agreement with an affiliated entity (see Note 23).

At December 31, 2018 and 2017, the Company reported \$14,700,043 and \$9,363,999, respectively, as amounts due to parent, subsidiaries, and affiliates, net which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party.

The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.

The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.

The Company does not have any investments in impaired subsidiaries, controlled, or affiliated entities.

The Company does not have any investments in foreign insurance subsidiaries.

The Company does not hold any investments in a downstream noninsurance holding company.

The Company does not have any investments in noninsurance subsidiaries, controlled, or affiliated entities.

The Company does not have any investments in insurance subsidiaries, controlled, or affiliated entities.

## **11. DEBT**

**A–B.** The Company had no outstanding debt with third-parties or outstanding Federal Home Loan Bank agreements during 2018 and 2017.

## **12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**

**A–I.** The Company has no defined benefit plans, defined contribution plans, multiemployer plans, consolidated/holding company plans, postemployment benefits, or compensated absences plans and is not impacted by the Medicare Modernization Act on postretirement benefits, since all personnel are employees of UHS, which provides services to the Company under the terms of the Agreement (see Note 10).

## **13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS**

**(1–2)** The Company has 1,000 shares authorized and 1,000 shares issued and outstanding of \$1 par value common stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, TRH.

- (3) Under the laws of the State of Ohio, all dividends and other distributions to shareholders must be reported to the Superintendent of the ODI (the “Superintendent”). Extraordinary dividends or other extraordinary distributions must be approved by the Superintendent in advance. An extraordinary dividend or distribution includes any dividend distribution of cash or other property, whose fair market value, together with that of other dividends or distributions made within the preceding twelve months, and a statement of the effect of the proposed dividend on the surplus and the reasonableness of surplus in relation to the outstanding liabilities and financial needs.
- (4) The Company paid ordinary cash dividends to TRH of \$25,000,000 and \$22,900,000 on June 8, 2018 and September 14, 2017, which required no approval and was recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- (5) The amount of ordinary dividends that may be paid out during any given period is subject to certain restrictions as specified by state statute.
- (6) There are no restrictions placed on the Company’s unassigned surplus.
- (7) The Company is not a mutual reciprocal or a similarly organized entity and does not have advances to surplus not repaid.
- (8) The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options, or stock purchase warrants.
- (9) For the year ended December 31, 2017, the amount of the estimated Section 9010 ACA subsequent fee year assessment apportioned out of unassigned surplus was \$38,183,585. As discussed in Note 1, in 2018 no amount was required to be apportioned out of unassigned surplus for the Section 9010 ACA subsequent fee year assessment.
- (10) The portion of unassigned surplus, excluding the apportionment of estimated Section 9010 ACA subsequent fee year assessment, net income, and dividends, represented (or reduced) by each item below is as follows:

|   | 2018                   | 2017                  | Change                 |
|---|------------------------|-----------------------|------------------------|
| Unrealized capital (losses) gains on investments less capital gains tax | \$ (1,071)             | \$ -                  | \$ (1,071)             |
| Net deferred income taxes   | 4,216,455              | 1,626,755             | 2,589,700              |
| Nonadmitted assets  | <u>(18,955,586)</u>    | <u>(6,297,549)</u>    | <u>(12,658,037)</u>    |
| Total   | <u>\$ (14,740,202)</u> | <u>\$ (4,670,794)</u> | <u>\$ (10,069,408)</u> |

- (11–13) The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

The Company is not aware of any other guaranty fund assessments or premium tax offsets, potential or accrued, that could have a material financial effect on the operations of the entity.

C. Gain Contingencies

The Company is not aware of any gain contingencies that should be disclosed in the statutory basis financial statements.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits — Not applicable.

E. Joint and Several Liabilities — Not applicable.

## F. All Other Contingencies

The Company's business is regulated at the federal, state, and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

The ACA and the related federal and state regulations will continue to impact how the Company does business and could restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase the Company's medical and administrative costs, expose the Company to an increased risk of liability (including increasing the Company's liability in federal and state courts for coverage determinations and contract interpretation), or put the Company at risk for loss of business. In addition, the Company's statutory basis results of operations, financial condition, and cash flows could be materially adversely affected by such changes. The ACA may create new or expand existing opportunities for business growth, but due to its complexity, the long term impact of the ACA remains difficult to predict and is not yet fully known.

The Company has been, or is currently involved, in various governmental investigations, audits and reviews. These include routine, regular and special investigations, audits and reviews by CMS, state insurance and health and welfare departments and other governmental authorities. Certain of the Company's businesses have been reviewed or are currently under review, for reasons including compliance with coding and other requirements under the Medicare risk-adjustment model.

On February 14, 2017, the Department of Justice ("DOJ") announced its decision to pursue certain claims within a lawsuit initially asserted against the Company and filed under seal by a whistleblower in 2011. The whistleblower's complaint, which was unsealed on February 15, 2017, alleges that the Company made improper risk adjustment submissions and violated the False Claims Act. On February 12, 2018, the court granted in part and denied in part the Company's motion to dismiss. In May 2018, the DOJ moved to dismiss the Company's counterclaims, which were filed in March 2018, and moved for partial summary judgment. Those motions were argued in September 2018. The Company cannot reasonably estimate the outcome that may result from this matter given its procedural status.

**Risk Adjustment Data Validation ("RADV") Audit** — CMS adjusts capitation payments to Medicare Advantage plans and Medicare Part D plans according to the predicted health status of each beneficiary as supported by data from health care providers. The Company collects claim and encounter data from providers who the Company generally relies on to appropriately code their claim submissions and document their medical records. CMS then determines the risk score and payment amount for each enrolled member based on the health care data submitted and member demographic information.

CMS and the Office of Inspector General for Health and Human Services periodically perform RADV audits of selected Medicare health plans to validate the coding practices and supporting documentation maintained by health care providers. Such audits have in the past resulted in, and in the future could result in, retrospective adjustments to payments made to the Company, fines, corrective action plans or other adverse action by CMS.

In February 2012, CMS announced a final RADV and payment adjustment methodology and is conducting the RADV audits beginning with the 2011 payment year. These audits involve a review of medical records maintained by care providers and may result in retrospective adjustments to payments made to health plans. CMS has not communicated how the final payment adjustment under its methodology will be implemented.

To date, the Company has not been selected by CMS to participate in a RADV audit.

Because of the nature of its businesses, the Company is frequently made party to a variety of legal actions and regulatory inquiries, including class actions and suits brought by members, care providers, consumer advocacy organizations, customers and regulators, relating to the Company's businesses, including management and administration of health benefit plans and other services.

The Company records liabilities for its estimates of probable costs resulting from these matters where appropriate. Estimates of costs resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters involve: indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility or it is probable that a loss may be incurred. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

The Company routinely evaluates the collectability of all receivable amounts included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Impairment reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's statutory basis financial condition.

There are no other assets that the Company considers to be impaired at December 31, 2018 and 2017 except as disclosed in Note 5.

## 15. LEASES

**A–B.** According to the Agreement between the Company and UHS (see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of UHS. Fees associated with the lease agreements are included as a component of the Company's management fee.

## 16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

**(1–4)** The Company does not hold any financial instruments with off-balance-sheet risk or have any concentrations of credit risk.

## 17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

**A–C.** The Company did not participate in any transfer of receivables, financial assets or wash sales.

## 18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

**A–B.** The Company has no operations from Administrative Services Only Contracts or Administrative Services Contracts in 2018 and 2017.

### **C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract**

The Medicare Part D program under MyCare Ohio is a partially insured plan. The Company recorded a receivable in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus of \$12,292,798 and \$7,167,857 at December 31, 2018 and 2017, respectively, for cost reimbursement under the Medicare Part D program for the catastrophic reinsurance and low-income member cost-sharing subsidies as described in Note 1, *Amounts Receivable Relating to Uninsured Plans*. The Company also recorded a receivable of \$50,463 and \$4,486 at December 31, 2018 and 2017, respectively, for the Medicare Part D CGDP as described in Note 1, *Amounts Receivable Relating to Uninsured Plans*.

The Company participates in administering hospital incentive pass through payments received from ODM to pay incentive payments to members of the OHA. There is no risk to the Company as a result of these transactions. The Company has a hospital incentive payable of \$1,530,636 and \$2,204,731 as of December 31, 2018 and 2017, respectively, which is included in liability for amounts held for uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus.



Effective January 1, 2017, the Company participates in the CPC program in which it administers CPC gain sharing payments received from ODM to pay participating providers. To receive a gain sharing payment, a provider would need to achieve a cost of care level lower than historical levels. The program aims to improve population health outcomes by coordinating with care management entities to develop and implement utilization management programs. The Company assumes no risk and did not recognize any premium revenue, medical benefit expenses, or general administrative expenses as of December 31, 2018 and 2017, respectively. As such, the arrangement is recorded pursuant to SSAP No. 47. The liability is recorded as amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus in the amounts of \$390,615 and \$0 at December 31, 2018 and 2017, respectively.

Effective July 1, 2018, the Company participates in the CICIP in which it administers CICIP payments received from ODM to pay quality improvement and bonus payments to both public and nonprofit hospital agencies. The Company has a CICIP payable of \$444,998 as of December 31, 2018, which is included in liability for amounts held for uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

#### **19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS**

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2018 and 2017.

#### **20. FAIR VALUE MEASUREMENT**

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

*Level 1*—Quoted (unadjusted) prices for identical assets in active markets.

*Level 2*—Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.);
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.);
- Inputs that are derived principally from or corroborated by other observable market data.

*Level 3*—Unobservable inputs that cannot be corroborated by observable market data.

The estimated fair values of bonds and short-term investments are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service ("pricing service"), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company's internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

A. Fair Value

(1) Fair Value Measurements at Reporting Date

The Company does not have financial assets measured and reported at fair value at December 31, 2017.

The following table presents information about the Company's financial assets that are measured and reported at fair value at December 31, 2018, in the statutory basis statements of admitted assets, liabilities, and capital and surplus according to the valuation techniques the Company used to determine their fair values:

| Description for Each<br>Class of Asset or Liability | December 31, 2018 |            |           |                             |            |
|---|-------------------|------------|-----------|-----------------------------|------------|
|   | (Level 1)         | (Level 2)  | (Level 3) | Net Asset<br>Value<br>(NAV) | Total      |
| a. Assets at fair value:                            |                   |            |           |                             |            |
| Perpetual preferred stock:                          |                   |            |           |                             |            |
| Industrial and misc                                 | (a) \$ -          | \$ -       | \$ -      | \$ -                        | \$ -       |
| Parent, subsidiaries, and affiliates                | -                 | -          | -         | -                           | -          |
| Total perpetual preferred stocks                    | -                 | -          | -         | -                           | -          |
| Bonds:  |                   |            |           |                             |            |
| U.S. governments                                    | -                 | -          | -         | -                           | -          |
| Industrial and misc                                 | -                 | 184,572    | -         | -                           | 184,572    |
| Hybrid securities                                   | -                 | -          | -         | -                           | -          |
| Parent, subsidiaries, and affiliates                | -                 | -          | -         | -                           | -          |
| Total bonds   | -                 | 184,572    | -         | -                           | 184,572    |
| Common stock:                                       |                   |            |           |                             |            |
| Industrial and misc                                 | -                 | -          | -         | -                           | -          |
| Parent, subsidiaries, and affiliates                | -                 | -          | -         | -                           | -          |
| Total common stock                                  | -                 | -          | -         | -                           | -          |
| Derivative assets:                                  |                   |            |           |                             |            |
| Interest rate contracts                             | -                 | -          | -         | -                           | -          |
| Foreign exchange contracts                          | -                 | -          | -         | -                           | -          |
| Credit contracts                                    | -                 | -          | -         | -                           | -          |
| Commodity futures contracts                         | -                 | -          | -         | -                           | -          |
| Commodity forward contracts                         | -                 | -          | -         | -                           | -          |
| Total derivatives                                   | -                 | -          | -         | -                           | -          |
| Separate account assets                             | -                 | -          | -         | -                           | -          |
| Total assets at fair value/NAV                      | \$ -              | \$ 184,572 | \$ -      | \$ -                        | \$ 184,572 |
| b. Liabilities at fair value:                       |                   |            |           |                             |            |
| Derivative liabilities                              | \$ -              | \$ -       | \$ -      | \$ -                        | -          |
| Total liabilities at fair value                     | \$ -              | \$ -       | \$ -      | \$ -                        | \$ -       |

There were no transfers between Levels 1 and 2 during the years ended December 31, 2018 and 2017.

- (2) The Company does not have any financial assets with a fair value hierarchy of Level 3 that were measured and reported at fair value.
- (3) Transfers between fair value hierarchy levels, if any, are recorded as of the beginning of the reporting period in which the transfer occurs. There were no transfers between Levels 1, 2 or 3 of any financial assets or liabilities during the years ended December 31, 2018 or 2017.

(4) **Investments** — Fair values of debt securities are based on quoted market prices, where available. The Company obtains one price for each security primarily from a pricing service, which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, and, if necessary, makes adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, benchmark yields, credit spreads, default rates, prepayment speeds and non-binding broker quotes. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to prices reported by a secondary pricing source, such as its custodian, its investment consultant and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company’s internal price verification procedures and reviews of fair value methodology documentation provided by independent pricing services have not historically resulted in adjustment in the prices obtained from the pricing service.

(5) The Company has no derivative assets and liabilities to disclose.

B. **Fair Value Combination** — Not applicable.

C. **Aggregate Fair Value Hierarchy**

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2018 and 2017 is presented in the table below:

| Types of<br>Financial Investment       | 2018                    |                       |                      |                       |             |                          |                                     |
|--|-------------------------|-----------------------|----------------------|-----------------------|-------------|--------------------------|-------------------------------------|
|  | Aggregate<br>Fair Value | Admitted<br>Assets    | (Level 1)            | (Level 2)             | (Level 3)   | Net Asset Value<br>(NAV) | Not Practicable<br>(Carrying Value) |
| U.S. government and agency securities  | \$ 61,733,703           | \$ 63,365,469         | \$ 19,285,911        | \$ 42,447,792         | \$ -        | \$ -                     | \$ -                                |
| State and agency municipal securities  | 43,023,691              | 42,927,797            | -                    | 43,023,691            | -           | -                        | -                                   |
| City and county municipal securities   | 52,040,193              | 52,009,352            | -                    | 52,040,193            | -           | -                        | -                                   |
| Corporate debt securities              | <u>185,356,137</u>      | <u>187,575,801</u>    | <u>10,276,796</u>    | <u>175,079,341</u>    | -           | -                        | -                                   |
| Total bonds and short-term investments | <u>\$ 342,153,724</u>   | <u>\$ 345,878,419</u> | <u>\$ 29,562,707</u> | <u>\$ 312,591,017</u> | <u>\$ -</u> | <u>\$ -</u>              | <u>\$ -</u>                         |

| Types of<br>Financial Investment       | 2017                    |                       |                      |                       |             |                          |                                     |
|--|-------------------------|-----------------------|----------------------|-----------------------|-------------|--------------------------|-------------------------------------|
|  | Aggregate<br>Fair Value | Admitted<br>Assets    | (Level 1)            | (Level 2)             | (Level 3)   | Net Asset Value<br>(NAV) | Not Practicable<br>(Carrying Value) |
| U.S. government and agency securities  | \$ 54,467,447           | \$ 55,572,581         | \$ 21,110,237        | \$ 33,357,210         | \$ -        | \$ -                     | \$ -                                |
| State and agency municipal securities  | 54,980,238              | 54,444,550            | -                    | 54,980,238            | -           | -                        | -                                   |
| City and county municipal securities   | 76,681,522              | 76,330,120            | -                    | 76,681,522            | -           | -                        | -                                   |
| Corporate debt securities              | <u>116,983,938</u>      | <u>116,670,120</u>    | <u>10,075,790</u>    | <u>106,908,148</u>    | -           | -                        | -                                   |
| Total bonds and short-term investments | <u>\$ 303,113,145</u>   | <u>\$ 303,017,371</u> | <u>\$ 31,186,027</u> | <u>\$ 271,927,118</u> | <u>\$ -</u> | <u>\$ -</u>              | <u>\$ -</u>                         |

Included as Level 1 in U.S. government and agency securities in the fair value hierarchy tables above are U.S. Treasury securities of \$19,285,911 and \$21,110,237 as of December 31, 2018 and December 31, 2017, respectively.

There are no commercial paper investments included in corporate debt securities in the fair value hierarchy tables above as of December 31, 2018 and 2017.

D. **Not Practicable to Estimate Fair Value** — Not applicable.

E. **Investments Measured Using the NAV Practical Expedient** — Not applicable.

21. **OTHER ITEMS**

A. **Unusual or Infrequent Items**

The Company did not encounter any unusual or infrequent items for the years ended December 31, 2018 and 2017.

B. **Troubled Debt Restructuring: Debtors**

The Company has no troubled debt restructurings as of December 31, 2018 and 2017.

**C. Other Disclosures**

The Company does not have any amounts not recorded in the statutory basis financial statements that represent segregated funds held for others. The Company also does not have any exposures related to forward commitments that are not derivative instruments.

**D. Business Interruption Insurance Recoveries**

The Company has not received any business interruption insurance recoveries during 2018 and 2017.

**E. State Transferable and Non-transferable Tax Credits**

The Company has no transferable or non-transferable state tax credits.

**F. Sub-Prime Mortgage-Related Risk Exposure**

- (1) The investment policy for the Company limits investments in loan-backed securities, which includes sub-prime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes sub-prime issuers. The exposure to unrealized losses on sub-prime issuers is due to changes in market prices. There are no realized losses due to not receiving anticipated cash flows. The investments covered have an NAIC designation of 1 or 2.
- (2) The Company has no direct exposure through investments in sub-prime mortgage loans.
- (3) The Company has no direct exposure through other investments.
- (4) The Company has no underwriting exposure to sub-prime mortgage risk through mortgage guaranty or financial guaranty insurance coverage.

**G. Retained Assets**

The Company does not have any retained asset accounts for beneficiaries.

**H. Insurance-Linked Securities Contracts**

As of December 31, 2018, the Company is not aware of any possible proceeds of insurance-linked securities.

**22. EVENTS SUBSEQUENT**

Subsequent events have been evaluated through February 27, 2019, which is the date these statutory basis financial statements were available for issuance.

**TYPE I — Recognized Subsequent Events**

There are no events subsequent to December 31, 2018, that require recognition and disclosure.

**TYPE II — Non-Recognized Subsequent Events**

The Company is subject to the annual fee under Section 9010 of the ACA. The fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, of the year the fee is due. Pursuant to the 2019 HIF moratorium (see Note 1), no HIF will be payable in 2019 and therefore there is no amount apportioned out of unassigned funds in 2018 representing an estimate of the 2019 HIF.

The table below presents information regarding the annual fee under Section 9010 of the ACA as of December 31, 2018 and 2017:

|  | Current<br>Year | Prior<br>Year |
|--|-----------------|---------------|
| A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)? | <u>YES</u>      |               |
| B. ACA fee assessment payable for the upcoming year  | \$ -            | \$ 38,183,585 |
| C. ACA fee assessment paid   | 35,939,052      | -             |
| D. Premium written subject to ACA 9010 assessment  | -               | 1,792,348,246 |
| E. Total Adjusted Capital before surplus adjustment<br>(Five-Year Historical Line 14)  | 362,777,071     |               |
| F. Total Adjusted Capital after surplus adjustment<br>(Five-Year Historical Line 14 minus 22B above)   | 362,777,071     |               |
| G. Authorized Control Level (Five-Year Historical Line 15)   | 78,344,679      |               |
| H. Would reporting the ACA assessment as of December 31, 2018, have triggered an RBC action level (YES/NO)?  | <u>NO</u>       |               |

There are no other events subsequent to December 31, 2018 that require disclosure.

23. REINSURANCE

**Reinsurance Agreements** — In the normal course of business, the Company seeks to reduce potential losses that may arise from catastrophic events that cause unfavorable underwriting results by reinsuring certain levels of such risk with affiliated reinsurers. The Company remains primarily liable as the direct insurer on all risks reinsured.

The Company has an insolvency-only reinsurance agreement with UHIC, an affiliate of the Company, to provide insolvency protection for its enrollees. Reinsurance premiums, which are calculated on a percentage of member premium income, of \$2,537,454 and \$2,251,481 in 2018 and 2017, respectively, are netted against net premium income in the statutory basis statements of operations.

The Company has a reinsurance agreement with an affiliated entity, UHIC, to cover certain inpatient hospital claims in excess of defined limits. Reinsurance premiums, which are calculated on a PMPM basis, of \$24,540,828 and \$11,372,739 in 2018 and 2017, respectively, are netted against net premium income in the statutory basis statements of operations. Reinsurance recoveries of \$36,976,805 and \$20,708,592 in 2018 and 2017, respectively, are included in net reinsurance recoveries in the statutory basis statements of operations. There were \$0 and \$8,569,296 for paid losses recorded as amounts recoverable from reinsurers related to this agreement and \$18,462,343 and \$5,567,980 for unpaid losses are recorded as a reduction to claims unpaid in 2018 and 2017, respectively. Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company.

The Company does not have any unaffiliated reinsurance agreements in place as of December 31, 2018 or 2017.

The effect of the internal reinsurance agreement outlined above on net premium income and hospital and medical expenses is presented below:

|                                   | 2018                    | 2017                    |
|-----------------------------------|-------------------------|-------------------------|
| Premiums:                         |                         |                         |
| Direct                            | \$ 2,536,259,575        | \$ 2,242,681,163        |
| Ceded:                            |                         |                         |
| Affiliate                         | <u>27,078,282</u>       | <u>13,624,219</u>       |
| Net premium income                | <u>\$ 2,509,181,293</u> | <u>\$ 2,229,056,944</u> |
| Hospital and medical expenses:    |                         |                         |
| Direct                            | \$ 2,041,305,375        | \$ 1,817,596,334        |
| Ceded:                            |                         |                         |
| Affiliate                         | <u>36,976,805</u>       | <u>20,708,592</u>       |
| Net hospital and medical expenses | <u>\$ 2,004,328,570</u> | <u>\$ 1,796,887,742</u> |

**A. Ceded Reinsurance Report**

**Section 1 — General Interrogatories**

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes ( ) No (X)

- (2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor, or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

**Section 2 — Ceded Reinsurance Report — Part A**

- (1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes ( ) No (X)

- (2) Does the reporting entity have any reinsurance agreements in effect that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (X)

**Section 3 — Ceded Reinsurance Report — Part B**

- (1) What is the estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2018.

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes ( )      No (X)

- B. Uncollectible Reinsurance** — During 2018 and 2017, there were no uncollectible reinsurance recoverables.
- C. Commutation of Ceded Reinsurance** — There was no commutation of reinsurance in 2018 or 2017.
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation** — Not applicable.

**24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION**

- A.** The Company estimates accrued retrospective premium adjustments for its group health insurance business based on mathematical calculations in accordance with contractual terms.
- B.** Estimated accrued retrospective premiums due from the Company are recorded in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.
- C.** The Company has Medicare Part D risk-corridor amounts from CMS under the MyCare Ohio contract which are subject to a retrospectively rated feature related to Part D premiums. The Company has estimated accrued retrospective premiums related to certain Part D premiums based on guidelines determined by CMS. The formula is tiered and based on the bid medical loss ratio. The amount of Medicare Part D direct premiums written subject to the retrospectively rated feature was \$17,623,047 and \$18,819,416 representing, 0.7% and 0.8% of total direct premiums written for 2018 and 2017, respectively.

The Company has risk-adjustment amounts from CMS which are subject to a redetermination feature related to Medicare premiums. The Company has estimated premium adjustments for changes to each member's health scores based on guidelines determined by CMS. The total amount of Medicare direct premiums written for which a portion is subject to the redetermination feature was \$320,351,534 and \$288,419,426 representing, 12.6% and 12.9% of total direct premiums written for 2018 and 2017, respectively.

The Medicaid contract with the State of Ohio includes an ABD program which is subject to retrospective rating features. The Company estimates accrued retrospective premium adjustments for its ABD program based on the contract with the ODM. The total amount of direct premiums written from the Medicaid contract subject to the retrospectively rated feature was \$373,596,403 and \$276,622,513, representing 14.7% and 12.3% of total direct premiums written as of December 31, 2018 and 2017, respectively.

The Medicaid and MyCare Ohio contracts include a provision for which a stated percentage of total direct premiums written can be eligible for a performance guarantee payment, based on various quality measures. The total amount of direct premiums written from the Medicaid and MyCare Ohio contracts subject to the redetermination feature was \$2,444,215,194 and \$2,211,534,192, representing 96.4% and 98.6%, of the Company's total direct premiums written, as of December 31, 2018 and 2017, respectively.

CMS has released the final Medicaid Managed Care Rule which is subject to each State's administration elections. This rule is the first major update to the Medicaid Managed Care regulations in more than a decade. Many items including a MLR requirement were implemented for contracts with an effective date starting on or after July 1, 2017 while other elements of the regulation will be implemented over the following decade. Pursuant to the regulations, for contracts effective on or after July 1, 2017 premiums associated with the Company's Medicaid line of business is subject to retrospectively rated features based on the actual medical loss ratios experienced on this product. The calculation is pursuant to the Medicaid Managed Care guidance. The total amount of direct premiums written for the Medicaid line of business for which a portion is subject to the retrospectively rated features was \$1,682,832,889 representing 66.4% of total direct premiums written as of December 31, 2018.

The MyCare Ohio contract with the State of Ohio includes medical loss ratio rebates. The rebate period is over the contract period. The Company estimates accrued retrospective premium adjustments for its MyCare Ohio business based on the medical loss ratio experienced on the MyCare Ohio line of business. The formula is based on contractual requirements. The amount of direct premiums written for the MyCare Ohio contract was \$853,709,523 and \$781,593,733, representing 33.7% and 34.9% of total direct premiums written as of December 31, 2018 and December 31, 2017, respectively.

- D.** Effective with the January 1, 2018 contract, pursuant to the Medicaid Managed Care Rule, based on the State's election the Company may be required to calculate a specific MLR on the Medicaid line of business. The Company has no amounts accrued for Medicaid MLR rebates as of December 31, 2018.

Pursuant to contractual requirements, the Company is required to maintain a specific MLR on its MyCare Ohio population. The Company's actual medical loss ratios for MyCare Ohio were in excess of the minimum requirement and, as a result, no MLR liability was required as of December 31, 2018 and December 31, 2017. Effective January 1, 2018 the Company is no longer subject to a specific MLR on its Expansion population. The Company estimated \$621,376 in state MLR Expansion rebates as of December 31, 2017. As of December 31, 2018 the MLR liability is \$0.

**E. Risk-Sharing Provisions of the Affordable Care Act**

**(1–5)** The Company did not write accident and health premiums in 2018 and 2017 subject to the risk-sharing provisions of the ACA.

**25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES**

- A.** Changes in estimates related to the prior year incurred claims are included in total hospital and medical expenses in the current year in the statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, health care and other amounts receivable (excluding provider loans and advances not yet expensed) and reinsurance recoverables for the years ended December 31, 2018 and 2017:

|  | 2018                               |                                   |                         |
|--|------------------------------------|-----------------------------------|-------------------------|
|  | Current Year<br>Incurred<br>Claims | Prior Years<br>Incurred<br>Claims | Total                   |
| Beginning of year claim reserve  | \$ -                               | \$ (165,256,300)                  | \$ (165,256,300)        |
| Paid claims—net of health care receivables*<br>and reinsurance recoveries collected                                    | 1,889,795,079                      | 113,496,030                       | 2,003,291,109           |
| End of year claim reserve  | <u>156,848,171</u>                 | <u>3,019,729</u>                  | <u>159,867,900</u>      |
| Incurred claims excluding the change in<br>health care receivables* and reinsurance<br>recoverables as presented below | 2,046,643,250                      | (48,740,541)                      | 1,997,902,709           |
| Beginning of year health care receivables*<br>and reinsurance recoverables   | -                                  | 36,916,568                        | 36,916,568              |
| End of year health care receivables*   | <u>(26,815,823)</u>                | <u>(3,674,884)</u>                | <u>(30,490,707)</u>     |
| Total incurred claims  | <u>\$ 2,019,827,427</u>            | <u>\$ (15,498,857)</u>            | <u>\$ 2,004,328,570</u> |

\*Health care receivables excludes provider loans and advances not yet expensed of \$12,448,107 and \$0 for 2018 and 2017, respectively.



|  | 2017                               |                                   |                         |
|--|------------------------------------|-----------------------------------|-------------------------|
|  | Current Year<br>Incurred<br>Claims | Prior Years<br>Incurred<br>Claims | Total                   |
| Beginning of year claim reserve  | \$ -                               | \$ (158,402,452)                  | \$ (158,402,452)        |
| Paid claims—net of health care receivables*<br>and reinsurance recoveries collected                                    | 1,677,656,918                      | 117,450,859                       | 1,795,107,777           |
| End of year claim reserve  | <u>161,587,651</u>                 | <u>3,668,649</u>                  | <u>165,256,300</u>      |
| Incurred claims excluding the change in<br>health care receivables* and reinsurance<br>recoverables as presented below | 1,839,244,569                      | (37,282,944)                      | 1,801,961,625           |
| Beginning of year health care receivables*   | -                                  | 31,842,685                        | 31,842,685              |
| End of year health care receivables*<br>and reinsurance recoverables   | <u>(32,422,434)</u>                | <u>(4,494,134)</u>                | <u>(36,916,568)</u>     |
| Total incurred claims  | <u>\$ 1,806,822,135</u>            | <u>\$ (9,934,393)</u>             | <u>\$ 1,796,887,742</u> |

\*Health care receivables exclude pay for performance receivables of \$11,644,166 for 2016.

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, net of health care and other amounts receivable (excluding provider loans and advances not yet expensed), and reinsurance recoverables as of December 31, 2017 was \$128,339,732. As of December 31, 2018, \$113,496,030 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years, net of health care and other amounts receivable (excluding provider loans and advances not yet expensed) are now (\$655,155), as a result of re-estimation of unpaid claims. Therefore, there has been \$15,498,857 favorable prior year development since December 31, 2017 to December 31, 2018. The primary drivers consist of favorable development of \$11,098,465 due to reinsurance recoveries, favorable development of \$6,276,008 due to subrogation recoveries, favorable development as a result of a change in the provision for adverse deviations in experience of \$5,329,614, favorable development of \$1,987,197 related to provider settlements, favorable development of \$1,455,905 related to capitation, offset by unfavorable development of \$10,907,877 in retroactivity for inpatient, outpatient, physician, and pharmacy claims. At December 31, 2017, the Company recorded \$9,934,393 of favorable development related to favorable development of \$6,880,877 attributable to subrogation recoveries, favorable development as a result of a change in the provision for adverse deviations in experience of \$6,792,390, and favorable development of \$6,039,201 due to reinsurance, offset by unfavorable development of \$8,987,348 in retroactivity for inpatient, outpatient, physician, and pharmacy claims. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. As a result of the prior year effects, on a regular basis, the Company adjusts revenue and the corresponding liability and/or receivable related to retrospectively rated policies and the impact of the change is included as a component of change reserve for rate credits in the statutory basis statements of operations.

The Company incurred CAE of \$102,352,197 and \$99,533,394 in 2018 and 2017, respectively. These costs are included in the management service fees paid by the Company to UHS as a part of the Agreement (see Note 10). The following table discloses paid CAE, incurred CAE, and the balance in unpaid CAE reserve for 2018 and 2017:

|  | 2018                  | 2017                 |
|--|-----------------------|----------------------|
| Total claims adjustment expenses                     | \$ 102,352,197        | \$ 99,533,394        |
| Less: current year unpaid claims adjustment expenses | (2,132,603)           | (2,058,097)          |
| Add: prior year unpaid claims adjustment expenses    | <u>2,058,097</u>      | <u>2,355,808</u>     |
| Total claims adjustment expenses paid                | <u>\$ 102,277,691</u> | <u>\$ 99,831,105</u> |

B. The Company did not make any significant changes in methodologies and assumptions used in the calculation of the liability for claims unpaid and unpaid CAE in 2018.

## 26. INTERCOMPANY POOLING ARRANGEMENTS

A–G. The Company did not have any intercompany pooling arrangements in 2018 or 2017.

## 27. STRUCTURED SETTLEMENTS

A–B. The Company did not have structured settlements in 2018 or 2017.

28. HEALTH CARE AND OTHER AMOUNTS RECEIVABLE

- A. Pharmacy rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions.

The Company evaluates admissibility of all pharmacy rebates receivable based on the administration of each underlying pharmaceutical benefit management agreement. The Company has nonadmitted and excluded all pharmacy rebates receivable that do not meet the admissibility criteria of SSAP No. 84, *Certain Health Care Receivables and Receivables under Government Insured Plans* (“SSAP No. 84”) from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

For each pharmaceutical management agreement for which a portion of the total pharmacy rebates receivable can be admitted based on the admissibility criteria of SSAP No. 84, the pharmacy rebate transaction history is summarized as follows:

| Quarter    | Estimated<br>Pharmacy<br>Rebates as<br>Reported on<br>Financial<br>Statements | Pharmacy<br>Rebates as<br>Billed or<br>Otherwise<br>Confirmed | Actual<br>Rebates<br>Received<br>within 90<br>Days of<br>Billing | Actual<br>Rebates<br>Received<br>within 91 to<br>180 Days of<br>Billing | Actual<br>Rebates<br>Received<br>More than<br>180 Days<br>after Billing |
|------------|---|---|--|---|---|
| 12/31/2018 | \$ 13,266,547   | \$ -  | \$ -   | \$ -  | \$ -  |
| 9/30/2018  | 12,112,505  | 12,005,424  | 6,549,173  | -   | -   |
| 6/30/2018  | 12,584,130  | 12,286,213  | 8,705,719  | 3,029,074   | -   |
| 3/31/2018  | 12,605,919  | 12,171,353  | 8,240,554  | 3,362,946   | 495,827   |
| 12/31/2017 | 12,464,243  | 12,276,284  | 8,606,981  | 3,187,254   | 454,550   |
| 9/30/2017  | 11,647,654  | 11,283,766  | 7,373,865  | 3,246,711   | 585,370   |
| 6/30/2017  | 11,224,495  | 10,938,807  | 5,555,637  | 4,055,800   | 1,256,933   |
| 3/31/2017  | 10,650,841  | 10,384,225  | 3,203,010  | 4,956,948   | 2,161,149   |
| 12/31/2016 | 9,897,403   | 10,056,856  | 5,416,416  | 2,900,710   | 1,634,666   |
| 9/30/2016  | 9,585,454   | 9,445,163   | 5,280,587  | 2,507,505   | 1,589,671   |
| 6/30/2016  | 9,616,426   | 9,521,485   | 6,254,110  | 2,792,494   | 449,645   |
| 3/31/2016  | 8,376,446   | 8,501,591   | 4,088,991  | 4,096,865   | 305,911   |

Of the amount reported as health care and other amounts receivable, \$18,716,259 and \$18,126,988 relates to pharmacy rebates receivable as of December 31, 2018 and 2017, respectively.

- B. The Company does not have any risk-sharing receivables.

The Company also admitted \$590,234 and \$238,703 related to claim overpayment receivables, and \$4,676,735 and \$3,684,032 for receivables from the ODM PFK program as of December 31, 2018 and 2017, respectively.

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2018 or 2017.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any premium deficiency reserves as of December 31, 2018 or 2017. The analysis of premium deficiency reserves was completed as of December 31, 2018 and 2017. The Company did consider anticipated investment income when calculating the premium deficiency reserves.

The following table summarizes the Company’s premium deficiency reserves as of December 31, 2018 and 2017:

|  | 2018  |
|--|---|
| 1. Liability carried for premium deficiency reserves               | \$ -  |
| 2. Date of the most recent evaluation of this liability            | <div>12/31/2018</div>   |
| 3. Was anticipated investment income utilized in this calculation? | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
|  | 2017  |
| 1. Liability carried for premium deficiency reserves               | \$ -  |
| 2. Date of the most recent evaluation of this liability            | <div>12/31/2017</div>   |
| 3. Was anticipated investment income utilized in this calculation? | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |

31. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written, the Company has no salvage. As of December 31, 2018 and 2017, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

\* \* \* \* \*

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? .....  
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [ X ] No [ ]

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? .....

Yes [ X ] No [ ] N/A [ ]

1.3

State Regulating? .....

Ohio

1.4

Is the reporting entity publicly traded or a member of a publicly traded group? .....

Yes [ X ] No [ ]

1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....

0000731766

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes [ ] No [ X ]

2.2

If yes, date of change: .....

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2013

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....

12/31/2013

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....

02/13/2015

3.4

By what department or departments?  
Ohio Department of Insurance .....

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....

Yes [ ] No [ ] N/A [ X ]

3.6

Have all of the recommendations within the latest financial examination report been complied with? .....

Yes [ ] No [ ] N/A [ X ]

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? .....  
4.12 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? .....  
4.22 renewals? .....

Yes [ ] No [ X ]  
Yes [ ] No [ X ]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....  
If yes, complete and file the merger history data file with the NAIC.

Yes [ ] No [ X ]

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

|                     |                        |                        |
|---------------------|------------------------|------------------------|
| 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|                     |                        |                        |

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....

Yes [ ] No [ X ]

6.2

If yes, give full information: .....

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? .....

Yes [ ] No [ X ]

7.2

If yes,  
7.21 State the percentage of foreign control; .....  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

0.0 %

|                  |                     |
|------------------|---------------------|
| 1<br>Nationality | 2<br>Type of Entity |
|                  |                     |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE UnitedHealthcare Community Plan of Ohio, Inc.

GENERAL INTERROGATORIES

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ] No [ X ]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ X ] No [ ]

8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

|                  |                        |     |     |      |     |
|------------------|------------------------|-----|-----|------|-----|
| 1                | 2                      | 3   | 4   | 5    | 6   |
| Affiliate Name   | Location (City, State) | FRB | OCC | FDIC | SEC |
| Optum Bank, Inc. | Salt Lake City, UT     | NO  | NO  | YES  | NO  |

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Baker Tilly Virchow Krause LLP, Minneapolis, MN

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [ ] No [ X ]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [ ] No [ X ]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [ X ] No [ ] N/A [ ]

10.6

If the response to 10.5 is no or n/a, please explain

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Kevin B. Francis, FSA, MAAA, Vice President of Actuarial Services of UnitedHealthcare Insurance Company, employee of United Healthcare Services, Inc., of which UnitedHealthcare Community Plan of Ohio, Inc. is an affiliate, 9800 Health Care Lane, Minnetonka, MN 55343

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [ ] No [ X ]

12.11

Name of real estate holding company

12.12

Number of parcels involved

0

12.13

Total book/adjusted carrying value

\$ 0

12.2

If, yes provide explanation:

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [ ] No [ ]

13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [ ] No [ ]

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [ ] No [ ] N/A [ ]

14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [ X ] No [ ]

(a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e)

Accountability for adherence to the code.

14.11

If the response to 14.1 is No, please explain:

14.2

Has the code of ethics for senior managers been amended?

Yes [ ] No [ X ]

14.21

If the response to 14.2 is yes, provide information related to amendment(s).

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ] No [ X ]

14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE UnitedHealthcare Community Plan of Ohio, Inc.

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

| 1<br>American Bankers Association (ABA) Routing Number | 2<br><br>Issuing or Confirming Bank Name | 3<br><br>Circumstances That Can Trigger the Letter of Credit | 4<br><br>Amount |
|--|--|--|-----------------|
|  |  |  |                 |

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [ X ] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers\$0

20.12 To stockholders not officers\$0

20.13 Trustees, supreme or grand (Fraternal Only)\$0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers\$0

20.22 To stockholders not officers\$0

20.23 Trustees, supreme or grand (Fraternal Only)\$0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others\$0

21.22 Borrowed from others\$0

21.23 Leased from others\$0

21.24 Other\$0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ X ] No [ ]
- 22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment\$0

22.22 Amount paid as expenses\$35,939,052

22.23 Other amounts paid\$0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [ X ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [ X ] No [ ]
- 24.02 If no, give full and complete information relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [ X ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.\$0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.\$0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [ X ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [ X ]
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [ X ]

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE UnitedHealthcare Community Plan of Ohio, Inc.

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

|        |  |    |   |
|--------|--|----|---|
| 24.101 | Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.                   | \$ | 0 |
| 24.102 | Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. | \$ | 0 |
| 24.103 | Total payable for securities lending reported on the liability page.                                       | \$ | 0 |

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes [ X ] No [ ]

|      |  |   |    |           |
|------|--|---|----|-----------|
| 25.2 | If yes, state the amount thereof at December 31 of the current year: | 25.21 Subject to repurchase agreements  | \$ | 0         |
|      |  | 25.22 Subject to reverse repurchase agreements  | \$ | 0         |
|      |  | 25.23 Subject to dollar repurchase agreements   | \$ | 0         |
|      |  | 25.24 Subject to reverse dollar repurchase agreements                                 | \$ | 0         |
|      |  | 25.25 Placed under option agreements  | \$ | 0         |
|      |  | 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock | \$ | 0         |
|      |  | 25.27 FHLB Capital Stock  | \$ | 0         |
|      |  | 25.28 On deposit with states  | \$ | 3,513,642 |
|      |  | 25.29 On deposit with other regulatory bodies   | \$ | 0         |
|      |  | 25.30 Pledged as collateral - excluding collateral pledged to an FHLB                 | \$ | 0         |
|      |  | 25.31 Pledged as collateral to FHLB - including assets backing funding agreements     | \$ | 0         |
|      |  | 25.32 Other   | \$ | 0         |

25.3 For category (25.26) provide the following:

| 1                     | 2           | 3      |
|-----------------------|-------------|--------|
| Nature of Restriction | Description | Amount |
|                       |             |        |

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [ ] No [ X ]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes [ ] No [ ] N/A [ X ]

If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [ ] No [ X ]

27.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [ X ] No [ ]

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

| 1                       | 2  |
|-------------------------|--|
| Name of Custodian(s)    | Custodian's Address  |
| Bank of New York Mellon | Global Liquidity Services, 1 Wall St, 14th Floor, New York, NY 10286 |
| Northern Trust          | 50 S. LaSalle, Chicago, IL 60675                                     |
|                         |  |

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

| 1       | 2           | 3                       |
|---------|-------------|-------------------------|
| Name(s) | Location(s) | Complete Explanation(s) |
|         |             |                         |

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [ ] No [ X ]

28.04 If yes, give full and complete information relating thereto:

| 1             | 2             | 3              | 4      |
|---------------|---------------|----------------|--------|
| Old Custodian | New Custodian | Date of Change | Reason |
|               |               |                |        |

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE UnitedHealthcare Community Plan of Ohio, Inc.

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

| 1<br>Name of Firm or Individual                 | 2<br>Affiliation |
|---|------------------|
| Internally Managed .....                        | I.....           |
| BlackRock Financial Management, Inc. ....       | U.....           |
| JPMorgan Investment Management, Inc. ....       | U.....           |
| BNY Mellon Asset Management North America ..... | U.....           |
| .....   | .....            |

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [ ] No [ X ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

| 1<br>Central Registration<br>Depository Number | 2<br>Name of Firm or Individual                | 3<br>Legal Entity Identifier (LEI) | 4<br>Registered With | 5<br>Investment<br>Management<br>Agreement<br>(IMA) Filed |
|--|--|------------------------------------|----------------------|---|
| 107105 .....                                   | BlackRock Financial Management, Inc. ....      | 549300LVXY1VJKE13M84 .....         | SEC .....            | NO.....   |
| 107038 .....                                   | JPMorgan Investment Management, Inc. ....      | 549300W78QHV4XMM6K69 .....         | SEC .....            | NO.....   |
| 105764 .....                                   | BNY Mellon Asset Management North America .... | ME7YUCK4NF1W8VM8SP25 .....         | SEC .....            | NO.....   |
| .....  | .....  | .....                              | .....                | .....   |

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? ..... Yes [ ] No [ X ]

29.2 If yes, complete the following schedule:

| 1<br>CUSIP #    | 2<br>Name of Mutual Fund | 3<br>Book/Adjusted<br>Carrying Value |
|-----------------|--------------------------|--------------------------------------|
| 29.2999 - Total |                          | 0                                    |

29.3 For each mutual fund listed in the table above, complete the following schedule:

| 1<br>Name of Mutual Fund (from above table) | 2<br>Name of Significant Holding of the<br>Mutual Fund | 3<br>Amount of Mutual<br>Fund's Book/Adjusted<br>Carrying Value<br>Attributable to the<br>Holding | 4<br>Date of<br>Valuation |
|---|--|---|---------------------------|
| .....                                       | .....  | .....   | .....                     |

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

|                             | 1<br>Statement (Admitted)<br>Value | 2<br>Fair Value | 3<br>Excess of Statement<br>over Fair Value (-), or<br>Fair Value over<br>Statement (+) |
|-----------------------------|------------------------------------|-----------------|---|
| 30.1 Bonds .....            | 345,878,421                        | 342,153,724     | (3,724,697)   |
| 30.2 Preferred stocks ..... | 0                                  | 0               | 0   |
| 30.3 Totals                 | 345,878,421                        | 342,153,724     | (3,724,697)   |

30.4 Describe the sources or methods utilized in determining the fair values:

For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from Hub which is an external data sources vendor. Hub utilizes various pricing sources. ...

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ ] No [ X ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [ X ] No [ ]

32.2 If no, list exceptions:  
.....



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE UnitedHealthcare Community Plan of Ohio, Inc.

GENERAL INTERROGATORIES

33.

By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.

b. Issuer or obligor is current on all contracted interest and principal payments.

c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? 

Yes ☐

No ☒
34.

By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

a. The security was purchased prior to January 1, 2018.

b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.

c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.

d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? 

Yes ☐

No ☒
- OTHER
- 35.1

Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? 

\$

0

35.2

List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

|      |             |
|------|-------------|
| 1    | 2           |
| Name | Amount Paid |
|      |             |

36.1

Amount of payments for legal expenses, if any? 

\$

0

36.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

|      |             |
|------|-------------|
| 1    | 2           |
| Name | Amount Paid |
|      |             |

37.1

Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? 

\$

0

37.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

|      |             |
|------|-------------|
| 1    | 2           |
| Name | Amount Paid |
|      |             |
- 27.5

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [ ] No [X]

1.2

If yes, indicate premium earned on U.S. business only.

\$ 0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$ 0

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ 0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 0

1.62

Total incurred claims

\$ 0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$ 0

1.65

Total incurred claims

\$ 0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 0

1.72

Total incurred claims

\$ 0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$ 0

1.75

Total incurred claims

\$ 0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2,509,181,293

2

Prior Year

2,229,056,944

2.1

Premium Numerator

2,509,181,293

2,229,056,944

2.2

Premium Denominator

2,509,181,293

2,229,056,944

2.3

Premium Ratio (2.1/2.2)

1.000

1.000

2.4

Reserve Numerator

160,396,660

168,009,686

2.5

Reserve Denominator

160,396,660

168,009,686

2.6

Reserve Ratio (2.4/2.5)

1.000

1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [ ] No [X]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No [ ]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [ ] No [X]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [X] No [ ]

5.2

If no, explain:

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$ 0

5.32

Medical Only

\$ 1,050,000

5.33

Medicare Supplement

\$ 0

5.34

Dental & Vision

\$ 0

5.35

Other Limited Benefit Plan

\$ 0

5.36

Other

\$ 0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
Hold harmless clauses in provider agreements and continuation of coverage endorsements in reinsurance agreement.

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [X] No [ ]

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

50,309

8.2

Number of providers at end of reporting year

64,894

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [ ] No [X]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

\$ 0

9.22

Business with rate guarantees over 36 months

\$ 0

28

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE UnitedHealthcare Community Plan of Ohio, Inc.

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes [ X ] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses.....\$ .....353,256

10.22 Amount actually paid for year bonuses.....\$ .....519,213

10.23 Maximum amount payable withholds.....\$ .....518,590

10.24 Amount actually paid for year withholds.....\$ .....105,772

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, ..... Yes [ ] No [ X ]

11.13 An Individual Practice Association (IPA), or, . Yes [ ] No [ X ]

11.14 A Mixed Model (combination of above)? ..... Yes [ X ] No [ ]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? ..... Yes [ X ] No [ ]

11.3 If yes, show the name of the state requiring such minimum capital and surplus. .... Ohio

11.4 If yes, show the amount required. ....\$ .....1,700,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes [ ] No [ X ]

11.6 If the amount is calculated, show the calculation

Ohio Statutes Title 17, Chapter 1751, section 28, paragraph 4 requires the Company's net worth to be equal to or greater than \$1,700,000.

12. List service areas in which reporting entity is licensed to operate:

|                        |
|------------------------|
| 1                      |
| Name of Service Area   |
| Ohio - Statewide ..... |
| .....                  |

13.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. ....\$ .....0

13.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]

13.4 If yes, please provide the balance of funds administered as of the reporting date. ....\$ .....0

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? ..... Yes [ ] No [ ] N/A [ X ]

14.2 If the answer to 14.1 is yes, please provide the following:

| 1<br><br>Company Name | 2<br>NAIC<br>Company<br>Code | 3<br><br>Domiciliary<br>Jurisdiction | 4<br><br>Reserve<br>Credit | Assets Supporting Reserve Credit |                          |            |
|-----------------------|------------------------------|--------------------------------------|----------------------------|----------------------------------|--------------------------|------------|
|                       |                              |                                      |                            | 5<br>Letters of<br>Credit        | 6<br>Trust<br>Agreements | 7<br>Other |
| .....                 | .....                        | .....                                | .....                      | .....                            | .....                    | .....      |

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written .....\$ .....0

15.2 Total Incurred Claims .....\$ .....0

15.3 Number of Covered Lives .....0

|   |
|---|
| *Ordinary Life Insurance Includes   |
| Term(whether full underwriting, limited underwriting, jet issue, "short form app")        |
| Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app") |
| Variable Life (with or without secondary gurantee)  |
| Universal Life (with or without secondary gurantee)                                       |
| Variable Universal Life (with or without secondary gurantee)                              |

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? ..... Yes [ ] No [ X ]

16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? ..... Yes [ ] No [ X ]

FIVE-YEAR HISTORICAL DATA

|  | 1<br>2018     | 2<br>2017     | 3<br>2016     | 4<br>2015     | 5<br>2014     |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>Balance Sheet</b> (Pages 2 and 3)   |               |               |               |               |               |
| 1. Total admitted assets (Page 2, Line 28) .....   | 576,744,345   | 494,579,047   | 449,392,697   | 430,344,689   | 408,997,684   |
| 2. Total liabilities (Page 3, Line 24) .....   | 213,967,274   | 221,450,282   | 229,653,361   | 203,398,994   | 254,805,442   |
| 3. Statutory minimum capital and surplus requirement .....   | 1,700,000     | 1,700,000     | 1,700,000     | 119,623,022   | 54,676,354    |
| 4. Total capital and surplus (Page 3, Line 33) .....   | 362,777,071   | 273,128,765   | 219,739,336   | 226,945,695   | 154,192,242   |
| <b>Income Statement</b> (Page 4)   |               |               |               |               |               |
| 5. Total revenues (Line 8) .....   | 2,510,484,616 | 2,231,848,109 | 2,059,387,555 | 2,145,175,124 | 1,363,944,676 |
| 6. Total medical and hospital expenses (Line 18) .....   | 2,004,328,570 | 1,796,887,742 | 1,683,175,206 | 1,638,218,898 | 1,052,437,138 |
| 7. Claims adjustment expenses (Line 20) .....  | 102,352,197   | 99,533,394    | 94,342,306    | 80,668,030    | 64,409,005    |
| 8. Total administrative expenses (Line 21) .....   | 247,143,730   | 222,901,154   | 237,116,492   | 235,022,846   | 169,401,721   |
| 9. Net underwriting gain (loss) (Line 24) .....  | 156,660,119   | 112,525,819   | 44,753,551    | 191,265,350   | 77,696,813    |
| 10. Net investment gain (loss) (Line 27) .....   | 10,257,851    | 7,084,250     | 7,195,236     | 5,500,655     | 3,525,306     |
| 11. Total other income (Lines 28 plus 29) .....  | (11,811)      | (23,307)      | (3,030,268)   | (1,151,279)   | (2,740,785)   |
| 12. Net income or (loss) (Line 32) .....   | 124,717,714   | 78,809,685    | 22,910,465    | 120,549,487   | 47,832,332    |
| <b>Cash Flow</b> (Page 6)  |               |               |               |               |               |
| 13. Net cash from operations (Line 11) .....   | 42,261,411    | 81,222,754    | 19,397,094    | 78,155,186    | 173,695,820   |
| <b>Risk-Based Capital Analysis</b>   |               |               |               |               |               |
| 14. Total adjusted capital .....   | 362,777,071   | 273,128,765   | 219,739,336   | 226,945,695   | 154,192,242   |
| 15. Authorized control level risk-based capital .....  | 78,344,679    | 68,651,383    | 63,200,859    | 59,811,511    | 27,338,177    |
| <b>Enrollment</b> (Exhibit 1)  |               |               |               |               |               |
| 16. Total members at end of period (Column 5, Line 7) .....  | 304,233       | 312,886       | 293,677       | 290,732       | 283,148       |
| 17. Total members months (Column 6, Line 7) .....  | 3,833,905     | 3,703,252     | 3,548,668     | 3,476,329     | 2,729,938     |
| <b>Operating Percentage</b> (Page 4)<br>(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0            |               |               |               |               |               |
| 18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....                                      | 100.0         | 100.0         | 100.0         | 100.0         | 100.0         |
| 19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....                           | 79.8          | 80.5          | 82.2          | 76.6          | 77.2          |
| 20. Cost containment expenses .....  | 2.6           | 2.9           | 2.8           | 2.0           | 2.7           |
| 21. Other claims adjustment expenses .....   | 1.5           | 1.5           | 1.8           | 1.8           | 2.0           |
| 22. Total underwriting deductions (Line 23) .....  | 93.8          | 95.0          | 98.4          | 91.4          | 94.3          |
| 23. Total underwriting gain (loss) (Line 24) .....   | 6.2           | 5.0           | 2.2           | 8.9           | 5.7           |
| <b>Unpaid Claims Analysis</b><br>(U&I Exhibit, Part 2B)  |               |               |               |               |               |
| 24. Total claims incurred for prior years (Line 13, Col. 5) .....  | 121,410,171   | 126,813,174   | 101,533,681   | 114,363,605   | 49,223,693    |
| 25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....                                | 136,909,029   | 136,747,568   | 130,298,889   | 129,144,894   | 64,821,968    |
| <b>Investments In Parent, Subsidiaries and Affiliates</b>  |               |               |               |               |               |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....   | 0             | 0             | 0             | 0             | 0             |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....                                      | 0             | 0             | 0             | 0             | 0             |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....   | 0             | 0             | 0             | 0             | 0             |
| 29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) ..... | 0             | 0             | 0             | 0             | 0             |
| 30. Affiliated mortgage loans on real estate .....   | 0             | 0             | 0             | 0             | 0             |
| 31. All other affiliated .....   | 0             | 0             | 0             | 0             | 0             |
| 32. Total of above Lines 26 to 31 .....  | 0             | 0             | 0             | 0             | 0             |
| 33. Total investment in parent included in Lines 26 to 31 above.   | 0             | 0             | 0             | 0             | 0             |

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [        ] No [        ]  
If no, please explain: .....

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

| Allocated by States and Territories                                  |                   |                            |                      |                    |   |  |                             |                           |                        |  |
|--|-------------------|----------------------------|----------------------|--------------------|---|--|-----------------------------|---------------------------|------------------------|--|
| States, etc.   | 1                 | Direct Business Only       |                      |                    |   |  |                             |                           |                        |  |
|  |                   | 2                          | 3                    | 4                  | 5   | 6  | 7                           | 8                         | 9                      |  |
|  | Active Status (a) | Accident & Health Premiums | Medicare Title XVIII | Medicaid Title XIX | Federal Employees Health Benefits Plan Premiums | Life & Annuity Premiums & Other Considerations | Property/ Casualty Premiums | Total Columns 2 Through 7 | Deposit-Type Contracts |  |
| 1. Alabama AL  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 2. Alaska AK   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 3. Arizona AZ  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 4. Arkansas AR   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 5. California CA   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 6. Colorado CO   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 7. Connecticut CT  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 8. Delaware DE   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 9. District of Columbia DC   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 10. Florida FL   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 11. Georgia GA   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 12. Hawaii HI  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 13. Idaho ID   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 14. Illinois IL  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 15. Indiana IN   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 16. Iowa IA  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 17. Kansas KS  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 18. Kentucky KY  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 19. Louisiana LA   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 20. Maine ME   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 21. Maryland MD  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 22. Massachusetts MA   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 23. Michigan MI  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 24. Minnesota MN   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 25. Mississippi MS   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 26. Missouri MO  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 27. Montana MT   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 28. Nebraska NE  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 29. Nevada NV  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 30. New Hampshire NH   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 31. New Jersey NJ  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 32. New Mexico NM  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 33. New York NY  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 34. North Carolina NC  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 35. North Dakota ND  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 36. Ohio OH  | L                 | 0                          | 320,351,534          | 2,215,908,041      | 0   | 0  | 0                           | 2,536,259,575             | 42,051,826             |  |
| 37. Oklahoma OK  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 38. Oregon OR  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 39. Pennsylvania PA  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 40. Rhode Island RI  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 41. South Carolina SC  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 42. South Dakota SD  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 43. Tennessee TN   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 44. Texas TX   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 45. Utah UT  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 46. Vermont VT   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 47. Virginia VA  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 48. Washington WA  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 49. West Virginia WV   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 50. Wisconsin WI   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 51. Wyoming WY   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 52. American Samoa AS  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 53. Guam GU  | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 54. Puerto Rico PR   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 55. U.S. Virgin Islands VI   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 56. Northern Mariana Islands MP                                      | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 57. Canada CAN   | N                 | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 58. Aggregate other alien OT   | XXX               | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 59. Subtotal   | XXX               | 0                          | 320,351,534          | 2,215,908,041      | 0   | 0  | 0                           | 2,536,259,575             | 42,051,826             |  |
| 60. Reporting entity contributions for Employee Benefit Plans        | XXX               | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 61. Total (Direct Business)  | XXX               | 0                          | 320,351,534          | 2,215,908,041      | 0   | 0  | 0                           | 2,536,259,575             | 42,051,826             |  |
| DETAILS OF WRITE-INS   |                   |                            |                      |                    |   |  |                             |                           |                        |  |
| 58001.   | XXX               |                            |                      |                    |   |  |                             |                           |                        |  |
| 58002.   | XXX               |                            |                      |                    |   |  |                             |                           |                        |  |
| 58003.   | XXX               |                            |                      |                    |   |  |                             |                           |                        |  |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | XXX               | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |
| 58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)  | XXX               | 0                          | 0                    | 0                  | 0   | 0  | 0                           | 0                         | 0                      |  |

(a) Active Status Counts:  
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....1 R - Registered - Non-domiciled RRGs.....0  
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....0 Q - Qualified - Qualified or accredited reinsurer.....0  
N - None of the above - Not allowed to write business in the state.....56

(b) Explanation of basis of allocation by states, premiums by state, etc.  
Premiums allocated by state based upon Geographic Market.  
Premiums allocated by state based upon Geographic Market.

## 40



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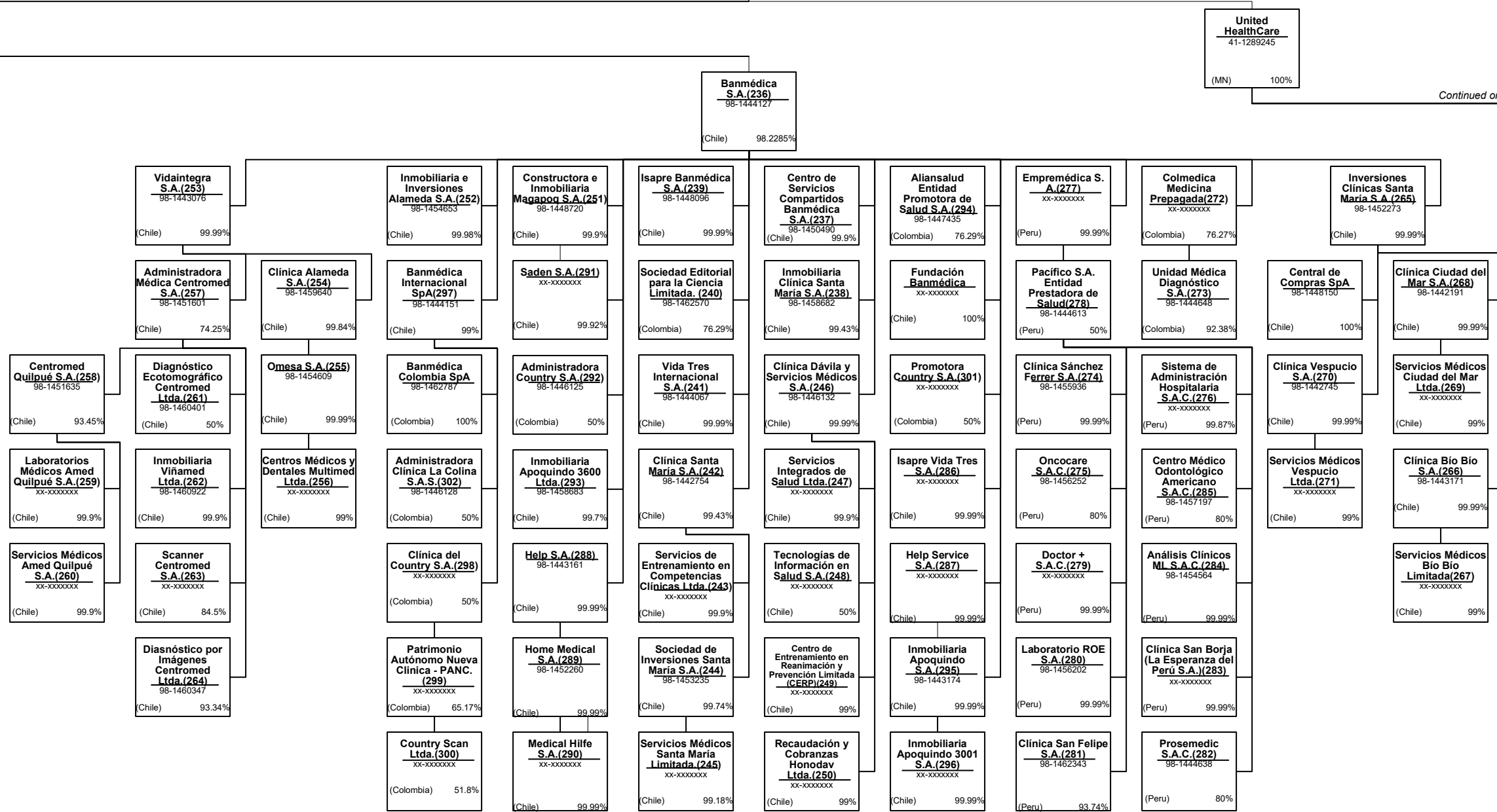
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART

UnitedHealth Group Incorporated

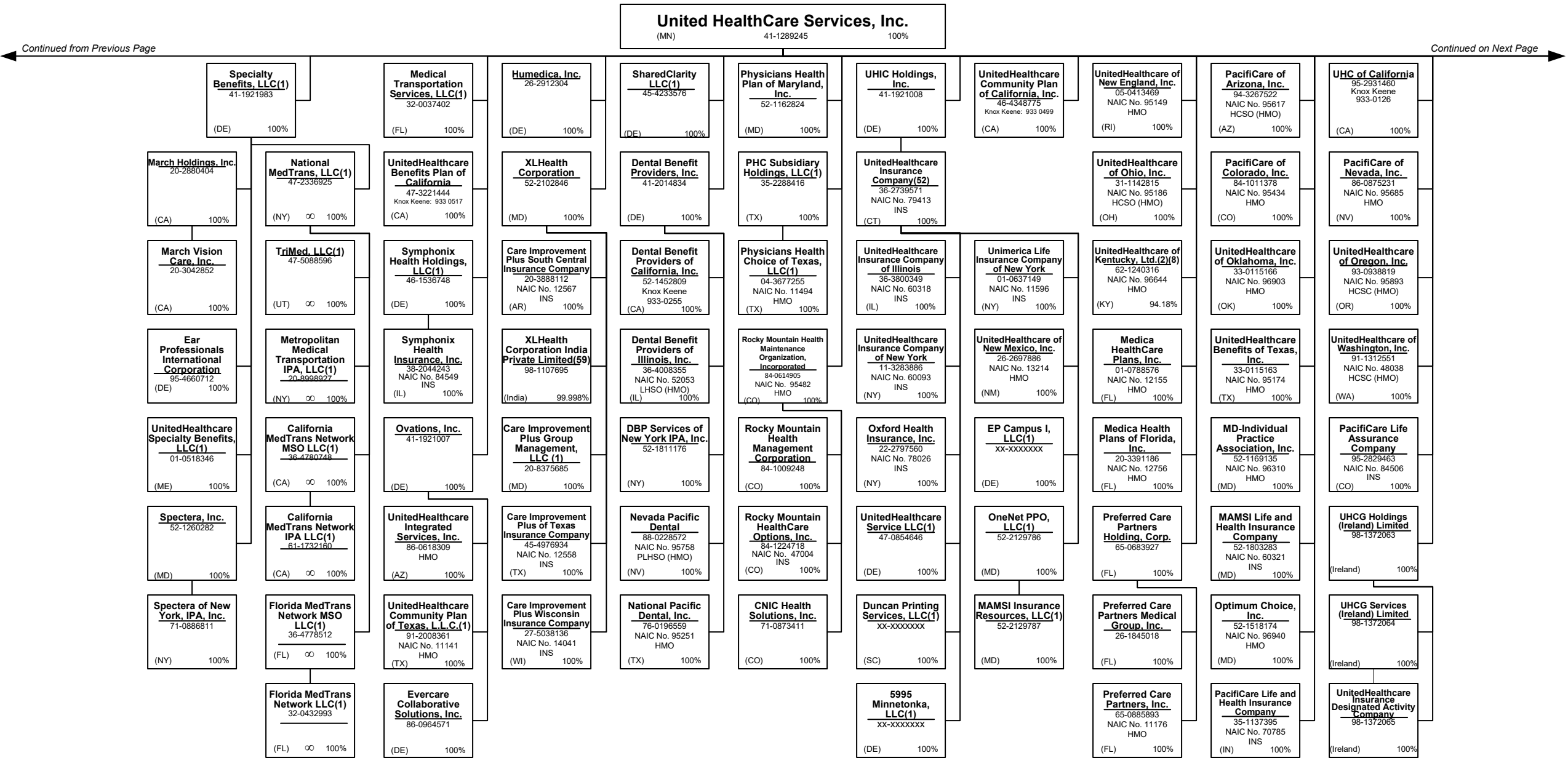
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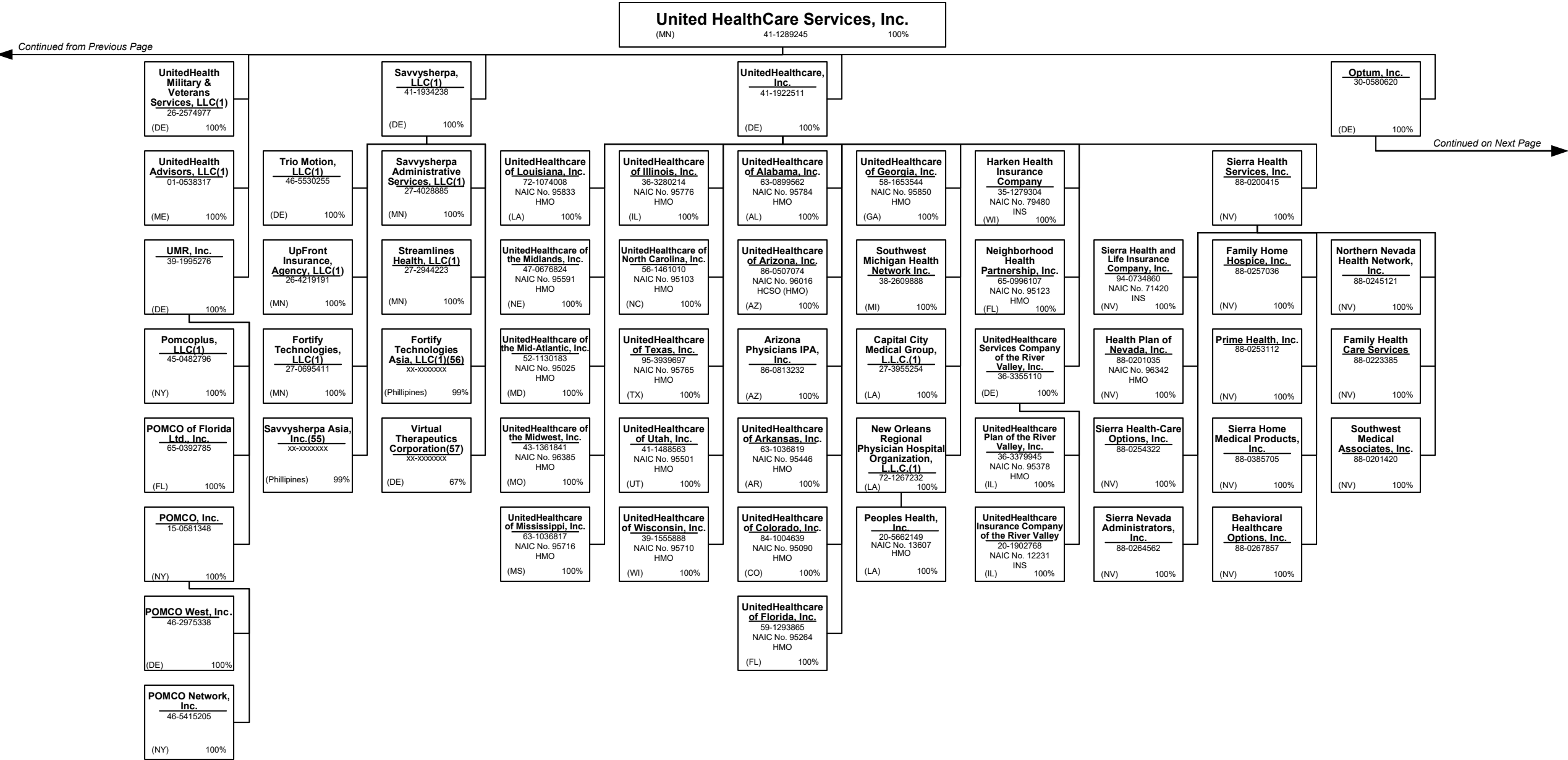
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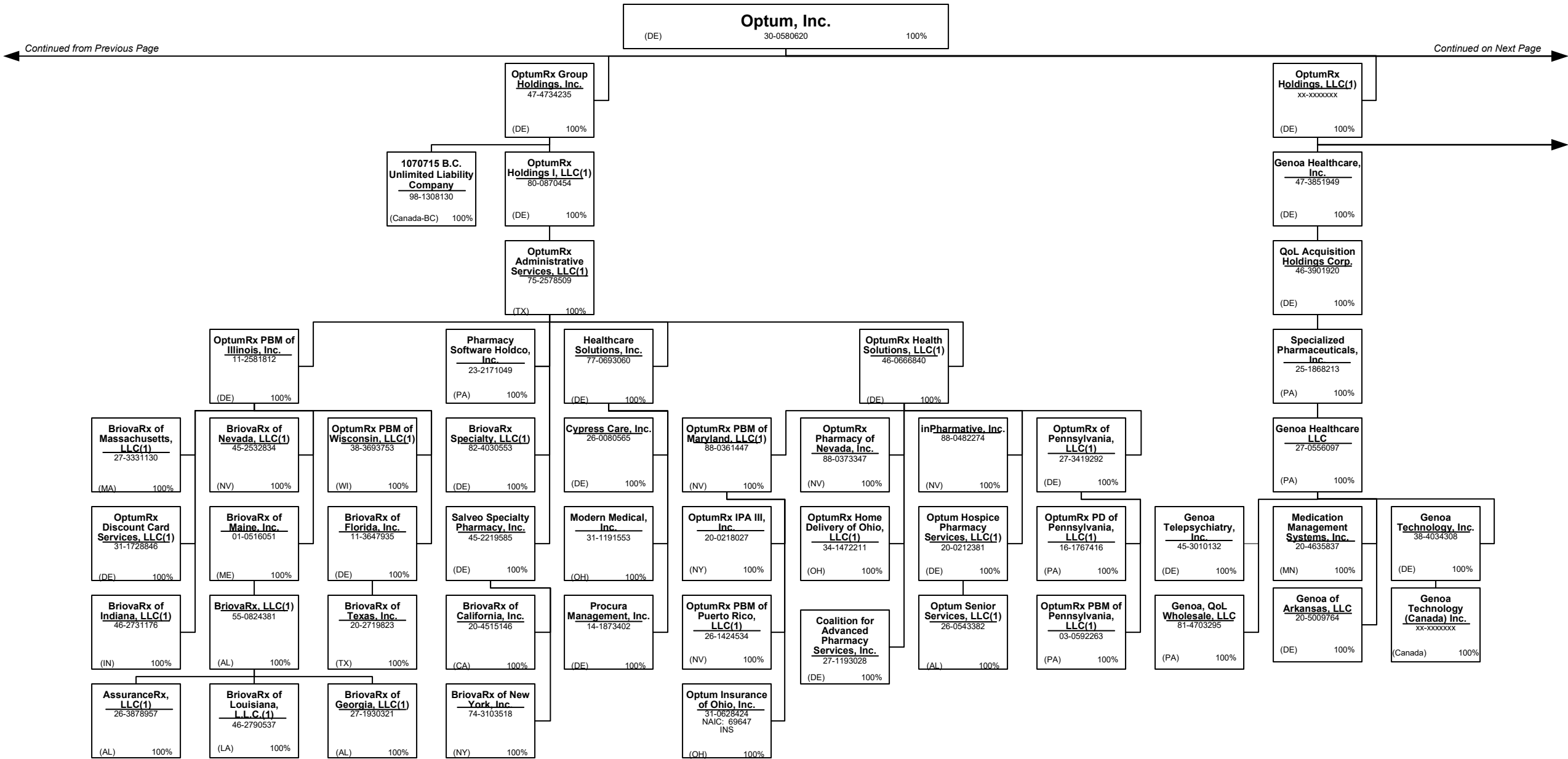
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PART 1 – ORGANIZATIONAL CHART



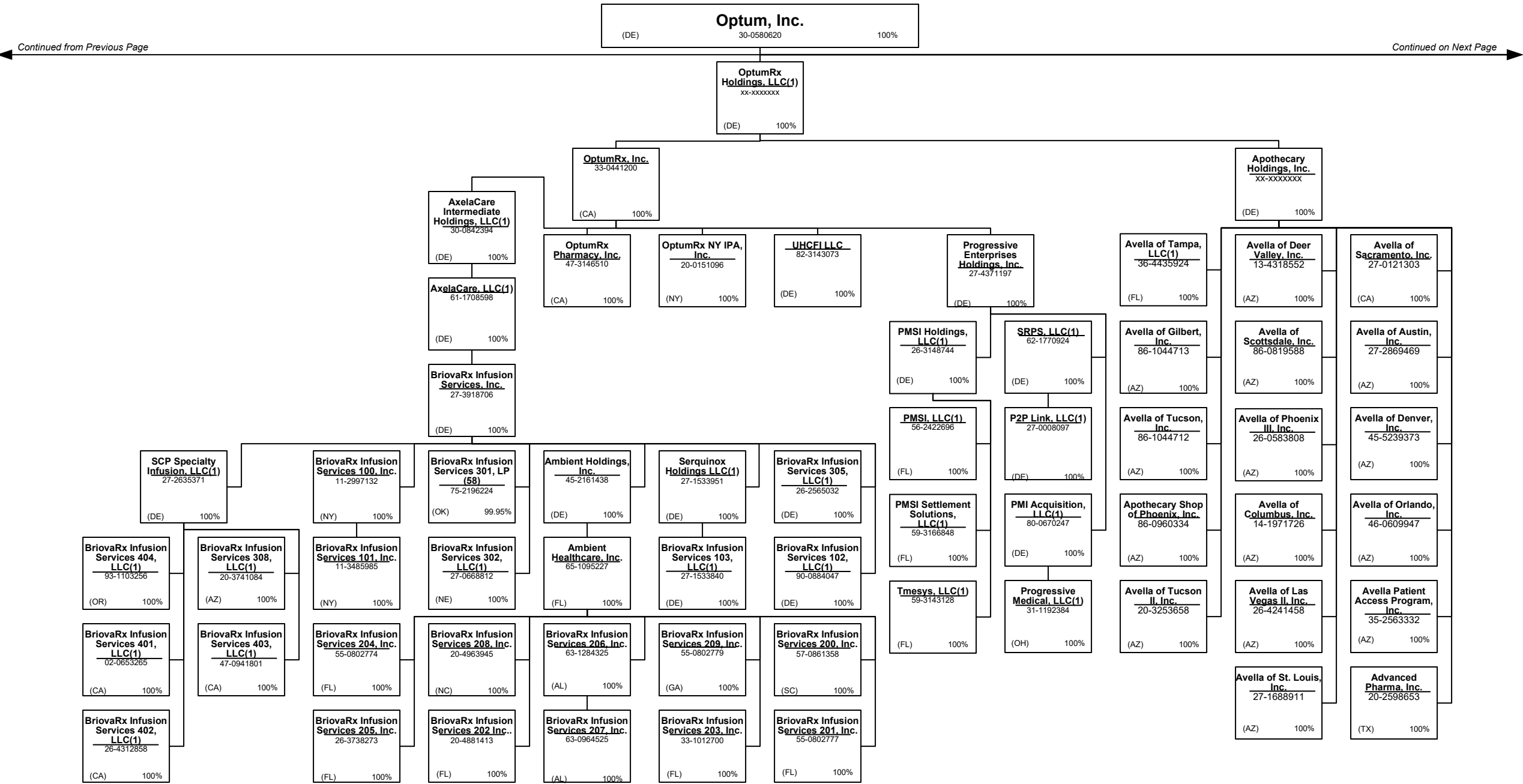
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PART 1 – ORGANIZATIONAL CHART



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PART 1 – ORGANIZATIONAL CHART



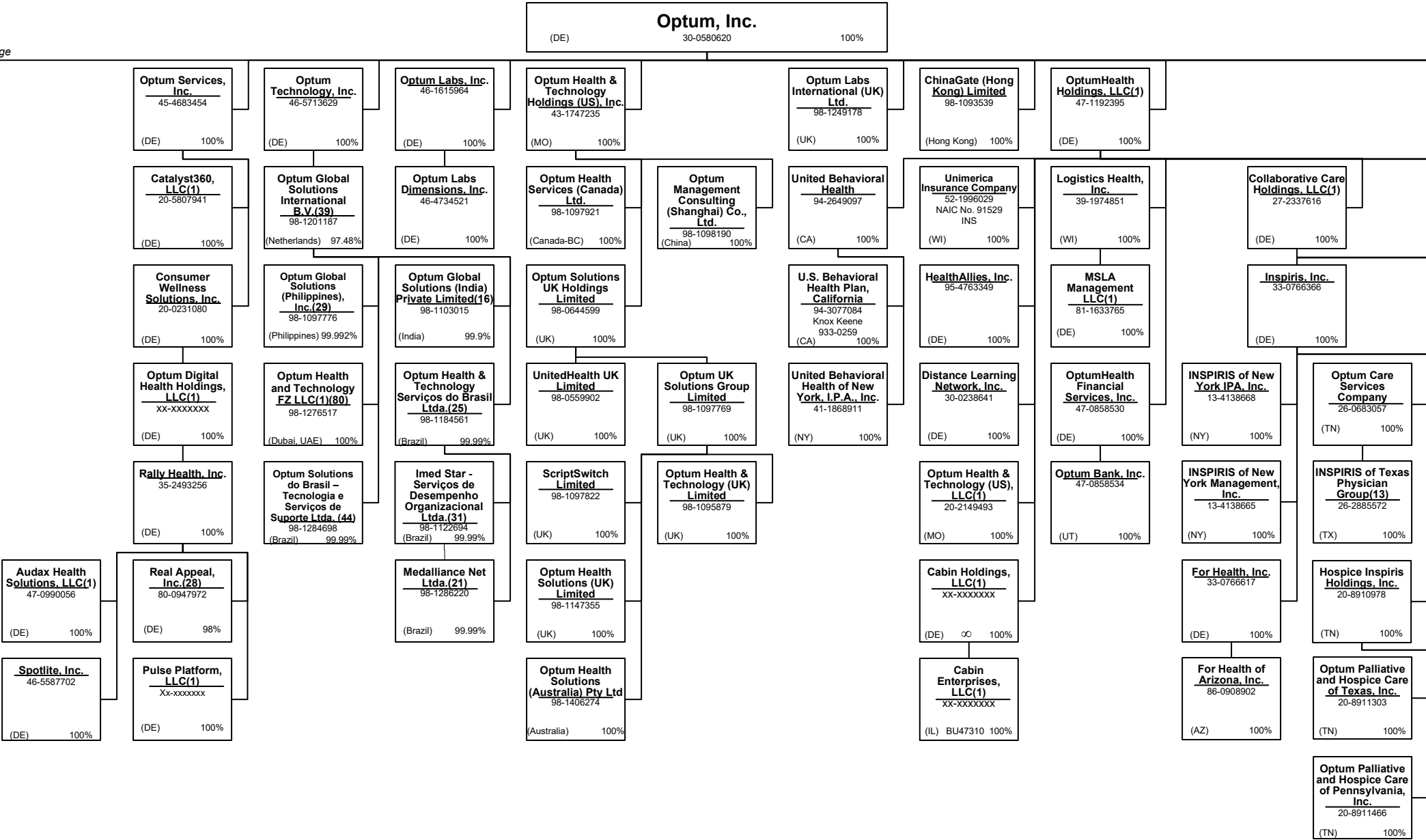
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PART 1 – ORGANIZATIONAL CHART



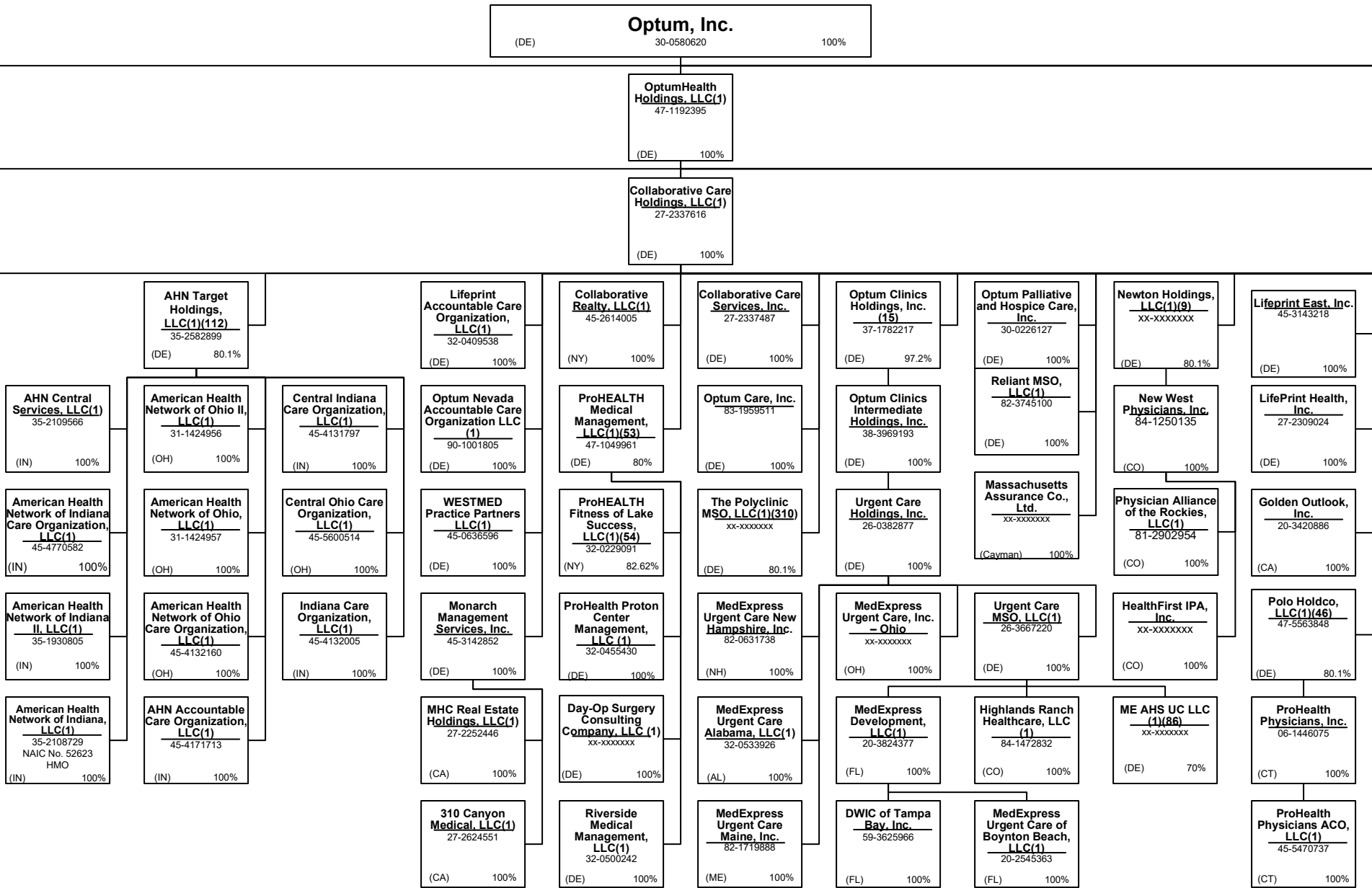
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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART

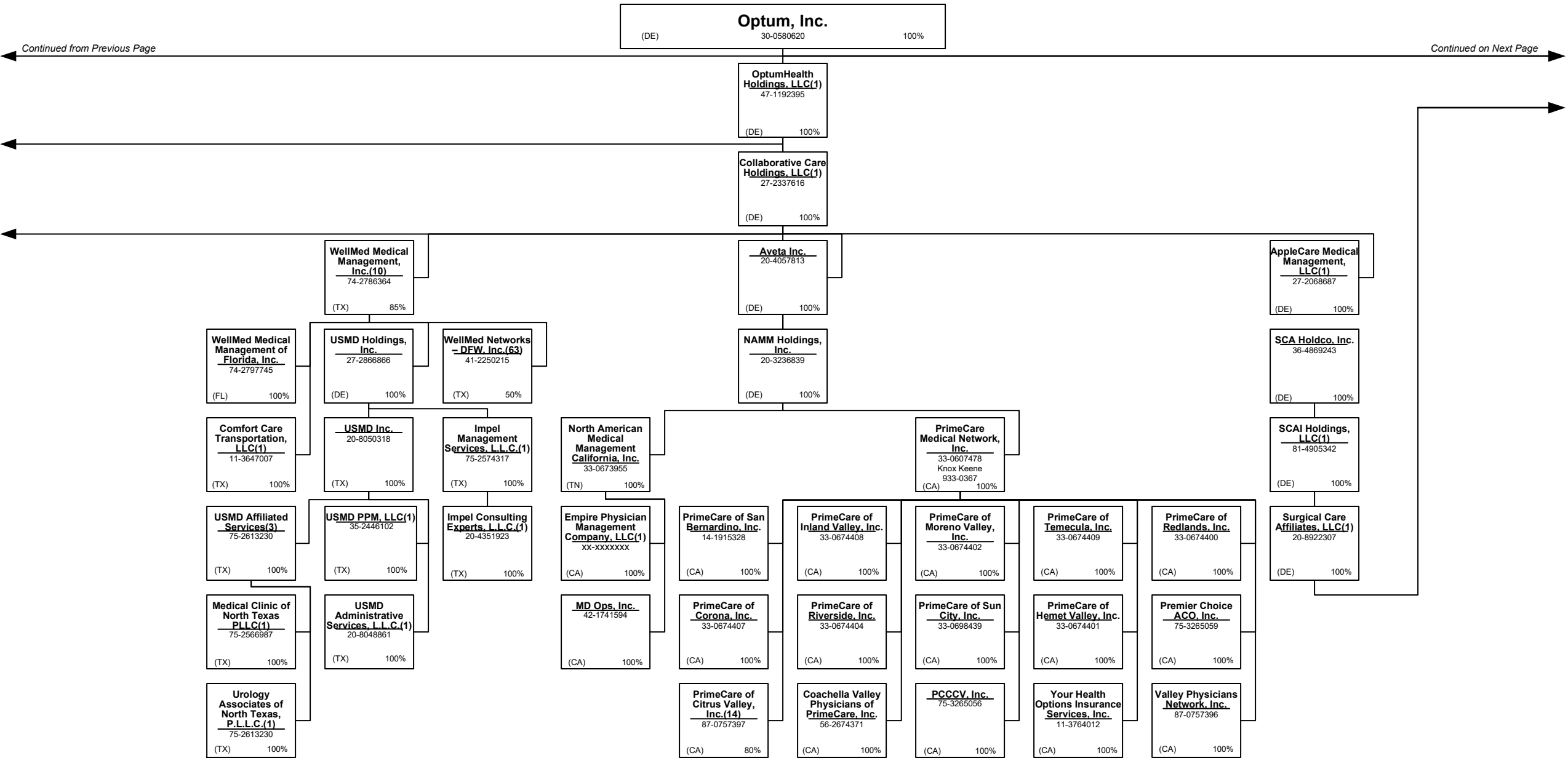


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PART 1 – ORGANIZATIONAL CHART

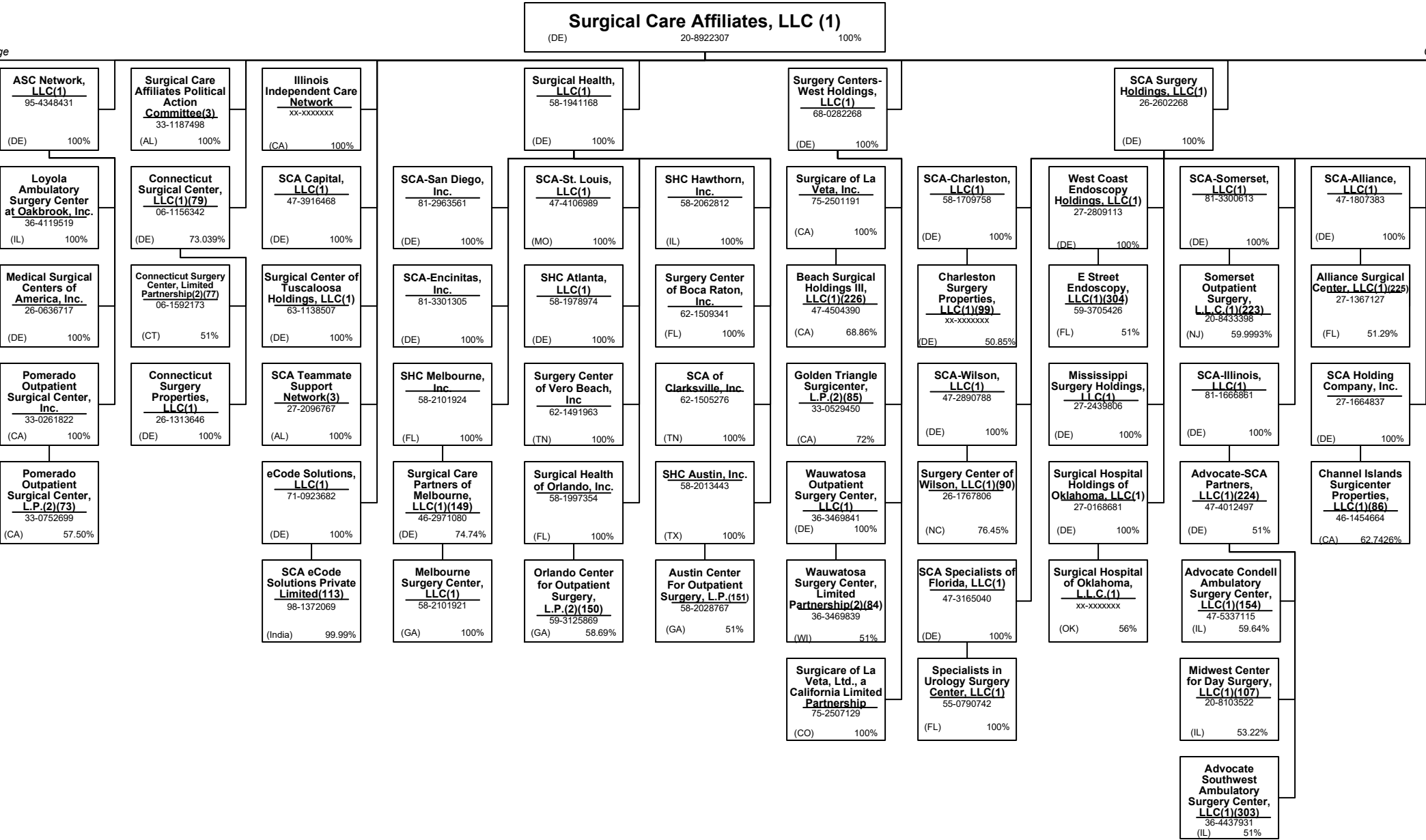




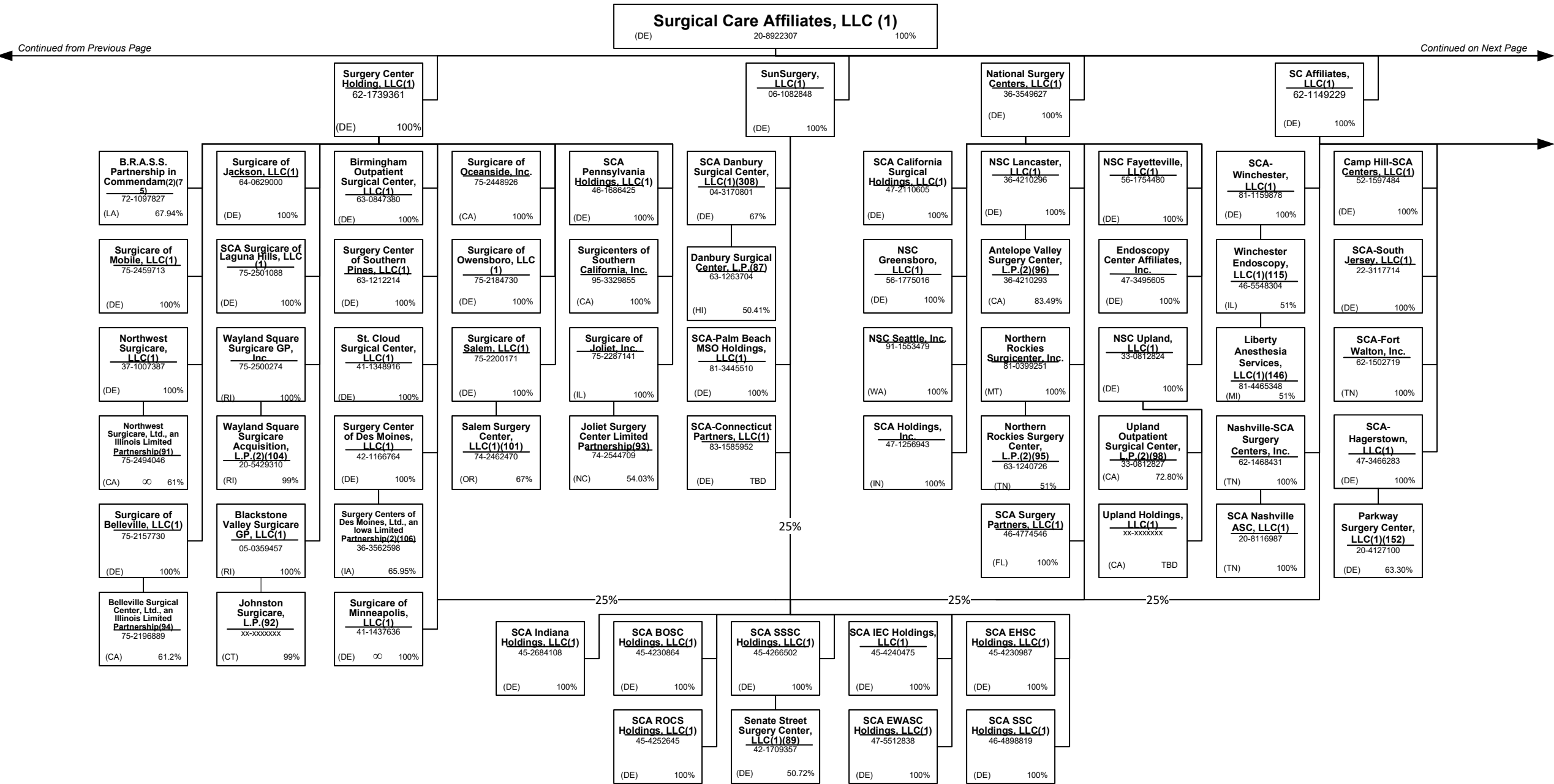
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART



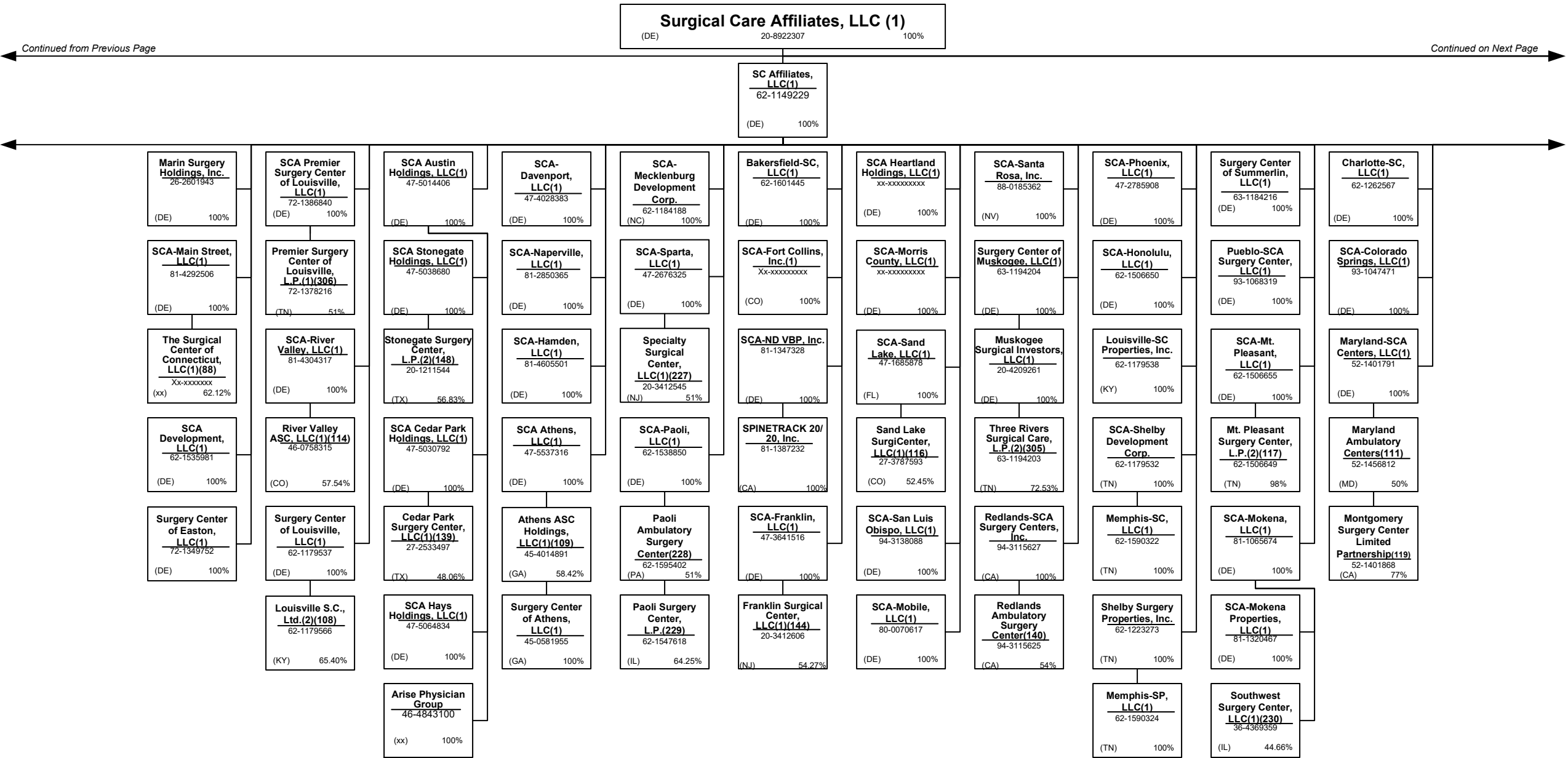
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PART 1 – ORGANIZATIONAL CHART



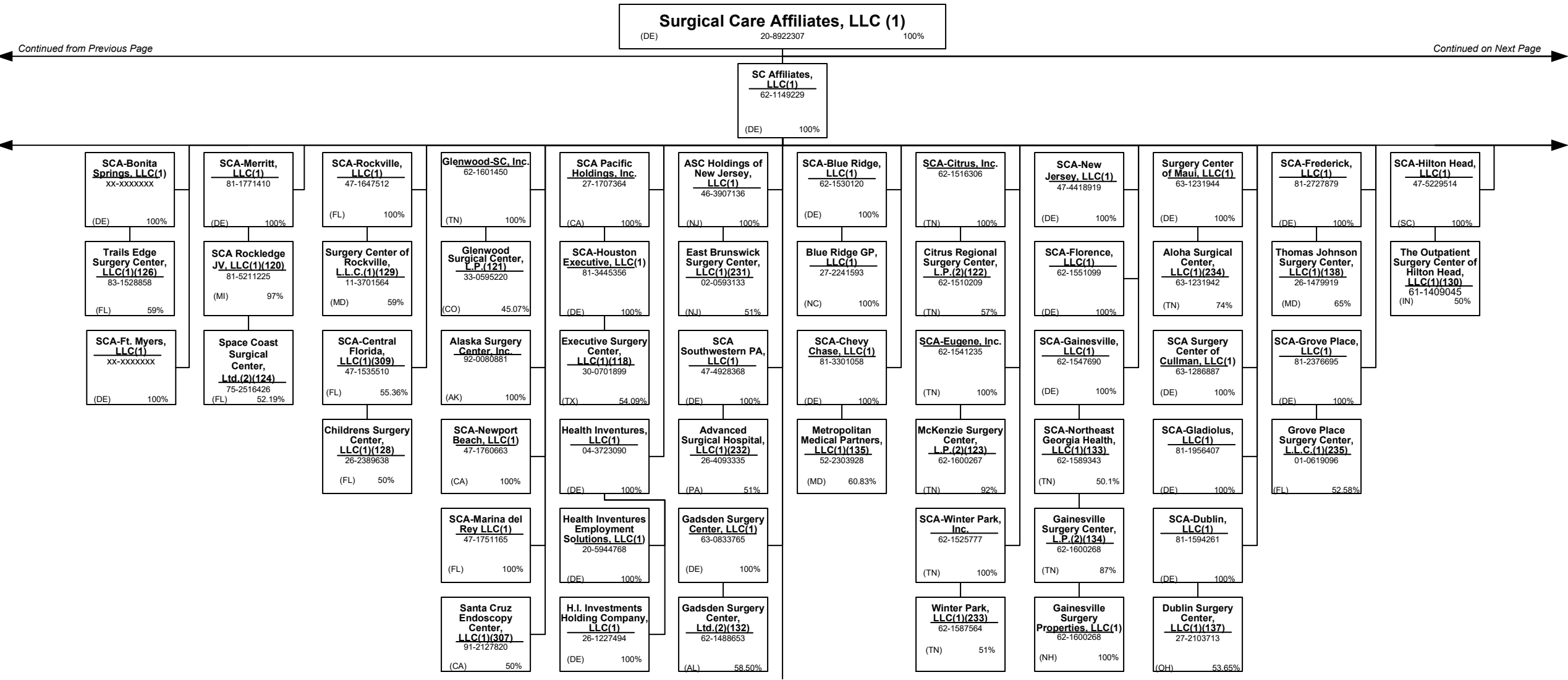
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PART 1 – ORGANIZATIONAL CHART



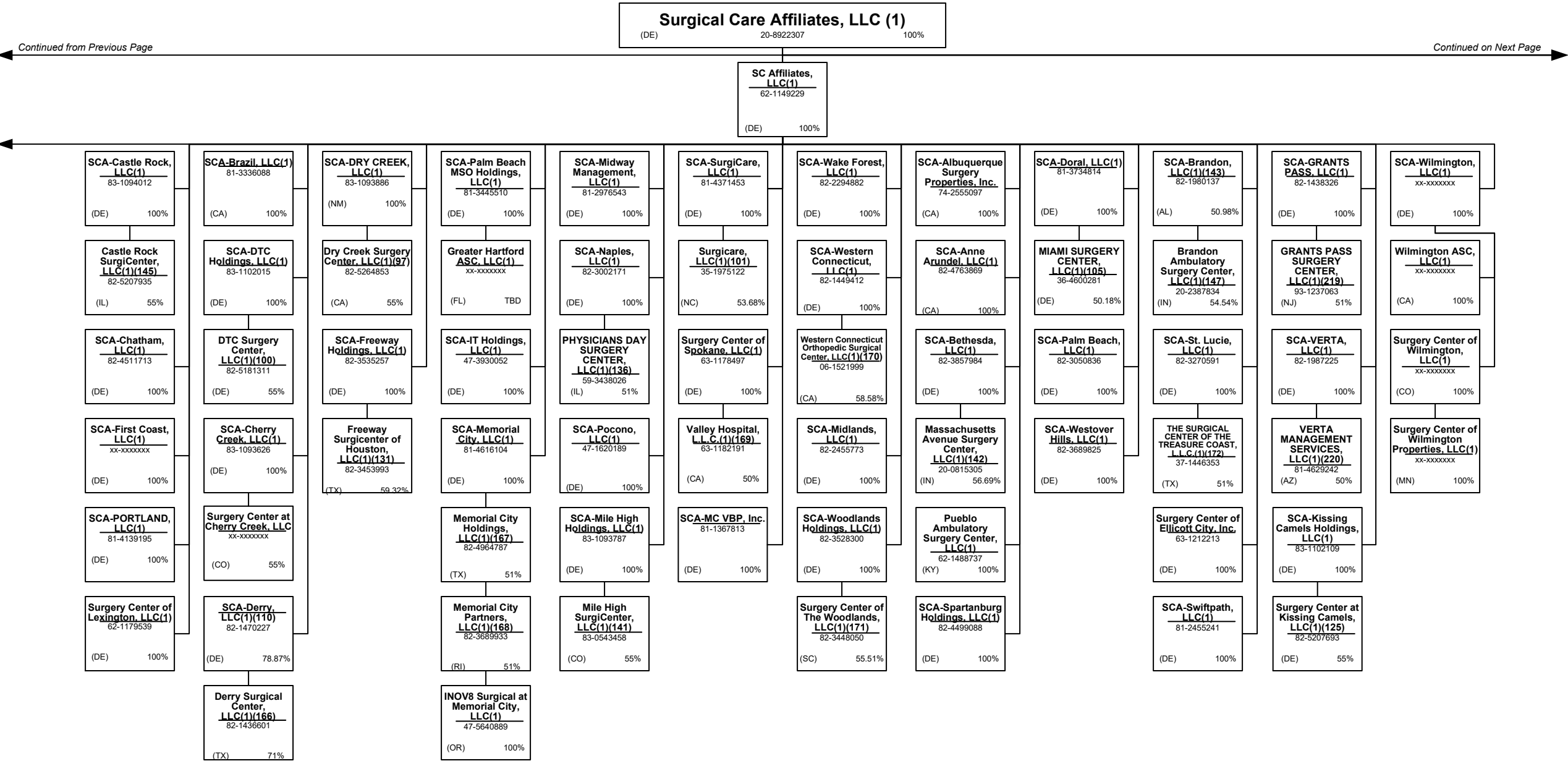
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PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART



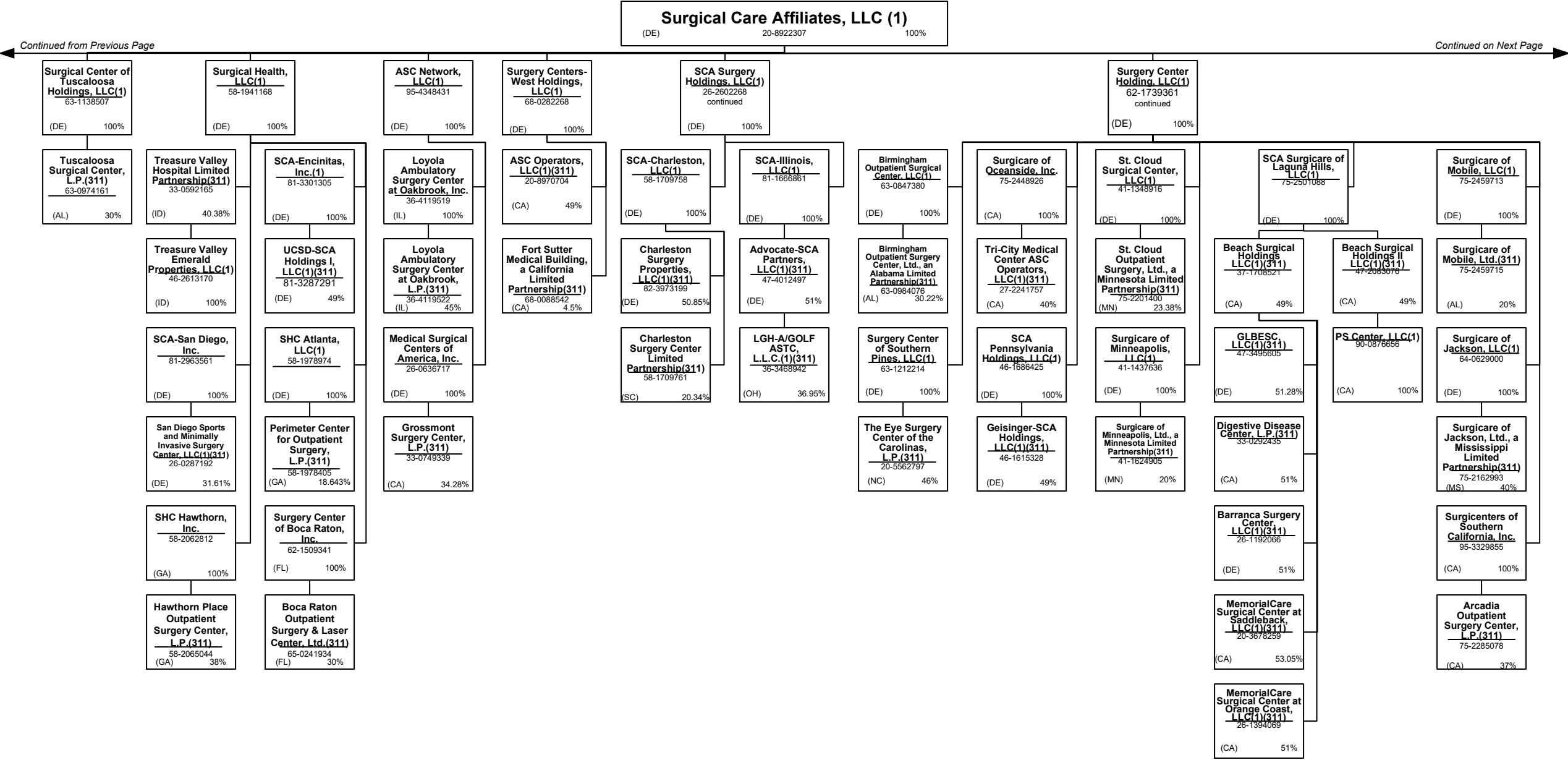
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART



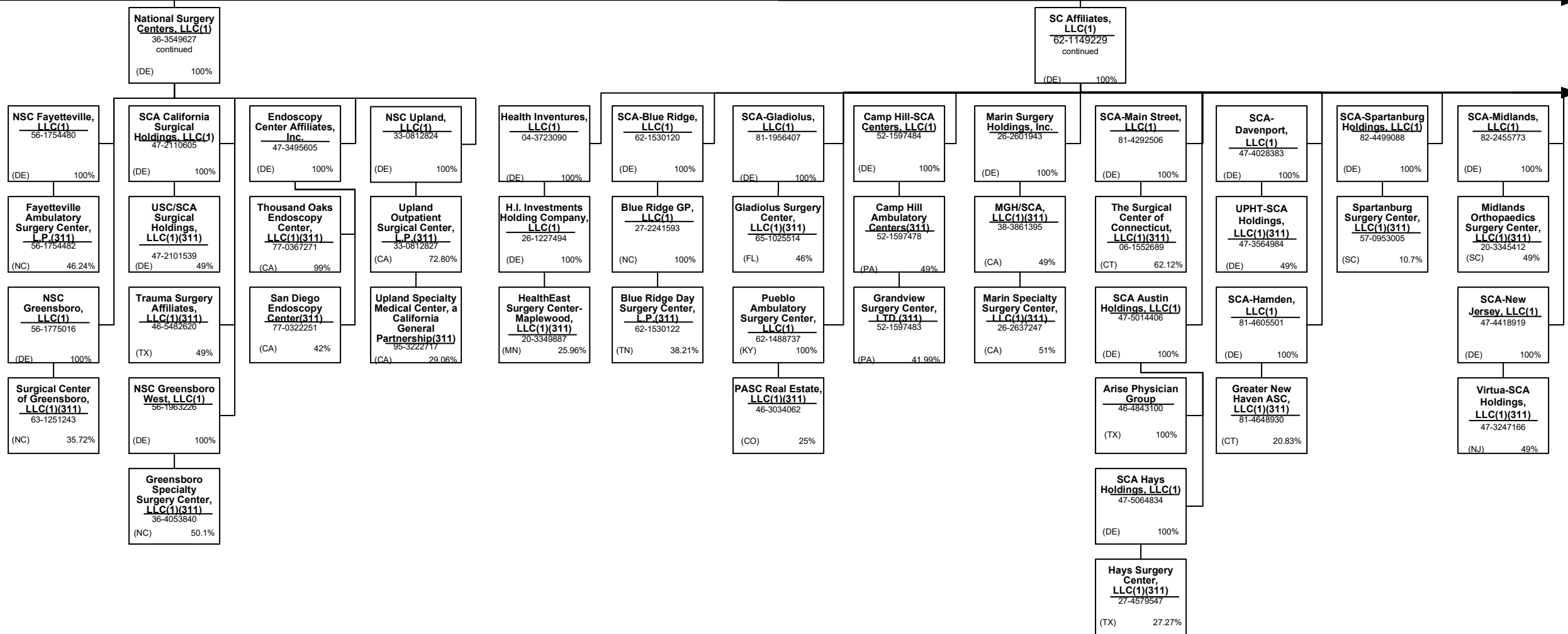
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

NOTE: All Companies below are minority owned entities of Surgical Care Affiliates, LLC.



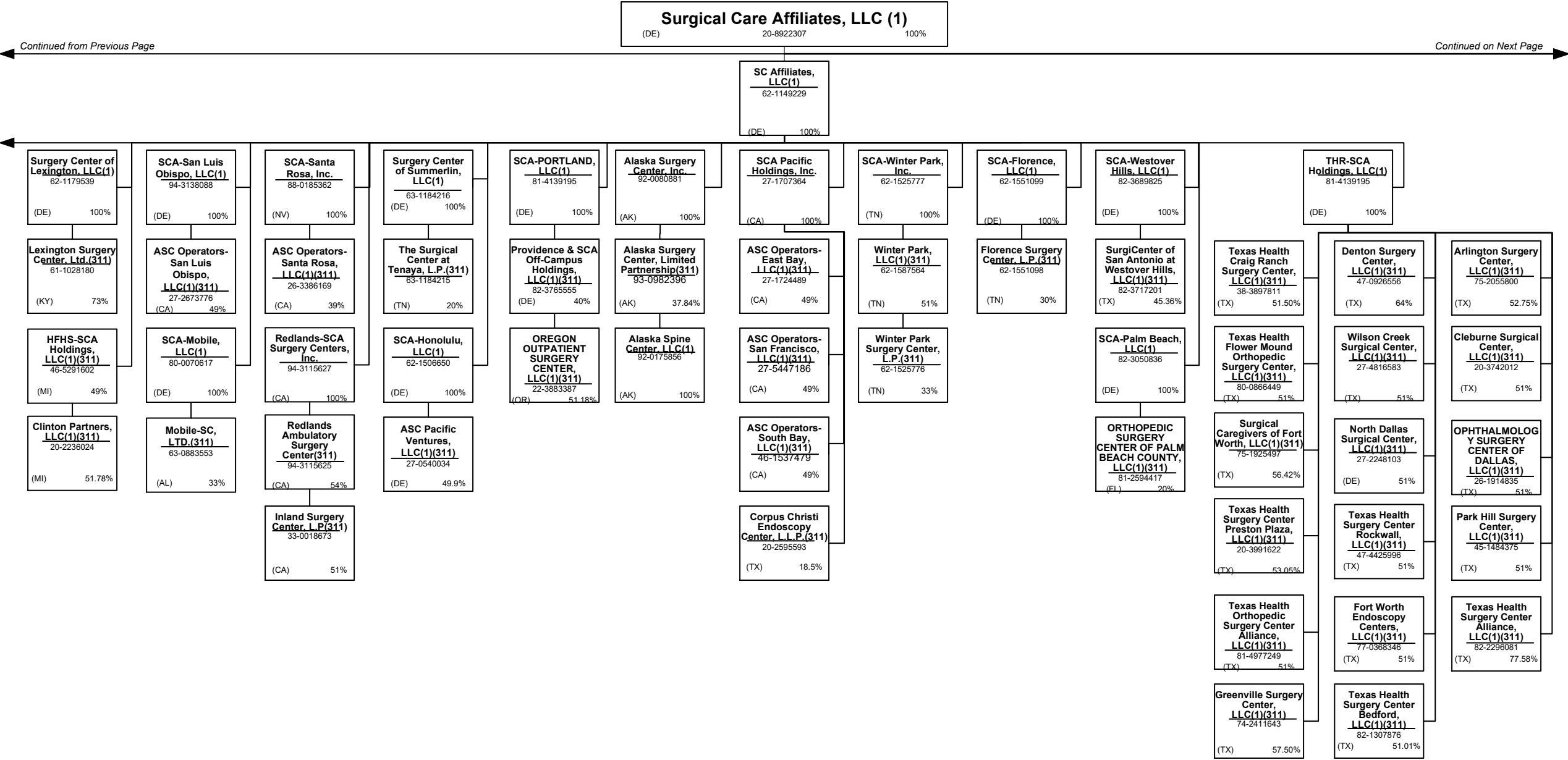
|  |            |      |
|--|------------|------|
| <b>Surgical Care Affiliates, LLC (1)</b> |            |      |
| (DE)                                     | 20-8922307 | 100% |





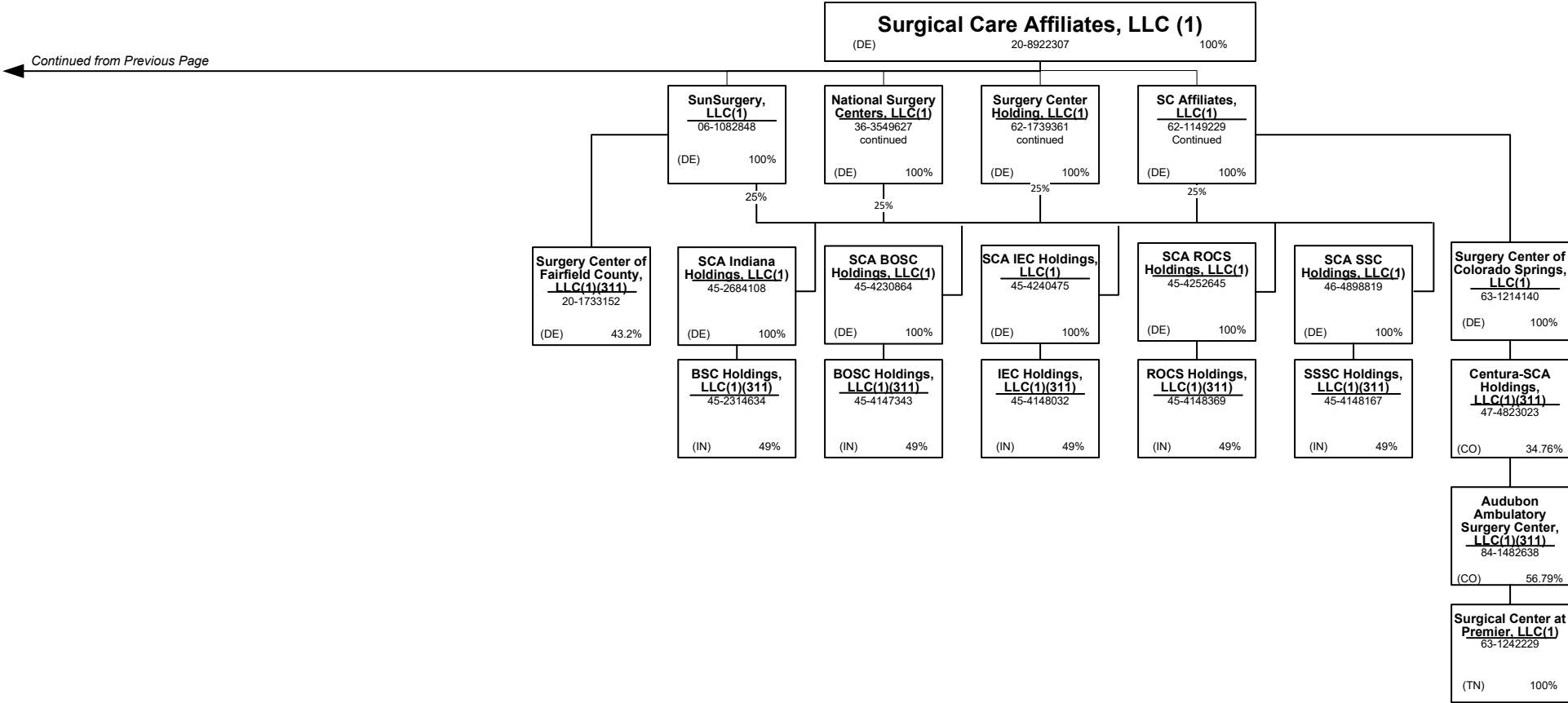
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART

NOTE: All Companies below are minority owned entities of Surgical Care Affiliates, LLC.



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART

NOTE: All Companies below are minority owned entities of Surgical Care Affiliates, LLC.



**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP****PART 1 – ORGANIZATIONAL CHART****Physician Owned Entities**

| Name  | Domiciliary Location | ID Number  | Name   | Domiciliary Location | ID Number  | Name  | Domiciliary Location | ID Number  |
|---|----------------------|------------|--|----------------------|------------|---|----------------------|------------|
| AppleCare Hospitalists Medical Group, Inc.      | CA                   | 14-1890491 | MedExpress Urgent Care – New Jersey, P.C.          | NJ                   | 45-5388778 | Monarch HealthCare, A Medical Group, Inc.         | CA                   | 33-0587660 |
| AppleCare Medical ACO, LLC                      | CA                   | 45-2852872 | MedExpress Urgent Care - Northern New Jersey PC    | NJ                   | 83-2089623 | Monarch Hospice, LLC                              | CA                   | 30-0606451 |
| AppleCare Medical Group St. Francis, Inc.       | CA                   | 33-0845269 | MedExpress Urgent Care Arizona, P.C.               | AZ                   | 81-4030280 | NAMM Medical Group Holdings, Inc.                 | CA                   | 56-2627070 |
| AppleCare Medical Group, Inc.                   | CA                   | 33-0898174 | MedExpress Urgent Care Arkansas, P.A.              | AR                   | 46-4348120 | NAMM MGH, Inc.                                    | CA                   | 61-1627269 |
| Aspectus, Inc.                                  | MA                   | 04-3403101 | MedExpress Urgent Care California, P.C.            | CA                   | 82-0930142 | Optum Clinic, P.A.                                | TX                   | 75-2778455 |
| Bexar Imaging Center, LLC                       | TX                   | 22-3858211 | MedExpress Urgent Care Connecticut, P.C.           | CT                   | 81-1956812 | Optum Medical Services of California, P.C.        | CA                   | 30-0826311 |
| California Spring Holdings, PC                  | CA                   | 81-0881243 | MedExpress Urgent Care Idaho, P.C.                 | ID                   | 82-1135336 | Optum Medical Services, P.C.                      | NC                   | 45-3866363 |
| Centers for Family Medicine, GP                 | CA                   | 33-0483510 | MedExpress Urgent Care Illinois, P.C.              | IL                   | 47-4308614 | Physician Partners Medical Group, Inc.            | CA                   | 30-0516435 |
| Centers for Family Medicine, GP                 | CA                   | 33-0483510 | MedExpress Urgent Care Iowa, P.C.                  | IA                   | 81-5353472 | Primary Care Associated Medical Group, Inc.       | CA                   | 33-0527335 |
| David Moen, M.D. P.C.                           | NY                   |            | MedExpress Urgent Care Kansas, P.A.                | KS                   | 47-1919283 | Prime Community Care, Inc.                        | CA                   | 30-0516440 |
| David R. Ferrell, M.D., P.C.                    | NV                   | 45-2380022 | MedExpress Urgent Care Minnesota P.C.              | MN                   | 81-1125396 | ProHEALTH Accountable Care Medical Group, PLLC    | NY                   | 45-4469117 |
| Day-Op Center of Long Island Inc.               | NY                   |            | MedExpress Urgent Care Missouri P.C.               | MO                   | 47-3132625 | ProHEALTH Ambulatory Surgery Center, Inc.         | NY                   | 11-3447394 |
| Durable Medical Equipment, Inc.                 | MA                   | 04-3106404 | MedExpress Urgent Care North Carolina, P.C.        | NC                   | 81-5138747 | ProHEALTH Care Associates LLP                     | NY                   | 11-3355604 |
| Greater Phoenix Collaborative Care, P.C.        | AZ                   | 27-2337725 | MedExpress Urgent Care Oregon, P.C.                | OR                   | 82-1919436 | ProHealth Physicians, P.C.                        | CT                   | 06-1469068 |
| Greater Phoenix Collaborative Care, P.C.        | AZ                   | 27-2337725 | MedExpress Urgent Care Rhode Island, P.C.          | RI                   | 81-5362765 | ProHEALTH Urgent Care Medicine of New Jersey LLP  | NJ                   | 47-5661535 |
| Homecare Dimensions of Florida, Inc.            | TX                   |            | MedExpress Urgent Care South Carolina, P.C.        | SC                   | 81-5380706 | ProHEALTH Urgent Care Medicine, PLLC              | NY                   | 46-1883579 |
| Homecare Dimensions, Inc.                       | TX                   |            | MedExpress Urgent Care Texas, P.A.                 | TX                   | 47-5147441 | Redlands Family Practice Medical Group, Inc.      | CA                   | 56-2627067 |
| IN Style OPTICAL, LLC                           | MA                   | 27-3296953 | MedExpress Urgent Care Washington, P.C.            | WA                   | 82-2443118 | Reliant Medical Group, Inc.                       | MA                   | 22-2912515 |
| Inland Faculty Medical Group, Inc.              | CA                   | 33-0618077 | MedExpress Urgent Care Wisconsin, S.C.             | WI                   | 81-4281678 | Riverside Pediatric Group, P.C.                   | NJ                   | 22-3624559 |
| Inspiris Medical Services of New Jersey, P.C.   | NJ                   | 45-2563134 | MedExpress Urgent Care, Inc. – West Virginia       | WV                   | 26-4546400 | Robert B. McBeath, M.D. II, P.C.                  | NV                   | 86-0857176 |
| INSPIRIS of Michigan Medical Services, P.C.     | MI                   | 27-1561674 | MedExpress Urgent Care, P.C. – Georgia             | GA                   | 47-1804667 | Robert B. McBeath, M.D. III, P.C.                 | NV                   |            |
| INSPIRIS of New York Medical Services, P.C.     | NY                   | 13-4168739 | MedExpress Urgent Care, P.C. – Indiana             | IN                   | 90-0929572 | Robert B. McBeath, M.D., Professional Corporation | NV                   | 88-0310956 |
| INSPIRIS of Pennsylvania Medical Services, P.C. | PA                   |            | MedExpress Urgent Care, P.C. – Maryland            | MD                   | 45-3461101 | Surgical Eye Experts, LLC                         | CA                   |            |
| March Vision Care Group, Incorporated           | CA                   | 95-4874334 | MedExpress Urgent Care, P.C. – Massachusetts       | MA                   | 47-1857908 | Surgicare of La Veta, Ltd.                        | CA                   | 75-2507129 |
| March Vision Care IPA, Inc.                     | NY                   | 27-3115058 | MedExpress Urgent Care, P.C. – Michigan            | MI                   | 46-4793937 | TeamMD Physicians, P.C.                           | IA                   | 30-0445773 |
| Mat-Rx Development, L.L.C.                      | TX                   | 43-1967820 | MedExpress Urgent Care, P.C. – Oklahoma            | OK                   | 47-1824365 | Urgent Care New York, P.C.                        | NY                   | 82-2400620 |
| ME Urgent Care Nebraska, Inc.                   | NE                   | 81-0936574 | MedExpress Urgent Care, P.C. – Pennsylvania        | PA                   | 26-3750502 | USMD of Arlington GP, L.L.C.                      | TX                   | 73-1662757 |
| MedExpress Employed Services, Inc.              | DE                   | 81-1265129 | MedExpress Urgent Care, P.C. – Tennessee           | TN                   | 45-4973138 | Waypoint Minnesota PC                             | MN                   | 46-2854394 |
| MedExpress Primary Care Arizona P.C.            | AZ                   | 81-4550969 | MedExpress Urgent Care, P.C. – Virginia            | VA                   | 45-3123110 | WellMed Medical Group, P.A.                       | TX                   | 74-2574229 |
| MedExpress Primary Care Kansas, P.A.            | KS                   | 81-4605885 | MedExpress Urgent Care, P.S.C. - Kentucky          | KY                   | 83-1565124 | WellMed Network of Florida, Inc.                  | TX                   | 35-2314192 |
| MedExpress Primary Care Maryland, P.C.          | MD                   | 82-3384324 | MedExpress, Inc. – Delaware                        | DE                   | 45-5436856 | WellMed Networks, Inc.                            | TX                   | 74-2889447 |
| MedExpress Primary Care Massachusetts, P.C.     | MA                   | 82-1096099 | Medical Clinic of North Texas, PLLC                | TX                   | 75-2566987 | WellMed of Las Cruces, Inc.                       | TX                   | 92-0183013 |
| MedExpress Primary Care Minnesota P.C.          | MN                   | 81-4396738 | Medical Support Los Angeles, A Medical Corporation | CA                   | 95-4708497 | WND Medical, PLLC                                 | TX                   | 45-2158334 |
| MedExpress Primary Care Oklahoma, P.C.          | OK                   | 83-1077265 | Memorial Healthcare IPA, GP                        | CA                   | 95-4688463 | XLHome Michigan, P.C.                             | MI                   | 46-3537245 |
| MedExpress Primary Care South Carolina, P.C.    | SC                   | 83-0764858 | Memorial Healthcare IPA, GP                        | CA                   | 95-4688463 | XLHome Northeast, P.C.                            | NJ                   | 45-5530241 |
| MedExpress Primary Care Virginia, P.C.          | VA                   | 82-3395792 | MHCH, Inc.   | CA                   | 80-0507474 | XLHome Oklahoma, Inc.                             | OK                   | 46-2931689 |
| MedExpress Primary Care West Virginia, Inc.     | WV                   | 82-4401181 | Mobile Medical Services, P.C.                      | NY                   | 30-0445773 | XLHome, P.C.                                      | MD                   | 27-3543997 |
| MedExpress Primary Care Wisconsin, S.C.         | WI                   | 81-4563448 | Monarch Health Plan, Inc.                          | CA                   | 22-3935634 |   |                      |            |

Note: Represents physician-owned entities where the ultimate owner is deemed to have influence over the entity.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

- (1) Entity is a Limited Liability Company
- (2) Entity is a Partnership
- (3) Entity is a Non-Profit Corporation
- (4) Control of the Foundation is based on sole membership, not the ownership of voting securities
- (5) COI Participações S.A. is 89.10289% owned by Esho – Empresa de Serviços Hospitalares S.A. and 10.8971% owned by COIPAR Participações S.A.
- (6) Health Net Services (Cayman) PIC is a Cayman exempted company registered by way of Continuation from Bermuda to the Cayman Islands. by way of Continuation in the Cayman islands.
- (7) UnitedHealthcare India Private Limited is 99.999335% owned by OptumHealthInternational B.V. and 0.000665% owned by UnitedHealth International, Inc. OptumHealth International BV holds 100% of the issued preference shares.
- (8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.
- (9) Newton Holdings, LLC, is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% is owned by outside shareholders.
- (10) WellMed Medical Management, Inc. is 85% owned by Collaborative Care Holdings, LLC and 15% owned by WMG Healthcare Partners, L.P.
- (11) Seisa Serviços Integrados de Saúde Ltda is 99.99% owned by Amil Assistência Médica Internacional S.A. and 0.00001% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (12) Optum Health & Technology (India) Private Limited is 99.9995% owned by OptumHealth International B.V. and 0.0005 % owned by United Behavioral Health.
- (13) INSPIRIS of Texas Physician Group is a Texas non-profit (taxable) whose sole member is Inspiris Services Company.
- (14) PrimeCare of Citrus Valley, Inc. is 80% owned by PrimeCare Medical Network, Inc. and 20% owned by Citrus Valley Medical Associates, Inc.
- (15) Optum Clinics Holdings, Inc. is 97.2% owned by Collaborative Care Holdings, LLC and 2.8% is owned by external shareholders.
- (16) Optum Global Solutions (India) Private Limited is 99.999466 % owned by Optum Global Solutions International BV and 0.000534% UnitedHealth International, Inc. as nominee of Optum Global Solutions International BV per India requirement to have two shareholders.
- (17) Amico Saúde Ltda. is 98.927933% owned by Amil Assistência Médica Internacional S.A. and 1.072067% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (18) Esho – Empresa de Serviços Hospitalares S.A. is 99.667% owned by Amil Assistência Médica Internacional S.A.and the remaining 0.31798923769% is owned by external shareholders and 0.01462081847% is owned by Treasury Shares.
- (19) Etho – Empresa de Tecnologia Hospitalar Ltda. 82.642% owned by Amil Assistência Médica Internacional S.A.and 17.358% owned by an external shareholder.
- (20) Orthology, Inc. is 98% owned by UnitedHealth Group Ventures, LLC and 2% owned by external shareholders.
- (21) Medalliance Net Ltda. is owned 99.999985% by Optum Health & Technology Serviços do Brasil Ltda. and 0.000015% by UHG Brasil Participações S.A.
- (22) Branch offices in Iraq and Uganda.

- (23) Cemed Care Empresa de Atendimento Clínico Geral Ltda. Is 99.9999996% owned by Amil Assistência Médica Internacional S.A. and 0.000004% owned by Esho – Empresa de Serviços Hospitalares S.A.
- (24) Optum 360, LLC is 69% owned by Optum Rocket, Inc; the remaining 31% is owned by external holders.
- (25) Optum Health & Technology Serviços do Brasil Ltda. is 99.9964% owned by Optum Global Solutions International B.V. and .0036% owned by OptumInsight, Inc.
- (26) Bosque Medical Center Ltda. is 82.58% owned by Amil Assistência Médica Internacional S.A.and 17.41182% owned by Esho – Empresa de Servicos Hospitalares S.A.
- (27) H&W Indemnity (SPC), Ltd. is an exempted segregated portfolio company organized under the laws of the Cayman Islands and holds a Cayman insurance license.
- (28) Real Appeal, Inc. is 98% owned by Rally Health, and the remaining 2% is owned by external shareholders.
- (29) Optum Global Solutions (Philippines), Inc. is 99.992% owned by Optum Global Solutions International B.V., and the remaining 0.008% is held by individual shareholders who are directors of the company.
- (30) Amil Clinical Research Participações Ltda. is 99.95% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.05% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (31) Imed Star Serviços de Desempenho Organizacional Ltda. is 99.99998% owned by Optum Health & Technology Serviços do Brasil Ltda and 0.00002% owned by UHG Brasil Participações S.A.
- (32) Hospital de Clínicas de Jacarepaguá Ltda. is 99.999999% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000001% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (33) Hospital Alvorada Taguatinga Ltda. is 82.595% owned by Amil Assistência Médica Internacional S.A, 9.90% by Bosque Medical Center Ltda., and 5.06% is owned by Hospital Samaritano de São Paulo Ltda.
- (34) Registered as foreign shareholder in Brazil. Optum Global Solutions International B.V. is held 97.48% by Optum Technology, Inc. and 2.52% by OptumHealth International B.V.
- (35) FrontierMEDEX Kenya Limited is 99.9% owned by UnitedHealthcare Global Medical (UK) Limited and 0.1% owned by UnitedHealthcare International I B.V.
- (36) UnitedHealthcare Global Canada Limited is registered in Nova Scotia and Newfoundland& Labrador.
- (37) The limited partners of UnitedHealth Group International, L.P. include FMG Holdings, LLC (29.39634%), and UnitedHealth Group Incorporated (70.60366%).
- (38) Polar II Fundo de Investimento em Participações is a Brazilian private equity investment fund incorporated in the form of a closed-end condominium.
- (39) Optum Global Solutions International B.V. is 97.48% owned by Optum Technology, Inc. and 2.52% is owned by OptumHealth International B.V.
- (40) Amil Assistência Médica Internacional S.A. is 91.81% owned by Polar II Fundo de Investimento em Participações and the remaining 8.19% is owned by the former controlling shareholders of Amil Assistência Médica Internacional S.A.
- (41) Lusíadas A.C.E. is 55% owned by Lusíadas, SGPS, S.A., 10% owned by Lusíadas – Parcerias Cascais, S.A., 20% owned by Lusíadas, S.A., 5% owned by Clínica Médico Cirúrgica de Santa Tecla, S.A. and 10% owned by CLISA – Clínica de Santo António, S.A.
- (42) Centro Médico PJ Ltda. is 99.99998% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.00002% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.

- (43) Frontier Medex Tanzania Limited is 99% owned by UnitedHealthcare Global Medical (UK) Limited. The remaining 1% is owned by a former officer of Frontier MEDEX Limited and is being transferred to UnitedHealthcare International I BV.
- (44) Optum Solutions do Brasil – Tecnologia e Serviços de Suporte Ltda., is 99.999998% owned by Optum Global Solutions International B.V.and 0.00002% owned by OptumInsight, Inc.(45) Multiangio Ltda. is 93% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 7% is owned by external shareholders.
- (46) Polo Holdco, LLC is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% being owned by an outside third party.
- (47) Excellion Serviços Biomédicos Ltda is 99.999997% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000003% is owned by Cemed Care - Empresa de Atendimento Clínico Geral Ltda.
- (48) Hospital Samaritano de São Paulo Ltda. is 99.9999998% owned by Esho – Empresa de Serviços Hospitalares S.A.and the remaining 0.0000002% is owned by Hospital Alvorada Taguatinga Ltda.
- (49) Optum360 Services, Inc.is 69% owned by Optum Rocket, Inc. and the remaining 31% is owned by external investors.
- (50) ABCO India Private Limited is 99% owned by ABCO International Holdings, LLC and 1% owned by The Advisory Board Company.
- (51) Branch office located in the United States.
- (52) UnitedHealthcare Insurance Company has a representative office in Beijing, China.
- (53) ProHEALTH Medical Management, LLC is 80% owned by Collaborative Care Holdings, LLC and 20% owned by an external shareholder.
- (54) ProHEALTH Fitness of Lake Success, LLC is 82.62% owned by ProHEALTH Medical Management, LLC and 17.38% by an external shareholder.
- (55) Savvysherpa Asia, Inc. is 99% owned by Savvysherpa, LLC and the remaining 1% is owned by a number of individual shareholders.
- (56) Fortify Technologies Asia, LLC is 99% owned by Savvysherpa, LLC and the remaining 1% is owned by a number of individual shareholders.
- (57) Virtual Therapeutics Corporation is 67% owned by Savvysherpa, LLC and the remaining 33.4% is owned by an outside third party.
- (58) BriovaRx Infusion Services 301, LP is 99.95% owned by AxelaCare Holdings, Inc. with the remaining 0.05% interest as a limited partner being held by BriovaRx Infusion Services 305, LLC.
- (59) XLHealth Corporation holds 99.998%, UnitedHealth International, Inc. holds .002%.
- (60) Hospitais Associados de Pernambuco Ltda. is 99.99992% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 0.00008% is owned by Hospital Alvorada Taguatinga Ltda
- (61) Topimagem Diagnóstico por Imagem Ltda.is 99% owned by Esho – Empresa de Serviços Hospitalares S.A., and the remaining 1% interest is owned by external shareholders.
- (62) Dilab – Medicina Nuclear Ltda is 95% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 5% is owned by external shareholders.
- (63) WellMed Networks – DFW, Inc. is 50% owned by WellMed Networks, Inc. and 50% owned by USMD Inc. WellMed Medical Management, Inc. controls 100% of WellMed Networks - DFW.
- (64) Clinica Oftalmologica Danilo de Castro Sociedade Simples is 99.66% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 0.333333% is owned by Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda.
- (65) Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda. is 99.99% owned by Hospital Alvorada de Taguatinga Ltda.and the remaining 0.000012% is owned by Esho – Empresa de Serviços Hospitalares S.A.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

- (66) CMO – Centro Médico de Oftalmologia S/S Ltda. is 99% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 1% is owned by Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda.
- (67) UHCG-FZE is registered in the Dubai Silicon Oasis free zone.
- (68) Elual Participações S.A. is 60% owned by Amil Assistência Médica Internacional S.A. and 40% by Esho – Empresa de Serviços Hospitalares S.A.
- (69) Hospital Santa Helena S.A. is 65.21% owned by Elual Participações S.A. and 33.60% owned by Esho – Empresa de Serviços Hospitalares S.A. and 1.19% is owned by external shareholder
- (70) Santa Helena Assistência Médica S.A. is 65.21% owned by Elual Participações S.A. and the remaining 33.60% is owned by Amil Assistência Médica Internacional S.A. and 1.19% is owned by external shareholder.
- (71) Registered branches in Australia and the UK.(72) Hospital Ana Costa S.A. is 98.66950% owned by Plano de Saúde Ana Costa Ltda.,1.04247% by Hospital Alvorada Taguatinga Ltda. and the remaining 0.28802% is owned by external shareholders.
- (73) The remaining 42.50% is owned by multiple sources.
- (74) The remaining 0.0001% is owned by Amil Assistência Médica Internacional S.A.
- (75) The remaining 32.06% is owned by multiple sources.
- (76) Hospital Alvorada de Taguatinga Ltda. decreased its ownership in Casa de Saúde Santa Therezinha S.A. from 100% to 99.99%. The remaining 0.000001% is owned by Esho – Empresa de Serviços Hospitalares S.A.
- (77) The remaining 49% is owned by multiple sources.
- (78) The remaining 0.0005% is owned by Hospital Alvorada Taguatinga Ltda.
- (79) The remaining 26.96% is owned by multiple sources.
- (80) Registered in the Dubai Healthcare City free zone.
- (81) UnitedHealthcare International X S.á.r.l. (holds 100% of the common shares, 403,948,524 common shares).  
UnitedHealthcare International V S.á.r.l. (holds 100% of the preferred shares, 513,899,520)
- (82) Plano de Saúde Ana Costa Ltda. is 74.85961% owned by Amil Assistência Médica. Internacional S.A. and the remaining 25.14039% is owned by Santos Administração e Participações S.A.
- (83) OptumInsight, Inc. is registered as foreign shareholders in Brazil.
- (84) The remaining 49% is owned by multiple sources.
- (85) The remaining 28% is owned by multiple sources.
- (86) The remaining 37.26% is owned by multiple sources.
- (87) The remaining 49.59% is owned by multiple sources.
- (88) The remaining 37.88% is owned by multiple sources.
- (89) The remaining 49.28% is owned by multiple sources..
- (90) The remaining 23.55% is owned by multiple sources.
- (91) The remaining 39% is owned by multiple sources.
- (92) The remaining 1% is owned by multiple sources.
- (93) The remaining 45.97% is owned by multiple sources.
- (94) The remaining 38.80% is owned by multiple sources.
- (95) The remaining 49% is owned by multiple sources.
- (96) The remaining 16.51% is owned by multiple sources.
- (97) The remaining 45% is owned by multiple sources.
- (98) The remaining 27.20% is owned by multiple sources.
- (99) The remaining 49.15% is owned by multiple sources.
- (100) The remaining 45% is owned by multiple sources.
- (101) The remaining 33% is owned by multiple sources.

- (102) UnitedHealthcare International X S.á.r.l. (holds 100% of the common shares, 403,948,524 common shares).  
UnitedHealthcare International V S.á.r.l. (holds 100% of the preferred shares, 513,899,520)
- (103) The remaining 0.01% is owned by an individual shareholder.
- (104) The remaining 1% is owned by multiple sources.
- (105) The remaining 49.82% is owned by multiple sources.
- (106) The remaining 32.05% is owned by multiple sources.
- (107) The remaining 46.77% is owned by multiple sources.
- (108) The remaining 34.6% is owned by multiple sources.
- (109) The remaining 41.58% is owned by multiple sources.
- (110) The remaining 21.13% is owned by multiple sources.
- (111) The remaining 50% is owned by multiple sources.
- (112) The remaining 19.9% is owned by Nineteen.Nine Holdings, LLC.
- (113) The remaining 0.01% is owned by an individual shareholder.
- (114) The remaining 42.46% is owned by multiple sources.
- (115) The remaining 49% is owned by multiple sources.
- (116) The remaining 47.55% is owned by multiple sources.
- (117) The remaining 2% is owned by multiple sources.
- (118) The remaining 45.91% is owned by multiple sources.
- (119) The remaining 23% is owned by multiple sources.
- (120) The remaining 3% is owned by multiple sources.
- (121) The remaining 54.93% is owned by multiple sources.
- (122) The remaining 43% is owned by multiple sources.
- (123) The remaining 8% is owned by multiple sources.
- (124) The remaining 47.81% is owned by multiple sources.
- (125) The remaining 45% is owned by multiple sources.
- (126)The remaining 41% is owned by multiple sources.
- (127) The co-founders of Pacifica Labs, Inc. own the remaining 14.21%.
- (128) The remaining 50% is owned by multiple sources.
- (129) The remaining 41% is owned by multiple sources.
- (130) The remaining 50% is owned by multiple sources.
- (131) The remaining 40.68% is owned by multiple sources.
- (132) The remaining 51.50% is owned by multiple sources.
- (133) The remaining 49.9% is owned by multiple sources.
- (134) The remaining 13% is owned by multiple sources.
- (135) The remaining 39.17% is owned by multiple sources.
- (136) The remaining 49% is owned by multiple sources.
- (137) The remaining 46.34% is owned by multiple sources.
- (138) The remaining 35% is owned by multiple sources.
- (139) The remaining 48.06% is owned by multiple sources.
- (140) The remaining 46% is owned by multiple sources.
- (141) The remaining 45% is owned by multiple sources.
- (142) The remaining 43.31% is owned by multiple sources.
- (143) The remaining 49.02% is owned by multiple sources.
- (144) The remaining 45.73% is owned by multiple sources.
- (145) The remaining 45% is owned by multiple sources.
- (146) The remaining 27.47% is owned by multiple sources.
- (147) The remaining 45.46% is owned by multiple sources.
- (148) The remaining 43.16% is owned by multiple sources.
- (149) The remaining 23.26% is owned by multiple sources.
- (150) The remaining 41.30% is owned by multiple sources.
- (151) The remaining 49% is owned by multiple sources.
- (152)The remaining 36.7% is owned by multiple sources.

- (153) The remaining 26.96% is owned by multiple sources.
- (154) The remaining 40.35% is owned by multiple sources
- (155-165) TBD
- (166) The remaining 29% is owned by multiple sources.
- (167) The remaining 49% is owned by multiple sources.
- (168) The remaining 49% is owned by multiple sources.
- (169) The remaining 50% is owned by multiple sources.
- (170) The remaining 40.41% is owned by multiple sources.
- (171) The remaining 44.49% is owned by multiple sources.
- (172) The remaining 49% is owned by multiple sources.
- (173-218) TBD
- (219) The remaining 49% is owned by multiple sources.
- (220) The remaining 50% is owned by multiple sources.
- (221) Hygeia Corporation, a Delaware corporation, acquired a 1.28978% ownership interest in FMG Holdings LLC, a Delaware limited liability company.
- (223) The remaining 40% is owned by multiple sources.
- (224) The remaining 49% is owned by multiple sources.
- (225) The remaining 48.7% is owned by multiple sources.
- (226) The remaining 31.14% is owned by multiple sources.
- (227) The remaining 49% is owned by multiple sources.
- (228) The remaining 49% is owned by multiple sources.
- (229) The remaining 35.75% is owned by multiple sources.
- (230) The remaining 55.33% is owned by multiple sources.
- (231) The remaining 49% is owned by multiple sources.
- (232) The remaining 49% is owned by multiple sources.
- (233) The remaining 49% is owned by multiple sources.
- (234) The remaining 26% is owned by multiple sources.
- (235) The remaining 47.42% is owned by multiple sources
- (236) The remaining 1.77% is owned by external shareholders.
- (237) The remaining 0.1% is owned by Inversiones Clínicas Santa María S.A.
- (238) Minority ownership is held by thid party shareholders. Corporate name is Inmobiliaria Santa María S.A.
- (239) The remaining 0.0001% is owned by Clínica Dávila y Servicios Médicos S.A.
- (240) Constructora Inmobiliaria Megapoq S.A owns 1 share.
- (241) The remaining 0.0001% is owned by Saden S.A.
- (242) Minority ownership is held by several third party shareholders.
- (243) In accordance to a capital increase executed on 2018, Clínica Santa María S.A. owns 99,9% of the shares. Minority ownership is held by Sociedad de Inversiones Santa María S.A.
- (244) The remaining 0.2569% is owned by Clínica Dávila y Servicios Médicos S.A.
- (245) The remaining 0.8238% is owned by Clínica Santa María S.A.
- (246) The remaining 0.009% is owned by Clínica Santa María S.A.
- (247) The remaining 0.10% is owned by Clínica Santa María S.A.
- (248) The remaining 50% is owned by Clínica Santa María S.A.
- (249) The remaining 1% is owned by Servicios Integrados de Salud Ltda.
- (250) The remaining 1% is owned by Servicios Integrados de Salud Ltda.
- (251) The remaining 0.1% is owned by Inmobiliaria Apoquindo 3600 Ltda.
- (252) The remaining 0.02% is owned by Saden S.A.
- (253) The remaining 0.0001% is owned by Saden S.A.
- (254) The remaining 0.159% is owned by Saden S.A.
- (255) The remaining 0.01% is owned by Saden S.A.
- (256) The remaining 0.01% is owned by Clínica Dávila y Servicios Médicos S.A.
- (257) The remaining 25.75% is owned by several third party shareholders.
- (258) The remaining 6.55% is owned by third party shareholders.
- (259) The remaining 0.1% is owned by Servicios Amed Quilpué S.A.



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 – ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

- (260) The remaining 0.1% is owned by Laboratorios Médicos Amed Quilpué S.A.
- (261) The remaining 50% is owned by Gorki Osorio Vargas (25%) and Danilo Valderrama Torrealba (25%).
- (262) The remaining 0.1% is owned by Simón Sacks Link.
- (263) The remaining 15.5% is owned by third pary shareholders.
- (264) The remaining 6,66% is owned by Centromed Quilpué S.A.
- (265) The remaining 0.000065% is owned by Clínica Dávila y Servicios Médicos S.A.
- (266) The remaining 0.0001% is owned by Banmédica S.A.
- (267) The remaining 1% is owned by Saden S.A.
- (268) The remaining 0.0001% is owned by Banmédica S.A.
- (269) The remaining 1% is owned by Saden S.A.
- (270) The remaining 0.0001% is owned by Banmédica S.A.
- (271) The remaining 1% is owned by Saden S.A.
- (272) Inmobiliaria Megapoq S.A owns 1 share (0,0000%)
- (273) The remaining 7.62% is owned by Banmédica Colombia S.A. (7.619%), Juan Guillermo Ruiz (0.000142%) and Servicios Legales Corporativos Ltda. (0.000142%).
- (274) No information of the minority shareholder(s) has been provided.
- (275) No information of the minority shareholder(s) has been provided.
- (276) No information of the minority shareholder(s) has been provided.
- (277) No information of the minority shareholder(s) has been provided.
- (278) The other shareholder, with the other 50% is El Pacífico-Peruano Suiza Compañía de Seguros y Reaseguros S.A., part of the Credicorp Group
- (279) No information of the minority shareholder(s) has been provided.
- (280) No information of the minority shareholder(s) has been provided.
- (281) No information of the minority shareholder(s) has been provided.
- (282) No information of the minority shareholder(s) has been provided.
- (283) No information of the minority shareholder(s) has been provided.
- (284) No information of the minority shareholder(s) has been provided.
- (285) No information of the minority shareholder(s) has been provided.
- (286) The remaining 0.0001% is owned by Clínica Dávila y Servicios Médicos S.A.
- (287) The remaining 0.00004% is owned by Saden S.A.
- (288) The remaining 0.00004% is owned by Saden S.A.
- (289) The remaining 0.0017% is owned by Saden S.A.
- (290) The remaining 0.0001% is owned by Saden S.A.
- (291) The remaining 0.08% is owned by Clínica Dávila y Servicios Médicos S.A.
- (292) TBD
- (293) No information of the other shareholder(s) has been provided.
- (294) The remaining 0.3% is owned by Inmobiliaria Apoquindo 3001 S.A.

- (294) Inmobiliaria Megapoq S.A owns 1 share (0,0000%)
- (295) The remaining 0.0001% is owned by Saden S.A.
- (296) The remaining 0.0008% is owned by Vida Tres Internacional S.A.
- (297) The remaining 0.01% is owned by Saden S.A.
- (298) Currently undergoing a liquidation procedure
- (299) No information of the other shareholder(s) has been provided
- (300) No information of the other shareholder(s) has been provided
- (301) Banmédica S.A. owns 9.67% and Promotora del Country S.A. (Colombia) owns 0.23%. This Patrimony has two business units (Conuntry and Hill).
- (302) The remaining 49.2% is owned by third party shareholders.
- (303) The remaining 49% is owned by multiple sources.
- (304) The remaining 49% is owned by multiple sources
- (305) The remaining 27.47% is owned by multiple sources
- (306) The remaining 49% is owned by multiple sources
- (307) The remaining 50% is owned by multiple sources.
- (308) The remaining 33% is owned by multiple sources.
- (309) The remaining 44.64% is owned by multiple sources.
- (310) The remaining 19.9% is owned by an external third party.
- (311) This entity is a minority-owned entity for which the ultimate owner, UnitedHealth Group, Inc., is deemed to have influence over the entity. The remaining ownership is by a non-affiliated entity or entities.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

|  | Claim Adjustment Expenses            |  | 3<br><br>General<br>Administrative<br>Expenses | 4<br><br>Investment<br>Expenses | 5<br><br>Total |
|--|--------------------------------------|--|--|---------------------------------|----------------|
|  | 1<br>Cost<br>Containment<br>Expenses | 2<br>Other Claim<br>Adjustment<br>Expenses |  |                                 |                |
| 2504. Miscellaneous Losses .....                                       | 2,545                                | 1,524                                      | 3,055  | 0                               | 7,124          |
| 2505. Professional Fees\Consulting .....                               | 722,631                              | 432,825                                    | 867,667  | 0                               | 2,023,123      |
| 2506. Sundry General Expenses .....                                    | 3,798,695                            | 2,147,365                                  | 4,413,811                                      | 0                               | 10,359,871     |
| 2597. Summary of remaining write-ins for Line 25 from<br>overflow page | 4,523,871                            | 2,581,714                                  | 5,284,533                                      | 0                               | 12,390,118     |

ALPHABETICAL INDEX

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