



**ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2019
OF THE CONDITION AND AFFAIRS OF THE**

CareSource

(Name)

NAIC Group Code 3683 (Current Period) , 3683 (Prior Period) NAIC Company Code 95201 Employer's ID Number 31-1143265

Organized under the Laws of _____, State of Domicile or Port of Entry _____, Ohio

Country of Domicile _____ United States _____

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization [X]
Other [] Is HMO, Federally Qualified? Yes [] No [X]

Incorporated/Organized 06/12/1985 Commenced Business 10/01/1988

Statutory Home Office _____, _____, Dayton, OH, US 45402
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office _____ 230 North Main Street
(Street and Number)
Dayton, OH, US 45402 _____ 937-531-3300

Mail Address PO Box 2208, Dayton, OH, US 45401-2208
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Primary Location of Books and Records _____ 230 North Main Street _____
(Street and Number)

Dayton, OH, US 45402, 937-531-3614
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.caresource.com
Statutory Statement Contact Demetri Inempolidis, 937-531-3614
(Name) (Area Code) (Telephone Number) (Extension)
demetri.inempolidis@caresource.com 937-487-1744
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
Stephen L. Ringel	President, Ohio Market	David W. Goltz	Chief Financial Officer
	Chief Administrative and Human Resource Officer		President and Chief Executive Officer
Daniel J. McCabe		Erhardt H. Preitauer	

OTHER OFFICERS

Jai P. Pillai, Chief Operating Officer

DIRECTORS OR TRUSTEES

Erhardt H. Preitauer Michael E. Ervin M.D. William F. Marsteller D.C. Gary L. LeRoy M.D.
Craig Brown Ellen S. Leffak Douglas A. Fecher David T. Miller
David Kaelber M.D.

State of Ohio

ss

County of Montgomery.....

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 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.

Stephen L. Ringel
President, Ohio Market

David W. Goltz
Chief Financial Officer

Daniel J. McCabe
Chief Administrative and Human Resource Officer

Subscribed and sworn to before me this
____ day of _____,

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	.666,086,131		.666,086,131	.760,040,851
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	98,183,621		98,183,621	.178,259,540
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ 372,702,004 , Schedule E-Part 1), cash equivalents (\$ 151,832,974 , Schedule E-Part 2) and short-term investments (\$ 0 , Schedule DA).....	524,534,978		.524,534,978	.233,828,740
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....	0		0	0
8. Other invested assets (Schedule BA).....	0		0	0
9. Receivables for securities			0	.2,086
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	392,941	.392,941	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,289,197,671	.392,941	.1,288,804,730	.1,172,131,217
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued .....	.5,968,705		.5,968,705	.6,238,199
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	366,399,653	.1,091,581	.365,308,072	.245,266,340
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums (\$ 53,488,514) and contracts subject to redetermination (\$ 53,488,514)	53,488,514		53,488,514	.33,429,847
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	12,693,017		.12,693,017	.6,875,797
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans	38,594,157		.38,594,157	.25,049,973
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$ 133,165,342) and other amounts receivable.....	206,101,449	.72,936,108	.133,165,342	.166,828,938
25. Aggregate write-ins for other-than-invested assets	3,876,296	.3,876,296	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	1,976,319,463	.78,296,926	.1,898,022,537	.1,655,820,310
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	1,976,319,463	.78,296,926	.1,898,022,537	.1,655,820,310
DETAILS OF WRITE-INS				
1101. Investment in CareSource Foundation.....	392,941	.392,941	0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	.0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	392,941	.392,941	0	0
2501. Prepaid Assets.....	3,876,296	.3,876,296	0	0
2502.			0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	.0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,876,296	.3,876,296	0	0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 24,989,597 reinsurance ceded)	720,167,093		720,167,093	668,493,877
2. Accrued medical incentive pool and bonus amounts	50,737,060		50,737,060	19,884,826
3. Unpaid claims adjustment expenses	15,603,364		15,603,364	17,081,481
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	22,384,318		22,384,318	31,727,501
9. General expenses due or accrued	195,697,073		195,697,073	140,475,910
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	51,427,759		51,427,759	22,515,721
16. Derivatives		0	0	0
17. Payable for securities			0	164
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	0		0	2,600,776
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	1,056,016,667		1,056,016,667	902,780,256
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX		0
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	17,200,000	17,200,000
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	824,805,868	735,840,054
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	842,005,868	753,040,054
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	1,898,022,535	1,655,820,310
DETAILS OF WRITE-INS				
2301.			0	0
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501.	XXX	XXX		0
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	15,476,380	16,431,778
2. Net premium income (including \$ 0 non-health premium income).....	XXX	8,550,214,436	8,189,745,127
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	4,393,658	1,599,961
4. Fee-for-service (net of \$ medical expenses).....	XXX	0	0
5. Risk revenue.....	XXX	0	0
6. Aggregate write-ins for other health care related revenues.....	XXX	146,737,598	143,454,031
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	8,701,345,692	8,334,799,119
Hospital and Medical:			
9. Hospital/medical benefits.....		3,648,270,931	3,463,739,101
10. Other professional services.....		2,236,052,697	1,899,140,101
11. Outside referrals.....		0	0
12. Emergency room and out-of-area.....		75,920,229	337,627,646
13. Prescription drugs.....		1,547,098,669	1,600,998,607
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		39,786,464	20,383,892
16. Subtotal (Lines 9 to 15).....	0	7,547,128,990	7,321,889,347
Less:			
17. Net reinsurance recoveries.....		44,412,986	43,917,294
18. Total hospital and medical (Lines 16 minus 17).....	0	7,502,716,004	7,277,972,053
19. Non-health claims (net).....		0	0
20. Claims adjustment expenses, including \$ 144,415,359 cost containment expenses.....		164,860,380	146,951,174
21. General administrative expenses.....		1,026,077,216	887,482,376
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	8,693,653,600	8,312,405,603
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	7,692,092	22,393,516
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		32,353,825	38,088,957
26. Net realized capital gains (losses) less capital gains tax of \$		15,612,254	15,635,804
27. Net investment gains (losses) (Lines 25 plus 26).....	0	47,966,079	53,724,761
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)].....		0	0
29. Aggregate write-ins for other income or expenses.....	0	0	0
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	55,658,170	76,118,278
31. Federal and foreign income taxes incurred.....	XXX	0	0
32. Net income (loss) (Lines 30 minus 31).....	XXX	55,658,170	76,118,278
DETAILS OF WRITE-INS			
0601. Pay for Performance Revenue (P4P).....	XXX	0	14,168,106
0602. Quality Withhold.....	XXX	146,737,598	129,285,925
0603.	XXX	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	146,737,598	143,454,031
0701.	XXX	0	0
0702.	XXX	0	0
0703.	XXX	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0
1401.	0	0	0
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0
2901.	0	0	0
2902.	0	0	0
2903.	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	753,040,053	803,958,362
34. Net income or (loss) from Line 32	55,658,170	76,118,278
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 \$	16,450,078	(38,934,556)
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0
38. Change in net deferred income tax	0	0
39. Change in nonadmitted assets	18,745,002	(87,094,083)
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	(1,887,437)	(1,007,948)
46. Dividends to stockholders	0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	88,965,814	(50,918,310)
49. Capital and surplus end of reporting year (Line 33 plus 48)	842,005,866	753,040,053
DETAILS OF WRITE-INS		
4701.	0	0
4702.	0	0
4703.	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

CASH FLOW

Cash from Operations		1 Current Year	2 Prior Year
1. Premiums collected net of reinsurance		8,437,012,664	8,162,651,665
2. Net investment income		35,969,241	39,516,680
3. Miscellaneous income		114,313,938	29,933,199
4. Total (Lines 1 through 3)		8,587,295,842	8,232,101,544
5. Benefit and loss related payments		7,373,203,010	7,373,443,854
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0	0
7. Commissions, expenses paid and aggregate write-ins for deductions		1,124,427,473	1,057,643,339
8. Dividends paid to policyholders		0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		0	0
10. Total (Lines 5 through 9)		8,497,630,483	8,431,087,193
11. Net cash from operations (Line 4 minus Line 10)		89,665,360	(198,985,650)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds		187,544,788	134,637,174
12.2 Stocks		119,879,136	65,513,234
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		0	0
12.7 Miscellaneous proceeds		1,922	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)		307,425,847	200,150,408
13. Cost of investments acquired (long-term only):			
13.1 Bonds		96,715,049	303,156,256
13.2 Stocks		7,961,827	109,400,771
13.3 Mortgage loans		0	0
13.4 Real estate		0	0
13.5 Other invested assets		0	0
13.6 Miscellaneous applications		0	1,922
13.7 Total investments acquired (Lines 13.1 to 13.6)		104,676,876	412,558,950
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)		202,748,971	(212,408,542)
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		(2,000,000)	(2,000,000)
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		0	0
16.6 Other cash provided (applied)		291,905	(3,716,020)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)		(1,708,095)	(5,716,020)
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)		290,706,236	(417,110,211)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year		233,828,742	650,938,953
19.2 End of year (Line 18 plus Line 19.1)		524,534,977	233,828,742

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource
ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)	341,451,862		12,648,852	328,803,010
2. Medicare Supplement				0
3. Dental only.....				0
4. Vision only.....				0
5. Federal Employees Health Benefits Plan				0
6. Title XVIII - Medicare	407,274,270		1,779,893	405,494,377
7. Title XIX - Medicaid.....	7,840,934,323		25,017,274	7,815,917,049
8. Other health.....				0
9. Health subtotal (Lines 1 through 8)	8,589,660,455	0	39,446,019	8,550,214,436
10. Life				0
11. Property/casualty.....				0
12. Totals (Lines 9 to 11)	8,589,660,455	0	39,446,019	8,550,214,436

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource
UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 – CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non- Health
1. Payments during the year:										
1.1 Direct	7,439,523,770	287,386,069					395,185,293	6,756,952,408		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	25,264,721	10,780,717					590,392	13,893,613		
1.4 Net	7,414,259,048	276,605,353	0	0	0	0	394,594,901	6,743,058,795	0	0
2. Paid medical incentive pools and bonuses	8,934,229	494,847					51,653	8,387,729		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	745,156,690	39,003,256	0	0	0	0	42,381,976	663,771,459	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	24,989,597	8,623,496	0	0	0	0	1,249,086	15,117,015	0	0
3.4 Net	720,167,093	30,379,759	0	0	0	0	41,132,890	648,654,444	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	50,737,060	750,000						49,987,060		
6. Net healthcare receivables (a)	(2,814,495)	(1,458,540)					3,435,188	(4,791,143)		
7. Amounts recoverable from reinsurers December 31, current year	12,693,018	9,212,774						3,480,243		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	680,152,429	52,377,926	0	0	0	0	45,388,627	582,385,877	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	11,658,553	3,722,293	0	0	0	0	1,037,245	6,899,015	0	0
8.4 Net	668,493,877	48,655,633	0	0	0	0	44,351,382	575,486,862	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	19,884,826	750,000	0	0	0	0	0	19,134,826	0	0
11. Amounts recoverable from reinsurers December 31, prior year	6,875,797	3,093,312	0	0	0	0	0	3,782,485	0	0
12. Incurred benefits:										
12.1 Direct	7,507,342,526	275,469,939	0	0	0	0	388,743,454	6,843,129,132	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	44,412,986	21,801,382	0	0	0	0	802,233	21,809,371	0	0
12.4 Net	7,462,929,540	253,668,557	0	0	0	0	387,941,221	6,821,319,761	0	0
13. Incurred medical incentive pools and bonuses	39,786,464	494,847	0	0	0	0	51,653	39,239,964	0	0

(a) Excludes \$ 63,458,139 loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	219,627,909	10,543,919					7,494,538	201,589,453		
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	219,627,909	10,543,919	0	0	0	0	7,494,538	201,589,453	0	0
2. Incurred but Unreported:										
2.1. Direct	525,528,781	28,459,337					34,887,438	462,182,006		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	24,989,597	8,623,496					1,249,086	15,117,015		
2.4. Net	500,539,184	19,835,841	0	0	0	0	33,638,352	447,064,991	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	745,156,690	39,003,256	0	0	0	0	42,381,976	663,771,459	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	24,989,597	8,623,496	0	0	0	0	1,249,086	15,117,015	0	0
4.4. Net	720,167,093	30,379,759	0	0	0	0	41,132,890	648,654,444	0	0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

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 December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	36,563,601	250,811,162	1,048,082	29,331,677	37,611,683	48,655,633
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	47,232,081	383,602,353	(174,412)	41,307,303	47,057,669	44,351,382
7. Title XIX - Medicaid	517,765,452	6,324,978,971	9,833,310	638,821,134	527,598,762	575,486,862
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	601,561,134	6,959,392,486	10,706,980	709,460,114	612,268,114	668,493,877
10. Healthcare receivables (a)	79,400,860	73,110,932	381,736	83,850,684	79,782,596	87,046,916
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	7,426,297	1,507,932	29,095,169	21,641,892	36,521,466	19,884,826
13. Totals (Lines 9-10+11+12)	529,586,571	6,887,789,486	39,420,413	647,251,321	569,006,984	601,331,787

(a) Excludes \$ 63,458,139 loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	4,706	5,135	5,267	5,269	5,270
2. 2015.....	104,112	124,602	122,169	122,254	122,248
3. 2016.....	XXX.....	161,910	172,597	175,908	176,032
4. 2017.....	XXX.....	XXX.....	219,415	236,675	238,839
5. 2018.....	XXX.....	XXX.....	XXX.....	334,460	358,921
6. 2019.....	XXX.....	XXX.....	XXX.....	XXX.....	244,237

Section B – Incurred Health Claims - Hospital and Medical

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	4,599	5,027	5,159	5,159	5,160
2. 2015.....	116,311	127,176	124,744	124,828	124,822
3. 2016.....	XXX.....	180,767	172,006	174,969	175,092
4. 2017.....	XXX.....	XXX.....	242,503	241,282	239,810
5. 2018.....	XXX.....	XXX.....	XXX.....	370,756	360,344
6. 2019.....	XXX.....	XXX.....	XXX.....	XXX.....	265,928

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015.....	150,991	122,248	1	0.0	122,249	81.0			122,249	81.0
2. 2016.....	179,020	176,032	1,237	0.7	177,268	99.0			177,268	99.0
3. 2017.....	249,914	238,839	2,490	1.0	241,329	96.6			241,329	96.6
4. 2018.....	438,958	358,921	4,068	1.1	362,989	82.7	1,423	.29	364,441	83.0
5. 2019.....	328,803	244,237	4,979	2.0	249,215	75.8	29,707	601	279,523	85.0

Pt 2C - Sn A - Paid Claims - MS
NONE

Pt 2C - Sn A - Paid Claims - DO
NONE

Pt 2C - Sn A - Paid Claims - VO
NONE

Pt 2C - Sn A - Paid Claims - FE
NONE

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	41,143	40,430	40,251	40,178	40,175
2. 2015.....	241,968	280,946	280,646	280,786	280,796
3. 2016.....	XXX.....	243,682	258,750	259,764	259,820
4. 2017.....	XXX.....	XXX.....	284,248	311,895	312,273
5. 2018.....	XXX.....	XXX.....	XXX.....	295,727	325,827
6. 2019.....	XXX.....	XXX.....	XXX.....	XXX.....	364,106

Section B - Incurred Health Claims - Medicare

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	40,974	40,262	40,082	40,009	40,006
2. 2015.....	284,384	291,585	291,284	291,425	291,435
3. 2016.....	XXX.....	264,076	260,368	261,382	261,438
4. 2017.....	XXX.....	XXX.....	314,935	312,650	312,901
5. 2018.....	XXX.....	XXX.....	XXX.....	323,049	325,617
6. 2019.....	XXX.....	XXX.....	XXX.....	XXX.....	385,113

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015.....	313,700	280,796	.781	0.3	281,577	.89.8			281,577	.89.8
2. 2016.....	284,318	259,820	2,065	0.8	261,885	.92.1			261,885	.92.1
3. 2017.....	333,914	312,273	15,979	5.1	328,252	.98.3			328,252	.98.3
4. 2018.....	332,299	325,827	4,939	1.5	330,766	.99.5	(174)	(4)	330,588	.99.5
5. 2019.....	405,494	364,106	7,175	2.0	371,281	91.6	41,307	836	413,424	102.0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	713,096	718,296	718,666	718,416	718,345
2. 2015.....	4,898,806	5,451,721	5,445,872	5,446,165	5,445,757
3. 2016.....	XXX.....	5,282,572	5,713,146	5,726,806	5,725,809
4. 2017.....	XXX.....	XXX.....	5,637,192	6,210,567	6,221,480
5. 2018.....	XXX.....	XXX.....	XXX.....	5,985,332	6,448,197
6. 2019.....	XXX.....	XXX.....	XXX.....	XXX.....	6,279,447

Section B – Incurred Health Claims - Title XIX Medicaid

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	696,289	701,489	701,859	701,610	701,538
2. 2015.....	5,450,903	5,510,772	5,504,923	5,505,216	5,504,808
3. 2016.....	XXX.....	5,709,355	5,731,081	5,744,741	5,743,744
4. 2017.....	XXX.....	XXX.....	6,164,080	6,214,172	6,232,145
5. 2018.....	XXX.....	XXX.....	XXX.....	6,519,746	6,479,808
6. 2019.....	XXX.....	XXX.....	XXX.....	XXX.....	6,884,000

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015.....	6,259,242	5,445,757	81,129	1.5	5,526,886	88.3			5,526,886	88.3
2. 2016.....	6,525,344	5,725,809	88,594	1.5	5,814,403	89.1			5,814,403	89.1
3. 2017.....	7,158,976	6,221,480	151,592	2.4	6,373,071	89.0			6,373,071	89.0
4. 2018.....	7,418,488	6,448,197	136,928	2.1	6,585,125	88.8	38,553	780	6,624,459	89.3
5. 2019.....	7,815,917	6,279,447	131,516	2.1	6,410,963	82.0	660,088	13,360	7,084,411	90.6

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

UNDERWRITING AND INVESTMENT EXHIBIT**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(\$000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	0	0	0	0	0
2. 2015					
3. 2016	XXX				
4. 2017	XXX	XXX			
5. 2018	XXX	XXX	XXX		
6. 2019	XXX	XXX	XXX	XXX	

Section B – Incurred Health Claims - Other

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	0	0	0	0	0
2. 2015					
3. 2016	XXX				
4. 2017	XXX	XXX			
5. 2018	XXX	XXX	XXX		
6. 2019	XXX	XXX	XXX	XXX	

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Other

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	0	0	0.0	0	0	0.0			0	0.0
2. 2016	0	0	0.0	0	0	0.0			0	0.0
3. 2017	0	0	0.0	0	0	0.0			0	0.0
4. 2018	0	0	0.0	0	0	0.0			0	0.0
5. 2019	0	0	0	0.0	0	0.0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	758,945	763,861	764,185	763,864	763,790
2. 2015.....	5,244,886	5,857,269	5,848,687	5,849,205	5,848,802
3. 2016.....	XXX.....	5,688,164	6,144,493	6,162,478	6,161,660
4. 2017.....	XXX.....	XXX.....	6,140,855	6,759,137	6,772,592
5. 2018.....	XXX.....	XXX.....	XXX.....	6,615,518	7,132,945
6. 2019	XXX	XXX	XXX	XXX	6,887,789

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	741,862	746,778	747,101	746,778	746,705
2. 2015.....	5,851,597	5,929,532	5,920,951	5,921,469	5,921,065
3. 2016.....	XXX.....	6,154,198	6,163,454	6,181,091	6,180,273
4. 2017.....	XXX.....	XXX.....	6,721,517	6,768,104	6,784,856
5. 2018.....	XXX.....	XXX.....	XXX.....	7,213,551	7,165,769
6. 2019	XXX	XXX	XXX	XXX	7,535,041

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments (Col. 3/2) Percent	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015.....	6,723,933	5,848,802	81,911	1.4	5,930,713	88.2	0	0	5,930,713	88.2
2. 2016.....	6,988,682	6,161,660	91,896	1.5	6,253,556	89.5	0	0	6,253,556	89.5
3. 2017.....	7,742,804	6,772,592	170,060	2.5	6,942,652	89.7	0	0	6,942,652	89.7
4. 2018.....	8,189,745	7,132,945	145,936	2.0	7,278,881	88.9	39,802	805	7,319,488	89.4
5. 2019	8,550,214	6,887,789	143,670	2.1	7,031,459	82.2	731,102	14,797	7,777,358	91.0

Pt 2C - Sn B - Incurred Claims - MS
NONE

Pt 2C - Sn B - Incurred Claims - DO
NONE

Pt 2C - Sn B - Incurred Claims - VO
NONE

Pt 2C - Sn B - Incurred Claims - FE
NONE

Part 2C - Sn C - Claims Expense Ratio MS
NONE

Part 2C - Sn C - Claims Expense Ratio DO
NONE

Part 2C - Sn C - Claims Expense Ratio VO
NONE

Part 2C - Sn C - Claims Expense Ratio FE
NONE

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	.0								
2. Additional policy reserves (a)	.0								
3. Reserve for future contingent benefits	.0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income)	.0								
5. Aggregate write-ins for other policy reserves	.0	.0	.0	0	.0	.0	0	0	.0
6. Totals (gross)	.0	.0	0	0	0	0	0	0	.0
7. Reinsurance ceded	.0								
8. Totals (Net) (Page 3, Line 4)	0	0	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims	.0								
10. Reserve for future contingent benefits	.0								
11. Aggregate write-ins for other claim reserves	.0			0	.0	.0	0	0	.0
12. Totals (gross)	.0	.0	0	0	0	0	0	0	.0
13. Reinsurance ceded	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.	.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 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	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 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

NONE

(a) Includes \$ premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building)			20,899,335		20,899,335
2. Salaries, wages and other benefits	82,403,159	10,253,346	221,368,169		314,024,674
3. Commissions (less \$ ceded plus \$ assumed)					0
4. Legal fees and expenses			3,217,612		3,217,612
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services			332,972		332,972
7. Traveling expenses	1,359,473	52,950	3,450,711		4,863,134
8. Marketing and advertising			6,398,367		6,398,367
9. Postage, express and telephone			5,223,933		5,223,933
10. Printing and office supplies	936,460	5,583	33,114,292		34,056,335
11. Occupancy, depreciation and amortization			22,327,621		22,327,621
12. Equipment					0
13. Cost or depreciation of EDP equipment and software					0
14. Outsourced services including EDP, claims, and other services	53,838,843	9,288,995	199,589,480		262,717,318
15. Boards, bureaus and association fees			1,225,161		1,225,161
16. Insurance, except on real estate			1,752,510		1,752,510
17. Collection and bank service charges			1,731,338		1,731,338
18. Group service and administration fees					0
19. Reimbursements by uninsured plans			(4,808,830)		(4,808,830)
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			483,787,775		483,787,775
23.3 Regulatory authority licenses and fees			10,430,695		10,430,695
23.4 Payroll taxes	5,767,899	844,146	14,977,264		21,589,309
23.5 Other (excluding federal income and real estate taxes)			1,009,761		1,009,761
24. Investment expenses not included elsewhere				135,006	135,006
25. Aggregate write-ins for expenses	109,526	0	49,053	0	158,578
26. Total expenses incurred (Lines 1 to 25)	144,415,359	20,445,021	1,026,077,216	135,006	(a) 1,191,072,603
27. Less expenses unpaid December 31, current year		15,603,364	195,697,073		211,300,437
28. Add expenses unpaid December 31, prior year	0	17,081,481	140,475,910	0	157,557,392
29. Amounts receivable relating to uninsured plans, prior year	0	0	25,049,973	0	25,049,973
30. Amounts receivable relating to uninsured plans, current year			38,594,157		38,594,157
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	144,415,359	21,923,139	984,400,236	135,006	1,150,873,741
DETAILS OF WRITE-INS					
2501. Member Assistance Expenses	109,526		49,053		158,578
2502.					0
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	109,526	0	49,053	0	158,578

(a) Includes management fees of \$ 614,164,154 to affiliates and \$ to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 2,807	2,731
1.1 Bonds exempt from U.S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 24,532,460	24,136,748
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)	4,097,803	4,097,803
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) 4,125,254	4,251,549
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	32,758,324	32,488,831
11. Investment expenses	(g) 135,006	
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)	135,006	
17. Net investment income (Line 10 minus Line 16)	32,353,825	
DETAILS OF WRITE-INS		
0901.	0	
0902.	0	
0903.	0	
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.	0	
1502.	0	
1503.	0	
1598. Summary of remaining write-ins for Line 15 from overflow page	0	0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)	0	0

- (a) Includes \$ 476,911 accrual of discount less \$ 3,822,833 amortization of premium and less \$ 1,302,633 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 \$ 0 accrual of discount less \$ 0 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 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	0	0	0	0	0
1.1 Bonds exempt from U.S. tax	0	0	0	0	0
1.2 Other bonds (unaffiliated)	(152,384)	0	(152,384)	373,325	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)	15,764,638	0	15,764,638	16,076,753	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	0	0	0	0	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)	15,612,254	0	15,612,254	16,450,078	0
DETAILS OF WRITE-INS					
0901.	0				
0902.	0				
0903.	0				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (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 (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	392,941	280,378	(112,563)
12. Subtotals, cash and invested assets (Lines 1 to 11)	392,941	280,378	(112,563)
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.....	1,091,581	516,073	(575,508)
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. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	72,936,108	92,077,276	19,141,168
25. Aggregate write-ins for other-than-invested assets	3,876,296	4,168,201	291,905
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	78,296,926	97,041,928	18,745,002
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27).....	78,296,926	97,041,928	18,745,002
DETAILS OF WRITE-INS			
1101. Investment in Foundation.....	392,941	280,378	(112,563)
1102.	0	0	0
1103.	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	392,941	280,378	(112,563)
2501. PREPAID EXPENSE.....	3,876,296	4,168,201	291,905
2502.	0	0	0
2503.	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	3,876,296	4,168,201	291,905

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	1,321,793	1,309,171	1,292,111	1,270,821	1,261,151	15,476,380
2. Provider Service Organizations.....	0					
3. Preferred Provider Organizations.....	0					
4. Point of Service.....	0					
5. Indemnity Only.....	0					
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	1,321,793	1,309,171	1,292,111	1,270,821	1,261,151	15,476,380
DETAILS OF WRITE-INS						
0601.....	0					
0602.....	0					
0603.....	0					
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

1A. Summary of Significant Accounting Policies

Basis of Presentation – CareSource (CS's) statutory-basis financial statements are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (ODI). The ODI requires that insurance companies domiciled in the State of Ohio prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners *Accounting Practices and Procedures Manual* (NAIC AP&P) subject to any deviation prescribed or permitted by the ODI.

Accounting practices and procedures of the NAIC, as prescribed or permitted by the insurance department of the applicable states of domicile, comprise a comprehensive basis of accounting other than accounting principles generally accepted in the United States (GAAP). The more significant differences are as follows:

Non-admitted Assets: Certain assets designated as “non-admitted,” principally prepaid assets, investments in CareSource Foundation, past due healthcare receivables, uncollectable member receivables, and other assets not specifically identified as an admitted asset within the NAIC AP&P are excluded from the accompanying balance sheets and are charged directly to unassigned surplus. In accordance with GAAP, such assets are included in the balance sheet to the extent that those assets are not impaired.

Reinsurance: Unpaid claims liabilities and premiums received in advance ceded to reinsurers have been reported as reductions of the related balances rather than as assets as would be required in accordance with GAAP.

Statements of Cash Flows: Cash, cash equivalents, and short-term investments in the statements of cash flows represent cash balances and investments with initial maturities of one year or less. In accordance with GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less.

The effects of the foregoing variances from GAAP on the accompanying statutory-basis financial statements total \$9,620,265 in net income and (\$65,972,695) in net statutory surplus.

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

	December 31, 2019	December 31, 2018
NET INCOME		
1) State of Ohio Basis	\$ 55,658,170	\$ 76,118,278
2) State prescribed practices that increase/(decrease) SAP	\$ -	\$ -
3) State permitted practices that increase/(decrease) SAP	\$ -	\$ -
4) NAIC SAP	\$ 55,658,170	\$ 76,118,278
SURPLUS		
1) State of Ohio Basis	\$ 842,494,841	\$ 753,040,054
2) State prescribed practices that increase/(decrease) SAP	\$ -	\$ -
3) State permitted practices that increase/(decrease) SAP	\$ -	\$ -
4) NAIC SAP	\$ 842,494,841	\$ 753,040,054

1B. Use of Estimates

The preparation of financial statements in accordance with statutory accounting principles requires management to make estimates and assumptions that affect the reported amount of admitted assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1C. Accounting Policy

1. Short term investments include investments with remaining maturities of one year or less at the time of acquisition and are principally stated at amortized cost.
2. Bonds not backed by other loans are principally stated at amortized cost using the interest method. Realized capital gains and losses are determined using the first in, first out method.
3. Common stocks are reported at fair value as determined by the SVO and the related net unrealized capital gains (losses) are reported in unassigned surplus. There are no restrictions on common stock.
4. CS does not hold any preferred stock.
5. CS does not hold any mortgage loans.
6. Single class and multi-class mortgage-backed/asset-backed securities are valued at amortized cost using the interest method including anticipated prepayments. Prepayment assumptions are obtained from dealer surveys and are based on the current interest rate and economic environment. The retrospective adjustment method is used to value all such securities.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

7. The Company invests in the CareSource Foundation, an affiliated entity of CareSource. The Company records this investment using the GAAP equity method of accounting, and records it as a non-admitted write-in invested asset on the Assets page of the statutory filing.
8. The Company does not invest in any joint ventures, partnerships, or limited liability companies.
9. CS does not hold any derivative instruments.
10. CS would utilize anticipated investment income in the computation of the premium deficiency calculation in accordance with NAIC guidelines, but no such reserve is necessary.
11. Claims unpaid and unpaid claims adjustment expense liabilities represent management's best estimate of the ultimate net cost of all reported and unreported claims incurred through December 31. Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid claims are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.
12. CS does not hold any assets requiring capitalization.
13. Pharmacy rebates are attained based on agreements between CS and a third party administrator for prescription drugs. Pharmacy rebates are admitted if accrued or invoiced within 90 days of the reporting period. Pharmacy rebates are non-admitted if invoiced and uncollected over 90 days prior to the reporting period.

1D. Going Concern – Management has determined that there is no doubt about the entity's ability to continue as a going concern.

- (1) – N/A
- (2) – N/A
- (3) – N/A
- (4) – N/A

2. Accounting Changes and Correction of Errors – None

3. Business Combinations and Goodwill – None

4. Discontinued Operations - None

5. Investments

- A. Mortgage Loans - None
- B. Debt Restructuring - None
- C. Reverse Mortgage - None
- D. Loan-Backed Securities:
 - (1) Prepayment Assumptions - None
 - (2) Securities with a recognized OTTI - None
 - (3) Securities by CUSIP with a recognized OTTI - None
 - (4) Impaired Securities without recognized OTTI - None
 - (5) Additional information –

Management regularly reviews the value of CS's investments. If the value of any investment falls below its cost basis, the decline in value is analyzed to determine whether it is other-than-temporary impairment. The decision to record an impairment loss incorporates both quantitative criteria and qualitative information. The Company considers a number of factors including, but not limited to: (a) the length of time and the extent to which the fair value has been less than book value, (b) the financial condition and near term prospects of the issuer, (c.i.) for non-interest-related declines in corporate and government bonds, the intent and ability of CS to retain its investment for a period of time sufficient to allow for any anticipated recovery in value, (c.ii.) for interest related declines in corporate and government bonds, the intent of CS to sell the investment at the reporting date, (c.iii.) for mortgage-backed securities, whether CS expects to recover the entire amortized cost basis of the security and whether CS has the intent to sell or intent and ability to hold the investments for a period of time sufficient to allow for any anticipated recovery in value, (d) whether the debtor is current on interest and principal payments, and (e) general market conditions and industry or sector specific factors. As of December 31, 2019, the Company holds \$72.2 million of loan backed securities. As of December 31, 2018 the Company held \$85.6 of loan backed securities, none of which met the criteria for impairment.

CS does not hold any investments as of December 31, 2019 that are subject to redemption restrictions or penalties therefore all holdings can be liquidated immediately upon request, without penalty.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions – None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing-None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing-None
- H. Repurchase Agreements Transactions Accounted for as a Sale-None
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale- None
- J. Real estate-None
- K. Low income housing Tax Credits – None
- L. Restricted Assets

1. Restricted Assets (Including Pledged)

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

	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 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	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
b. Collateral held under security lending agreements	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
c. Subject to repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
d. Subject to reverse repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
e. Subject to dollar repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
f. Subject to dollar reverse repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
g. Placed under option contracts	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
i. FHLB capital stock	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
j. On deposit with states	\$ 3,500,000	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000	0.20%	0.20%
k. On deposit with other regulatory bodies	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
m. Pledged as collateral not captured in other categories	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
n. Other restricted assets	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
o. Total Restricted Assets	\$ 3,500,000	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000	0.20%	0.20%

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories

3. Description of other Restricted Assets

4. Collateral Received and Reflected as Assets within the Reporting Entity's Financial Statements

M. Working Capital Finance Investments – None

N. Offsetting and Netting of Assets and Liabilities – None

O. 5GI Securities-None

P. Short Sales-None

Q. Prepayment Penalty and Acceleration Fees

(1) Number Of CUSIPs	5
(2) Aggregate Amount of Investment Income	378,112.16

6. Joint Ventures, Partnerships and Limited Liability Companies – None

7. Investment Income – All within 90 days and admitted.

8. Derivative Instruments – None

9. Income Taxes – CS is an organization exempt from income tax under Section 501 (c)(3) of the Internal Revenue Code whose activities are substantially related to their tax exempt purpose. Activities conducted as part of the commercial line of business are not subject to unrelated business income tax.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. Effective July 1, 2011, CS and CareSource Management Group (CSMG) entered into a long-term management agreement, which requires CS and CSMG to provide services and resources to each other at actual cost. The initial term of the agreement is 15 years and shall be terminable only for cause, except that CS may terminate this agreement without cause at any time for any reason upon one year written notice. The agreement includes a cost-sharing agreement, which outlines the allocation of costs for shared resources and direct costs between CS and CSMG. Costs are allocated in accordance with SSAP No. 70, *Allocation of Expenses*. The amended and restated management agreement was approved by the ODI on July 13, 2011.

Effective March 1, 2012, CareSource entered into a reinsurance agreement with PartnerRe America Insurance Company whereby CareSource Insurance serves as a direct reinsurer to PartnerRe America Insurance Company, and no premiums are paid directly to CareSource Insurance.

B. & C. For the years ended December 31, 2019 and 2018, CS incurred management fees of \$614.2 million and \$523.6 million from CSMG, respectively.

D. As of December 31, 2019 and December 31, 2018, CS owed CSMG \$51.4 million and \$22.5 million respectively, for employee compensation and other administrative expenses incurred by the related party on behalf of CS. The terms of the settlement require that these amounts be settled within 30 days.

- E. None
- F. None
- G. None
- H. None
- I. None
- J. None
- K. None
- L. None
- M. None
- N. None
- O. None

11. Debt – None

12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Other Post Retirement Benefit Plans – None

13. Capital and Surplus, Distribution Restrictions and Quasi-Reorganizations

- 1) The Company has no shares outstanding.
- 2) The Company has no preferred stock outstanding.
- 3) Distribution restrictions – N/A
- 4) Dividend or distributions paid – N/A
- 5) Portion of income payable as ordinary dividends – N/A

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

- 6) Restrictions on unassigned funds (surplus) – None
- 7) Mutual reciprocals – N/A
- 8) Stock held – N/A
- 9) Special surplus funds change – None
- 10) The portion of unassigned funds (surplus) reduced by cumulative unrealized gains is \$16,450,078
- 11) Surplus notes – N/A
- 12) Quasi-reorganization – N/A
- 13) Quasi-reorganization date – N/A

14. Contingencies

- A. Contingent Commitments – None
- B. Assessments – None
- C. Gain Contingencies – None
- D. Claims Related Extra Contractual Obligations – None
- E. Joint and Several Liabilities – None
- F. All Other Contingencies – None

Other Lawsuits and Claims

The health care industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Penalties associated with violations of these laws and regulations include significant fines and penalties, exclusion from participating in publicly-funded programs, and the repayment of previously billed and collected revenues.

From time to time we are involved in legal actions in the ordinary course of business, some of which seek monetary damages. Some lawsuits and claims are covered by insurance and others are not. The outcome of such legal actions is inherently uncertain. Nevertheless, we believe that these actions, when finally concluded and determined, are not likely to have a material adverse effect on our financial position, results of operations, or cash flows.

15. Leases-None

16. Information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk – No such instruments.

17. Sale, transfer and servicing of financial assets and extinguishments of liabilities – None

18. Gain or Loss to the reporting entity for uninsured A&H plans and the uninsured portion of partially insured plans

The Company has a contract with the Ohio Department of Medicaid to provide case management services for the Home and Community Based Waiver program. The structure of the program as an entity that solely performs administrative services qualifies it for classification as an uninsured, administrative services only (ASO) plan. Effective January 1, 2019, a Healthcare Network Agreement was entered between TriWest Healthcare Alliance Corp. and CareSource Network Partners, LLC, on behalf of itself and its affiliates, in support of Prime Contract VA791-13-D-0054, which TriWest has secured with the Department of Veterans Affairs. In this agreement, TriWest is subcontracting the development and maintenance of provider networks in the States of Ohio, Indiana, and Georgia to CareSource Network Partners, LLC and its affiliates.

- A. ASO plans- The gain from operations from Administrative Service Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2019:

	ASO Uninsured Plan	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ (4,808,830)	\$ -	\$ (4,808,830)
b. Total net other income or expenses	\$ -	\$ -	\$ -
c. Net gain or (loss) from operations	\$ (4,808,830)	\$ -	\$ (4,808,830)
d. Total claims payment volume	\$ -	\$ -	\$ -

- B. ASC plans – N/A

- C. Medicare or similarly structured cost based reimbursed contracts –

- (1) The Company has recorded no revenues explicitly attributable to cost share and reinsurance components of administered Medicare products
- (2) As of December 31, 2019 the company had recorded a receivable from CMS of \$31.8M related to the cost share and reinsurance components of administered Medicare products.
- (3) As no revenue is recorded in connection with the cost share and reinsurance components of the Company's Medicare contracts, the Company has recorded no allowances and reserves for adjustment of recorded revenues and receivables.
- (4) The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

19. Direct premium written/produced by managing general agents/third party administrator – Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

20. Fair Value Measurements –

A. The Company uses fair value measurements to record the fair value of certain assets and to estimate the fair value of financial instruments not recorded at fair value but required to be disclosed at fair value.

Fair value is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three levels.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. The Company's Level 1 assets and liabilities primarily include exchange-traded equity securities.
- Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.
- Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The following discussion described the valuation methodologies utilized by the Company for assets measured or disclosed at fair value. Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial instrument, including discount rates, estimates of timing, amount of expected future cash flows, and the credit standing of the issuer.

Debt and Equity Securities

The fair values of actively traded debt and equity securities are determined through the use of third-party pricing services utilizing market observable inputs. Certain mortgage-backed securities for which the Company does not receive public quotations or for which the Company believes market activity to reflect distressed sales are valued using current market-consistent rates applicable to yield, credit quality and maturity of each security. When available, market observable inputs are used to estimate the fair values of these securities.

Cash, Cash Equivalents, and Short-Term Investments

The fair values of cash and cash equivalents are based on quoted market prices. Short term investments are stated at amortized cost, which approximates fair value.

(1) Fair Value Measurements at Reporting Date

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

STATEMENT AS OF December 31, 2019 OF Entity 95201 - CareSource Ohio

STAT Base Notes to Financials 20 A 1

Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Cash Equivalent (E-2)					
Exempt MM Mutual Fund	103,570,018	0	0	0	103,570,018
Other MM Mutual Fund	48,262,956	0	0	0	48,262,956
Total Cash Equivalent (E-2)	151,832,974	0	0	0	151,832,974
Long Term (D-1)					
Indust. & Misc.	5,000,000	0	0	0	5,000,000
Total Long Term (D-1)	5,000,000	0	0	0	5,000,000
Common Stock (D-2.2)					
Mutual Funds	98,183,621	0	0	0	98,183,621
Total Common Stock (D-2.2)	98,183,621	0	0	0	98,183,621
Separate account assets	---	---	---	---	---
Total assets at fair value	255,016,595	0	0	0	255,016,595
b. Liabilities at fair value					
Derivative liabilities	---	---	---	---	---
Total Liabilities at fair value	---	---	---	---	---

\$0.00 was transferred from level 1 to level 2 and \$0.00 was transferred level 2 to level 1

STATEMENT AS OF December 31, 2018 OF 95201

STAT Base Notes to Financials 20 A 1

Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Cash Equivalent (E-2)					
Exempt MM Mutual Fund		0	0	42,016,767	42,016,767
Other MM Mutual Fund		0	0	9,348,166	9,348,166
Total Cash Equivalent (E-2)		0	0	51,364,933	51,364,933
Long Term (D-1)					
Indust. & Misc.	9,718,750	0	0	0	9,718,750
Total Long Term (D-1)	9,718,750	0	0	0	9,718,750
Common Stock (D-2.2)					
Mutual Funds	44,737,329	0	0	133,522,211	178,259,540
Total Common Stock (D-2.2)	44,737,329	0	0	133,522,211	178,259,540
Separate account assets	---	---	---	---	---
Total assets at fair value	54,456,079	0	0	184,887,144	239,343,223
b. Liabilities at fair value					
Derivative liabilities	---	---	---	---	---
Total Liabilities at fair value	---	---	---	---	---

\$0.00 was transferred from level 1 to level 2 and \$0.00 was transferred level 2 to level 1

The Company did not have any significant assets or liabilities measured at fair value on a nonrecurring basis as of December 31, 2019 or December 31, 2018. There were no transfers between Level 1 and Level 2 securities during the year ended December 31, 2019.

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy – The Company did not have any Level 3 investments as of December 31, 2019 or December 31, 2018.

(3) CareSource recognizes transfers between fair value levels at the end of the reporting period.

(4) CareSource does not have any assets with fair value measurements categorized within Level 2 and Level 3

(5) Derivative Assets/Liabilities – Not applicable

B. Other Fair Value Measurements – Not applicable
C. Aggregate Value for All Financial Instruments

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

12/31/19	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 678,178,194	\$ 666,086,131	\$ 678,178,194		\$ -	\$ -
Common Stock	\$ 98,183,621	\$ 98,183,621	\$ 98,183,621			\$ -
Cash, Cash Equivalents, and Short- Term Investments	\$ 524,534,978	\$ 524,534,978	\$ 524,534,978			\$ -
12/31/18	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)
Bonds	\$ 742,735,134	\$ 760,040,851	\$ 742,735,134		\$ -	\$ -
Common Stock	\$ 178,259,540	\$ 178,259,540	\$ 44,737,329			\$ 133,522,211
Cash, Cash Equivalents, and Short- Term Investments	\$ 233,828,741	\$ 233,828,741	\$ 233,828,741			\$ 233,828,741

- D. Fair Value Not Estimable – Not applicable
E. Instruments using NAV – Not applicable

21. Other Items

- A. Extraordinary items – None
- B. Troubled debt restructuring: Debtors – None
- C. Other Disclosures – None
- D. Business interruption insurance recoveries – None
- E. State transferable tax credits – None
- F. Subprime mortgage related risk – None
- G. Retained assets – None
- H. Insurance-Linked Securities (ILS) Contracts – None
- I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy – None

22. Events subsequent - Subsequent events have been considered through March 1, 2020 for the statutory statements issued on that date.

- A. Type I – Recognized Subsequent Events – None
- B. Type II – Non-recognized Subsequent Events – None

The Company is not subject to the annual fee under section 9010 of the Affordable Care Act. CS is incorporated as a nonprofit in the state of Ohio and receives greater than 80 percent of gross revenues from government programs that target low-income, elderly, or disabled populations.

23. Reinsurance

- A. Ceded Reinsurance Report
 - Section 1 – General Interrogatories
 - 1. No
 - 2. No
 - Section 2 – Ceded Reinsurance Report – Part A
 - 1. No
 - 2. No
 - Section 3 – Ceded Reinsurance Report – Part B
 - 1. \$39,446,020
 - 2. No
- B. Uncollectible Reinsurance – None
- C. Commutation of Ceded Reinsurance – None
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – None

24. Retrospectively rated contracts & contracts subject to redetermination –

- A. CareSource estimates accrued retrospective premium adjustments for its individual health insurance and Medicare Business through a mathematical approach using an algorithm of the company's underwriting rules and experience rating practices.
- B. CareSource records accrued retrospective premiums as an adjustment to earned premiums.
- C. The amounts of net premiums written by CareSource at December 31, 2019 that are subject to retrospective rating features was \$748.7 million that represented 8.7% of the total net premiums written. No other net premiums written by CareSource are subject to retrospective redetermination.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act – None
- E. Risk-Sharing Provisions of the Affordable Care Act (ACA) –
 - (1) Did the entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions? – Yes
 - (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

	<u>AMOUNT</u>
a. Permanent ACA Risk Adjustment Program	
Assets	
1 Premium adjustments receivable due to ACA Risk Adjustment	\$ 25,816,249
Liabilities	
2 Risk adjustment user fees payable for ACA Risk Adjustment	\$ 72,441
3 Premium adjustments payable due to ACA Risk Adjustment	\$ -
Operations (Revenue & Expense)	
4 Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ 31,761,588
5 Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ 90,384
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	\$ 30,727
9 ACA Reinsurance contributions - not reported as ceded	\$ -
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	\$ -
4 Effect of ACA Risk Corridors on change in reserves for rate	\$ -

- (3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for 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 Reported 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)	Ref	(Payable)	
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustment receivable	\$ 16,580,075	\$ -	\$ 1,268,635	\$ -	\$ 15,311,440	\$ -	\$ (15,311,440)	\$ -	A	\$ -	
2. Premium adjustments (payable)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	B	\$ -	
3. Subtotal ACA Permanent Risk Adjustment Program	\$ 16,580,075	\$ -	\$ 1,268,635	\$ -	\$ 15,311,440	\$ -	\$ (15,311,440)	\$ -	\$ -	\$ -	
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	\$ 38,942	\$ -	\$ 69,669	\$ -	\$ -	\$ (30,727)	\$ -	\$ 30,727	\$ -	C	\$ (0)
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	\$ 38,942	\$ -	\$ 69,669	\$ -	\$ -	\$ (30,727)	\$ -	\$ 30,727	\$ -	\$ (0)	\$ -
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	\$ 16,619,017	\$ -	\$ 1,338,304	\$ -	\$ 15,280,713	\$ -	\$ (15,280,713)	\$ -	\$ -	\$ (0)	
Explanation of Adjustments											
A. Current year adjustment to the 2018 Risk Adjustment Receivable and 2018 HCRPC Adjustment											
B.											
C. Current year adjustment to the 2016 Transitional Reinsurance Receivable											
D.											
E.											
F.											
G.											
H.											
I.											
J.											

- (4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year –N/A
(5) ACA Risk Corridors Receivable as of Reporting Date

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

Risk Corridors Program Year	1	2	3	4	5	6
	Estimated Amount to be Filed or Final Amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Amounts received from CMS	Asset Balance (Gross of Non-admissions) (1-2-3)	Non-admitted Amount	Net Admitted Asset (4-5)
a. 2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. 2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c. 2016	\$ 32,086,446	\$ 32,086,446	\$ -	\$ -	\$ -	\$ -
d. Total (a+b+c)	\$ 32,086,446	\$ 32,086,446	\$ -	\$ -	\$ -	\$ -

24E(5)d (Column 4) should equal 24E(3)c1 (Column 9)
25E(5)d (Column 6) should equal 24E(2)c1

* Due to uncertainty related to the collectability of the Risk Corridors receivable for 2016, these amounts have been fully reserved for as of June 30, 2017.

25. Change in Incurred Claims and Claims Adjustment Expenses Related to Prior Years

Reserves as of December 31, 2018 were \$601.3 million. As of December 31, 2019, \$529.6 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are \$39.4 million, therefore, there has been a \$32.3 million unfavorable prior-year development since December 31, 2018 to December 31, 2019. The change 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. Included in this increase, the Company experienced \$17.2 million of favorable prior year claim development on retrospectively rated policies, combined with \$15.1 million of favorable experience in recoveries and health care receivables.

26. Intercompany Pooling Arrangements – None

27. Structured Settlements – Not applicable

28. Health Care Receivables – need schedule below

- A. Pharmacy rebates - As of December 31, 2019 and December 31, 2018, CS recorded a pharmacy rebate receivable of \$75.0 million and \$71.0 million, of which \$3.0 million and \$4.1 million and was non-admitted, respectively. The receivable is estimated using invoiced prescriptions and rebate dollars sent to drug manufacturers for reimbursement. The Company utilizes a third party to administer the program.

	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/Confirmed	Rebates Collected Within 90 Days of Invoicing/	Rebates Collected Within 91 to 180 Days of Invoicing/	Collected More Than 180 Days After Invoicing/Confirmation
Quarter					
12/31/2019	\$ 36,950,630	\$ 1,512,490	\$ 1,512,490	\$ -	\$ -
9/30/2019	\$ 38,621,127	\$ 2,424,660	\$ 2,134,763	\$ -	\$ -
6/30/2019	\$ 37,576,978	\$ 37,576,978	\$ 36,244,105	\$ 357,555	\$ -
3/31/2019	\$ 36,738,933	\$ 36,738,933	\$ 33,664,698	\$ 1,171,894	\$ 108,529
12/31/2018	\$ 33,802,720	\$ 37,549,112	\$ 35,029,431	\$ 1,558,101	\$ 960,401
9/30/2018	\$ 37,001,726	\$ 37,320,006	\$ 27,616,608	\$ 8,512,006	\$ 1,174,338
6/30/2018	\$ 36,400,856	\$ 36,617,033	\$ 33,838,849	\$ 416,528	\$ 2,318,618
3/31/2018	\$ 33,777,828	\$ 33,434,785	\$ 32,657,300	\$ 1,120,182	\$ (361,355)
12/31/2017	\$ 33,984,178	\$ 36,031,141	\$ 32,427,876	\$ 3,588,485	\$ 4,461
9/30/2017	\$ 35,728,468	\$ 35,014,724	\$ 31,718,332	\$ 1,864,991	\$ 1,420,581
6/30/2017	\$ 33,979,673	\$ 35,629,086	\$ 33,375,489	\$ (2,293,132)	\$ 4,538,640
3/31/2017	\$ 33,167,532	\$ 34,324,403	\$ 33,553,704	\$ (6,607)	\$ 628,727

- B. Risk sharing receivables – None

29. Participating Policies – Not applicable

30. Premium Deficiency Reserves – Not deemed necessary

1	Liability carried for premium deficiency reserves	0
2	Date of the most recent evaluation of this liability	12/31/2019
3	Was anticipated investment income utilized in the calculation?	NO

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

31. Anticipated Salvage and Subrogation – Due to the type of business being written, the Company has no salvage. The Company took into account estimated recoveries (in the form of coordination of benefits) in its determination of the liability for unpaid claims/losses and reduced such liability by \$24.4 million.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

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? Yes [] No []
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 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 [] 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 [] 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.
- 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 []
- 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.12/31/2017
- 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.12/31/2017
- 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).09/28/2018
- 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 []
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A []
- 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? Yes [] No []
- 4.12 renewals? Yes [] No []
- 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? Yes [] No []
- 4.22 renewals? Yes [] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- If yes, complete and file the merger history data file with the NAIC.
- 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 Name of Entity	2 NAIC Company Code	3 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 []
- 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 []
- 7.2 If yes,
- 7.21 State the percentage of foreign control0.0 %
- 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, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....	
.....	
.....	

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

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 [] No [X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 221 E. 4th Street, Suite 2900, Cincinnati, Ohio 45202.....
- 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?
Roger Schacht, Ernst & Young LLP, 2323 Victory Avenue, Dallas, Texas 75219.....
- 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 \$.....
- 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 2019 OF THE CareSource

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 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 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 or is likely to 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 \$.....
20.12 To stockholders not officers \$.....
20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 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 \$.....
20.22 To stockholders not officers \$.....
20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 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 \$.....
21.22 Borrowed from others \$.....
21.23 Leased from others \$.....
21.24 Other \$.....
- 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 [] No [X]
- 22.2 If answer is yes: 22.21 Amount paid as losses or risk adjustment \$.....
22.22 Amount paid as expenses \$.....
22.23 Other amounts paid \$.....
- 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: \$.....

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 [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....
- 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 [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] NA [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 [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of 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 |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

GENERAL INTERROGATORIES

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 [] No []

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements	\$.....
25.22 Subject to reverse repurchase agreements	\$.....
25.23 Subject to dollar repurchase agreements	\$.....
25.24 Subject to reverse dollar repurchase agreements	\$.....
25.25 Placed under option agreements	\$.....
25.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock	\$.....
25.27 FHLB Capital Stock	\$.....
25.28 On deposit with states	\$..... 3,500,000
25.29 On deposit with other regulatory bodies	\$.....
25.30 Pledged as collateral – excluding collateral pledged to an FHLB	\$.....
25.31 Pledged as collateral to FHLB – including assets backing funding agreements	\$.....
25.32 Other	\$.....

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

Yes [] No []

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes [] No [] N/A []

LINES 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity?

Yes [] No []

26.4 If the response to 26.3 is YES, does the reporting entity utilize:

26.41 Special accounting provision of SSAP No. 108	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>]
26.42 Permitted accounting practice	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>]
26.43 Other accounting guidance	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>]

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:

Yes [] No []

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

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 []

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

\$.....

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 [] No []

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

1 Name of Custodian(s)	2 Custodian's Address
Fifth Third Bank.....	38 Fountain Square, Cincinnati, Ohio 45263.....
Huntington Bank.....	41 S. High Street, Columbus, Ohio 43215.....
Wells Fargo Bank.....	IRT - IOWA 666 WALNUT ST MAC N8200-036 DES MOINES, IA 50309.....
Federal Home Loan Bank of Cincinnati.....	221 East Fourth Street 600 Atrium Two Cincinnati, OH 45202.....
.....
.....

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 Name(s)	2 Location(s)	3 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 []

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

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 Name of Firm or Individual	2 Affiliation
CareSource Internally Managed.....
.....
.....

- 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 invested assets?

Yes [] No [X]

- 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 invested 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 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
.....
.....
.....

- 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 [X] No []

- 29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2001 92206C-72-2.....	VANGUARD RUS 1000 ID INS.....	10,450,036
29.2002 46138E-35-4.....	INVESCO S&P500 LOWVL.....	9,848,142
29.2003 779556-40-6.....	T. ROWE PRICE MC GR I.....	6,098,916
29.2004 091936-29-4.....	BLACKROCK:IS RUS MC INST.....	6,033,956
29.2005 46138E-19-8.....	INVESCO S&P MIDCP LV.....	5,726,030
29.2006 09253F-40-8.....	BLACKROCK:IS EAFE INST.....	4,525,530
29.2007 46429B-68-9.....	iSHARES:EDGE MSCI MVEAFE.....	4,228,132
29.2008 92206C-65-6.....	VANGUARD RUS 2000 ID INS.....	3,991,854
29.2009 46138G-10-2.....	INVESCO S&P SMCP LV.....	3,879,956
29.2010 64122Q-30-9.....	NEUBERGER MT-CP OPP INST.....	3,475,657
29.2011 015566-76-3.....	ALGER II:SPECTRA Z.....	3,454,743
29.2012 52469H-25-5.....	CB LARGE CAP GR IS.....	3,429,366
29.2013 316071-10-9.....	FIDELITY CONTRAFUND.....	3,414,044
29.2014 24610C-85-7.....	DELWARE VALUE INST.....	3,389,408
29.2015 416648-85-5.....	HARTFD:EQUITY INC Y.....	3,370,628
29.2016 47803W-40-6.....	J HANCOCK III:DVMC I.....	3,048,426
29.2017 339128-10-0.....	JPMORGAN:MDCP VAL L.....	2,925,510
29.2018 00900W-62-1.....	INVSC OPPEN INTL GRO R6.....	2,381,829
29.2019 413838-72-3.....	OAKMARK INTERNATL INST.....	2,377,427
29.2020 55273E-82-2.....	MFS INTL INTR VAL I.....	2,252,160
29.2021 779556-20-6.....	T. ROWE PRICE NEW HZNS I.....	2,006,355
29.2022 115233-77-7.....	BROWN ADV SC FV INST.....	1,987,636
29.2023 353533-88-8.....	FRANKLIN INTL SC ADV.....	1,984,391
29.2024 63868B-65-8.....	NATIONWIDE:GENEA SCG IS.....	1,959,214
29.2025 316389-77-4.....	FIDELITY ADV SC VAL I.....	1,944,277
29.2999 TOTAL		98,183,621

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
VANGUARD RUS 1000 ID INS.....	Vanguard Scottsdale Funds - Vanguard Russell 1000.....	10,450,036	12/31/2019.....
INVESCO S&P500 LOWVL.....	Invesco Exchange-Traded Fund Trust II - Invesco S&.....	9,848,142	12/31/2019.....
T. ROWE PRICE MC GR I.....	T. Rowe Price Mid-Cap Growth Fund, Inc.....	6,098,916	12/31/2019.....
BLACKROCK:IS RUS MC INST.....	BlackRock Funds-iShares Russell Mid-Cap Index Fund.....	6,033,956	12/31/2019.....
INVESCO S&P MIDCP LV.....	Invesco Exchange-Traded Fund Trust II - Invesco S&.....	5,726,030	12/31/2019.....

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GENERAL INTERROGATORIES

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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	666,086,131	678,178,194	12,092,063
30.2 Preferred Stocks.....	0	0	0
30.3 Totals	666,086,131	678,178,194	12,092,063

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

The pricing is provided by each of our custodians, which is then published in Clearwater Analytics.....

Yes [X] No []

- 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 [X] No []

- 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?

- 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 2019 OF THE CareSource

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 [X]

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 an 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 [X]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
- a. The shares were purchased prior to January 1, 2019.
 - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 - c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
 - d. The fund only or predominantly holds bonds in its portfolio.
 - e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
 - f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?

Yes [] No [X]

OTHER

- 36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 0
- 36.2 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 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

- 37.1 Amount of payments for legal expenses, if any? \$ 3,238,649
- 37.2 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 Name	2 Amount Paid
MINTZ LEVIN COHN FERRIS GLOVSK.....	\$..... 1,002,398

- 38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any? \$ 438,131
- 38.2 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 Name	2 Amount Paid
FROGUECLARK LLC.....	\$..... 266,755

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

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? \$
 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 \$
 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 Prior Year
2.1 Premium Numerator	\$ 8,550,214,436	\$ 8,189,745,127
2.2 Premium Denominator	\$ 8,550,214,436	\$ 8,189,745,127
2.3 Premium Ratio (2.1/2.2)	..... 1.000	..... 1.000
2.4 Reserve Numerator	\$ 770,904,153	\$ 688,378,703
2.5 Reserve Denominator	\$ 770,904,153	\$ 688,378,703
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 []
 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 \$ 750,000
 5.32 Medical Only \$
 5.33 Medicare Supplement \$
 5.34 Dental and Vision \$
 5.35 Other Limited Benefit Plan \$
 5.36 Other \$

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:

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	..... 43,825
8.2 Number of providers at end of reporting year	..... 45,737

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	.....
9.22 Business with rate guarantees over 36 months	.....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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

10.2 If yes:

10.21 Maximum amount payable bonuses	\$.....
10.22 Amount actually paid for year bonuses	\$.....
10.23 Maximum amount payable withholds	\$.....
10.24 Amount actually paid for year withholds	\$.....

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 [] No [X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

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

11.4 If yes, show the amount required.

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

11.6 If the amount is calculated, show the calculation

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

1	Name of Service Area
Adams.....	
Ashland.....	
Ashtabula.....	
Belmont.....	
Brown.....	
Butler.....	
Clark.....	
Clermont.....	
Clinton.....	
Columbiana.....	
Cuyahoga.....	
Defiance.....	
Delaware.....	
Fairfield.....	
Fayette.....	
Franklin.....	
Fulton.....	
Gallia.....	
Geauga.....	
Greene.....	
Guernsey.....	
Hamilton.....	
Henry.....	
Highland.....	
Jackson.....	
Jefferson.....	
Lake.....	
Lawrence.....	
Licking.....	
Lorain.....	
Lucas.....	
Madison.....	
Mahoning.....	
Medina.....	
Meigs.....	
Miami.....	
Monroe.....	
Montgomery.....	
Morgan.....	
Morrow.....	
Muskingum.....	
Noble.....	
Paulding.....	
Perry.....	
Pickaway.....	
Pike.....	
Portage.....	
Preble.....	
Ross.....	
Sandusky.....	
Scioto.....	
Stark.....	
Summit.....	
Trumbull.....	
Union.....	
Vinton.....	
Warren.....	
Washington.....	

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1

Name of Service Area

Wayne.....

Wood.....

- 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. \$.....

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

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

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

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

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 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 | \$..... |
| 15.2 Total Incurred Claims | \$..... |
| 15.3 Number of Covered Lives | ..... |

*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 guarantee)
Universal Life (with or without secondary guarantee)
Variable Universal Life (with or without secondary guarantee)

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]

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

FIVE - YEAR HISTORICAL DATA

	1 2019	2 2018	3 2017	4 2016	5 2015
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	1,898,022,537	1,655,820,310	1,720,978,894	1,608,697,438	1,762,012,722
2. Total liabilities (Page 3, Line 24)	1,056,016,667	902,780,256	917,020,529	867,761,517	832,809,688
3. Statutory minimum capital and surplus requirement	523,056,910	493,658,858	471,163,863	249,200,182	228,138,042
4. Total capital and surplus (Page 3, Line 33)	842,005,868	753,040,054	803,958,368	740,935,921	929,203,036
Income Statement (Page 4)					
5. Total revenues (Line 8)	8,701,345,692	8,334,799,119	7,784,392,496	7,030,711,698	6,723,911,384
6. Total medical and hospital expenses (Line 18)	7,502,716,004	7,277,972,053	6,722,514,496	6,237,049,576	5,681,538,396
7. Claims adjustment expenses (Line 20)	164,860,380	146,951,174	173,841,756	135,863,383	105,978,482
8. Total administrative expenses (Line 21)	1,026,077,216	887,482,376	886,270,888	870,020,180	767,831,741
9. Net underwriting gain (loss) (Line 24)	7,692,092	22,393,516	1,765,356	(212,221,441)	168,562,765
10. Net investment gain (loss) (Line 27)	47,966,079	53,724,761	26,384,415	25,349,783	23,763,123
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income or (loss) (Line 32)	55,658,170	76,118,278	28,149,771	(186,157,572)	191,611,801
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	89,665,360	(198,985,650)	128,099,564	(208,489,956)	(7,665,680)
Risk-Based Capital Analysis					
14. Total adjusted capital	842,005,868	753,040,054	803,958,368	740,935,921	929,203,036
15. Authorized control level risk-based capital	279,658,241	272,930,251	246,406,737	229,352,540	228,177,115
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	1,261,151	1,321,793	1,365,905	1,378,453	1,306,521
17. Total members months (Column 6, Line 7)	15,476,380	16,431,778	16,809,324	16,371,227	15,557,976
Operating Percentage (Page 4)					
(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)	87.7	88.8	86.8	89.2	84.8
20. Cost containment expenses	1.7	1.5	1.9	1.7	1.4
21. Other claims adjustment expenses	0.2	0.3	0.3	0.3	0.2
22. Total underwriting deductions (Line 23)	101.6	101.5	100.5	103.6	97.8
23. Total underwriting gain (loss) (Line 24)	0.1	0.3	0.0	(3.0)	2.5
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	569,006,984	639,762,818	442,715,371	504,712,148	750,823,434
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	601,331,787	575,341,822	441,752,872	510,165,884	795,644,632
Investments In Parent, Subsidiaries and Affiliates					
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 Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate					
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					

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CareSource

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status (a)	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama	AL	N						0	0
2. Alaska	AK	N						0	0
3. Arizona	AZ	N						0	0
4. Arkansas	AR	N						0	0
5. California	CA	N						0	0
6. Colorado	CO	N						0	0
7. Connecticut	CT	N						0	0
8. Delaware	DE	N						0	0
9. District of Columbia	DC	N						0	0
10. Florida	FL	N						0	0
11. Georgia	GA	N						0	0
12. Hawaii	HI	N						0	0
13. Idaho	ID	N						0	0
14. Illinois	IL	N						0	0
15. Indiana	IN	N						0	0
16. Iowa	IA	N						0	0
17. Kansas	KS	N						0	0
18. Kentucky	KY	N						0	0
19. Louisiana	LA	N						0	0
20. Maine	ME	N						0	0
21. Maryland	MD	N						0	0
22. Massachusetts	MA	N						0	0
23. Michigan	MI	N						0	0
24. Minnesota	MN	N						0	0
25. Mississippi	MS	N						0	0
26. Missouri	MO	N						0	0
27. Montana	MT	N						0	0
28. Nebraska	NE	N						0	0
29. Nevada	NV	N						0	0
30. New Hampshire	NH	N						0	0
31. New Jersey	NJ	N						0	0
32. New Mexico	NM	N						0	0
33. New York	NY	N						0	0
34. North Carolina	NC	N						0	0
35. North Dakota	ND	N						0	0
36. Ohio	OH	L	341,451,862	407,274,270	7,840,934,323			8,589,660,456	0
37. Oklahoma	OK	N						0	0
38. Oregon	OR	N						0	0
39. Pennsylvania	PA	N						0	0
40. Rhode Island	RI	N						0	0
41. South Carolina	SC	N						0	0
42. South Dakota	SD	N						0	0
43. Tennessee	TN	N						0	0
44. Texas	TX	N						0	0
45. Utah	UT	N						0	0
46. Vermont	VT	N						0	0
47. Virginia	VA	N						0	0
48. Washington	WA	N						0	0
49. West Virginia	WV	N						0	0
50. Wisconsin	WI	N						0	0
51. Wyoming	WY	N						0	0
52. American Samoa	AS	N						0	0
53. Guam	GU	N						0	0
54. Puerto Rico	PR	N						0	0
55. U.S. Virgin Islands	VI	N						0	0
56. Northern Mariana Islands	MP	N						0	0
57. Canada	CAN	N						0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59. Subtotal		XXX	341,451,862	407,274,270	7,840,934,323	0	0	8,589,660,456	0
60. Reporting entity contributions for Employee Benefit Plans		XXX						0	0
61. Total (Direct Business)		XXX	341,451,862	407,274,270	7,840,934,323	0	0	8,589,660,456	0
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
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)		XXX	0	0	0	0	0	0	0

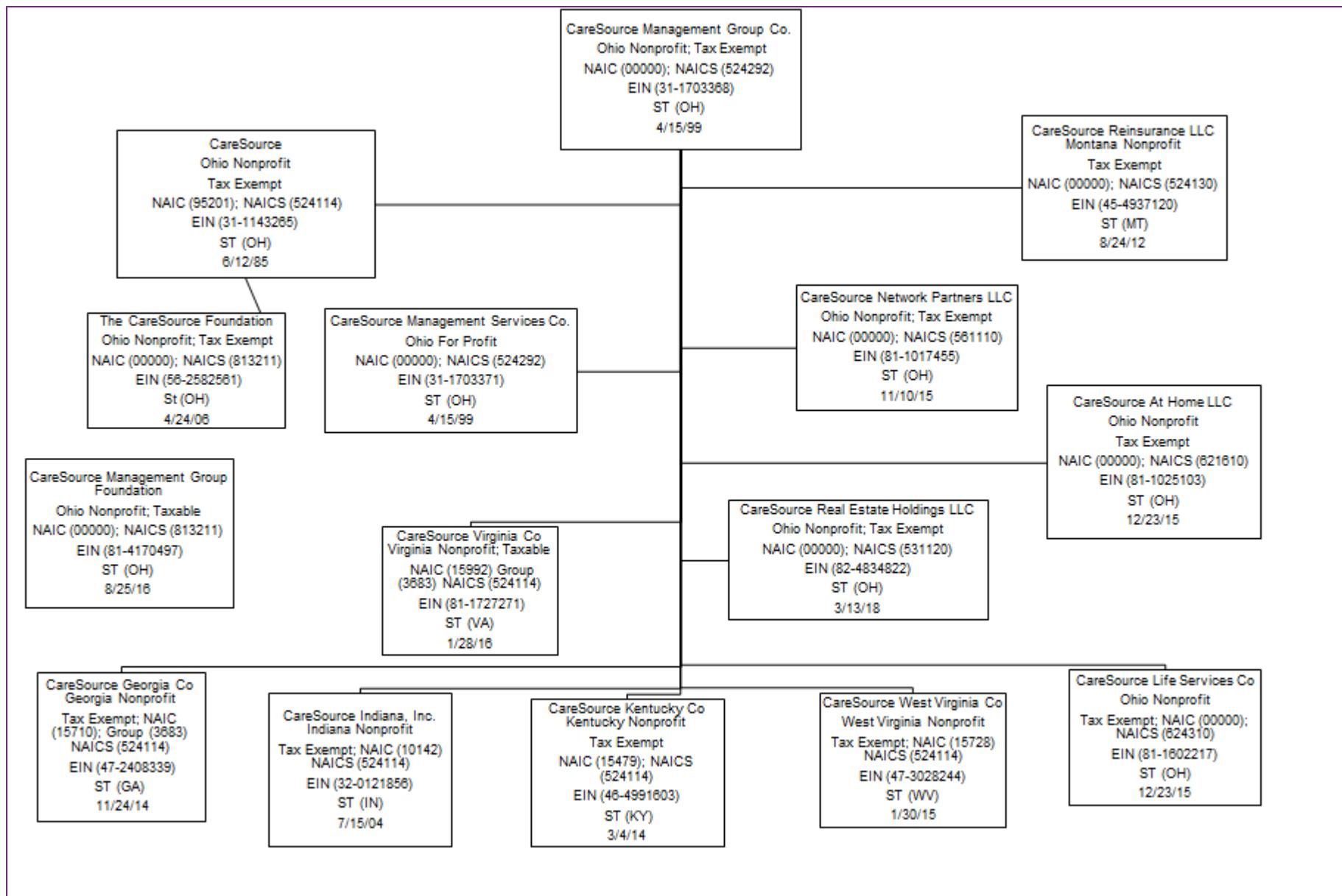
(a) Active Status Counts

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 lines in the state 56

(b) **Explanation of basis of allocation of premiums by states, etc.**

N/A - All premiums generated in the state of Ohio.

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