

## **Amended Explanation Page**

The Company is amending its annual filing based on comments from the Ohio Department of Insurance.

Please see below the inquire from Ohio Department of Insurance and The Company's response.

The audited financial statement was reviewed and contains an audit adjustment/variance from Oscar Insurance Corporation of Ohio's 2018 Annual Statement. As a result, Oscar must prepare and submit to the NAIC an amended 2018 Annual Statement and March 31, 2019 Quarterly Statement.

Response: The Company is doing a thorough review of its 2018 Annual and 1st Quarter 2019 financial statements submitted to the Ohio Department of Insurance. Changes have been reflected in the 2018 Annual Statement and 1st quarter 2019 Quarter statement in an amendment to be filed subsequently to this letter.

2018 Annual Statement

3- Liabilities, Capital and Surplus

4- Statement of Revenue and Expenses

5- Statement of Revenue and Expenses (Cont.)

26- Notes to the Financial Statements

29- Five Year historical Data

Supplemental Healthcare Exhibit

Risk Based Capital

1st Quarter 2019 Quarterly Statement

Q3- Liabilities, Capital and Surplus

Q4- Statement of Revenue and Expenses

Q5- Statement of Revenue and Expenses (Cont.)

Q10- Notes to the Financial Statements



16202201820100105

2018

Document Code: 201

**ANNUAL STATEMENT**  
**For the Year Ending DECEMBER 31, 2018**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**Oscar Insurance Corporation of Ohio**

NAIC Group Code	4818 (Current Period)	4818 (Prior Period)	NAIC Company Code	16202	Employer's ID Number	36-4859637
Organized under the Laws of	Ohio		State of Domicile or Port of Entry		OH	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[X]	Property/Casualty[ ]	Hospital, Medical & Dental Service or Indemnity[ ]			
	Dental Service Corporation[ ]	Vision Service Corporation[ ]	Health Maintenance Organization[ ]			
	Other[ ]	Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]				
Incorporated/Organized	02/17/2017		Commenced Business	01/01/2018		
Statutory Home Office	1300 East 9th St (Street and Number)		Cleveland, OH, US 44114 (City or Town, State, Country and Zip Code)			
Main Administrative Office	295 Lafayette Street New York, NY, US 10012 (Street and Number)		(646)403-3677 (Area Code) (Telephone Number)			
Mail Address	295 Lafayette Street (Street and Number or P.O. Box)		New York, NY, US 10012 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	295 Lafayette Street New York, NY, US 10012 (Street and Number)		(646)403-3677 (Area Code) (Telephone Number)			
Internet Website Address	www.hioscar.com					
Statutory Statement Contact	Aaron Crawford (Name) acrawford@hioscar.com (E-Mail Address)		(646)403-3677 (Area Code)(Telephone Number)(Extension) (212)226-1283 (Fax Number)			

**OFFICERS**

Name	Title
Mario Schlosser	Chief Executive Officer
Joel Klein	Chief Policy & Strategy Officer
Alan Warren	Chief Technology Officer
Dennis Weaver	Chief Clinical Officer

**OTHERS**

Bruce Gottlieb, Corporate Secretary

**DIRECTORS OR TRUSTEES**

Mario Schlosser	Kareem Zaki
Joel Cutler	Joel Klein
Dennis Weaver	Bruce Gottlieb #

State of New York  
 County of New York ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the 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 therefrom 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.

(Signature)  
 Mario Schlosser  
 (Printed Name)  
 1.  
 Chief Executive Officer  
 (Title)

(Signature)  
 Sid Sankaran  
 (Printed Name)  
 2.  
 Chief Financial Officer  
 (Title)

(Signature)  
 Alan Warren  
 (Printed Name)  
 3.  
 Chief Technology Officer  
 (Title)

Subscribed and sworn to before me this  
 day of                   , 2019

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

Yes[ ] No[X]

4

07/03/2019

7

(Notary Public Signature)

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....228,881 reinsurance ceded) .....	9,034,769		9,034,769	.....
2. Accrued medical incentive pool and bonus amounts .....				.....
3. Unpaid claims adjustment expenses .....	176,450		176,450	.....
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....				.....
5. Aggregate life policy reserves .....				.....
6. Property/casualty unearned premium reserves .....				.....
7. Aggregate health claim reserves .....	600,390		600,390	.....
8. Premiums received in advance .....	2,099,881		2,099,881	3,396,810
9. General expenses due or accrued .....	1,695,244		1,695,244	.....
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....	26,532		26,532	.....
10.2 Net deferred tax liability .....				.....
11. Ceded reinsurance premiums payable .....	108,541		108,541	.....
12. Amounts withheld or retained for the account of others .....				.....
13. Remittances and items not allocated .....				.....
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				.....
15. Amounts due to parent, subsidiaries and affiliates .....	1,721,325		1,721,325	1,568,738
16. Derivatives .....				.....
17. Payable for securities .....				.....
18. Payable for securities lending .....				.....
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) .....				.....
20. Reinsurance in unauthorized and certified (\$.....0) companies .....				.....
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				.....
22. Liability for amounts held under uninsured plans .....				.....
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....				.....
24. TOTAL Liabilities (Lines 1 to 23) .....	15,463,132		15,463,132	4,965,548
25. Aggregate write-ins for special surplus funds .....	XXX	XXX	.....	.....
26. Common capital stock .....	XXX	XXX	100	100
27. Preferred capital stock .....	XXX	XXX	.....	.....
28. Gross paid in and contributed surplus .....	XXX	XXX	25,909,900	3,909,900
29. Surplus notes .....	XXX	XXX	.....	.....
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX	.....	.....
31. Unassigned funds (surplus) .....	XXX	XXX	(4,583,265)	(1,368,489)
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0) .....	XXX	XXX	.....	.....
32.2 .....0 shares preferred (value included in Line 27 \$.....0) .....	XXX	XXX	.....	.....
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	21,326,735	2,541,511
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	XXX	XXX	36,789,867	7,507,059
<b>DETAILS OF WRITE-INS</b>				
2301. ....				.....
2302. ....				.....
2303. ....				.....
2398. Summary of remaining write-ins for Line 23 from overflow page .....				.....
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				.....
2501. ....	XXX	XXX	.....	.....
2502. ....	XXX	XXX	.....	.....
2503. ....	XXX	XXX	.....	.....
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	.....	.....
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	XXX	XXX	.....	.....
3001. ....	XXX	XXX	.....	.....
3002. ....	XXX	XXX	.....	.....
3003. ....	XXX	XXX	.....	.....
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	.....	.....
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	XXX	XXX	.....	.....

# STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
	XXX	127,361	
1. Member Months .....			
2. Net premium income (including \$.....0 non-health premium income) .....		86,276,057	
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses) .....	XXX		
5. Risk revenue .....	XXX		
6. Aggregate write-ins for other health care related revenues .....	XXX		
7. Aggregate write-ins for other non-health revenues .....	XXX		
8. TOTAL Revenues (Lines 2 to 7) .....	XXX	86,276,057	
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		46,140,688	
10. Other professional services .....		10,492,157	
11. Outside referrals .....			
12. Emergency room and out-of-area .....		446,794	
13. Prescription drugs .....		17,731,350	
14. Aggregate write-ins for other hospital and medical .....			
15. Incentive pool, withhold adjustments and bonus amounts .....			
16. Subtotal (Lines 9 to 15) .....		74,810,989	
<b>Less:</b>			
17. Net reinsurance recoveries .....		444,125	
18. TOTAL Hospital and Medical (Lines 16 minus 17) .....		74,366,864	
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$.....1,171,579 cost containment expenses .....		2,034,759	
21. General administrative expenses .....		11,948,839	1,370,746
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....			
23. TOTAL Underwriting Deductions (Lines 18 through 22) .....		88,350,462	1,370,746
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(2,074,405)	(1,370,746)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		48,600	2,257
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....			
27. Net investment gains (losses) (Lines 25 plus 26) .....		48,600	2,257
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....			
29. Aggregate write-ins for other income or expenses .....			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	(2,025,805)	(1,368,489)
31. Federal and foreign income taxes incurred .....	XXX	26,532	
32. Net income (loss) (Lines 30 minus 31) .....	XXX	(2,052,337)	(1,368,489)
<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		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX		
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	XXX		
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....			
2901. ....			
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....			

# STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year .....	2,541,511	.....
34. Net income or (loss) from Line 32 .....	(2,052,337)	(1,368,489)
35. Change in valuation basis of aggregate policy and claim reserves .....	.....	.....
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	.....	.....
37. Change in net unrealized foreign exchange capital gain or (loss) .....	.....	.....
38. Change in net deferred income tax .....	.....	.....
39. Change in nonadmitted assets .....	(1,162,439)	.....
40. Change in unauthorized and certified reinsurance .....	.....	.....
41. Change in treasury stock .....	.....	.....
42. Change in surplus notes .....	.....	.....
43. Cumulative effect of changes in accounting principles .....	.....	.....
44. Capital Changes:		
44.1 Paid in .....	.....	100
44.2 Transferred from surplus (Stock Dividend) .....	.....	.....
44.3 Transferred to surplus .....	.....	.....
45. Surplus adjustments:		
45.1 Paid in .....	.....	22,000,000
45.2 Transferred to capital (Stock Dividend) .....	.....	.....
45.3 Transferred from capital .....	.....	.....
46. Dividends to stockholders .....	.....	.....
47. Aggregate write-ins for gains or (losses) in surplus .....	.....	.....
48. Net change in capital and surplus (Lines 34 to 47) .....	18,785,224	2,541,511
49. Capital and surplus end of reporting year (Line 33 plus 48) .....	21,326,735	2,541,511
<b>DETAILS OF WRITE-INS</b>		
4701. .....	.....	.....
4702. .....	.....	.....
4703. .....	.....	.....
4798. Summary of remaining write-ins for Line 47 from overflow page .....	.....	.....
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....	.....	.....

# Notes to Financial Statements

## 1. Summary of Significant Accounting Policies and Going Concern

A. The accompanying financial statements of Oscar Insurance Corporation of Ohio (the “Company”) have been prepared in conformity with accounting practices prescribed or permitted by the Ohio Department of Insurance (ODI).

A reconciliation of The Company’s net income and capital surplus between NAIC SAP and practices prescribed or permitted by Ohio Statutory Accounting Principles (“NAIC SAP”) is shown below:

		SSAP #	F/S Page	F/S Line #	For the year ended December 31, 2018	For the year ended December 31, 2017
<b>NET INCOME</b>						
(1)	Net income (loss), OH SAP (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	(\$2,052,337)	(\$1,368,489)
(2)	State Prescribed Practices that are an increase/(decrease) from NAIC SAP:				—	—
(3)	Net income (loss), NAIC SAP (1-2-3=4)	XXX	XXX	XXX	(\$2,052,337)	(\$1,368,489)
<b>SURPLUS</b>						
(4)	Statutory Surplus, OH SAP (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$21,326,735	\$2,541,511
(5)	State Prescribed Practices that are an increase/(decrease) from NAIC SAP:				—	—
(6)	Statutory Surplus, NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$21,326,735	\$2,541,511

B. The preparation of these statutory-basis financial statements requires management to make estimates and assumptions that affect the amounts reported in the statutory-basis financial statements and accompanying notes. Actual results could differ from those estimates. Such estimates and assumptions could change in the future as more information becomes known which could impact the amounts reported and disclosed herein.

C. Premiums are earned ratably over the terms of the related insurance policies. Ceded premiums are earned ratably over the terms of the applicable reinsurance contracts. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as marketing, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3-9) Not applicable
- (10) The Company does not anticipate investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts.
- (11) Unpaid losses and loss adjustment expenses include an amount determine from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while the management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company’s Pharmacy Benefit Manager – CVS Health has contractually guaranteed minimum pharmaceutical rebates. These amounts determine the Company’s estimated receivable adjusted for payments received.

## Notes to Financial Statements

### D. Going Concern

As of December 31, 2018, the management team has evaluated the Company's operations and financial position. No uncertainties or doubt exists about the Company's ability to continue as a going concern.

### 2. Accounting Changes and Corrections of Errors

There were no accounting changes or correction of errors in 2018.

### 3. Business Combinations and Goodwill

The Company had no business combinations or goodwill in 2018.

### 4. Discontinued Operations

The Company had no discontinued operations in 2018.

### 5. Investments

A-K. Not applicable

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

# Notes to Financial Statements

		1	2	3	4	5	6	7
		Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted To Total Admitted Assets (b)
a.	Subject to contractual obligation for which liability is not shown	—	—	—	—	—	— %	— %
b.	Collateral held under security lending agreements	—	—	—	—	—	— %	— %
c.	Subject to repurchase agreements	—	—	—	—	—	— %	— %
d.	Subject to reverse repurchase agreements	—	—	—	—	—	— %	— %
e.	Subject to dollar repurchase agreements	—	—	—	—	—	— %	— %
f.	Subject to dollar reverse repurchase agreements	—	—	—	—	—	— %	— %
g.	Placed under option contracts	—	—	—	—	—	— %	— %
h.	Letter stock or securities restricted as to sale—excluding FHLB capital stock	—	—	—	—	—	— %	— %
i.	FHLB capital stock	—	—	—	—	—	— %	— %
j.	On deposit with states	416,925	407,061	9,864	—	416,925	1.10%	1.13%
k.	On deposit with other regulatory bodies	—	—	—	—	—	— %	— %
l.	Pledged as collateral to FHLB (including assets backing funding agreements)	—	—	—	—	—	— %	— %
m.	Pledged as collateral not captured in other categories	—	—	—	—	—	— %	— %
n.	Other restricted assets	—	—	—	—	—	— %	— %
o.	Total Restricted Assets	416,925	407,061	9,864	—	416,925	1.10%	1.13%

(2)-(4) Not applicable

M-R. Not applicable

## 6. Joint Ventures, Partnerships, and Limited Liability Companies

- A. The Company has no investments in Joint Venture, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies.

# Notes to Financial Statements

## 7. Investment Income

A. Due and accrued income was excluded from surplus on the following bases:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

B. The total amount excluded was \$ 0.

## 8. Derivative Instruments

The Company has no derivative instruments.

## 9. Income Taxes

A

1.) The components of the net deferred tax asset/(liability) at December 31, are as follows:

		(1) Ordinary	(2) Capital	(3) (Col. 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4+5) Total	(7) (Col. 1– 4) Ordinary	(8) (Col. 2–5) Capital	(9) (Col. 7+8) Total
(a)	Gross Deferred Tax Assets	\$561,041	—	\$561,041	\$286,826	—	\$286,826	\$274,215	—	\$274,215
(b)	Statutory Valuation Allowance Adjustments	\$559,378	—	\$559,378	\$286,826	—	\$286,826	\$272,552	—	\$272,552
(c)	Adjusted Gross Deferred Tax Assets (1a – 1b)	\$1,663	—	\$1,663	—	—	—	\$1,663	—	\$1,663
(d)	Deferred Tax Assets Nonadmitted	—	—	—	—	—	—	—	—	—
(e)	Subtotal Net Admitted Deferred Tax Asset (1c – 1d)	\$1,663	—	\$1,663	—	—	—	\$1,663	—	\$1,663
(f)	Deferred Tax Liabilities	\$1,663	—	\$1,663	—	—	—	\$1,663	—	\$1,663
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f)	—	—	—	—	—	—	—	—	—

2) Admission Calculation Components SSAP No. 101

	12/31/2018			12/31/2017			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1–4) Ordinary	(8) (Col 2–5) Capital	(9) (Col 7+8) Total

Admission Calculation Components  
SSAP No. 101

(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
(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. (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	XXX	XXX	\$ ____	XXX	XXX	\$ ____	XXX	XXX	\$ ____

# Notes to Financial Statements

Limitation Threshold.									
(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.	\$ 1,663	\$ ____	\$ 1,663	\$ ____	\$ ____	\$ ____	\$ 1,663	\$ ____	\$ 1,663
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101.	\$ 1,663	\$ ____	\$ 1,663	\$ ____	\$ ____	\$ ____	\$ 1,663	\$ ____	\$ 1,663
Total (2(a) + 2(b) + 2(c))									

### 3) Threshold Limitations

	2018	2017
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	449%	0%
(b) Amount of Adjusted Capital and Surplus Used To Determine Recovery Period and Threshold Limitation In 2(b)2 Above	\$21,326,735	\$2,541,511

4) Not applicable. The company did not use tax-planning strategies

### B. Not applicable

### C. Current income taxes incurred consist of the following major components:

	(1) 12/31/2018	(2) 12/31/2017	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 26,532	\$ _____	\$ 26,532
(b) Foreign	\$ _____	\$ _____	\$ _____
(c) Subtotal	\$ 26,532	\$ _____	\$ 26,532
(d) Federal income tax on net capital gains	\$ _____	\$ _____	\$ _____
(e) Utilization of capital loss carry-forwards	\$ _____	\$ _____	\$ _____
(f) Other	\$ _____	\$ _____	\$ _____
(g) Federal and foreign income taxes incurred	\$ 26,532	\$ _____	\$ 26,532
	\$ _____	\$ _____	\$ _____
2.. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 30,964	\$ _____	\$ 30,964
(2) Unearned premium reserve	\$ 88,195	\$ 142,666	\$ (54,471)
(3) Policyholder reserves	\$ 92,636	\$ _____	\$ 92,636
(4) Investments	\$ _____	\$ _____	\$ _____
(5) Deferred acquisition costs	\$ _____	\$ _____	\$ _____
(6) Policyholder dividends accrual	\$ _____	\$ _____	\$ _____
(7) Fixed assets	\$ _____	\$ _____	\$ _____
(8) Compensation and benefits accrual	\$ _____	\$ _____	\$ _____
(9) Pension accrual	\$ _____	\$ _____	\$ _____
(10) Receivables – nonadmitted	\$ 244,112	\$ _____	\$ 244,112
(11) Net operating loss carry-forward	\$ _____	\$ _____	\$ _____
(12) Tax credit carry-forward	\$ _____	\$ _____	\$ _____
(13) Other (including items <5% of total ordinary tax assets)	\$ 105,133	\$ _____	\$ 105,133
(99) Subtotal	\$ 561,040	\$ 142,666	\$ 418,374
(b) Statutory valuation allowance adjustment	\$ 559,377	\$ 286,826	\$ 272,551
(c) Nonadmitted	\$ _____	\$ _____	\$ _____
(d) Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	\$ 1,663	\$ (144,160)	\$ 145,823
(e) Capital:			
(1) Investments	\$ _____	\$ _____	\$ _____
(2) Net capital loss carry-forward	\$ _____	\$ 144,160	\$ (144,160)
(3) Real estate	\$ _____	\$ _____	\$ _____
(4) Other (including items <5% of total capital tax assets)	\$ _____	\$ _____	\$ _____
(99) Subtotal	\$ _____	\$ _____	\$ _____
(f) Statutory valuation allowance adjustment	\$ _____	\$ _____	\$ _____
(g) Nonadmitted	\$ _____	\$ _____	\$ _____
(h) Admitted capital deferred tax assets (2e99 – 2f – 2g)	\$ _____	\$ _____	\$ _____
(i) Admitted deferred tax assets (2d + 2h)	\$ _____	\$ _____	\$ _____
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ 793	\$ _____	\$ _____
(2) Fixed assets	\$ _____	\$ _____	\$ _____
(3) Deferred and uncollected premium	\$ _____	\$ _____	\$ _____

## Notes to Financial Statements

(4) Policyholder reserves	\$ _____	\$ _____	\$ _____
(5) Other (including items <5% of total ordinary tax liabilities)	\$ 870	\$ _____	\$ _____
(99) Subtotal	\$ 1,663	\$ _____	\$ _____
<b>(b) Capital:</b>			
(1) Investments	\$ _____	\$ _____	\$ _____
(2) Real estate	\$ _____	\$ _____	\$ _____
(3) Other (including items <5% of total capital tax liabilities)	\$ _____	\$ _____	\$ _____
(99) Subtotal	\$ _____	\$ _____	\$ _____
(c) Deferred tax liabilities (3a99 + 3b99)	1,663	_____	_____
<b>4. Net deferred tax assets/liabilities (2i – 3c)</b>	<b>\$ 0</b>	<b>\$ _____</b>	<b>\$ _____</b>

**D.**

	<b>2018</b>	<b>2017</b>	
Loss before income tax	(2,025,867)	(1,368,017)	
Income tax expense at Federal Statutory Rate	(425,432)	21%	(465,126)
Change in non-admitted assets.	(244,112)	12.05%	0
Change in valuation allowance	272,551	-13.45%	286,826
Tax Rate Adjustment.	0	0%	178,559
Admin Expense Limitation	399,501	-19.72%	0
Other	24,024	-1.19%	(259)
Total income tax	26,532	-1.31%	0

**E. Not applicable**

F. The Company's federal income tax return will be consolidated with various operating affiliates. MHI is the ultimate filing parent.

**G. Not applicable**

### 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. Mulberry Health Inc. funds the Company in order to support ongoing operations and meet the reserve requirements established by the ODI.
- B. The Company received capital contributions of \$14,000,000 and \$1,710,000 in the nine months ending December 31, 2018 and December 31, 2017, respectively from its parent Mulberry.
- C. A summary of the contributions is as follows:

<b>Fiscal year ended</b>	<b>Amount</b>
2017	\$ 3,909,900
2018	\$ 22,000,000
Total at December 31, 2018	\$ 25,909,000

The cash was accounted for as a capital contribution credited to additional paid in capital and common stock.

- D. The Company was due to pay \$1,721,324 to parent and affiliate companies Mulberry Health Inc, Mulberry Management Corporation, and Oscar Insurance Corporation as of December 31, 2018 for operating expenses paid on their behalf. The terms of settlement require that these amounts be settled 60 days after receipt of invoice.
- E. None.
- F. Certain General and Administrative costs, including personnel and facility costs as well as charges for legal, marketing and accounting services are paid by Mulberry Management Corporation and subsequently reimbursed by affiliated companies.
- G. All outstanding shares of The Company are owned by the parent company, Mulberry Health Inc, an insurance holding company domiciled in the State of Delaware.
- H. The Company owns no shares of an upstream, intermediate, or ultimate parent, either directly or indirectly.
- I–N. None

# Notes to Financial Statements

## 11. Debt

Not applicable.

## 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Not applicable

## 13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) The company has 10,000 shares, with a par value of \$.01 authorized, issued and outstanding as of December 31, 2018. All shares are Class A shares.

(2) No preferred stock has been authorized.

(3) Under Ohio law, the Company may pay cash dividends only from earned surplus determined on a statutory basis. Further, the Company is restricted (on the basis of the lower of 10% of the Company's statutory surplus as shown by its last statement on file with the superintendent, or one hundred percent of adjustment net investment income for such period) as to the amount of dividends it may declare or pay in any twelve-month period without the prior approval of the ODI.

(4)-(13) Not applicable.

## 14. Liabilities, Contingencies and Assessments

Not applicable.

## 15. Leases

Not Applicable

## 16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not applicable.

## 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not Applicable

## 18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not applicable

## 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not Applicable

## 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, short-term investment and preferred stocks are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service

# Notes to Financial Statements

(“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.

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

(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 for the nine months ended December 31, 2018 and 2017.

(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 nine months ended December 31, 2018 and 2017.

(4) Fair values of debt and equity 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.

(5) The Company does not have an derivative assets and liabilities.

### B. Not Applicable.

### C. Fair Value Hierarchy at December 31, 2018:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$407,067	\$409,613	\$0	\$407,067	\$0	\$0
Short-term Investments and cash equivalents	\$504,298	\$504,298	\$504,298	\$0	\$0	\$0
<b>Total</b>	<b>\$911,365</b>	<b>\$913,911</b>	<b>\$504,298</b>	<b>\$407,067</b>	<b>\$0</b>	<b>\$0</b>

## 21. Other Items

### A. Unusual or Infrequent Items

Not Applicable

### B. Troubled Debt Restructuring: Debtors

Not Applicable

### C. Other Disclosures

Not Applicable

### D. Business Interruption Insurance Recoveries

# Notes to Financial Statements

Not Applicable

E. State Transferable and Non-Transferable Tax Credits  
Not Applicable

F. Subprime Mortgage Related Risk Exposure  
Not applicable

G. Retained Assets  
Not Applicable

H. Insurance-Linked Securities (ILS) Contracts  
Not Applicable

## 22. Events Subsequent

### Type I – Recognized Subsequent Events:

There have been no Type I events. Subsequent Events have been considered through March 1, 2019 for the statutory annual 2018 statements.

### Type II – Unrecognized Subsequent Events:

There have been no Type II events. Subsequent Events have been considered through March 1, 2019 for the statutory annual 2018 statements.

On January 1, 2019, the Company will be subject to an annual fee under Section 9010 of the federal Affordable Care Act (ACA). This annual fee will be 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 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. As of December 31, 2018, the Company has not written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2018, and estimates their portion of the annual health insurance industry fee to be payable on December 31, 2019 to be \$0. This amount is reflected in special surplus. This assessment is expected to impact risk based capital (RBC) by 0%. Reporting the ACA assessment as of December 31, 2018, would not have triggered an RBC action level.

	Description	Current Year	Prior 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)?	No	
B.	ACA fee assessment payable for the upcoming year	-	-
C.	ACA fee assessment paid	-	-
D.	Premium written subject to ACA 9010 assessment	-	-
E.	Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	-	
F.	Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	-	
G.	Authorized Control Level (Five-Year Historical Line 15)	-	
H.	Would reporting the ACA assessment as of December 31, 2016 have triggered an RBC action level (YES/NO)?	No	

## 23. Reinsurance

### 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, office, trustee, or director of the company?

# Notes to Financial Statements

Yes( ) No (X)

2. Have any policies issued by the corporation 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, either 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 premiums or other similar credit?

Yes( ) No (X)

a. Not Applicable

b. The total amount of reinsurance credits taken as an asset or reduction of a liability is \$428,323 (both private reinsurance and the Transitional Reinsurance Program)

(2) Does the reporting entity have any reinsurance agreements in effect such 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 for other reinsurance agreements with the same insurer, exceed the total of direct premium collected under the reinsured policies.

Yes( ) No (X)

## Section 3 – Ceded Reinsurance Report – Part B

(1) The estimated change in surplus for elimination of all reinsurance amounts would be \$88,191.

(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. Uncollectable Reinsurance

Not Applicable

### C. Commutation of Reinsurance

Not Applicable

### D. Certified Reinsurer Downgraded or Status Subject to Revocation

Not Applicable

## 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. No Significant Changes  
B. No Significant Changes

# Notes to Financial Statements

- C. No Significant Changes
- D. No Significant Changes
  
- E. Risk Sharing Provisions of the Affordable Care Act
  - (1) Did the Reporting entity write accident and health insurance premiums which is subject to the Affordable Care Act risk sharing provisions? **YES**
  - (2) Impact of Risk Sharing Provisions of the Affordable Care Act on Assets, Liabilities, and Revenue for the Current Year. Asset balances shall reflect admitted asset balances.

Description	Amount
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment (Including High Risk Pool Payments)	20,064,073
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$17,824
3. Premium adjustments payable due to ACA Risk Adjustment (Including High Risk Pool premium)	-
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	20,064,073
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	(\$17,824)
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	-
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	-
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	-
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	-
5. Ceded reinsurance premiums payable due to ACA Reinsurance	-
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	-
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	-
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	-
9. ACA Reinsurance contributions – not reported as ceded premium	-
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	-
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	-
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	-
4. Effect of ACA Risk Corridors on change in reserves for rate credits	-

# Notes to Financial Statements

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any non-admission) and liability balances, along with the reasons for the adjustments to prior year balances.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 - 3 +7)	Cumulative Balance from Prior Years (Col 2 - 4 +8)
	1	2	3	4	5	6	7	8	9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	R e f	Receivable (Payable)
a. Permanent ACA Risk Adjustment Program										
1. Premium adjustments receivable	-	-	-	-	-	-	-	-	A	-
2. Premium adjustments (payable)	-	-	-	-	-	-	-	-	B	-
3. Subtotal ACA Permanent Risk Adjustment Program	-	-	-	-	-	-	-	-		
b. Transitional ACA Reinsurance Program										
1. Amounts recoverable for claims paid	-	-	-	-	-	-	-	-	C	-
2. Amounts recoverable for claims unpaid (contra liability)	-	-	-	-	-	-	-	-	D	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	-	-	-	-	-	-	-	-	F	-
5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G	-
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-
7. Subtotal ACA Transitional Reinsurance Program	-	-	-	-	-	-	-	-		
c. Temporary ACA Risk Corridors Program										
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	I	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	J	-
3. Subtotal ACA Risk Corridors Program	-	-	-	-	-	-	-	-		
d. Total for ACA Risk Sharing Provisions	-	-	-	-	-	-	-	-		

(4) Roll forward of risk corridors asset and liability balances by program benefit year

# Notes to Financial Statements

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Ref	Cumulativ e Balance from Prior Years (Col 1 - 3 + 7)
	1	2	3	4	5	6	7	8		10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivabl e	(Payable)		Receivabl e (Payable)
a. 2014									A	
1.Accrued retrospective premium	-	-	-	-	-	-	-	-		-
2.Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	B	-
b.2015									C	-
1.Accrued retrospective premium	-	-	-	-	-	-	-	-		-
2.Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	D	-
c. 2016									E	-
1.Accrued retrospective premium	-	-	-	-	-	-	-	-		-
2.Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	F	-
d.Total for risk corridors	-	-	-	-	-	-	-	-		-

## 25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2017 were \$0. As of December 31, 2018, \$0 has been paid for insured claims attributable to insured events of the prior years. Claim adjustment expenses are assumed paid for current year. Reserves remaining for prior years are now \$0 as a result of re-estimation of unpaid claims and claim adjustment principally on our health line of business. Therefore, there has been a \$0 unfavorable(favorable) prior-year development December 31, 2017 to December 31, 2018. The increase(decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

## 26. Intercompany Pooling Arrangements

Not applicable.

## 27. Structured Settlements

Not applicable

## 28. Health Care Receivables

### A. Pharmaceutical Rebate Receivables

## Notes to Financial Statements

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2018	\$922,636				
9/30/2018	819,380	849,846			
6/30/2018	836,366	866,841	621,666	-	-
3/31/2018	664,231	689,237	513,881	102,803	

### 29. Participating Policies

Not applicable.

### 30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	\$ <u>0</u>
2. Date of the most recent evaluation of this liability	<u>12/31/2018</u>
3. Was anticipated investment income utilized in the calculation?	Yes    No <input checked="" type="checkbox"/>

### 31. Anticipated Salvage and Subrogation

Not applicable.

## FIVE-YEAR HISTORICAL DATA

	1 2018	2 2017	3 2016	4 2015	5 2014
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	36,789,867	7,507,059	.....	.....	.....
2. TOTAL Liabilities (Page 3, Line 24) .....	15,463,132	4,965,548	.....	.....	.....
3. Statutory minimum capital and surplus requirement .....	1,710,000	1,710,000	.....	.....	.....
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	21,326,735	2,541,511	.....	.....	.....
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	86,276,057	.....	.....	.....	.....
6. TOTAL Medical and Hospital Expenses (Line 18) .....	74,366,864	.....	.....	.....	.....
7. Claims adjustment expenses (Line 20) .....	2,034,759	.....	.....	.....	.....
8. TOTAL Administrative Expenses (Line 21) .....	11,948,839	1,370,746	.....	.....	.....
9. Net underwriting gain (loss) (Line 24) .....	(2,074,405)	(1,370,746)	.....	.....	.....
10. Net investment gain (loss) (Line 27) .....	48,600	2,257	.....	.....	.....
11. TOTAL Other Income (Lines 28 plus 29) .....	.....	.....	.....	.....	.....
12. Net income or (loss) (Line 32) .....	(2,052,337)	(1,368,489)	.....	.....	.....
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	(13,739,991)	3,394,412	.....	.....	.....
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	21,326,735	2,541,511	.....	.....	.....
15. Authorized control level risk-based capital .....	4,747,893	12,405	.....	.....	.....
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	10,142	.....	.....	.....	.....
17. TOTAL Members Months (Column 6, Line 7) .....	127,361	.....	.....	.....	.....
<b>OPERATING PERCENTAGE (Page 4)</b>					
(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) .....	86.2	.....	.....	.....	.....
20. Cost containment expenses .....	1.4	.....	.....	.....	.....
21. Other claims adjustment expenses .....	1.0	.....	.....	.....	.....
22. TOTAL Underwriting Deductions (Line 23) .....	102.4	.....	.....	.....	.....
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	(2.4)	.....	.....	.....	.....
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	.....	.....	.....	.....	.....
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	.....	.....	.....	.....	.....
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) .....	.....	.....	.....	.....	.....
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) .....	.....	.....	.....	.....	.....
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) .....	.....	.....	.....	.....	.....
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....	.....	.....	.....	.....	.....
30. Affiliated mortgage loans on real estate .....	.....	.....	.....	.....	.....
31. All other affiliated .....	.....	.....	.....	.....	.....
32. TOTAL of Above Lines 26 to 31 .....	.....	.....	.....	.....	.....
33. TOTAL Investment in Parent Included in Lines 26 to 31 above .....	.....	.....	.....	.....	.....

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[ ] N/A[X]

If no, please explain: