



ANNUAL STATEMENT  
For the Year Ending DECEMBER 31, 2020  
OF THE CONDITION AND AFFAIRS OF THE  
Paramount Advantage

|                                       |                                                                         |                        |                                                                                                          |            |                                                                                          |            |
|---------------------------------------|-------------------------------------------------------------------------|------------------------|----------------------------------------------------------------------------------------------------------|------------|------------------------------------------------------------------------------------------|------------|
| NAIC Group Code                       | 1212<br>(Current Period)                                                | 1212<br>(Prior Period) | NAIC Company Code                                                                                        | 12353      | Employer's ID Number                                                                     | 20-3376102 |
| Organized under the Laws of           | Ohio                                                                    |                        | State of Domicile or Port of Entry                                                                       | OH         |                                                                                          |            |
| Country of Domicile                   | United States of America                                                |                        |                                                                                                          |            |                                                                                          |            |
| Licensed as business type:            | Life, Accident & Health[ ]<br>Dental Service Corporation[ ]<br>Other[ ] |                        | Property/Casualty[ ]<br>Vision Service Corporation[ ]<br>Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ] |            | Hospital, Medical & Dental Service or Indemnity[ ]<br>Health Maintenance Organization[X] |            |
| Incorporated/Organized                | 08/10/2005                                                              |                        | Commenced Business                                                                                       | 12/01/2005 |                                                                                          |            |
| Statutory Home Office                 | 1901 Indian Wood Circle<br>(Street and Number)                          |                        | Maumee, OH, US 43537<br>(City or Town, State, Country and Zip Code)                                      |            |                                                                                          |            |
| Main Administrative Office            |                                                                         |                        | 1901 Indian Wood Circle<br>(Street and Number)                                                           |            |                                                                                          |            |
|                                       | Maumee, OH, US 43537<br>(City or Town, State, Country and Zip Code)     |                        | (419)887-2500<br>(Area Code) (Telephone Number)                                                          |            |                                                                                          |            |
| Mail Address                          | P.O. Box 928<br>(Street and Number or P.O. Box)                         |                        | Toledo, OH, US 43697-0928<br>(City or Town, State, Country and Zip Code)                                 |            |                                                                                          |            |
| Primary Location of Books and Records |                                                                         |                        | 1901 Indian Wood Circle<br>(Street and Number)                                                           |            |                                                                                          |            |
|                                       | Maumee, OH, US 43537<br>(City or Town, State, Country and Zip Code)     |                        | (419)887-2500<br>(Area Code) (Telephone Number)                                                          |            |                                                                                          |            |
| Internet Website Address              | www.paramounthealthcare.com                                             |                        |                                                                                                          |            |                                                                                          |            |
| Statutory Statement Contact           | Rich Potter, Mr.<br>(Name)                                              |                        | (419)887-2006<br>(Area Code)(Telephone Number)(Extension)                                                |            |                                                                                          |            |
|                                       | rich.potter@promedica.org<br>(E-Mail Address)                           |                        | (419)887-2020<br>(Fax Number)                                                                            |            |                                                                                          |            |

OFFICERS

| Name                           | Title     |
|--------------------------------|-----------|
| Lori Ann Johnston Mrs.         | President |
| Jeffrey Craig Kuhn Mr.         | Secretary |
| Steven Michael Cavanaugh Mr.   | Treasurer |
| James Frederick White, Jr. Mr. | Chairman  |

OTHERS

|                                                                                                                                                                                                                                             |                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Jeffrey William Martin Mr., Chief Financial Officer<br>Jered Joseph Wilson Mr., Chief Operating Officer<br>Terry Lynn Bawel Ms., President Health Resources Services, Inc.<br>Alan Michael Sattler Mr., Vice President Business Development | Dee Ann Bialecki-Haase M.D., Chief Medical Officer<br>David Roger Brackett Mr., Chief Information Officer<br>Tod L Phillips Mr., Vice President Paramount Preferred Options |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

DIRECTORS OR TRUSTEES

|                                                                                                                                                                                                     |                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lori Ann Johnston Mrs.<br>Traci Nicole Watkins M.D.<br>Lynn Azar Isaac Mr.<br>Joseph Alphonse Assenmacher M.D.<br>Tammy Lou Claus Ms.<br>Patrice Akilah McClellan PhD.<br>Larry Carl Peterson Mr. # | Andrea Marie Gibbons Ms.<br>John Paul Imm M.D.<br>Douglas J Welch Mr.<br>Elaine Marie Canning Ms.<br>Stephanie Michelle Cole M.D.<br>Zak Jon Vassar Mr.<br>David Frantz Waterman Mr. # |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

State of Ohio  
County of Lucas ss

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.

|                                                                                  |                                                                                                     |                                                                                   |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| (Signature)<br>Lori Ann Johnston<br>(Printed Name)<br>1.<br>President<br>(Title) | (Signature)<br>Jeffrey William Martin<br>(Printed Name)<br>2.<br>Chief Financial Officer<br>(Title) | (Signature)<br>Jeffrey Craig Kuhn<br>(Printed Name)<br>3.<br>Secretary<br>(Title) |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|

|                                                         |                                                                                                                           |                          |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Subscribed and sworn to before me this<br>day of , 2021 | a. Is this an original filing?<br>b. If no: 1. State the amendment number<br>2. Date filed<br>3. Number of pages attached | Yes[X] No[ ]<br><br><br> |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------|

(Notary Public Signature)

ASSETS

|                      |                                                                                                                                                                      | Current Year |                    |                                | Prior Year          |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------|--------------------------------|---------------------|
|                      |                                                                                                                                                                      | 1            | 2                  | 3                              | 4                   |
|                      |                                                                                                                                                                      | Assets       | Nonadmitted Assets | Net Admitted Assets (Cols.1-2) | Net Admitted Assets |
| 1.                   | Bonds (Schedule D) .....                                                                                                                                             | 207,220,349  |                    | 207,220,349                    | 181,932,739         |
| 2.                   | Stocks (Schedule D):                                                                                                                                                 |              |                    |                                |                     |
| 2.1                  | Preferred stocks .....                                                                                                                                               |              |                    |                                |                     |
| 2.2                  | Common Stocks .....                                                                                                                                                  | 11,534,610   |                    | 11,534,610                     | 19,798,228          |
| 3.                   | Mortgage loans on real estate (Schedule B):                                                                                                                          |              |                    |                                |                     |
| 3.1                  | First liens .....                                                                                                                                                    |              |                    |                                |                     |
| 3.2                  | Other than first liens .....                                                                                                                                         |              |                    |                                |                     |
| 4.                   | Real estate (Schedule A):                                                                                                                                            |              |                    |                                |                     |
| 4.1                  | Properties occupied by the company (less \$.....0 encumbrances) .....                                                                                                |              |                    |                                |                     |
| 4.2                  | Properties held for the production of income (less \$.....0 encumbrances) .....                                                                                      |              |                    |                                |                     |
| 4.3                  | Properties held for sale (less \$.....0 encumbrances) .....                                                                                                          |              |                    |                                |                     |
| 5.                   | Cash (\$.....180,950,084, Schedule E Part 1), cash equivalents (\$.....15,447,425, Schedule E Part 2) and short-term investments (\$.....229,314, Schedule DA) ..... | 196,626,822  |                    | 196,626,822                    | 57,656,310          |
| 6.                   | Contract loans (including \$.....0 premium notes) .....                                                                                                              |              |                    |                                |                     |
| 7.                   | Derivatives (Schedule DB) .....                                                                                                                                      |              |                    |                                |                     |
| 8.                   | Other invested assets (Schedule BA) .....                                                                                                                            |              |                    |                                |                     |
| 9.                   | Receivables for securities .....                                                                                                                                     | 19,471       |                    | 19,471                         | 11,621              |
| 10.                  | Securities Lending Reinvested Collateral Assets (Schedule DL) .....                                                                                                  |              |                    |                                |                     |
| 11.                  | Aggregate write-ins for invested assets .....                                                                                                                        |              |                    |                                |                     |
| 12.                  | Subtotals, cash and invested assets (Lines 1 to 11) .....                                                                                                            | 415,401,252  |                    | 415,401,252                    | 259,398,898         |
| 13.                  | Title plants less \$.....0 charged off (for Title insurers only) .....                                                                                               |              |                    |                                |                     |
| 14.                  | Investment income due and accrued .....                                                                                                                              | 895,003      |                    | 895,003                        | 1,015,587           |
| 15.                  | Premiums and considerations:                                                                                                                                         |              |                    |                                |                     |
| 15.1                 | Uncollected premiums and agents' balances in the course of collection .....                                                                                          | 11,948,353   |                    | 11,948,353                     | 17,658,721          |
| 15.2                 | Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....                     |              |                    |                                |                     |
| 15.3                 | Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0) .....                                                                  |              |                    |                                |                     |
| 16.                  | Reinsurance:                                                                                                                                                         |              |                    |                                |                     |
| 16.1                 | Amounts recoverable from reinsurers .....                                                                                                                            |              |                    |                                | 247,368             |
| 16.2                 | Funds held by or deposited with reinsured companies .....                                                                                                            |              |                    |                                |                     |
| 16.3                 | Other amounts receivable under reinsurance contracts .....                                                                                                           |              |                    |                                |                     |
| 17.                  | Amounts receivable relating to uninsured plans .....                                                                                                                 |              |                    |                                |                     |
| 18.1                 | Current federal and foreign income tax recoverable and interest thereon .....                                                                                        |              |                    |                                |                     |
| 18.2                 | Net deferred tax asset .....                                                                                                                                         |              |                    |                                |                     |
| 19.                  | Guaranty funds receivable or on deposit .....                                                                                                                        |              |                    |                                |                     |
| 20.                  | Electronic data processing equipment and software .....                                                                                                              |              |                    |                                |                     |
| 21.                  | Furniture and equipment, including health care delivery assets (\$.....0) .....                                                                                      |              |                    |                                |                     |
| 22.                  | Net adjustment in assets and liabilities due to foreign exchange rates .....                                                                                         |              |                    |                                |                     |
| 23.                  | Receivables from parent, subsidiaries and affiliates .....                                                                                                           | 13,312       |                    | 13,312                         | 500,146             |
| 24.                  | Health care (\$.....3,264,069) and other amounts receivable .....                                                                                                    | 5,564,069    | 2,300,000          | 3,264,069                      | 15,087,186          |
| 25.                  | Aggregate write-ins for other than invested assets .....                                                                                                             | 40,583,229   | 14,500             | 40,568,729                     | 28,565,990          |
| 26.                  | TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....                                                     | 474,405,218  | 2,314,500          | 472,090,718                    | 322,473,896         |
| 27.                  | From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                                                                                        |              |                    |                                |                     |
| 28.                  | TOTAL (Lines 26 and 27) .....                                                                                                                                        | 474,405,218  | 2,314,500          | 472,090,718                    | 322,473,896         |
| DETAILS OF WRITE-INS |                                                                                                                                                                      |              |                    |                                |                     |
| 1101.                | .....                                                                                                                                                                |              |                    |                                |                     |
| 1102.                | .....                                                                                                                                                                |              |                    |                                |                     |
| 1103.                | .....                                                                                                                                                                |              |                    |                                |                     |
| 1198.                | Summary of remaining write-ins for Line 11 from overflow page .....                                                                                                  |              |                    |                                |                     |
| 1199.                | TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....                                                                                                     |              |                    |                                |                     |
| 2501.                | Prepaid and other .....                                                                                                                                              | 14,500       | 14,500             |                                |                     |
| 2502.                | ODM receivable .....                                                                                                                                                 | 40,568,729   |                    | 40,568,729                     | 28,565,990          |
| 2503.                | .....                                                                                                                                                                |              |                    |                                |                     |
| 2598.                | Summary of remaining write-ins for Line 25 from overflow page .....                                                                                                  |              |                    |                                |                     |
| 2599.                | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....                                                                                                     | 40,583,229   | 14,500             | 40,568,729                     | 28,565,990          |

LIABILITIES, CAPITAL AND SURPLUS

|                      |                                                                                                                                                          | Current Year |                |             | Prior Year  |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------|-------------|-------------|
|                      |                                                                                                                                                          | 1<br>Covered | 2<br>Uncovered | 3<br>Total  | 4<br>Total  |
| 1.                   | Claims unpaid (less \$.....0 reinsurance ceded) .....                                                                                                    | 149,247,360  |                | 149,247,360 | 127,827,596 |
| 2.                   | Accrued medical incentive pool and bonus amounts .....                                                                                                   | 4,653,685    |                | 4,653,685   | 6,414,862   |
| 3.                   | Unpaid claims adjustment expenses .....                                                                                                                  | 2,997,000    |                | 2,997,000   | 2,507,000   |
| 4.                   | Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio<br>rebate per the Public Health Service Act .....           | 74,606,242   |                | 74,606,242  |             |
| 5.                   | Aggregate life policy reserves .....                                                                                                                     |              |                |             |             |
| 6.                   | Property/casualty unearned premium reserves .....                                                                                                        |              |                |             |             |
| 7.                   | Aggregate health claim reserves .....                                                                                                                    |              |                |             |             |
| 8.                   | Premiums received in advance .....                                                                                                                       |              |                |             |             |
| 9.                   | General expenses due or accrued .....                                                                                                                    | 27,267,470   |                | 27,267,470  | 29,568,478  |
| 10.1                 | Current federal and foreign income tax payable and interest thereon (including \$.....0<br>on realized capital gains (losses)) .....                     |              |                |             |             |
| 10.2                 | Net deferred tax liability .....                                                                                                                         |              |                |             |             |
| 11.                  | Ceded reinsurance premiums payable .....                                                                                                                 |              |                |             |             |
| 12.                  | Amounts withheld or retained for the account of others .....                                                                                             | 5,940,423    |                | 5,940,423   | 3,280,722   |
| 13.                  | Remittances and items not allocated .....                                                                                                                |              |                |             |             |
| 14.                  | Borrowed money (including \$.....0 current) and interest thereon \$.....0<br>(including \$.....0 current) .....                                          |              |                |             |             |
| 15.                  | Amounts due to parent, subsidiaries and affiliates .....                                                                                                 | 1,970,473    |                | 1,970,473   | 9,101,345   |
| 16.                  | Derivatives .....                                                                                                                                        |              |                |             |             |
| 17.                  | Payable for securities .....                                                                                                                             | 13,440,246   |                | 13,440,246  | 1,263,187   |
| 18.                  | Payable for securities lending .....                                                                                                                     |              |                |             |             |
| 19.                  | Funds held under reinsurance treaties (with \$.....0 authorized reinsurers,<br>\$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) ..... |              |                |             |             |
| 20.                  | Reinsurance in unauthorized and certified (\$.....0) companies .....                                                                                     |              |                |             |             |
| 21.                  | Net adjustments in assets and liabilities due to foreign exchange rates .....                                                                            |              |                |             |             |
| 22.                  | Liability for amounts held under uninsured plans .....                                                                                                   |              |                |             |             |
| 23.                  | Aggregate write-ins for other liabilities (including \$.....0 current) .....                                                                             |              |                |             |             |
| 24.                  | TOTAL Liabilities (Lines 1 to 23) .....                                                                                                                  | 280,122,899  |                | 280,122,899 | 179,963,190 |
| 25.                  | Aggregate write-ins for special surplus funds .....                                                                                                      | X X X        | X X X          |             |             |
| 26.                  | Common capital stock .....                                                                                                                               | X X X        | X X X          |             |             |
| 27.                  | Preferred capital stock .....                                                                                                                            | X X X        | X X X          |             |             |
| 28.                  | Gross paid in and contributed surplus .....                                                                                                              | X X X        | X X X          | 131,621,685 | 131,621,685 |
| 29.                  | Surplus notes .....                                                                                                                                      | X X X        | X X X          |             |             |
| 30.                  | Aggregate write-ins for other than special surplus funds .....                                                                                           | X X X        | X X X          |             |             |
| 31.                  | Unassigned funds (surplus) .....                                                                                                                         | X X X        | X X X          | 60,346,134  | 10,889,021  |
| 32.                  | Less treasury stock, at cost:                                                                                                                            |              |                |             |             |
| 32.1                 | .....0 shares common (value included in Line 26 \$.....0) .....                                                                                          | X X X        | X X X          |             |             |
| 32.2                 | .....0 shares preferred (value included in Line 27 \$.....0) .....                                                                                       | X X X        | X X X          |             |             |
| 33.                  | TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....                                                                                           | X X X        | X X X          | 191,967,819 | 142,510,706 |
| 34.                  | TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....                                                                                           | X X X        | X X X          | 472,090,718 | 322,473,896 |
| DETAILS OF WRITE-INS |                                                                                                                                                          |              |                |             |             |
| 2301.                | .....                                                                                                                                                    |              |                |             |             |
| 2302.                | .....                                                                                                                                                    |              |                |             |             |
| 2303.                | .....                                                                                                                                                    |              |                |             |             |
| 2398.                | Summary of remaining write-ins for Line 23 from overflow page .....                                                                                      |              |                |             |             |
| 2399.                | TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....                                                                                         |              |                |             |             |
| 2501.                | .....                                                                                                                                                    | X X X        | X X X          |             |             |
| 2502.                | .....                                                                                                                                                    | X X X        | X X X          |             |             |
| 2503.                | .....                                                                                                                                                    | X X X        | X X X          |             |             |
| 2598.                | Summary of remaining write-ins for Line 25 from overflow page .....                                                                                      | X X X        | X X X          |             |             |
| 2599.                | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....                                                                                         | X X X        | X X X          |             |             |
| 3001.                | .....                                                                                                                                                    | X X X        | X X X          |             |             |
| 3002.                | .....                                                                                                                                                    | X X X        | X X X          |             |             |
| 3003.                | .....                                                                                                                                                    | X X X        | X X X          |             |             |
| 3098.                | Summary of remaining write-ins for Line 30 from overflow page .....                                                                                      | X X X        | X X X          |             |             |
| 3099.                | TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....                                                                                         | X X X        | X X X          |             |             |

STATEMENT OF REVENUE AND EXPENSES

|                       |                                                                                                                                   | Current Year   |               | Prior Year    |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|---------------|
|                       |                                                                                                                                   | 1<br>Uncovered | 2<br>Total    | 3<br>Total    |
| 1.                    | Member Months .....                                                                                                               | X X X .....    | 2,650,676     | 2,820,173     |
| 2.                    | Net premium income (including \$.....0 non-health premium income) .....                                                           | X X X .....    | 1,534,627,805 | 1,493,079,936 |
| 3.                    | Change in unearned premium reserves and reserve for rate credits .....                                                            | X X X .....    |               |               |
| 4.                    | Fee-for-service (net of \$.....0 medical expenses) .....                                                                          | X X X .....    |               |               |
| 5.                    | Risk revenue .....                                                                                                                | X X X .....    |               |               |
| 6.                    | Aggregate write-ins for other health care related revenues .....                                                                  | X X X .....    |               |               |
| 7.                    | Aggregate write-ins for other non-health revenues .....                                                                           | X X X .....    |               |               |
| 8.                    | TOTAL Revenues (Lines 2 to 7) .....                                                                                               | X X X .....    | 1,534,627,805 | 1,493,079,936 |
| Hospital and Medical: |                                                                                                                                   |                |               |               |
| 9.                    | Hospital/medical benefits .....                                                                                                   |                | 915,688,172   | 999,787,218   |
| 10.                   | Other professional services .....                                                                                                 |                | 4,787,013     | 5,772,048     |
| 11.                   | Outside referrals .....                                                                                                           |                |               |               |
| 12.                   | Emergency room and out-of-area .....                                                                                              |                | 69,608,200    | 72,752,278    |
| 13.                   | Prescription drugs .....                                                                                                          |                | 293,323,263   | 285,994,414   |
| 14.                   | Aggregate write-ins for other hospital and medical .....                                                                          |                |               |               |
| 15.                   | Incentive pool, withhold adjustments and bonus amounts .....                                                                      |                | 2,719,347     | 5,380,247     |
| 16.                   | Subtotal (Lines 9 to 15) .....                                                                                                    |                | 1,286,125,995 | 1,369,686,205 |
| Less:                 |                                                                                                                                   |                |               |               |
| 17.                   | Net reinsurance recoveries .....                                                                                                  |                | 1,312,218     | 3,004,115     |
| 18.                   | TOTAL Hospital and Medical (Lines 16 minus 17) .....                                                                              |                | 1,284,813,777 | 1,366,682,090 |
| 19.                   | Non-health claims (net) .....                                                                                                     |                |               |               |
| 20.                   | Claims adjustment expenses, including \$.....18,081,523 cost containment expenses .....                                           |                | 20,762,968    | 21,454,040    |
| 21.                   | General administrative expenses .....                                                                                             |                | 184,341,456   | 184,808,715   |
| 22.                   | Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....     |                |               |               |
| 23.                   | TOTAL Underwriting Deductions (Lines 18 through 22) .....                                                                         |                | 1,489,918,201 | 1,572,944,845 |
| 24.                   | Net underwriting gain or (loss) (Lines 8 minus 23) .....                                                                          | X X X .....    | 44,709,604    | (79,864,909)  |
| 25.                   | Net investment income earned (Exhibit of Net Investment Income, Line 17) .....                                                    |                | 4,185,048     | 3,723,052     |
| 26.                   | Net realized capital gains (losses) less capital gains tax of \$.....0 .....                                                      |                | 1,976,904     | 3,276,898     |
| 27.                   | Net investment gains (losses) (Lines 25 plus 26) .....                                                                            |                | 6,161,952     | 6,999,950     |
| 28.                   | Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] ..... |                |               |               |
| 29.                   | Aggregate write-ins for other income or expenses .....                                                                            |                |               |               |
| 30.                   | Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....   | X X X .....    | 50,871,556    | (72,864,959)  |
| 31.                   | Federal and foreign income taxes incurred .....                                                                                   | X X X .....    |               |               |
| 32.                   | Net income (loss) (Lines 30 minus 31) .....                                                                                       | X X X .....    | 50,871,556    | (72,864,959)  |
| DETAILS OF WRITE-INS  |                                                                                                                                   |                |               |               |
| 0601.                 | .....                                                                                                                             | X X X .....    |               |               |
| 0602.                 | .....                                                                                                                             | X X X .....    |               |               |
| 0603.                 | .....                                                                                                                             | X X X .....    |               |               |
| 0698.                 | Summary of remaining write-ins for Line 6 from overflow page .....                                                                | X X X .....    |               |               |
| 0699.                 | TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....                                                                   | X X X .....    |               |               |
| 0701.                 | .....                                                                                                                             | X X X .....    |               |               |
| 0702.                 | .....                                                                                                                             | X X X .....    |               |               |
| 0703.                 | .....                                                                                                                             | X X X .....    |               |               |
| 0798.                 | Summary of remaining write-ins for Line 7 from overflow page .....                                                                | X X X .....    |               |               |
| 0799.                 | TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....                                                                    | X X X .....    |               |               |
| 1401.                 | .....                                                                                                                             |                |               |               |
| 1402.                 | .....                                                                                                                             |                |               |               |
| 1403.                 | .....                                                                                                                             |                |               |               |
| 1498.                 | Summary of remaining write-ins for Line 14 from overflow page .....                                                               |                |               |               |
| 1499.                 | TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....                                                                  |                |               |               |
| 2901.                 | .....                                                                                                                             |                |               |               |
| 2902.                 | .....                                                                                                                             |                |               |               |
| 2903.                 | .....                                                                                                                             |                |               |               |
| 2998.                 | Summary of remaining write-ins for Line 29 from overflow page .....                                                               |                |               |               |
| 2999.                 | TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....                                                                   |                |               |               |

STATEMENT OF REVENUE AND EXPENSES (Continued)

|                           |                                                                                          | 1            | 2            |
|---------------------------|------------------------------------------------------------------------------------------|--------------|--------------|
|                           |                                                                                          | Current Year | Prior Year   |
| CAPITAL & SURPLUS ACCOUNT |                                                                                          |              |              |
| 33.                       | Capital and surplus prior reporting year .....                                           | 142,510,706  | 140,241,233  |
| 34.                       | Net income or (loss) from Line 32 .....                                                  | 50,871,556   | (72,864,959) |
| 35.                       | Change in valuation basis of aggregate policy and claim reserves .....                   |              |              |
| 36.                       | Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 ..... | (314,443)    | 3,317,232    |
| 37.                       | Change in net unrealized foreign exchange capital gain or (loss) .....                   |              |              |
| 38.                       | Change in net deferred income tax .....                                                  |              |              |
| 39.                       | Change in nonadmitted assets .....                                                       | (1,100,000)  | (1,182,800)  |
| 40.                       | Change in unauthorized and certified reinsurance .....                                   |              |              |
| 41.                       | Change in treasury stock .....                                                           |              |              |
| 42.                       | Change in surplus notes .....                                                            |              |              |
| 43.                       | Cumulative effect of changes in accounting principles .....                              |              |              |
| 44.                       | Capital Changes:                                                                         |              |              |
| 44.1                      | Paid in .....                                                                            |              |              |
| 44.2                      | Transferred from surplus (Stock Dividend) .....                                          |              |              |
| 44.3                      | Transferred to surplus .....                                                             |              |              |
| 45.                       | Surplus adjustments:                                                                     |              |              |
| 45.1                      | Paid in .....                                                                            |              | 73,000,000   |
| 45.2                      | Transferred to capital (Stock Dividend) .....                                            |              |              |
| 45.3                      | Transferred from capital .....                                                           |              |              |
| 46.                       | Dividends to stockholders .....                                                          |              |              |
| 47.                       | Aggregate write-ins for gains or (losses) in surplus .....                               |              |              |
| 48.                       | Net change in capital and surplus (Lines 34 to 47) .....                                 | 49,457,113   | 2,269,473    |
| 49.                       | Capital and surplus end of reporting year (Line 33 plus 48) .....                        | 191,967,819  | 142,510,706  |
| DETAILS OF WRITE-INS      |                                                                                          |              |              |
| 4701.                     | .....                                                                                    |              |              |
| 4702.                     | .....                                                                                    |              |              |
| 4703.                     | .....                                                                                    |              |              |
| 4798.                     | Summary of remaining write-ins for Line 47 from overflow page .....                      |              |              |
| 4799.                     | TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....                         |              |              |

CASH FLOW

|                                                                     |                                                                                                             | 1             | 2             |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                     |                                                                                                             | Current Year  | Prior Year    |
| Cash from Operations                                                |                                                                                                             |               |               |
| 1.                                                                  | Premiums collected net of reinsurance .....                                                                 | 1,614,944,415 | 1,491,921,215 |
| 2.                                                                  | Net investment income .....                                                                                 | 5,625,678     | 4,391,628     |
| 3.                                                                  | Miscellaneous income .....                                                                                  |               |               |
| 4.                                                                  | TOTAL (Lines 1 through 3) .....                                                                             | 1,620,570,093 | 1,496,312,843 |
| 5.                                                                  | Benefit and loss related payments .....                                                                     | 1,254,184,705 | 1,341,348,550 |
| 6.                                                                  | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                   |               |               |
| 7.                                                                  | Commissions, expenses paid and aggregate write-ins for deductions .....                                     | 206,915,432   | 198,903,829   |
| 8.                                                                  | Dividends paid to policyholders .....                                                                       |               |               |
| 9.                                                                  | Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....       |               |               |
| 10.                                                                 | TOTAL (Lines 5 through 9) .....                                                                             | 1,461,100,137 | 1,540,252,379 |
| 11.                                                                 | Net cash from operations (Line 4 minus Line 10) .....                                                       | 159,469,956   | (43,939,536)  |
| Cash from Investments                                               |                                                                                                             |               |               |
| 12.                                                                 | Proceeds from investments sold, matured or repaid:                                                          |               |               |
| 12.1                                                                | Bonds .....                                                                                                 | 129,684,149   | 223,150,045   |
| 12.2                                                                | Stocks .....                                                                                                | 7,937,680     | 29,485,260    |
| 12.3                                                                | Mortgage loans .....                                                                                        |               |               |
| 12.4                                                                | Real estate .....                                                                                           |               |               |
| 12.5                                                                | Other invested assets .....                                                                                 |               |               |
| 12.6                                                                | Net gains or (losses) on cash, cash equivalents and short-term investments .....                            | (10,570)      |               |
| 12.7                                                                | Miscellaneous proceeds .....                                                                                | 12,169,209    |               |
| 12.8                                                                | TOTAL Investment proceeds (Lines 12.1 to 12.7) .....                                                        | 149,780,468   | 252,635,304   |
| 13.                                                                 | Cost of investments acquired (long-term only):                                                              |               |               |
| 13.1                                                                | Bonds .....                                                                                                 | 153,244,712   | 239,041,795   |
| 13.2                                                                | Stocks .....                                                                                                | 865,763       | 4,818,934     |
| 13.3                                                                | Mortgage loans .....                                                                                        |               |               |
| 13.4                                                                | Real estate .....                                                                                           |               |               |
| 13.5                                                                | Other invested assets .....                                                                                 |               |               |
| 13.6                                                                | Miscellaneous applications .....                                                                            | 182,367       | 5,597,575     |
| 13.7                                                                | TOTAL Investments acquired (Lines 13.1 to 13.6) .....                                                       | 154,292,842   | 249,458,304   |
| 14.                                                                 | Net increase (decrease) in contract loans and premium notes .....                                           |               |               |
| 15.                                                                 | Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....                                   | (4,512,374)   | 3,177,000     |
| Cash from Financing and Miscellaneous Sources                       |                                                                                                             |               |               |
| 16.                                                                 | Cash provided (applied):                                                                                    |               |               |
| 16.1                                                                | Surplus notes, capital notes .....                                                                          |               |               |
| 16.2                                                                | Capital and paid in surplus, less treasury stock .....                                                      |               | 73,000,000    |
| 16.3                                                                | Borrowed funds .....                                                                                        |               |               |
| 16.4                                                                | Net deposits on deposit-type contracts and other insurance liabilities .....                                |               |               |
| 16.5                                                                | Dividends to stockholders .....                                                                             |               |               |
| 16.6                                                                | Other cash provided (applied) .....                                                                         | (15,987,070)  | 1,602,310     |
| 17.                                                                 | Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) ..... | (15,987,070)  | 74,602,310    |
| 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) .....       | 138,970,512   | 33,839,774    |
| 19.                                                                 | Cash, cash equivalents and short-term investments:                                                          |               |               |
| 19.1                                                                | Beginning of year .....                                                                                     | 57,656,310    | 23,816,536    |
| 19.2                                                                | End of year (Line 18 plus Line 19.1) .....                                                                  | 196,626,822   | 57,656,310    |

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

|         |       |  |  |
|---------|-------|--|--|
| 20.0001 | ..... |  |  |
| 20.0002 | ..... |  |  |

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

|                      |                                                                                           | 1             | 2                                           | 3                      | 4              | 5              | 6                                               | 7                          | 8                        | 9               | 10                  |
|----------------------|-------------------------------------------------------------------------------------------|---------------|---------------------------------------------|------------------------|----------------|----------------|-------------------------------------------------|----------------------------|--------------------------|-----------------|---------------------|
|                      |                                                                                           | Total         | Comprehensive<br>(Hospital<br>&<br>Medical) | Medicare<br>Supplement | Dental<br>Only | Vision<br>Only | Federal<br>Employees<br>Health<br>Benefits Plan | Title<br>XVIII<br>Medicare | Title<br>XIX<br>Medicaid | Other<br>Health | Other<br>Non-Health |
| 1.                   | Net premium income .....                                                                  | 1,534,627,805 |                                             |                        |                |                |                                                 |                            | 1,534,627,805            |                 |                     |
| 2.                   | Change in unearned premium reserves and reserve for rate credit .....                     |               |                                             |                        |                |                |                                                 |                            |                          |                 |                     |
| 3.                   | Fee-for-service (net of \$.....0 medical expenses) .....                                  |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 4.                   | Risk revenue .....                                                                        |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 5.                   | Aggregate write-ins for other health care related revenues .....                          |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 6.                   | Aggregate write-ins for other non-health care related revenues .....                      |               | X X X .....                                 | X X X .....            | X X X .....    | X X X .....    | X X X .....                                     | X X X .....                | X X X .....              | X X X .....     |                     |
| 7.                   | TOTAL Revenues (Lines 1 to 6) .....                                                       | 1,534,627,805 |                                             |                        |                |                |                                                 |                            | 1,534,627,805            |                 |                     |
| 8.                   | Hospital/medical benefits .....                                                           | 915,688,172   |                                             |                        |                |                |                                                 |                            | 915,688,172              |                 | X X X .....         |
| 9.                   | Other professional services .....                                                         | 4,787,013     |                                             |                        |                |                |                                                 |                            | 4,787,013                |                 | X X X .....         |
| 10.                  | Outside referrals .....                                                                   |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 11.                  | Emergency room and out-of-area .....                                                      | 69,608,200    |                                             |                        |                |                |                                                 |                            | 69,608,200               |                 | X X X .....         |
| 12.                  | Prescription drugs .....                                                                  | 293,323,263   |                                             |                        |                |                |                                                 |                            | 293,323,263              |                 | X X X .....         |
| 13.                  | Aggregate write-ins for other hospital and medical .....                                  |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 14.                  | Incentive pool, withhold adjustments and bonus amounts .....                              | 2,719,347     |                                             |                        |                |                |                                                 |                            | 2,719,347                |                 | X X X .....         |
| 15.                  | Subtotal (Lines 8 to 14) .....                                                            | 1,286,125,995 |                                             |                        |                |                |                                                 |                            | 1,286,125,995            |                 | X X X .....         |
| 16.                  | Net reinsurance recoveries .....                                                          | 1,312,218     |                                             |                        |                |                |                                                 |                            | 1,312,218                |                 | X X X .....         |
| 17.                  | TOTAL Hospital and Medical (Lines 15 minus 16) .....                                      | 1,284,813,777 |                                             |                        |                |                |                                                 |                            | 1,284,813,777            |                 | X X X .....         |
| 18.                  | Non-health claims (net) .....                                                             |               | X X X .....                                 | X X X .....            | X X X .....    | X X X .....    | X X X .....                                     | X X X .....                | X X X .....              | X X X .....     |                     |
| 19.                  | Claims adjustment expenses including \$.....18,081,523 cost<br>containment expenses ..... | 20,762,968    |                                             |                        |                |                |                                                 |                            | 20,762,968               |                 |                     |
| 20.                  | General administrative expenses .....                                                     | 184,341,456   |                                             |                        |                |                |                                                 |                            | 184,341,456              |                 |                     |
| 21.                  | Increase in reserves for accident and health contracts .....                              |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 22.                  | Increase in reserves for life contracts .....                                             |               | X X X .....                                 | X X X .....            | X X X .....    | X X X .....    | X X X .....                                     | X X X .....                | X X X .....              | X X X .....     |                     |
| 23.                  | TOTAL Underwriting Deductions (Lines 17 to 22) .....                                      | 1,489,918,201 |                                             |                        |                |                |                                                 |                            | 1,489,918,201            |                 |                     |
| 24.                  | Net underwriting gain or (loss) (Line 7 minus Line 23) .....                              | 44,709,604    |                                             |                        |                |                |                                                 |                            | 44,709,604               |                 |                     |
| DETAILS OF WRITE-INS |                                                                                           |               |                                             |                        |                |                |                                                 |                            |                          |                 |                     |
| 0501.                | .....                                                                                     |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 0502.                | .....                                                                                     |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 0503.                | .....                                                                                     |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 0598.                | Summary of remaining write-ins for Line 5 from overflow page .....                        |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 0599.                | TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....                           |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 0601.                | .....                                                                                     |               | X X X .....                                 | X X X .....            | X X X .....    | X X X .....    | X X X .....                                     | X X X .....                | X X X .....              | X X X .....     |                     |
| 0602.                | .....                                                                                     |               | X X X .....                                 | X X X .....            | X X X .....    | X X X .....    | X X X .....                                     | X X X .....                | X X X .....              | X X X .....     |                     |
| 0603.                | .....                                                                                     |               | X X X .....                                 | X X X .....            | X X X .....    | X X X .....    | X X X .....                                     | X X X .....                | X X X .....              | X X X .....     |                     |
| 0698.                | Summary of remaining write-ins for Line 6 from overflow page .....                        |               | X X X .....                                 | X X X .....            | X X X .....    | X X X .....    | X X X .....                                     | X X X .....                | X X X .....              | X X X .....     |                     |
| 0699.                | TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....                           |               | X X X .....                                 | X X X .....            | X X X .....    | X X X .....    | X X X .....                                     | X X X .....                | X X X .....              | X X X .....     |                     |
| 1301.                | .....                                                                                     |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 1302.                | .....                                                                                     |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 1303.                | .....                                                                                     |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 1398.                | Summary of remaining write-ins for Line 13 from overflow page .....                       |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |
| 1399.                | TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....                          |               |                                             |                        |                |                |                                                 |                            |                          |                 | X X X .....         |

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS

|                  |                                              | 1                  | 2                      | 3                    | 4                                               |
|------------------|----------------------------------------------|--------------------|------------------------|----------------------|-------------------------------------------------|
|                  |                                              | Direct<br>Business | Reinsurance<br>Assumed | Reinsurance<br>Ceded | Net Premium<br>Income<br>(Columns<br>1 + 2 - 3) |
| Line of Business |                                              |                    |                        |                      |                                                 |
| 1.               | Comprehensive (hospital and medical) .....   | .....              | .....                  | .....                | .....                                           |
| 2.               | Medicare Supplement .....                    | .....              | .....                  | .....                | .....                                           |
| 3.               | Dental only .....                            | .....              | .....                  | .....                | .....                                           |
| 4.               | Vision only .....                            | .....              | .....                  | .....                | .....                                           |
| 5.               | Federal Employees Health Benefits Plan ..... | .....              | .....                  | .....                | .....                                           |
| 6.               | Title XVIII - Medicare .....                 | .....              | .....                  | .....                | .....                                           |
| 7.               | Title XIX - Medicaid .....                   | 1,538,033,099      | .....                  | 3,405,294            | 1,534,627,805                                   |
| 8.               | Other health .....                           | .....              | .....                  | .....                | .....                                           |
| 9.               | Health subtotal (Lines 1 through 8) .....    | 1,538,033,099      | .....                  | 3,405,294            | 1,534,627,805                                   |
| 10.              | Life .....                                   | .....              | .....                  | .....                | .....                                           |
| 11.              | Property/casualty .....                      | .....              | .....                  | .....                | .....                                           |
| 12.              | TOTALS (Lines 9 to 11) .....                 | 1,538,033,099      | .....                  | 3,405,294            | 1,534,627,805                                   |



UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2 - CLAIMS INCURRED DURING THE YEAR

|                                                                       | 1             | 2                                        | 3                      | 4              | 5              | 6                                               | 7                          | 8                        | 9               | 10                  |
|-----------------------------------------------------------------------|---------------|------------------------------------------|------------------------|----------------|----------------|-------------------------------------------------|----------------------------|--------------------------|-----------------|---------------------|
|                                                                       | Total         | Comprehensive<br>(Hospital<br>& Medical) | Medicare<br>Supplement | Dental<br>Only | Vision<br>Only | Federal<br>Employees<br>Health<br>Benefits Plan | Title<br>XVIII<br>Medicare | Title<br>XIX<br>Medicaid | Other<br>Health | Other<br>Non-Health |
| 1. Payments during the year:                                          |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 1.1 Direct .....                                                      | 1,257,040,982 |                                          |                        |                |                |                                                 |                            | 1,257,040,982            |                 |                     |
| 1.2 Reinsurance assumed .....                                         |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 1.3 Reinsurance ceded .....                                           | 1,559,586     |                                          |                        |                |                |                                                 |                            | 1,559,586                |                 |                     |
| 1.4 Net .....                                                         | 1,255,481,396 |                                          |                        |                |                |                                                 |                            | 1,255,481,396            |                 |                     |
| 2. Paid medical incentive pools and bonuses .....                     | 4,480,524     |                                          |                        |                |                |                                                 |                            | 4,480,524                |                 |                     |
| 3. Claim liability December 31, current year from Part 2A:            |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 3.1 Direct .....                                                      | 149,247,360   |                                          |                        |                |                |                                                 |                            | 149,247,360              |                 |                     |
| 3.2 Reinsurance assumed .....                                         |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 3.3 Reinsurance ceded .....                                           |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 3.4 Net .....                                                         | 149,247,360   |                                          |                        |                |                |                                                 |                            | 149,247,360              |                 |                     |
| 4. Claim reserve December 31, current year from Part 2D:              |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 4.1 Direct .....                                                      |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 4.2 Reinsurance assumed .....                                         |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 4.3 Reinsurance ceded .....                                           |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 4.4 Net .....                                                         |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 5. Accrued medical incentive pools and bonuses, current year .....    | 4,653,685     |                                          |                        |                |                |                                                 |                            | 4,653,685                |                 |                     |
| 6. Net healthcare receivables (a) .....                               | (4,945,902)   |                                          |                        |                |                |                                                 |                            | (4,945,902)              |                 |                     |
| 7. Amounts recoverable from reinsurers December 31, current year ..   |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 8. Claim liability December 31, prior year from Part 2A:              |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 8.1 Direct .....                                                      | 127,827,596   |                                          |                        |                |                |                                                 |                            | 127,827,596              |                 |                     |
| 8.2 Reinsurance assumed .....                                         |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 8.3 Reinsurance ceded .....                                           |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 8.4 Net .....                                                         | 127,827,596   |                                          |                        |                |                |                                                 |                            | 127,827,596              |                 |                     |
| 9. Claim reserve December 31, prior year from Part 2D:                |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 9.1 Direct .....                                                      |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 9.2 Reinsurance assumed .....                                         |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 9.3 Reinsurance ceded .....                                           |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 9.4 Net .....                                                         |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 10. Accrued medical incentive pools and bonuses, prior year .....     | 6,414,862     |                                          |                        |                |                |                                                 |                            | 6,414,862                |                 |                     |
| 11. Amounts recoverable from reinsurers December 31, prior year ..... | 247,368       |                                          |                        |                |                |                                                 |                            | 247,368                  |                 |                     |
| 12. Incurred benefits:                                                |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 12.1 Direct .....                                                     | 1,283,406,648 |                                          |                        |                |                |                                                 |                            | 1,283,406,648            |                 |                     |
| 12.2 Reinsurance assumed .....                                        |               |                                          |                        |                |                |                                                 |                            |                          |                 |                     |
| 12.3 Reinsurance ceded .....                                          | 1,312,218     |                                          |                        |                |                |                                                 |                            | 1,312,218                |                 |                     |
| 12.4 Net .....                                                        | 1,282,094,430 |                                          |                        |                |                |                                                 |                            | 1,282,094,430            |                 |                     |
| 13. Incurred medical incentive pools and bonuses .....                | 2,719,347     |                                          |                        |                |                |                                                 |                            | 2,719,347                |                 |                     |

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

|                                                       | 1           | 2                                             | 3                      | 4              | 5              | 6                                               | 7                          | 8                        | 9               | 10                  |
|-------------------------------------------------------|-------------|-----------------------------------------------|------------------------|----------------|----------------|-------------------------------------------------|----------------------------|--------------------------|-----------------|---------------------|
|                                                       | Total       | Compre-<br>hensive<br>(Hospital<br>& Medical) | Medicare<br>Supplement | Dental<br>Only | Vision<br>Only | Federal<br>Employees<br>Health<br>Benefits Plan | Title<br>XVIII<br>Medicare | Title<br>XIX<br>Medicaid | Other<br>Health | Other<br>Non-Health |
| 1. Reported in Process of Adjustment:                 |             |                                               |                        |                |                |                                                 |                            |                          |                 |                     |
| 1.1 Direct .....                                      | 41,685,685  |                                               |                        |                |                |                                                 |                            | 41,685,685               |                 |                     |
| 1.2 Reinsurance assumed .....                         |             |                                               |                        |                |                |                                                 |                            |                          |                 |                     |
| 1.3 Reinsurance ceded .....                           |             |                                               |                        |                |                |                                                 |                            |                          |                 |                     |
| 1.4 Net .....                                         | 41,685,685  |                                               |                        |                |                |                                                 |                            | 41,685,685               |                 |                     |
| 2. Incurred but Unreported:                           |             |                                               |                        |                |                |                                                 |                            |                          |                 |                     |
| 2.1 Direct .....                                      | 107,561,675 |                                               |                        |                |                |                                                 |                            | 107,561,675              |                 |                     |
| 2.2 Reinsurance assumed .....                         |             |                                               |                        |                |                |                                                 |                            |                          |                 |                     |
| 2.3 Reinsurance ceded .....                           |             |                                               |                        |                |                |                                                 |                            |                          |                 |                     |
| 2.4 Net .....                                         | 107,561,675 |                                               |                        |                |                |                                                 |                            | 107,561,675              |                 |                     |
| 3. Amounts Withheld from Paid Claims and Capitations: |             |                                               |                        |                |                |                                                 |                            |                          |                 |                     |
| 3.1 Direct .....                                      |             |                                               |                        |                |                |                                                 |                            |                          |                 |                     |
| 3.2 Reinsurance assumed .....                         |             |                                               |                        |                |                |                                                 |                            |                          |                 |                     |
| 3.3 Reinsurance ceded .....                           |             |                                               |                        |                |                |                                                 |                            |                          |                 |                     |
| 3.4 Net .....                                         |             |                                               |                        |                |                |                                                 |                            |                          |                 |                     |
| 4. TOTALS                                             |             |                                               |                        |                |                |                                                 |                            |                          |                 |                     |
| 4.1 Direct .....                                      | 149,247,360 |                                               |                        |                |                |                                                 |                            | 149,247,360              |                 |                     |
| 4.2 Reinsurance assumed .....                         |             |                                               |                        |                |                |                                                 |                            |                          |                 |                     |
| 4.3 Reinsurance ceded .....                           |             |                                               |                        |                |                |                                                 |                            |                          |                 |                     |
| 4.4 Net .....                                         | 149,247,360 |                                               |                        |                |                |                                                 |                            | 149,247,360              |                 |                     |

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

|                        |                                                | Claims<br>Paid During the Year                                      |                                                  | Claim Reserve and Claim<br>Liability December 31<br>of Current Year |                                                  | 5                                                    | 6                                                                                 |
|------------------------|------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------------|
|                        |                                                | 1<br>On<br>Claims Incurred<br>Prior to January 1<br>of Current Year | 2<br>On<br>Claims Incurred<br>During the<br>Year | 3<br>On Claims Unpaid<br>December 31 of<br>Prior Year               | 4<br>On<br>Claims Incurred<br>During the<br>Year | Claims Incurred<br>in Prior Years<br>(Columns 1 + 3) | Estimated Claim<br>Reserve and<br>Claim Liability<br>December 31 of<br>Prior Year |
| Line<br>of<br>Business |                                                |                                                                     |                                                  |                                                                     |                                                  |                                                      |                                                                                   |
| 1.                     | Comprehensive (hospital and medical) .....     | .....                                                               | .....                                            | .....                                                               | .....                                            | .....                                                | .....                                                                             |
| 2.                     | Medicare Supplement .....                      | .....                                                               | .....                                            | .....                                                               | .....                                            | .....                                                | .....                                                                             |
| 3.                     | Dental only .....                              | .....                                                               | .....                                            | .....                                                               | .....                                            | .....                                                | .....                                                                             |
| 4.                     | Vision only .....                              | .....                                                               | .....                                            | .....                                                               | .....                                            | .....                                                | .....                                                                             |
| 5.                     | Federal Employees Health Benefits Plan .....   | .....                                                               | .....                                            | .....                                                               | .....                                            | .....                                                | .....                                                                             |
| 6.                     | Title XVIII - Medicare .....                   | .....                                                               | .....                                            | .....                                                               | .....                                            | .....                                                | .....                                                                             |
| 7.                     | Title XIX - Medicaid .....                     | 94,950,682                                                          | 1,160,778,081                                    | 12,216,112                                                          | 137,031,248                                      | 107,166,794                                          | 127,827,596                                                                       |
| 8.                     | Other health .....                             | .....                                                               | .....                                            | .....                                                               | .....                                            | .....                                                | .....                                                                             |
| 9.                     | Health subtotal (Lines 1 to 8) .....           | 94,950,682                                                          | 1,160,778,081                                    | 12,216,112                                                          | 137,031,248                                      | 107,166,794                                          | 127,827,596                                                                       |
| 10.                    | Healthcare receivables (a) .....               | .....                                                               | 471,633                                          | .....                                                               | .....                                            | .....                                                | 5,417,535                                                                         |
| 11.                    | Other non-health .....                         | .....                                                               | .....                                            | .....                                                               | .....                                            | .....                                                | .....                                                                             |
| 12.                    | Medical incentive pool and bonus amounts ..... | 4,439,399                                                           | 41,126                                           | 3,284,749                                                           | 1,368,935                                        | 7,724,148                                            | 6,414,862                                                                         |
| 13.                    | TOTALS (Lines 9 - 10 + 11 + 12) .....          | 99,390,081                                                          | 1,160,347,574                                    | 15,500,861                                                          | 138,400,183                                      | 114,890,942                                          | 128,824,923                                                                       |

(a) Excludes \$.00 loans or advances to providers not yet expensed.

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

Grand Total

Section A - Paid Health Claims

| Year in Which Losses<br>Were Incurred |             | Cumulative Net Amounts Paid |           |           |           |           |
|---------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                       |             | 1<br>2016                   | 2<br>2017 | 3<br>2018 | 4<br>2019 | 5<br>2020 |
| 1.                                    | Prior ..... | 68,557                      | 68,570    | 67,661    | 67,551    | 67,468    |
| 2.                                    | 2016 .....  | 794,919                     | 857,007   | 856,192   | 855,961   | 855,761   |
| 3.                                    | 2017 .....  | X X X                       | 881,642   | 974,094   | 976,857   | 976,821   |
| 4.                                    | 2018 .....  | X X X                       | X X X     | 1,085,581 | 1,191,228 | 1,192,090 |
| 5.                                    | 2019 .....  | X X X                       | X X X     | X X X     | 1,235,117 | 1,333,963 |
| 6.                                    | 2020 .....  | X X X                       | X X X     | X X X     | X X X     | 1,160,819 |

Section B - Incurred Health Claims

| Year in Which Losses<br>Were Incurred |             | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool<br>and Bonuses Outstanding at End of Year |           |           |           |           |
|---------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
|                                       |             | 1<br>2016                                                                                                                                 | 2<br>2017 | 3<br>2018 | 4<br>2019 | 5<br>2020 |
| 1.                                    | Prior ..... | 68,402                                                                                                                                    | 68,570    | 67,661    | 67,551    | 67,468    |
| 2.                                    | 2016 .....  | 891,422                                                                                                                                   | 856,863   | 856,192   | 855,961   | 855,761   |
| 3.                                    | 2017 .....  | X X X                                                                                                                                     | 976,424   | 976,781   | 976,857   | 976,821   |
| 4.                                    | 2018 .....  | X X X                                                                                                                                     | X X X     | 1,192,833 | 1,196,480 | 1,192,090 |
| 5.                                    | 2019 .....  | X X X                                                                                                                                     | X X X     | X X X     | 1,364,107 | 1,349,464 |
| 6.                                    | 2020 .....  | X X X                                                                                                                                     | X X X     | X X X     | X X X     | 1,299,219 |

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

| Years in Which<br>Premiums were<br>Earned and Claims<br>were Incurred |            | 1<br><br>Premiums<br>Earned | 2<br><br>Claims<br>Payments | 3<br><br>Claim<br>Adjustment<br>Expense<br>Payments | 4<br><br>(Col. 3/2)<br>Percent | 5<br><br>Claim and<br>Claim Adjustment<br>Expense<br>Payments<br>(Col. 2 + 3) | 6<br><br>(Col. 5/1)<br>Percent | 7<br><br>Claims<br>Unpaid | 8<br><br>Unpaid Claims<br>Adjustment<br>Expenses | 9<br><br>Total Claims<br>and Claims<br>Adjustment<br>Expense Incurred<br>(Col. 5 + 7 + 8) | 10<br><br>(Col. 9/1)<br>Percent |
|-----------------------------------------------------------------------|------------|-----------------------------|-----------------------------|-----------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------|--------------------------------|---------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------|
| 1.                                                                    | 2016 ..... | 991,311                     | 855,761                     | 13,334                                              | 1.558                          | 869,095                                                                       | 87.671                         |                           |                                                  | 869,095                                                                                   | 87.671                          |
| 2.                                                                    | 2017 ..... | 1,138,050                   | 976,821                     | 16,067                                              | 1.645                          | 992,888                                                                       | 87.245                         |                           |                                                  | 992,888                                                                                   | 87.245                          |
| 3.                                                                    | 2018 ..... | 1,332,258                   | 1,192,090                   | 18,840                                              | 1.580                          | 1,210,930                                                                     | 90.893                         |                           |                                                  | 1,210,930                                                                                 | 90.893                          |
| 4.                                                                    | 2019 ..... | 1,493,080                   | 1,333,963                   | 20,635                                              | 1.547                          | 1,354,598                                                                     | 90.725                         | 15,501                    |                                                  | 1,370,099                                                                                 | 91.763                          |
| 5.                                                                    | 2020 ..... | 1,534,627                   | 1,160,819                   | 17,606                                              | 1.517                          | 1,178,425                                                                     | 76.789                         | 138,400                   | 2,997                                            | 1,319,822                                                                                 | 86.003                          |

12 Grand Total

|    |                                                                           |       |      |
|----|---------------------------------------------------------------------------|-------|------|
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical   | ....  | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical | ...   | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical  | ...   | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement    | ....  | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement  | ...   | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement   | ...   | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only            | ..... | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only          | ..... | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only           | ..... | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only            | ..... | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only          | ..... | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only           | ..... | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP           | ..... | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP         | ..... | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP          | ..... | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare   | ..... | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare | ....  | NONE |
| 12 | Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare  | ....  | NONE |

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

Title XIX - Medicaid

Section A - Paid Health Claims

| Year in Which Losses<br>Were Incurred |             | Cumulative Net Amounts Paid |           |           |           |           |
|---------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                       |             | 1<br>2016                   | 2<br>2017 | 3<br>2018 | 4<br>2019 | 5<br>2020 |
| 1.                                    | Prior ..... | 68,557                      | 68,570    | 67,661    | 67,551    | 67,468    |
| 2.                                    | 2016 .....  | 794,919                     | 857,007   | 856,192   | 855,961   | 855,761   |
| 3.                                    | 2017 .....  | X X X                       | 881,642   | 974,094   | 976,857   | 976,821   |
| 4.                                    | 2018 .....  | X X X                       | X X X     | 1,085,581 | 1,191,228 | 1,192,090 |
| 5.                                    | 2019 .....  | X X X                       | X X X     | X X X     | 1,235,117 | 1,333,963 |
| 6.                                    | 2020 .....  | X X X                       | X X X     | X X X     | X X X     | 1,160,819 |

Section B - Incurred Health Claims

| Year in Which Losses<br>Were Incurred |             | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool<br>and Bonuses Outstanding at End of Year |           |           |           |           |
|---------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
|                                       |             | 1<br>2016                                                                                                                                 | 2<br>2017 | 3<br>2018 | 4<br>2019 | 5<br>2020 |
| 1.                                    | Prior ..... | 68,402                                                                                                                                    | 68,570    | 67,661    | 67,551    | 67,468    |
| 2.                                    | 2016 .....  | 891,422                                                                                                                                   | 856,863   | 856,192   | 855,961   | 855,761   |
| 3.                                    | 2017 .....  | X X X                                                                                                                                     | 976,424   | 976,781   | 976,857   | 976,821   |
| 4.                                    | 2018 .....  | X X X                                                                                                                                     | X X X     | 1,192,833 | 1,196,480 | 1,192,090 |
| 5.                                    | 2019 .....  | X X X                                                                                                                                     | X X X     | X X X     | 1,364,107 | 1,349,464 |
| 6.                                    | 2020 .....  | X X X                                                                                                                                     | X X X     | X X X     | X X X     | 1,299,219 |

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

| Years in Which<br>Premiums were<br>Earned and Claims<br>were Incurred |            | 1<br><br>Premiums<br>Earned | 2<br><br>Claims<br>Payments | 3<br><br>Claim<br>Adjustment<br>Expense<br>Payments | 4<br><br>(Col. 3/2)<br>Percent | 5<br><br>Claim and<br>Claim Adjustment<br>Expense<br>Payments<br>(Col. 2 + 3) | 6<br><br>(Col. 5/1)<br>Percent | 7<br><br>Claims<br>Unpaid | 8<br><br>Unpaid Claims<br>Adjustment<br>Expenses | 9<br><br>Total Claims<br>and Claims<br>Adjustment<br>Expense Incurred<br>(Col. 5 + 7 + 8) | 10<br><br>(Col. 9/1)<br>Percent |
|-----------------------------------------------------------------------|------------|-----------------------------|-----------------------------|-----------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------|--------------------------------|---------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------|---------------------------------|
| 1.                                                                    | 2016 ..... | 991,311                     | 855,761                     | 13,334                                              | 1.558                          | 869,095                                                                       | 87.671                         |                           |                                                  | 869,095                                                                                   | 87.671                          |
| 2.                                                                    | 2017 ..... | 1,138,050                   | 976,821                     | 16,067                                              | 1.645                          | 992,888                                                                       | 87.245                         |                           |                                                  | 992,888                                                                                   | 87.245                          |
| 3.                                                                    | 2018 ..... | 1,332,258                   | 1,192,090                   | 18,840                                              | 1.580                          | 1,210,930                                                                     | 90.893                         |                           |                                                  | 1,210,930                                                                                 | 90.893                          |
| 4.                                                                    | 2019 ..... | 1,493,080                   | 1,333,963                   | 20,635                                              | 1.547                          | 1,354,598                                                                     | 90.725                         | 15,501                    |                                                  | 1,370,099                                                                                 | 91.763                          |
| 5.                                                                    | 2020 ..... | 1,534,627                   | 1,160,819                   | 17,606                                              | 1.517                          | 1,178,425                                                                     | 76.789                         | 138,400                   | 2,997                                            | 1,319,822                                                                                 | 86.003                          |

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

Other

Section A - Paid Health Claims

| Year in Which Losses<br>Were Incurred |             | Cumulative Net Amounts Paid |           |           |           |           |
|---------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                       |             | 1<br>2016                   | 2<br>2017 | 3<br>2018 | 4<br>2019 | 5<br>2020 |
| 1.                                    | Prior ..... |                             |           |           |           |           |
| 2.                                    | 2016 .....  |                             |           |           |           |           |
| 3.                                    | 2017 .....  |                             |           |           |           |           |
| 4.                                    | 2018 .....  |                             |           |           |           |           |
| 5.                                    | 2019 .....  |                             |           |           |           |           |
| 6.                                    | 2020 .....  |                             |           |           |           |           |

Section B - Incurred Health Claims

| Year in Which Losses<br>Were Incurred |             | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool<br>and Bonuses Outstanding at End of Year |           |           |           |           |
|---------------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|
|                                       |             | 1<br>2016                                                                                                                                 | 2<br>2017 | 3<br>2018 | 4<br>2019 | 5<br>2020 |
| 1.                                    | Prior ..... |                                                                                                                                           |           |           |           |           |
| 2.                                    | 2016 .....  |                                                                                                                                           |           |           |           |           |
| 3.                                    | 2017 .....  |                                                                                                                                           |           |           |           |           |
| 4.                                    | 2018 .....  |                                                                                                                                           |           |           |           |           |
| 5.                                    | 2019 .....  |                                                                                                                                           |           |           |           |           |
| 6.                                    | 2020 .....  |                                                                                                                                           |           |           |           |           |

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

| Years in Which<br>Premiums were<br>Earned and Claims<br>were Incurred |            | 1                  | 2                  | 3                                          | 4                     | 5                                                                    | 6                     | 7                | 8                                       | 9                                                                                | 10                    |
|-----------------------------------------------------------------------|------------|--------------------|--------------------|--------------------------------------------|-----------------------|----------------------------------------------------------------------|-----------------------|------------------|-----------------------------------------|----------------------------------------------------------------------------------|-----------------------|
|                                                                       |            | Premiums<br>Earned | Claims<br>Payments | Claim<br>Adjustment<br>Expense<br>Payments | (Col. 3/2)<br>Percent | Claim and<br>Claim Adjustment<br>Expense<br>Payments<br>(Col. 2 + 3) | (Col. 5/1)<br>Percent | Claims<br>Unpaid | Unpaid Claims<br>Adjustment<br>Expenses | Total Claims<br>and Claims<br>Adjustment<br>Expense Incurred<br>(Col. 5 + 7 + 8) | (Col. 9/1)<br>Percent |
| 1.                                                                    | 2016 ..... |                    |                    |                                            |                       |                                                                      |                       |                  |                                         |                                                                                  |                       |
| 2.                                                                    | 2017 ..... |                    |                    |                                            |                       |                                                                      |                       |                  |                                         |                                                                                  |                       |
| 3.                                                                    | 2018 ..... |                    |                    |                                            |                       |                                                                      |                       |                  |                                         |                                                                                  |                       |
| 4.                                                                    | 2019 ..... |                    |                    |                                            |                       |                                                                      |                       |                  |                                         |                                                                                  |                       |
| 5.                                                                    | 2020 ..... |                    |                    |                                            |                       |                                                                      |                       |                  |                                         |                                                                                  |                       |

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

|                                                                                                              | 1          | 2                                             | 3                      | 4              | 5              | 6                                               | 7                          | 8                        | 9     |
|--------------------------------------------------------------------------------------------------------------|------------|-----------------------------------------------|------------------------|----------------|----------------|-------------------------------------------------|----------------------------|--------------------------|-------|
|                                                                                                              | Total      | Compre-<br>hensive<br>(Hospital &<br>Medical) | Medicare<br>Supplement | Dental<br>Only | Vision<br>Only | Federal<br>Employees<br>Health<br>Benefits Plan | Title<br>XVIII<br>Medicare | Title<br>XIX<br>Medicaid | Other |
| 1. Unearned premium reserves .....                                                                           |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 2. Additional policy reserves (a) .....                                                                      |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 3. Reserve for future contingent benefits .....                                                              |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 4. Reserve for rate credits or experience rating refunds (including<br>\$.....0 for investment income) ..... | 48,205,111 |                                               |                        |                |                |                                                 |                            | 48,205,111               |       |
| 5. Aggregate write-ins for other policy reserves .....                                                       | 26,401,131 |                                               |                        |                |                |                                                 |                            | 26,401,131               |       |
| 6. TOTALS (Gross) .....                                                                                      | 74,606,242 |                                               |                        |                |                |                                                 |                            | 74,606,242               |       |
| 7. Reinsurance ceded .....                                                                                   |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 8. TOTALS (Net) (Page 3, Line 4) .....                                                                       | 74,606,242 |                                               |                        |                |                |                                                 |                            | 74,606,242               |       |
| 9. Present value of amounts not yet due on claims .....                                                      |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 10. Reserve for future contingent benefits .....                                                             |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 11. Aggregate write-ins for other claim reserves .....                                                       |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 12. TOTALS (Gross) .....                                                                                     |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 13. Reinsurance ceded .....                                                                                  |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 14. TOTALS (Net) (Page 3, Line 7) .....                                                                      |            |                                               |                        |                |                |                                                 |                            |                          |       |
| DETAILS OF WRITE-INS                                                                                         |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 0501. Risk Adjustment .....                                                                                  | 26,401,131 |                                               |                        |                |                |                                                 |                            | 26,401,131               |       |
| 0502. ....                                                                                                   |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 0503. ....                                                                                                   |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 0598. Summary of remaining write-ins for Line 5 from overflow page ....                                      |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) ....                                         | 26,401,131 |                                               |                        |                |                |                                                 |                            | 26,401,131               |       |
| 1101. ....                                                                                                   |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 1102. ....                                                                                                   |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 1103. ....                                                                                                   |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 1198. Summary of remaining write-ins for Line 11 from overflow page ..                                       |            |                                               |                        |                |                |                                                 |                            |                          |       |
| 1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) ..                                          |            |                                               |                        |                |                |                                                 |                            |                          |       |

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



UNDERWRITING AND INVESTMENT EXHIBIT  
PART 3 - ANALYSIS OF EXPENSES

|                      |                                                                        | Claim Adjustment Expenses |                                 | 3                               | 4                   | 5               |
|----------------------|------------------------------------------------------------------------|---------------------------|---------------------------------|---------------------------------|---------------------|-----------------|
|                      |                                                                        | 1                         | 2                               |                                 |                     |                 |
|                      |                                                                        | Cost Containment Expenses | Other Claim Adjustment Expenses | General Administrative Expenses | Investment Expenses | Total           |
| 1.                   | Rent (\$.....0 for occupancy of own building) .....                    | 59,971                    | 42,964                          | 444,452                         |                     | 547,387         |
| 2.                   | Salaries, wages and other benefits .....                               | 13,645,712                | 2,634,897                       | 32,542,977                      |                     | 48,823,586      |
| 3.                   | Commissions (less \$.....0 ceded plus \$.....0 assumed) .....          |                           |                                 |                                 |                     |                 |
| 4.                   | Legal fees and expenses .....                                          |                           |                                 | 207,301                         |                     | 207,301         |
| 5.                   | Certifications and accreditation fees .....                            |                           |                                 |                                 |                     |                 |
| 6.                   | Auditing, actuarial and other consulting services .....                | 4,200,893                 | 394                             | 38,892,515                      |                     | 43,093,802      |
| 7.                   | Traveling expenses .....                                               | 51,511                    | 625                             | 405,343                         |                     | 457,479         |
| 8.                   | Marketing and advertising .....                                        |                           |                                 | 6,984,183                       |                     | 6,984,183       |
| 9.                   | Postage, express and telephone .....                                   | 13,378                    | 3                               | 618,938                         |                     | 632,319         |
| 10.                  | Printing and office supplies .....                                     | 100,148                   | 2,562                           | 1,256,898                       |                     | 1,359,608       |
| 11.                  | Occupancy, depreciation and amortization .....                         |                           |                                 | 51,180                          |                     | 51,180          |
| 12.                  | Equipment .....                                                        | 4,604                     |                                 | 224,571                         |                     | 229,175         |
| 13.                  | Cost or depreciation of EDP equipment and software .....               |                           |                                 | 1,322,057                       |                     | 1,322,057       |
| 14.                  | Outsourced services including EDP, claims, and other services .....    | 1,537                     |                                 | 1,738,979                       |                     | 1,740,516       |
| 15.                  | Boards, bureaus and association fees .....                             | 3,769                     |                                 | 107,815                         |                     | 111,584         |
| 16.                  | Insurance, except on real estate .....                                 |                           |                                 |                                 |                     |                 |
| 17.                  | Collection and bank service charges .....                              |                           |                                 |                                 |                     |                 |
| 18.                  | Group service and administration fees .....                            |                           |                                 |                                 |                     |                 |
| 19.                  | Reimbursements by uninsured plans .....                                |                           |                                 |                                 |                     |                 |
| 20.                  | Reimbursements from fiscal intermediaries .....                        |                           |                                 |                                 |                     |                 |
| 21.                  | Real estate expenses .....                                             |                           |                                 |                                 |                     |                 |
| 22.                  | Real estate taxes .....                                                |                           |                                 |                                 |                     |                 |
| 23.                  | Taxes, licenses and fees:                                              |                           |                                 |                                 |                     |                 |
| 23.1                 | State and local insurance taxes .....                                  |                           |                                 | 81,898,203                      |                     | 81,898,203      |
| 23.2                 | State premium taxes .....                                              |                           |                                 | 15,382,382                      |                     | 15,382,382      |
| 23.3                 | Regulatory authority licenses and fees .....                           |                           |                                 |                                 |                     |                 |
| 23.4                 | Payroll taxes .....                                                    |                           |                                 | 133,508                         |                     | 133,508         |
| 23.5                 | Other (excluding federal income and real estate taxes) .....           |                           |                                 | 681,166                         |                     | 681,166         |
| 24.                  | Investment expenses not included elsewhere .....                       |                           |                                 |                                 | 386,733             | 386,733         |
| 25.                  | Aggregate write-ins for expenses .....                                 |                           |                                 | 1,448,988                       |                     | 1,448,988       |
| 26.                  | TOTAL Expenses Incurred (Lines 1 to 25) .....                          | 18,081,523                | 2,681,445                       | 184,341,456                     | 386,733             | (a) 205,491,157 |
| 27.                  | Less expenses unpaid December 31, current year .....                   | 2,577,420                 | 401,120                         | 27,267,470                      |                     | 30,246,010      |
| 28.                  | Add expenses unpaid December 31, prior year .....                      | 2,105,880                 | 401,120                         | 29,568,478                      |                     | 32,075,478      |
| 29.                  | Amounts receivable relating to uninsured plans, prior year .....       |                           |                                 |                                 |                     |                 |
| 30.                  | Amounts receivable relating to uninsured plans, current year .....     |                           |                                 |                                 |                     |                 |
| 31.                  | TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) ..... | 17,609,983                | 2,681,445                       | 186,642,464                     | 386,733             | 207,320,625     |
| DETAILS OF WRITE-INS |                                                                        |                           |                                 |                                 |                     |                 |
| 2501.                | Community advocacy .....                                               |                           |                                 | 1,273,988                       |                     | 1,273,988       |
| 2502.                | ODM penalties .....                                                    |                           |                                 | 175,000                         |                     | 175,000         |
| 2503.                | .....                                                                  |                           |                                 |                                 |                     |                 |
| 2598.                | Summary of remaining write-ins for Line 25 from overflow page .....    |                           |                                 |                                 |                     |                 |
| 2599.                | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....       |                           |                                 | 1,448,988                       |                     | 1,448,988       |

(a) Includes management fees of \$.....74,790,908 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

|                                                                                                                                                                                     |                                                                           | 1                        | 2                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------|-----------------------|
|                                                                                                                                                                                     |                                                                           | Collected<br>During Year | Earned<br>During Year |
| 1.                                                                                                                                                                                  | U.S. Government bonds .....                                               | (a)..... 880,218         | ..... 708,090         |
| 1.1                                                                                                                                                                                 | Bonds exempt from U.S. tax .....                                          | (a).....                 | .....                 |
| 1.2                                                                                                                                                                                 | Other bonds (unaffiliated) .....                                          | (a)..... 3,537,339       | ..... 3,599,664       |
| 1.3                                                                                                                                                                                 | Bonds of affiliates .....                                                 | (a).....                 | .....                 |
| 2.1                                                                                                                                                                                 | Preferred stocks (unaffiliated) .....                                     | (b).....                 | .....                 |
| 2.11                                                                                                                                                                                | Preferred stocks of affiliates .....                                      | (b).....                 | .....                 |
| 2.2                                                                                                                                                                                 | Common stocks (unaffiliated) .....                                        | ..... 203,467            | ..... 197,799         |
| 2.21                                                                                                                                                                                | Common stocks of affiliates .....                                         | .....                    | .....                 |
| 3.                                                                                                                                                                                  | Mortgage loans .....                                                      | (c).....                 | .....                 |
| 4.                                                                                                                                                                                  | Real estate .....                                                         | (d).....                 | .....                 |
| 5.                                                                                                                                                                                  | Contract loans .....                                                      | .....                    | .....                 |
| 6.                                                                                                                                                                                  | Cash, cash equivalents and short-term investments .....                   | (e)..... 78,171          | ..... 66,228          |
| 7.                                                                                                                                                                                  | Derivative instruments .....                                              | (f).....                 | .....                 |
| 8.                                                                                                                                                                                  | Other invested assets .....                                               | .....                    | .....                 |
| 9.                                                                                                                                                                                  | Aggregate write-ins for investment income .....                           | .....                    | .....                 |
| 10.                                                                                                                                                                                 | TOTAL gross investment income .....                                       | ..... 4,699,195          | ..... 4,571,781       |
| 11.                                                                                                                                                                                 | Investment expenses .....                                                 | .....                    | (g)..... 386,733      |
| 12.                                                                                                                                                                                 | Investment taxes, licenses and fees, excluding federal income taxes ..... | .....                    | (g).....              |
| 13.                                                                                                                                                                                 | Interest expense .....                                                    | .....                    | (h).....              |
| 14.                                                                                                                                                                                 | Depreciation on real estate and other invested assets .....               | .....                    | (i).....              |
| 15.                                                                                                                                                                                 | Aggregate write-ins for deductions from investment income .....           | .....                    | .....                 |
| 16.                                                                                                                                                                                 | TOTAL Deductions (Lines 11 through 15) .....                              | .....                    | ..... 386,733         |
| 17.                                                                                                                                                                                 | Net Investment income (Line 10 minus Line 16) .....                       | .....                    | ..... 4,185,048       |
| DETAILS OF WRITE-INS                                                                                                                                                                |                                                                           |                          |                       |
| 0901.                                                                                                                                                                               | .....                                                                     | .....                    | .....                 |
| 0902.                                                                                                                                                                               | .....                                                                     | .....                    | .....                 |
| 0903.                                                                                                                                                                               | .....                                                                     | .....                    | .....                 |
| 0998.                                                                                                                                                                               | Summary of remaining write-ins for Line 9 from overflow page .....        | .....                    | .....                 |
| 0999.                                                                                                                                                                               | TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....           | .....                    | .....                 |
| 1501.                                                                                                                                                                               | .....                                                                     | .....                    | .....                 |
| 1502.                                                                                                                                                                               | .....                                                                     | .....                    | .....                 |
| 1503.                                                                                                                                                                               | .....                                                                     | .....                    | .....                 |
| 1598.                                                                                                                                                                               | Summary of remaining write-ins for Line 15 from overflow page .....       | .....                    | .....                 |
| 1599.                                                                                                                                                                               | TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) .....          | .....                    | .....                 |
| (a) Includes \$.....138,872 accrual of discount less \$.....1,459,919 amortization of premium and less \$.....239,439 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 \$.....43,763 accrual of discount less \$.....4,974 amortization of premium and less \$.....336 paid for accrued interest on purchases.                                |                                                                           |                          |                       |
| (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.                                                                                                    |                                                                           |                          |                       |
| (g) Includes \$.....386,733 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts. |                                                                           |                          |                       |
| (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.                                                                                             |                                                                           |                          |                       |
| (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.                                                                               |                                                                           |                          |                       |

EXHIBIT OF CAPITAL GAINS (LOSSES)

|                      |                                                                 | 1                                               | 2                             | 3                                                           | 4                                              | 5                                                                  |
|----------------------|-----------------------------------------------------------------|-------------------------------------------------|-------------------------------|-------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------------|
|                      |                                                                 | Realized Gain<br>(Loss) on Sales<br>or Maturity | Other Realized<br>Adjustments | Total Realized<br>Capital Gain<br>(Loss)<br>(Columns 1 + 2) | Change in<br>Unrealized Capital<br>Gain (Loss) | Change in<br>Unrealized Foreign<br>Exchange Capital<br>Gain (Loss) |
| 1.                   | U.S. Government bonds .....                                     | ..... 2,312,325                                 | .....                         | ..... 2,312,325                                             | .....                                          | .....                                                              |
| 1.1                  | Bonds exempt from U.S. tax .....                                | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 1.2                  | Other bonds (unaffiliated) .....                                | ..... 642,662                                   | .....                         | ..... 642,662                                               | .....                                          | .....                                                              |
| 1.3                  | Bonds of affiliates .....                                       | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 2.1                  | Preferred stocks (unaffiliated) .....                           | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 2.11                 | Preferred stocks of affiliates .....                            | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 2.2                  | Common stocks (unaffiliated) .....                              | ..... (967,513)                                 | .....                         | ..... (967,513)                                             | ..... (314,443)                                | .....                                                              |
| 2.21                 | Common stocks of affiliates .....                               | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 3.                   | Mortgage loans .....                                            | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 4.                   | Real estate .....                                               | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 5.                   | Contract loans .....                                            | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 6.                   | Cash, cash equivalents and short-term investments .....         | ..... (10,570)                                  | .....                         | ..... (10,570)                                              | .....                                          | .....                                                              |
| 7.                   | Derivative instruments .....                                    | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 8.                   | Other invested assets .....                                     | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 9.                   | Aggregate write-ins for capital gains (losses) .....            | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 10.                  | TOTAL Capital gains (losses) .....                              | ..... 1,976,904                                 | .....                         | ..... 1,976,904                                             | ..... (314,443)                                | .....                                                              |
| DETAILS OF WRITE-INS |                                                                 |                                                 |                               |                                                             |                                                |                                                                    |
| 0901.                | .....                                                           | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 0902.                | .....                                                           | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 0903.                | .....                                                           | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 0998.                | Summary of remaining write-ins for Line 9 from overflow page .. | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |
| 0999.                | TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) ..    | .....                                           | .....                         | .....                                                       | .....                                          | .....                                                              |

EXHIBIT OF NONADMITTED ASSETS

|                      |                                                                                                                  | 1                                        | 2                                      | 3                                                          |
|----------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------------|
|                      |                                                                                                                  | Current Year Total<br>Nonadmitted Assets | Prior Year Total<br>Nonadmitted Assets | Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
| 1.                   | Bonds (Schedule D) .....                                                                                         |                                          |                                        |                                                            |
| 2.                   | Stocks (Schedule D):                                                                                             |                                          |                                        |                                                            |
| 2.1                  | Preferred stocks .....                                                                                           |                                          |                                        |                                                            |
| 2.2                  | Common stocks .....                                                                                              |                                          |                                        |                                                            |
| 3.                   | Mortgage loans on real estate (Schedule B):                                                                      |                                          |                                        |                                                            |
| 3.1                  | First liens .....                                                                                                |                                          |                                        |                                                            |
| 3.2                  | Other than first liens .....                                                                                     |                                          |                                        |                                                            |
| 4.                   | Real estate (Schedule A):                                                                                        |                                          |                                        |                                                            |
| 4.1                  | Properties occupied by the company .....                                                                         |                                          |                                        |                                                            |
| 4.2                  | Properties held for the production of income .....                                                               |                                          |                                        |                                                            |
| 4.3                  | Properties held for sale .....                                                                                   |                                          |                                        |                                                            |
| 5.                   | Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....    |                                          |                                        |                                                            |
| 6.                   | Contract loans .....                                                                                             |                                          |                                        |                                                            |
| 7.                   | Derivatives (Schedule DB) .....                                                                                  |                                          |                                        |                                                            |
| 8.                   | Other invested assets (Schedule BA) .....                                                                        |                                          |                                        |                                                            |
| 9.                   | Receivables for securities .....                                                                                 |                                          |                                        |                                                            |
| 10.                  | Securities lending reinvested collateral assets (Schedule DL) .....                                              |                                          |                                        |                                                            |
| 11.                  | Aggregate write-ins for invested assets .....                                                                    |                                          |                                        |                                                            |
| 12.                  | Subtotals, cash and invested assets (Lines 1 to 11) .....                                                        |                                          |                                        |                                                            |
| 13.                  | Title plants (for Title insurers only) .....                                                                     |                                          |                                        |                                                            |
| 14.                  | Investment income due and accrued .....                                                                          |                                          |                                        |                                                            |
| 15.                  | Premiums and considerations:                                                                                     |                                          |                                        |                                                            |
| 15.1                 | Uncollected premiums and agents' balances in the course of collection .....                                      |                                          |                                        |                                                            |
| 15.2                 | Deferred premiums, agents' balances and installments booked but deferred and not yet due .....                   |                                          |                                        |                                                            |
| 15.3                 | Accrued retrospective premiums and contracts subject to redetermination .....                                    |                                          |                                        |                                                            |
| 16.                  | Reinsurance:                                                                                                     |                                          |                                        |                                                            |
| 16.1                 | Amounts recoverable from reinsurers .....                                                                        |                                          |                                        |                                                            |
| 16.2                 | Funds held by or deposited with reinsured companies .....                                                        |                                          |                                        |                                                            |
| 16.3                 | Other amounts receivable under reinsurance contracts .....                                                       |                                          |                                        |                                                            |
| 17.                  | Amounts receivable relating to uninsured plans .....                                                             |                                          |                                        |                                                            |
| 18.1                 | Current federal and foreign income tax recoverable and interest thereon .....                                    |                                          |                                        |                                                            |
| 18.2                 | Net deferred tax asset .....                                                                                     |                                          |                                        |                                                            |
| 19.                  | Guaranty funds receivable or on deposit .....                                                                    |                                          |                                        |                                                            |
| 20.                  | Electronic data processing equipment and software .....                                                          |                                          |                                        |                                                            |
| 21.                  | Furniture and equipment, including health care delivery assets .....                                             |                                          |                                        |                                                            |
| 22.                  | Net adjustment in assets and liabilities due to foreign exchange rates .....                                     |                                          |                                        |                                                            |
| 23.                  | Receivables from parent, subsidiaries and affiliates .....                                                       |                                          |                                        |                                                            |
| 24.                  | Health care and other amounts receivable .....                                                                   | 2,300,000                                | 1,200,000                              | (1,100,000)                                                |
| 25.                  | Aggregate write-ins for other than invested assets .....                                                         | 14,500                                   | 14,500                                 |                                                            |
| 26.                  | TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) ..... | 2,314,500                                | 1,214,500                              | (1,100,000)                                                |
| 27.                  | From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                                    |                                          |                                        |                                                            |
| 28.                  | TOTAL (Lines 26 and 27) .....                                                                                    | 2,314,500                                | 1,214,500                              | (1,100,000)                                                |
| DETAILS OF WRITE-INS |                                                                                                                  |                                          |                                        |                                                            |
| 1101.                | .....                                                                                                            |                                          |                                        |                                                            |
| 1102.                | .....                                                                                                            |                                          |                                        |                                                            |
| 1103.                | .....                                                                                                            |                                          |                                        |                                                            |
| 1198.                | Summary of remaining write-ins for Line 11 from overflow page .....                                              |                                          |                                        |                                                            |
| 1199.                | TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....                                                 |                                          |                                        |                                                            |
| 2501.                | Prepays and other .....                                                                                          | 14,500                                   | 14,500                                 |                                                            |
| 2502.                | .....                                                                                                            |                                          |                                        |                                                            |
| 2503.                | .....                                                                                                            |                                          |                                        |                                                            |
| 2598.                | Summary of remaining write-ins for Line 25 from overflow page .....                                              |                                          |                                        |                                                            |
| 2599.                | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....                                                 | 14,500                                   | 14,500                                 |                                                            |

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment |                                                                    | Total Members at End of |                       |                        |                       |                      | 6                                |
|----------------------|--------------------------------------------------------------------|-------------------------|-----------------------|------------------------|-----------------------|----------------------|----------------------------------|
|                      |                                                                    | 1<br>Prior<br>Year      | 2<br>First<br>Quarter | 3<br>Second<br>Quarter | 4<br>Third<br>Quarter | 5<br>Current<br>Year | Current Year<br>Member<br>Months |
| 1.                   | Health Maintenance Organizations .....                             | 215,343                 | 211,740               | 212,670                | 223,848               | 231,730              | 2,650,676                        |
| 2.                   | Provider Service Organizations .....                               |                         |                       |                        |                       |                      |                                  |
| 3.                   | Preferred Provider Organizations .....                             |                         |                       |                        |                       |                      |                                  |
| 4.                   | Point of Service .....                                             |                         |                       |                        |                       |                      |                                  |
| 5.                   | Indemnity Only .....                                               |                         |                       |                        |                       |                      |                                  |
| 6.                   | Aggregate write-ins for other lines of business .....              |                         |                       |                        |                       |                      |                                  |
| 7.                   | TOTAL .....                                                        | 215,343                 | 211,740               | 212,670                | 223,848               | 231,730              | 2,650,676                        |
| DETAILS OF WRITE-INS |                                                                    |                         |                       |                        |                       |                      |                                  |
| 0601.                | .....                                                              |                         |                       |                        |                       |                      |                                  |
| 0602.                | .....                                                              |                         |                       |                        |                       |                      |                                  |
| 0603.                | .....                                                              |                         |                       |                        |                       |                      |                                  |
| 0698.                | Summary of remaining write-ins for Line 6 from overflow page ..... |                         |                       |                        |                       |                      |                                  |
| 0699.                | TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....    |                         |                       |                        |                       |                      |                                  |

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Paramount Advantage (Company) are presented on a basis of accounting practices prescribed by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners’ (NAIC) Accounting Practices and Procedures Manual, (NAIC SAP) has been adopted as a component of prescribed practices by the State of Ohio.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio is shown below:

|                                                              | State of<br>Domicile<br>Ohio | 2020        | 2019         |
|--------------------------------------------------------------|------------------------------|-------------|--------------|
| <b>NET INCOME</b>                                            |                              |             |              |
| Paramount Advantage state basis                              |                              | 50,871,556  | (72,864,959) |
| State Prescribed Practices that increase/(decrease) NAIC SAP |                              | -           | -            |
| State Permitted Practices that increase/(decrease) NAIC SAP  |                              | -           | -            |
| NAIC SAP                                                     |                              | 50,871,556  | (72,864,959) |
| <b>SURPLUS</b>                                               |                              |             |              |
| Paramount Advantage state basis                              |                              | 191,967,819 | 142,510,706  |
| State Prescribed Practices that increase/(decrease) NAIC SAP |                              | -           | -            |
| State Permitted Practices that increase/(decrease) NAIC SAP  |                              | -           | -            |
| NAIC SAP                                                     |                              | 191,967,819 | 142,510,706  |

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts. Expenses incurred in connections with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

- 1. Short-term investments are stated at amortized cost.
- 2. Bonds are stated at amortized cost.
- 3. The Company has no common stock investments.
- 4. The Company has no preferred stock investments.
- 5. The Company does not invest in mortgage loans.
- 6. The Company has no investments in loan-backed securities.
- 7. The Company has no investments in subsidiaries.

## Notes to Financial Statements

- 8. The Company has no investments in joint ventures.
- 9. The Company does not invest in derivatives.
- 10. The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts.
- 11. Unpaid losses and loss adjustment expenses include an amount from individual case estimates and loss reports and an amount, based on limited past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
- 12. The Company has not modified its capitalization policy from the prior period.
- 13. The Company estimates its pharmaceutical rebate receivables based on historical cash payments and prescriptions filled.

### Significant Providers

The Company has an agreement with Children’s Hospital and Physicians’ Healthcare Networks dba Partners for Kids (PFK) and Cincinnati Children’s Hospital Medical Center dba Health Network by Cincinnati Children’s (HNCC), for PFK and HNCC to provide medical services to Paramount Advantage’s members under a full risk arrangement. For Covered Families and Children (CFC) and Aged, Blind and Disabled (ABD) members of a certain age that are located within a designated geographic area around PFK and HNCC, PA pays a capitated per member per month amount to PFK and HNCC to provide medical services, utilization and case management services. Any claims for these members incurred at facilities or providers that are not connected to PFK or HNCC are paid to the billing provider and then deducted from the capitation payment. IBNR related to PFK members is held by PFK on their books. IBNR related to HNCC members is recognized on PA’s balance sheet as a liability to HNCC. The contract with HNCC terminated August 2017. During 2020 and 2019, total capitated payments under these arrangements made by PA were \$17,317,996 and \$52,855,912, respectively. Amounts due to PFK was \$795,942 at December 31, 2020.

- 2. Accounting Changes and Corrections of Errors

**-NOT APPLICABLE**

- 3. Business Combinations and Goodwill

**-NOT APPLICABLE**

- 4. Discontinued Operations

**-NOT APPLICABLE**

- 5. Investments

- A. The company does not have any Mortgage Loan investments.
- B. The company is not a creditor for any Restructured Debt.
- C. The company does not have any reverse mortgages.
- D. The company does not have any loan-backed securities.

# Notes to Financial Statements

- E. The company does not have any repurchase agreements or security lending transactions.
- F. The company does not have any repurchase agreements.
- G. The company does not have any reverse repurchase agreements.
- H. The company does not have repurchase agreements accounted for as a sale.
- I. The company does not have reverse repurchase agreements accounted for as a sale.
- J. The company does not have any real estate investments
- K. The company does not have any low-income housing tax credits.
- L. Restricted Assets

Notes to Financial Statements

| Retricted Asset Category                                                         | Total Gross Restricted from Current Year | Total Gross Restricted from Prior Year | Increase/ (Decrease) | Total Current year nonadmitted Restricted | Total Current year admitted Restricted | Percentage Gross Restricted to Total Assets | Percentage Admitted Restricted to Total Admitted Assets |
|----------------------------------------------------------------------------------|------------------------------------------|----------------------------------------|----------------------|-------------------------------------------|----------------------------------------|---------------------------------------------|---------------------------------------------------------|
| a. Subject to contractual obligation for which the liability is not shown        |                                          |                                        |                      |                                           |                                        |                                             |                                                         |
| b. collateral held under security lending agreements                             |                                          |                                        |                      |                                           |                                        |                                             |                                                         |
| c. Subject to repurchase agreements                                              |                                          |                                        |                      |                                           |                                        |                                             |                                                         |
| d. Subject to reverse repurchase agreements                                      |                                          |                                        |                      |                                           |                                        |                                             |                                                         |
| e. Subject to dollar repurchase agreements                                       |                                          |                                        |                      |                                           |                                        |                                             |                                                         |
| f. Subject to dollar reverse repurchase agreements                               |                                          |                                        |                      |                                           |                                        |                                             |                                                         |
| g. Placed under option contracts                                                 |                                          |                                        |                      |                                           |                                        |                                             |                                                         |
| h. Letter stock or securities restricted as to sale-excluding FHLB capital stock |                                          |                                        |                      |                                           |                                        |                                             |                                                         |
| i. FHLB capital stock                                                            |                                          |                                        |                      |                                           |                                        |                                             |                                                         |
| j. On deposit with states                                                        |                                          |                                        |                      |                                           |                                        |                                             |                                                         |
| k. On deposit with other regulatory bodies                                       | 3,398,116                                | 3,397,964                              | 152                  |                                           | 3,398,116                              | 0.7%                                        | 0.7%                                                    |
| l. Pledged as collateral to FHLB (including assets backing funding agreements)   |                                          |                                        |                      |                                           |                                        |                                             |                                                         |
| m. Pledged as collateral not captured in other categories                        |                                          |                                        |                      |                                           |                                        |                                             |                                                         |
| n. Other restricted assets                                                       |                                          |                                        |                      |                                           |                                        |                                             |                                                         |
| o. Total Restricted Assets                                                       | 3,398,116                                | 3,397,964                              | 152                  |                                           | 3,398,116                              | 0.7%                                        | 0.7%                                                    |

- M. The company does not have any working capital financing investments.
- N. The company does not have any netting of assets and liabilities relating to derivatives, repurchase and reverse repurchase and securities borrowing and lending.
- O. The company does not have any 5\* securities.
- P. The company does not have any short sales.
- Q. Prepayment Penalty and Acceleration Fees

1. Number of Cusips4

2. Aggregate Amount of Investment Income\$34,147

6. Joint ventures, Partnerships and Limited Liability Companies

-NOT APPLICABLE

7. Investment Income



Notes to Financial Statements

The Company does not have nonadmitted accrued investment income.

8. Derivative Instruments

-NOT APPLICABLE

9. Income Taxes

In 2015, the Company applied for not-for-profit 501(c)(3) status. The change in tax status results in the Company no longer being subject to federal income tax.

10. Information Concerning Parent, Subsidiaries and Affiliates

The Company is ultimately controlled by ProMedica Health System, Inc. (“ProMedica”), a nonprofit holding company exempt from federal taxation under Section 501(c)(3) and 509(a)(3) of the Internal Revenue Code. The Company’s affiliates include PCI, PCM, PPO, PICO, HRI, PCIN and PBA. The Company also has many area hospitals as affiliates such as Toledo Hospital, Toledo Children’s Hospital, Bay Park Hospital, Emma L. Bixby Hospital, Defiance Hospital, Fostoria Hospital and Herrick Memorial Hospital. ProMedica Physician Group, a group of physicians owned by ProMedica, is also an affiliate of the Company.

The Company shares employees, services and assets pursuant to a Management Services Sharing Agreement with PCI. The shared services include member services, sales, accounting, information systems, medical direction and management, claims processing, provider relations and community relations. The cost of shared services is allocated between the Company and PCI based upon the percentage of subscribers at the end of each calendar month. For the years ended December 31, 2020 and 2019, the Company was allocated general administrative expenses of \$59,303,238 and \$42,786,827 respectively.

ProMedica allocates corporate overhead to all ProMedica entities pursuant to a Cost Allocation Agreement. The Company was allocated \$15,487,670 and \$19,461,622 of overhead expense in 2020 and 2019, respectively. The amount is to compensate ProMedica for the services provided to the Company for corporate staff primarily in management, legal services, information services and investment management.

Balances outstanding with affiliated entities at December 31, 2020 and 2019:

|                               | 2020      |              | 2019       |              |
|-------------------------------|-----------|--------------|------------|--------------|
|                               | Due from  | Due to       | Due from   | Due to       |
| Paramount Care Inc            |           | \$ 1,821,308 |            | \$ 9,096,019 |
| Paramount Insurance Co.       |           | 143,624      | 487,326    |              |
| Paramount Care of Michigan    | 4,033     |              |            |              |
| Paramount Preferred Solutions | 9,279     |              | 12,820     |              |
| ProMedica Health System       |           | 5,541        |            | 5,326        |
|                               | \$ 13,312 | \$ 1,970,473 | \$ 500,146 | \$ 9,101,345 |

Claims paid to affiliated entities during fiscal year 2020 and 2019

Notes to Financial Statements

|                                    | 2020           | 2019           |
|------------------------------------|----------------|----------------|
|                                    | Paid           | Paid           |
| Bay Park Community Hospital        | \$ 4,595,705   | \$ 5,548,319   |
| ProMedica North Region             | 9,717          | 20,729         |
| Defiance Hospital                  | 2,364,871      | 2,215,776      |
| Fostoria Hospital                  | 1,963,670      | 1,672,599      |
| Memorial Hospital                  | 2,552,737      | 2,311,220      |
| Mercy Memorial Hospital            | 41,218         | 52,922         |
| ProMedica Physicians Group         | 15,196,561     | 17,450,635     |
| ProMedica Continuing Care Services | 1,224,288      | 2,747,145      |
| The Toledo Hospital                | 80,715,677     | 77,724,878     |
|                                    | \$ 108,664,444 | \$ 109,744,223 |

11. Debt
- NOT APPLICABLE
12. Retirement Plans, Deferred Compensation, Postemployment Benefits
- NOT APPLICABLE
13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations
- A. The Company is organized as a charitable trust in the State of Ohio and therefore, the Company does not issue any stock.

B. The Company has no preferred stock.

C. Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company’s state of incorporation, to an amount less than 10% of admitted capital (including all dividends within the prior 12 month period). Additionally, the Company must obtain prior approval for dividends not paid from earned surplus.

D. No dividends were paid during 2020 and 2019.

E. Within the limitations of [C] above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

F. There were no restrictions placed on the Company’s surplus

G. The Company received \$73,000,000 in capital contributions during 2019. The Company did not receive any capital contributions during 2020.

H. There is no stock being held by the Company.

I. The Company has no special surplus funds.

J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is: (\$314,443).

K. The Company has no surplus debentures or other outstanding obligations.
- 26.5

Notes to Financial Statements

L. The Company was not involved in a quasi-reorganization during the year.

14. Contingencies

As of the date of this filing, Management is not aware of any contingent commitments, assessments or other contingencies that would materially impact the company.

15. Leases

The Company has entered into lease agreements for office space and office equipment. Rental expense charged to operations amounted to \$10,333 and \$84,414 in 2020 and 2019, respectively.

The Company is not party to any capital or leveraged lease agreements, nor is it a lessor.

16. Off-Balance Sheet Risk

-NOT APPLICABLE

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

-NOT APPLICABLE

18. Gain or loss to the Reporting Entity from Uninsured A&H Plans and the uninsured Portion of partially Insured Plans

-NOT APPLICABLE

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

-NOT APPLICABLE

20. Fair Value Measurement

A1. Not Applicable

B. Not applicable

C.

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1)  | (Level 2)     | (Level 3) | Not Practicable ( Carrying Value ) |
|------------------------------|----------------------|-----------------|------------|---------------|-----------|------------------------------------|
| Bonds                        | \$212,903,174        | \$207,220,349   |            | \$212,903,174 |           |                                    |
| Common Stock                 | 11,534,610           | 11,534,610      | 11,534,610 |               |           |                                    |
| Cash equivalents             | 229,483              | 229,314         | 229,483    |               |           |                                    |
| Short term investments       | 15,447,333           | 15,447,425      | 15,447,333 |               |           |                                    |

D. Not applicable

21. Other Items

The Company has no extraordinary items, troubled debt restructuring or other unusual disclosures to make.

22. Subsequent Events

Not applicable.

# Notes to Financial Statements

23. Reinsurance

A. Ceded Reinsurance Report

Section 1

1. None of the reinsurers listed in Schedule S as non-affiliated, are owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee or director of the company.
2. None of the policies issued by the company have been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business.

Section 2

1. The company does not have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit.
2. The company does not have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies.

Section 3

1. The aggregate reduction in surplus for termination of all reinsurance agreements, by either party, as of the date of this statement is \$0.
2. No new agreements have been executed or existing agreements amended since January 1, 2020 to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement.

B. The Company does not have any uncollectible reinsurance recorded on its books.

C. The company had no commutation of reinsurance.

24. Retrospectively Rated Contracts

**-NOT APPLICABLE**

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2019 were \$130,334,596. As of December 31, 2020, \$97,617,534 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$12,216,112 as a result of re-estimation of unpaid claims and claim adjustment expenses on Medicaid lines of insurance. Therefore, there has been a \$20,500,950 favorable prior-year development since December 31, 2019 to December 31, 2020. The decrease is generally a result of ongoing analysis of recent development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

**-NOT APPLICABLE**

27. Structured Settlements

**-NOT APPLICABLE**

Notes to Financial Statements

28. Health Care Receivables

The Company estimates its pharmaceutical rebate receivables based on historical cash payments.

|            |           |           | Actual Rebates | Actual Rebates     | Actual Rebates |
|------------|-----------|-----------|----------------|--------------------|----------------|
|            | Estimated | Pharmacy  | Received       | Received           | Received More  |
|            | Pharmacy  | Rebates   | within 90 days | within 91-180 days | than 180 days  |
| Quarter    | Rebates   | as Billed | of billing     | of billing         | after billing  |
| 12/31/2020 | 331,088   | 331,088   | -              | -                  | -              |
| 9/30/2020  | -         | -         | -              | -                  | -              |
| 6/30/2020  | -         | 233,730   | -              | 233,730            | -              |
| 3/31/2020  | -         | 517,134   | -              | 517,134            | -              |
| 12/31/2019 | 3,050,845 | 2,714,130 | -              | 2,714,130          | -              |
| 9/30/2019  | 3,050,845 | 2,825,006 | -              | 2,043,890          | 781,116        |
| 6/30/2019  | 2,890,343 | 2,807,718 | -              | 2,642,046          | 165,672        |
| 3/31/2019  | 2,721,249 | 3,057,020 | -              | 2,984,454          | 72,566         |
| 12/31/2018 | 2,739,787 | 3,103,613 | -              | 2,618,399          | 485,214        |
| 9/30/2018  | 1,941,320 | 2,952,165 | -              | 2,093,104          | 859,061        |
| 6/30/2018  | 2,372,792 | 3,013,087 | -              | 2,191,456          | 821,631        |
| 3/31/2018  | 2,673,946 | 2,925,947 | -              | 2,164,974          | 760,973        |

29. Participating Policies

-NOT APPLICABLE

30. Premium Deficiency Reserves

Liability carried for premium deficiency reserve : \$0  
Date of most recent evaluation of this liability: 1/20/2021  
Was anticipated investment income utilized in the calculation? Yes

31. Anticipated Salvage and Subrogation

-NOT APPLICABLE

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES  
GENERAL

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

Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[ ] N/A[ ]
- 1.3 State Regulating?

Ohio
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group?

Yes[ ] No[X]
- 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[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2015
- 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.

12/31/2015
- 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).

12/09/2016
- 3.4 By what department or departments?  
Ohio Department of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[ ] No[ ] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[ ] No[ ] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business?  
4.12 renewals?

Yes[ ] No[X]  
Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business?  
4.22 renewals?

Yes[ ] No[X]  
Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?  
If yes, complete and file the merger history data file with the NAIC.

Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[ ] No[X]
- 7.2 If yes,  
7.21 State the percentage of foreign control  
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

0.000%

| 1           | 2              |
|-------------|----------------|
| Nationality | Type of Entity |
|             |                |

- 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              | 2                      | 3   | 4   | 5    | 6   |
|----------------|------------------------|-----|-----|------|-----|
| Affiliate Name | Location (City, State) | FRB | OCC | FDIC | SEC |
|                |                        | No  | No  | No   | No  |
|                |                        | No  | No  | No   | No  |

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Plante Moran, 1111 Michigan Ave, Suite 100, East Lansing, MI 48823
- 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 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 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?

GENERAL INTERROGATORIES (Continued)

Karan Rustagi FSA, MAAA, Senior Consulting Actuary, Wakely 1515 Wazee St, Suite 380, Denver, CO 80202

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

12.13 Total book/adjusted carrying value

\$ ..... 0

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

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

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

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

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

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

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

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

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).

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                                                 | 2                               | 3                                                   | 4      |
|---------------------------------------------------|---------------------------------|-----------------------------------------------------|--------|
| American Bankers Association (ABA) Routing Number | Issuing or Confirming Bank Name | Circumstances That Can Trigger the Letter of Credit | 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[ ] No[X]

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

\$ ..... 0

20.12 To stockholders not officers

\$ ..... 0

20.13 Trustees, supreme or grand (Fraternal only)

\$ ..... 0

20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers

\$ ..... 0

20.22 To stockholders not officers

\$ ..... 0

20.23 Trustees, supreme or grand (Fraternal only)

\$ ..... 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[ ] No[X]

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

21.21 Rented from others

\$ ..... 0

21.22 Borrowed from others

\$ ..... 0

21.23 Leased from others

\$ ..... 0

21.24 Other

\$ ..... 0

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[ ] No[X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment

\$ ..... 0

22.22 Amount paid as expenses

\$ ..... 0

22.23 Other amounts paid

\$ ..... 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[X] No[ ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ ..... 0

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes[X] No[ ]

24.02 If no, give full and complete information, relating thereto

24.03 For securities 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 For the reporting entity s securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions.

\$ ..... 0

24.05 For the reporting entity s securities lending program, report amount of collateral for other programs.

\$ ..... 0

24.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

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

24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

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

24.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

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

GENERAL INTERROGATORIES (Continued)

24.09

For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:  
24.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.  
24.092 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.  
24.093 Total payable for securities lending reported on the liability page.

\$ ..... 0  
\$ ..... 0  
\$ ..... 0

25.1

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

Yes[X] No[ ]

25.2

If yes, state the amount thereof at December 31 of the current year:  
25.21 Subject to repurchase agreements  
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  
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

\$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 3,398,116  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0

25.3

For category (25.26) provide the following:

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

26.1

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

Yes[ ] No[X]

26.2

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

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

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[X]

26.4

If the response to 26.3 is yes, does the reporting entity utilize:  
26.41 Special Accounting Provision of SSAP No. 108  
26.42 Permitted Accounting Practice  
26.43 Other Accounting Guidance

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

26.5

By responding yes to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, does the reporting entity at tests to the following:  
- 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 with in 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

Yes[ ] No[X]

27.1

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

Yes[ ] No[X]

27.2

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

\$ ..... 0

28.

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

Yes[X] No[ ]

28.01

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

| 1                                 | 2                                                        |
|-----------------------------------|----------------------------------------------------------|
| Name of Custodian(s)              | Custodian's Address                                      |
| The Bank of New York Mellon ..... | Three Mellon Center, Suite 153-3925, Pittsburg, PA ..... |

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

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

28.03

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

Yes[ ] No[X]

28.04

If yes, give full and complete information relating thereto:

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

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                                              | 2           |
|------------------------------------------------|-------------|
| Name of Firm or Individual                     | Affiliation |
| Income Research & Management .....             | U .....     |
| Crossmark Global Investments .....             | U .....     |
| Frontier Capital Management Company, LLC ..... | U .....     |
| Harbor (Int'l Core) .....                      | U .....     |
| Harbor (Int's Growth) .....                    | U .....     |
| .....                                          | .....       |



GENERAL INTERROGATORIES (Continued)

- 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<br>Central<br>Registration<br>Depository<br>Number | 2<br><br>Name of Firm or Individual         | 3<br>Legal<br>Entity<br>Identifier<br>(LEI) | 4<br><br>Registered<br>With | 5<br>Investment<br>Management<br>Agreement<br>(IMA) Filed |
|------------------------------------------------------|---------------------------------------------|---------------------------------------------|-----------------------------|-----------------------------------------------------------|
| 104863 .....                                         | Income Resarch & Management                 | NA .....                                    | SEC .....                   | DS .....                                                  |
| 113360 .....                                         | Crossmark Global Investments                | NA .....                                    | SEC .....                   | DS .....                                                  |
| 106274 .....                                         | Frontier Capital Management<br>Company, LLC | NA .....                                    | SEC .....                   | DS .....                                                  |
| 128223 .....                                         | Harbor (Int'l Core) .....                   | NA .....                                    | SEC .....                   |                                                           |
| 110296 .....                                         | Harbor (Int's Growth) .....                 | 549300OJXEENXLO4FW52 .....                  | SEC .....                   |                                                           |

- 29.1

Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes[ ] No[X]
- 29.2

If yes, complete the following schedule:

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

- 29.3

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

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

30.

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

|                             | 1<br><br>Statement<br>(Admitted) Value | 2<br><br>Fair<br>Value | 3<br>Excess of<br>Statement over<br>Fair Value (-),<br>or Fair Value over<br>Statement (+) |
|-----------------------------|----------------------------------------|------------------------|--------------------------------------------------------------------------------------------|
| 30.1 Bonds .....            | ..... 208,623,602                      | ..... 214,306,505      | ..... 5,682,903                                                                            |
| 30.2 Preferred stocks ..... |                                        |                        |                                                                                            |
| 30.3 Totals .....           | ..... 208,623,602                      | ..... 214,306,505      | ..... 5,682,903                                                                            |

- 30.4

Describe the sources or methods utilized in determining the fair values:  
New York Stock Exchange, American Stock Exchange, NASDAQ, NAIC
- 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?

Yes[X] No[ ] N/A[ ]
- 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:
33.

By self-designation 5GI securities, the reporting entity is certifying the following elements for 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.

GENERAL INTERROGATORIES (Continued)

- 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]
36. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:

a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.

b. If the investment is with a nonrelated party or nonaffiliate then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.

c. If the investment is with a related party or affiliate then the reporting entity has complete robust reunderwriting of the transaction for which documentation is available for regulator review.

d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a-36.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria?

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

OTHER

- 37.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 0
- 37.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

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

- 38.1 Amount of payments for legal expenses, if any?

\$..... 207,301
- 38.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

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

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

\$..... 0
- 39.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

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



GENERAL INTERROGATORIES (Continued)

| 1<br>Name of Service Area |
|---------------------------|
| Columbiana .....          |
| Cuyahoga .....            |
| Darke .....               |
| Defiance .....            |
| Erie .....                |
| Fulton .....              |
| Geauga .....              |
| Greene .....              |
| Hamilton .....            |
| Hancock .....             |
| Hardin .....              |
| Henry .....               |
| Highland .....            |
| Holmes .....              |
| Huron .....               |
| Lake .....                |
| Lorain .....              |
| Lucas .....               |
| Mahoning .....            |
| Medina .....              |
| Mercer .....              |
| Miami .....               |
| Montgomery .....          |
| Ottawa .....              |
| Paulding .....            |
| Portage .....             |
| Preble .....              |
| Putnam .....              |
| Richland .....            |
| Sandusky .....            |
| Seneca .....              |
| Shelby .....              |
| Stark .....               |
| Summit .....              |
| Trumbell .....            |
| Tuscarawas .....          |
| Van Wert .....            |
| Warren .....              |
| Wayne .....               |
| Williams .....            |
| Wood .....                |
| Wyandot .....             |

13.1 Do you act as a custodian for health savings accounts?

Yes[ ] No[X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$ ..... 0

13.3 Do you act as an administrator for health savings accounts?

Yes[ ] No[X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$ ..... 0

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

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

15.1 Direct Premium Written

\$ ..... 0

15.2 Total incurred claims

\$ ..... 0

15.2 Number of covered lives

..... 0

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

FIVE-YEAR HISTORICAL DATA

|                                                                                                          | 1<br>2020     | 2<br>2019     | 3<br>2018     | 4<br>2017     | 5<br>2016     |
|----------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>BALANCE SHEET (Pages 2 and 3)</b>                                                                     |               |               |               |               |               |
| 1. TOTAL Admitted Assets (Page 2, Line 28) .....                                                         | 472,090,718   | 322,473,896   | 289,630,119   | 303,423,826   | 290,446,044   |
| 2. TOTAL Liabilities (Page 3, Line 24) .....                                                             | 280,122,899   | 179,963,190   | 149,388,886   | 134,035,873   | 155,170,339   |
| 3. Statutory minimum capital and surplus requirement .....                                               | 1,500,000     | 1,500,000     | 1,500,000     | 1,500,000     | 1,500,000     |
| 4. TOTAL Capital and Surplus (Page 3, Line 33) .....                                                     | 191,967,819   | 142,510,706   | 140,241,233   | 169,387,953   | 135,275,705   |
| <b>INCOME STATEMENT (Page 4)</b>                                                                         |               |               |               |               |               |
| 5. TOTAL Revenues (Line 8) .....                                                                         | 1,534,627,805 | 1,493,079,936 | 1,341,108,165 | 1,144,900,192 | 1,000,396,481 |
| 6. TOTAL Medical and Hospital Expenses (Line 18) .....                                                   | 1,284,813,777 | 1,366,682,090 | 1,191,833,011 | 941,552,305   | 865,126,477   |
| 7. Claims adjustment expenses (Line 20) .....                                                            | 20,762,968    | 21,454,040    | 18,438,856    | 15,712,846    | 13,280,989    |
| 8. TOTAL Administrative Expenses (Line 21) .....                                                         | 184,341,456   | 184,808,715   | 158,725,903   | 164,429,604   | 135,644,724   |
| 9. Net underwriting gain (loss) (Line 24) .....                                                          | 44,709,604    | (79,864,909)  | (27,889,605)  | 23,205,437    | (13,655,709)  |
| 10. Net investment gain (loss) (Line 27) .....                                                           | 6,161,952     | 6,999,950     | 4,433,831     | 4,456,170     | 896,545       |
| 11. TOTAL Other Income (Lines 28 plus 29) .....                                                          |               |               |               |               | 109           |
| 12. Net income or (loss) (Line 32) .....                                                                 | 50,871,556    | (72,864,959)  | (23,455,774)  | 27,627,901    | (12,759,055)  |
| <b>Cash Flow (Page 6)</b>                                                                                |               |               |               |               |               |
| 13. Net cash from operations (Line 11) .....                                                             | 159,469,956   | (43,939,536)  | (28,501,793)  | 25,112,505    | (1,629,240)   |
| <b>RISK-BASED CAPITAL ANALYSIS</b>                                                                       |               |               |               |               |               |
| 14. TOTAL Adjusted Capital .....                                                                         | 191,967,819   | 142,510,706   | 140,241,233   | 169,387,953   | 135,275,705   |
| 15. Authorized control level risk-based capital .....                                                    | 53,083,241    | 56,254,872    | 49,005,840    | 37,138,517    | 34,392,575    |
| <b>ENROLLMENT (Exhibit 1)</b>                                                                            |               |               |               |               |               |
| 16. TOTAL Members at End of Period (Column 5, Line 7) .....                                              | 231,730       | 215,343       | 237,600       | 238,385       | 233,485       |
| 17. TOTAL Members Months (Column 6, Line 7) .....                                                        | 2,650,676     | 2,820,173     | 2,920,593     | 2,880,877     | 2,794,873     |
| <b>OPERATING PERCENTAGE (Page 4)</b>                                                                     |               |               |               |               |               |
| (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0                                                |               |               |               |               |               |
| 18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....                                  | 100.0         | 100.0         | 100.0         | 100.0         | 100.0         |
| 19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) .....                       | 83.7          | 91.5          | 89.5          | 82.7          | 87.3          |
| 20. Cost containment expenses .....                                                                      | 1.2           | 1.3           | 1.2           | 1.1           | 1.1           |
| 21. Other claims adjustment expenses .....                                                               | 0.2           | 0.2           | 0.2           | 0.2           | 0.2           |
| 22. TOTAL Underwriting Deductions (Line 23) .....                                                        | 97.1          | 105.3         | 102.8         | 98.6          | 102.3         |
| 23. TOTAL Underwriting Gain (Loss) (Line 24) .....                                                       | 2.9           | (5.3)         | (2.1)         | 2.0           | (1.4)         |
| <b>UNPAID CLAIMS ANALYSIS</b>                                                                            |               |               |               |               |               |
| (U&I Exhibit, Part 2B)                                                                                   |               |               |               |               |               |
| 24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....                                      | 114,890,942   | 113,322,271   | 94,274,965    | 63,502,819    | 68,402,172    |
| 25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....                          | 128,824,923   | 105,329,657   | 90,784,925    | 93,789,272    | 92,622,974    |
| <b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>                                                |               |               |               |               |               |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) .....                                           |               |               |               |               |               |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) .....                                |               |               |               |               |               |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) .....                                   |               |               |               |               |               |
| 29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) ..... |               |               |               |               |               |
| 30. Affiliated mortgage loans on real estate .....                                                       |               |               |               |               |               |
| 31. All other affiliated .....                                                                           |               |               |               |               |               |
| 32. TOTAL of Above Lines 26 to 31 .....                                                                  |               |               |               |               |               |
| 33. TOTAL Investment in Parent Included in Lines 26 to 31 above .....                                    |               |               |               |               |               |

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

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS  
ALLOCATED BY STATES AND TERRITORIES

|                      |                                                               | 1                 | Direct Business Only       |                      |                    |                                                 |                                                |                             |                           |                          |
|----------------------|---------------------------------------------------------------|-------------------|----------------------------|----------------------|--------------------|-------------------------------------------------|------------------------------------------------|-----------------------------|---------------------------|--------------------------|
|                      |                                                               |                   | 2                          | 3                    | 4                  | 5                                               | 6                                              | 7                           | 8                         | 9                        |
| State, Etc.          |                                                               | Active Status (a) | Accident & Health Premiums | Medicare Title XVIII | Medicaid Title XIX | Federal Employees Health Benefits Plan Premiums | Life & Annuity Premiums & Other Considerations | Property/ Casualty Premiums | Total Columns 2 Through 7 | Deposit - Type Contracts |
| 1.                   | Alabama (AL)                                                  | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 2.                   | Alaska (AK)                                                   | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 3.                   | Arizona (AZ)                                                  | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 4.                   | Arkansas (AR)                                                 | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 5.                   | California (CA)                                               | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 6.                   | Colorado (CO)                                                 | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 7.                   | Connecticut (CT)                                              | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 8.                   | Delaware (DE)                                                 | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 9.                   | District of Columbia (DC)                                     | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 10.                  | Florida (FL)                                                  | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 11.                  | Georgia (GA)                                                  | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 12.                  | Hawaii (HI)                                                   | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 13.                  | Idaho (ID)                                                    | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 14.                  | Illinois (IL)                                                 | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 15.                  | Indiana (IN)                                                  | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 16.                  | Iowa (IA)                                                     | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 17.                  | Kansas (KS)                                                   | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 18.                  | Kentucky (KY)                                                 | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 19.                  | Louisiana (LA)                                                | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 20.                  | Maine (ME)                                                    | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 21.                  | Maryland (MD)                                                 | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 22.                  | Massachusetts (MA)                                            | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 23.                  | Michigan (MI)                                                 | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 24.                  | Minnesota (MN)                                                | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 25.                  | Mississippi (MS)                                              | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 26.                  | Missouri (MO)                                                 | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 27.                  | Montana (MT)                                                  | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 28.                  | Nebraska (NE)                                                 | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 29.                  | Nevada (NV)                                                   | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 30.                  | New Hampshire (NH)                                            | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 31.                  | New Jersey (NJ)                                               | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 32.                  | New Mexico (NM)                                               | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 33.                  | New York (NY)                                                 | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 34.                  | North Carolina (NC)                                           | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 35.                  | North Dakota (ND)                                             | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 36.                  | Ohio (OH)                                                     | L                 |                            |                      | 1,538,033,099      |                                                 |                                                |                             | 1,538,033,099             |                          |
| 37.                  | Oklahoma (OK)                                                 | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 38.                  | Oregon (OR)                                                   | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 39.                  | Pennsylvania (PA)                                             | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 40.                  | Rhode Island (RI)                                             | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 41.                  | South Carolina (SC)                                           | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 42.                  | South Dakota (SD)                                             | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 43.                  | Tennessee (TN)                                                | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 44.                  | Texas (TX)                                                    | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 45.                  | Utah (UT)                                                     | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 46.                  | Vermont (VT)                                                  | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 47.                  | Virginia (VA)                                                 | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 48.                  | Washington (WA)                                               | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 49.                  | West Virginia (WV)                                            | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 50.                  | Wisconsin (WI)                                                | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 51.                  | Wyoming (WY)                                                  | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 52.                  | American Samoa (AS)                                           | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 53.                  | Guam (GU)                                                     | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 54.                  | Puerto Rico (PR)                                              | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 55.                  | U.S. Virgin Islands (VI)                                      | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 56.                  | Northern Mariana Islands (MP)                                 | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 57.                  | Canada (CAN)                                                  | N                 |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 58.                  | Aggregate other alien (OT)                                    | X X X             |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 59.                  | Subtotal                                                      | X X X             |                            |                      | 1,538,033,099      |                                                 |                                                |                             | 1,538,033,099             |                          |
| 60.                  | Reporting entity contributions for Employee Benefit Plans     | X X X             |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 61.                  | TOTAL (Direct Business)                                       | X X X             |                            |                      | 1,538,033,099      |                                                 |                                                |                             | 1,538,033,099             |                          |
| DETAILS OF WRITE-INS |                                                               |                   |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 58001.               |                                                               | X X X             |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 58002.               |                                                               | X X X             |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 58003.               |                                                               | X X X             |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 58998.               | Summary of remaining write-ins for Line 58 from overflow page | X X X             |                            |                      |                    |                                                 |                                                |                             |                           |                          |
| 58999.               | TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) | X X X             |                            |                      |                    |                                                 |                                                |                             |                           |                          |

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG

E - Eligible - Reporting entities eligible or approved to write surplus lines in the state

N - None of the above - Not allowed to write business in the state

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R - Registered - Non-domiciled RRGs

Q - Qualified - Qualified or accredited reinsurer

(b) Explanation of basis of allocation by state, premiums by state, etc.: All premiums are allocated to Ohio based on residency as all members must reside in Ohio to be eligible for Medicaid.

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

Paramount Advantage is ultimately controlled by ProMedica Health System, Inc., (“ProMedica”), a nonprofit holding company exempt from federal taxation under Section 501(c)(3) and 509(a)(3) of the Internal Revenue Code. The following coding system is used to show the interrelationships among the various members of the insurance holding company system:

- | A circle means that ProMedica is the sole member/parent of the entity.
- ⊍ Each entity marked with a diamond is a subsidiary of the entity listed directly above and denoted with a circle.
- ⊎ Each entity marked with a square is a subsidiary of the entity listed directly above and marked with a diamond.
- ⊏ Each entity marked with a small square is a subsidiary of the entity listed directly above and marked with a larger square
- Each entity marked with an open circle is a subsidiary of the entity listed directly above and marked with a small square.
- ∅ Each entity marked with an arrow is a member of the insurance holding company system.

The following list depicts the identities and interrelationships of affiliated persons within the insurance holding company system:

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- | ProMedica Foundation, an Ohio nonprofit corporation, of which Defiance Foundation, Fostoria Community Hospital Foundation, ProMedica, Bixby Hospital Foundation, Herrick Hospital Foundation, Memorial Hospital Foundation, Monroe Regional Hospital Foundation, Community Health Center Foundation and Metro Foundation (which includes Bay Park Community Hospital Foundation, Toledo Hospital Foundation, Toledo Children’s Hospital Foundation and Flower Hospital Foundation) are divisions.
  - ⊍ Mission Pointe Golf Course, LLC, a Michigan limited liability company, with ProMedica Foundation d/b/a Herrick Hospital Foundation as its sole member.
  - ⊍ HCR ManorCare Foundation, Inc.
  - ⊍ Heartland Hospice Memorial Fund, Inc.
  - ⊍ The Hug Fund
- | ProMedica Health Network, Inc., an Ohio for profit corporation, with ProMedica Health System, Inc. as the sole shareholder.
- | ProMedica Innovations, LLC, an Ohio limited liability company with ProMedica Health System as its sole member.
  - ⊍ ProMedica Natural Wellness, LLC (the inactive LLC, Nexttech Ohio, LLC, changed its name to ProMedica Natural Wellness, LLC).
  - ⊍ Air Diverter Solutions, LLC, an Ohio limited liability company (formed 10/20/2020)
- | Fostoria Hospital Association, an Ohio nonprofit corporation.

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- I ProMedica Continuum Services f/k/a ProMedica Physicians and Continuum Services f/k/a ProMedica Physician Corporation f/k/a ProMedica Physicians Enterprises, an Ohio nonprofit corporation.
  - U ProMedica Continuing Care Services Corporation f/k/a Crestview of Ohio, Inc., an Ohio nonprofit corporation.
  - U ProMedica Courier Services, Inc., an Ohio nonprofit corporation.
  - U The Surgical Institute of Monroe Ambulatory Surgery Center, LLC, a Michigan limited liability company which ProMedica Continuum Service f/k/a ProMedica Physicians & Continuum Services holds 54% ownership interest and various physicians holding the remaining 46% interest.
  - U ProMedica Pharmacy Group, LLC
- I ProMedica Physician Group, Inc., an Ohio non-profit corporation.
  - U The Pharmacy Counter, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - U ProMedica Central Corporation of Michigan, a Michigan nonprofit corporation and a wholly-owned subsidiary of ProMedica Physician Group, Inc.
  - U ProMedica Central Physicians a Michigan non-profit corporation with ProMedica Physician Group, Inc., as its sole member.
  - U ProMedica North Physicians Corporation, a Michigan nonprofit stock corporation and a wholly-owned subsidiary of ProMedica Physician Group, Inc.
  - U Midwest Cardiovascular Consultants, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - U ProMedica Northwest Ohio Cardiology Consultants a Michigan nonprofit corporation with ProMedica Physician Group, Inc., as its sole member.
  - U ProMedica Monroe Cardiology, a Michigan nonprofit corporation with ProMedica Physician Group, Inc., as its sole member.
  - U ProMedica Physician Management Services, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - U ProMedica Surgical Services, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - U ProMedica Monroe Physicians a Michigan nonprofit corporation with ProMedica Physician Group, Inc., as its sole member.
  - U ProMedica Multi Specialty Physicians, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
  - U ProMedica Genito-Urinary Surgeons a Michigan non-profit corporation with ProMedica Physician Group, Inc., as its sole member.



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- └ ProMedica Physicians at Home, Inc., a Michigan non-profit corporation with ProMedica Physician Group, Inc., as its sole member.
- └ ProMedica at Home, Inc., a Michigan non-profit corporation with ProMedica Physician Group, Inc., as its sole member.
- └ Memorial Professional Services, a Michigan nonprofit corporation with ProMedica Physician Group, Inc., as its sole member.
- └ Memorial Anesthesia, Ltd., an Ohio limited liability company with ProMedica Physician Group, Inc., as its sole member.
- └ ProMedica Primary Care Providers, a Michigan nonprofit corporation with ProMedica Physician Group, Inc. as its sole member.
- └ ProMedica Children’s Specialists, a Michigan nonprofit corporation with ProMedica Physician Group, Inc. as its sole member
- | ProMedica Indemnity Corporation, a Vermont corporation.
- | ProMedica Insurance Corporation f/k/a ProMedica Health Ventures Corporation f/k/a Vanguard Health Ventures, Inc., an Ohio nonprofit corporation.
  - └ Paramount Preferred Options, Inc., an Ohio for-profit corporation, which is wholly-owned by ProMedica Insurance Corporation.
    - ┆ Health Management Solutions, Inc., an Ohio for-profit corporation which is wholly-owned by Paramount Preferred Options.
    - ┆ Paramount Preferred Solutions, Inc., an Ohio for-profit corporation which is wholly-owned by Paramount Preferred Options.
    - ┆ CEC Associates, Inc., a Pennsylvania Corporation which is wholly-owned by Paramount Preferred Options
  - └ NAIC 95189-Paramount Care, Inc., an Ohio nonprofit health-insuring corporation with ProMedica Insurance Corporation as its sole member.
  - └ Paramount Benefits Agency, Inc., an Ohio for-profit corporation and a wholly owned subsidiary of ProMedica Insurance Corporation.
  - └ NAIC 95566-Paramount Care of Michigan, Inc., a Michigan nonprofit corporation with ProMedica Insurance Corporation as its sole shareholder.
  - └ NAIC 11518-Paramount Insurance Company f/k/a ProMedica Life Insurance Company, a for-profit corporation and a wholly owned subsidiary of ProMedica Insurance Corporation.
  - └ NAIC 12353-Paramount Advantage, an Ohio nonprofit corporation with ProMedica Insurance Corporation as its sole member.
  - └ NAIC 96687-Health Resources, Inc., an Indiana for-profit corporation with ProMedica Insurance Corporation as its sole member.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
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- └ NAIC 16833-Paramount Care of Indiana, Inc., and Indiana nonprofit Corporation.
- └ Paramount Care of Florida, Inc., a Florida nonprofit Corporation with ProMedica Insurance Corporation as its sole member.
- | Bay Park Community Hospital, an Ohio nonprofit corporation.
- | Community Health Center of Branch County, dba ProMedica Coldwater Regional Hospital, a Michigan nonprofit corporation.
- | Defiance Hospital, Inc., an Ohio nonprofit corporation.
  - └ Kaitlyn’s Cottage, Inc., an Ohio nonprofit corporation with Defiance Hospital, Inc., as its sole member.
- | Emma L. Bixby Medical Center, a Michigan nonprofit corporation ProMedica Health System, Inc. as its sole member.
  - └ Herrick Memorial Development Corporation, a Michigan for-profit corporation and a wholly owned subsidiary of Emma L. Bixby Medical Center.
    - ┐ Herrick Memorial Office Plaza Condominium Association, a Michigan nonprofit corporation in which Herrick Memorial Development Corporation holds 71.8% ownership interest with various physicians having the remaining 28.2% interest.
  - └ Lenawee Clinical Partners is a Michigan nonprofit corporation in which Emma L. Bixby Medical Center holds 50% ownership interest with various physicians holding the remaining 50% interest.
  - └ Wolf Creek Associates, LLC, a Michigan limited liability company with Emma L. Bixby Medical Center as its sole member.
- Herrick Memorial Hospital, Inc., a Michigan nonprofit corporation with ProMedica Health System, Inc. as its sole member.
- | The Toledo Hospital, an Ohio nonprofit corporation, of which ProMedica Flower Hospital, ProMedica Russell J. Ebeid Children’s Hospital f/k/a ProMedica Toledo Children’s Hospital f/k/a ProMedica Children’s Medical Center of Northwest Ohio and ProMedica Wildwood Orthopaedic and Spine Hospital are divisions.
  - └ PHS Investments, LLC, an Ohio for-profit limited company with The Toledo Hospital as its sole member.
  - └ Reynolds Road Surgery Center, LLC, an Ohio limited liability company in which The Toledo Hospital holds 63% ownership interest, with various physicians holding a remaining 37% interest.
  - └ Northwest Ohio Dedicated Breast MRI, LLC, an Ohio limited liability company in which The Toledo Hospital holds 50% ownership interest with TRA Investment Club, LLC, holding the remaining 50% interest.

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- └ Arrowhead Behavioral Health, LLC, a Delaware limited liability company in which The Toledo Hospital holds 30% ownership interest and Toledo Holding Company, LLC, holding a remaining 70% interest.
- └ West Central Surgical Center, LLC, an Ohio limited liability company of which The Toledo Hospital holds 50% ownership interest and various physicians holding the remaining 50% interest.
- └ ProMedica Hickman Cancer Center Pharmacy, LLC, an Ohio limited liability company with The Toledo Hospital as its sole member.
- └ ProMedica Pathology Laboratories, LLC, a Delaware limited liability company where The Toledo Hospital holds 51% ownership interest.
- └ ProMedica Intuitive Management of Ohio, LLC, a Delaware limited liability company where The Toledo Hospital holds 51% ownership interest.
- | PHS Ventures, LLC f/k/a/ PHS Ventures, Inc., f/k/a BVPH Ventures, Inc., a Delaware LLC with ProMedica Health System, Inc., as its sole member.
- | Memorial Hospital, an Ohio nonprofit corporation.
  - └ Fremont Hospital/Physician Organization d/b/a Cooperative Care, an Ohio for-profit corporation of which Memorial Hospital holds 50% ownership interest and various other physicians hold the remaining 50% interest.
    - ┐ Sandusky County Medical Specialists, LLC, and Ohio limited liability company of which Fremont Hospital/Physician Organizations holds 100% ownership interest.
  - └ East-West Holding, Ltd., and Ohio limited liability company of which Memorial Hospital holds 50% ownership interest with The Bellevue Hospital, an Ohio nonprofit corporation holding the remaining 50% interest.
- | Mercy Memorial Hospital Corporation, a Michigan nonprofit corporation d/b/a ProMedica Monroe Regional Hospital.
  - └ Monroe Health Ventures, Inc., a Michigan for-profit corporation.
  - └ Mercy Memorial Surgical Co-Management Company, LLC, a Michigan limited liability company of which Monroe Regional Hospital holds a 50% ownership interest and various other physicians hold the remaining 50% interest.
- | 300 Madison Building, LLC, an Ohio limited liability company.
- | ProMedica Active Mobility, LLC, an Ohio limited liability company.
- | ProMedica International, LLC, an Ohio limited liability company.

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- | ProMedica Manager Member, LLC, an Ohio limited liability company.
  - └ ProMedica Downton Campus Landlord, LLC, an Ohio limited liability company, an Ohio LLC that ProMedica Manger Member, LLC holds 90% interest and ProMedica Tenant, LLC holds the remaining 10%.
    - └ ProMedica Master Tenant, LLC, an Ohio limited liability company, which ProMedica Dometown Campus Landlord, LLC holds 1% ownership interest.
- | 1611 Monroe Investors, LLC, an Ohio limited liability company.
- | Marina District Development, LLC, an Ohio limited liability company.
- | IST Theatre, LLC, an Ohio limited liability company in which ProMedica Health System holds 100% ownership interest.
- | Ball Park Properties, LLC, an Ohio limited liability company in which ProMedica Health System holds 100% ownership interest.
- | Kapios, LLC, an Ohio limited liability company in which ProMedica Health System, Inc. holds 100% ownership interestToledo Riverfront, LLC, an Ohio limited liability company in which ProMedica Health System, Inc. holds 100% ownership interest.
- | Fort Industry JV Partner, LLC, an Ohio limited liability company which ProMedica Health System holds 100% interest
  - └ Fort Industry Manager, LLC an Ohio limited liability company in which Fort Industry JV Partner, LLC holds 30% ownership interest.
- | HCR ManorCare, Inc. an Ohio nonprofit corporation
  - └ Well PM Properties, LLC, a limited liability company where HCR ManorCare, Inc. holds 20% ownership interest.
  - └ HCR Healthcare, LLC
    - └ Ancillary Services Management, LLC
    - └ HCR Home Health Care and Hospice, LLC
    - └ HCR Canterbury Village, LLC
    - └ HCR Home Health Care and Hospice, LLC

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
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- § HCR Manor Care Services of Florida III, LLC
- § HCR Manor Care Services of Florida, LLC
- § Home Health Care Services, LLC
- § Heartland Hospice Services, LLC
  - Erie West Hospice and Palliative Care, Ltd., an Ohio limited liability company.

n HCR II Healthcare, LLC

- § HCR III Healthcare, LLC (See list of HCR III Healthcare, LLC OpCos)
  - o HCR IV Healthcare, LLC (see list of HCR IV Healthcare, LLC OpCos)

n HCR Manor Care Services, LLC

- § Heartland Care, LLC (which holds 2.3% interest in Ohio Employee health Partnership , LTD)

n Health Care and Retirement Corporation of America, LLC

n Heartland Employment Services, LLC

n Heartland Rehabilitation Services, LLC

- § HCR ManorCare Medical Services of Florida, LLC
- § Heartland Home Care, LLC
- § Heartland Rehabilitation Services of Michigan, LLC

n Heartland Services, LLC

- § Heartland Healthcare Services, LLC- Joint Venture where Heartland Services, LLC has 50% interest (its disregarded entities: Heartland Pharmacy of Illinois, LLC, Heartland Pharmacy of Pennsylvania, LLC, and Sun Pharmacy, LLC)

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- n Industrial Wastes, LLC
- n Manor Care Aviation, LLC
- n Manor Care of Delaware County, LLC (which holds 50% interest in Mercy/Manor Partnership)
- n Manor Care Supply, LLC
- n ManorCare Health Services of Oklahoma, LLC (which holds 60.5% ownership interest in Norman Specialty Hospital, LLC)
- n ManorCare Health Services of Toledo OH, LLC
  - § ProMedica of Sylvania OH, LLC (NOTE: this was f/k/a Arden Courts of Germantown MD, LLC and previously fell under ManorCare Health Services, LLC)
  - § ProMedica of Adrian MI, LLC (Note: this was f/k/a Arden Courts of Centerville VA, LLC and previously fell under ManorCare Health Services, LLC)
  - § Monroe Community Health Services, a Michigan nonprofit corporation
  - § Lenawee Long Term Care, a Michigan nonprofit corporation.
  - § HCRMC- ProMedica, LLC, dba Heartland at ProMedica Flower Hospital, a Delaware limited liability company in which ManorCare Health Services of Toledo OH, LLC holds 100% interest
- n ManorCare Health Services, LLC
  - § Heartland of Toledo OH, LLC
  - § In Home Health, LLC
    - o Visiting Nurse Hospice and Health Care, an Ohio nonprofit corporation
  - § Manor Care of Lacey WA, Association
  - § Manor Care of Salmon Creek WA, Association

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

§ Winter Park Nursing Center, LLC

○ Manor Care of Winter Park FL, LLC- Winter Park Nursing Center, LLC has 50% interest

○ Portfolio One, LLC

○ Forum Purchasing, LLC, a limited liability company in which HCR Healthcare, LLC holds 27.3% ownership interest.

Other Affiliated Entities

- Ø Lima Memorial Joint Operating Company, an Ohio nonprofit corporation, in which Lima Memorial Hospital, an Ohio nonprofit corporation and PHS Ventures, LLC, each hold 50% ownership interest.
- Ø ProMedica Orthopedic Co-Management Company, LLC, an Ohio limited liability company is which The Toledo Hospital and Bay Park Community Hospital share 40% ownership interest with various physicians holding the remaining 60% interest.
- Ø Interactive Physical Therapy, an Ohio limited liability company in which ProMedica Health System, Inc., holds 50% ownership interest and various individuals holding the remaining 50% interest.
- Ø ProMedica Surgical Services Co-Management Company, LLC, an Ohio limited liability company in which The Toledo Hospital and Bay Park Community Hospital share 50% ownership interest with various physicians holding the remaining 50% interest.
- Ø Monroe Community Ambulance, a Michigan nonprofit corporation in which ProMedica Continuing Care Services Corporation holds 25% ownership interest, Monroe Regional Hospital holds 25% interest, and various other corporations hold the remaining 50% interest.
- Ø Front Health Holdco, LLC, an Ohio limited liability company in which ProMedica Health System holds 50% ownership interest.
- Ø Healthonomy, an OH limited liability company, in which ProMedica Health System, Inc. holds 33.3% interest.

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SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
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| Entity Name                                             | State<br>Formed | Date Formed | EIN        | State<br>Qual. | Member                  |
|---------------------------------------------------------|-----------------|-------------|------------|----------------|-------------------------|
| Arden Courts of Avon CT, LLC                            | DE              | 07/24/07    | 26-0625113 | CT             | HCR III Healthcare, LLC |
| Arden Courts of Farmington CT, LLC                      | DE              | 07/24/07    | 26-0625092 | CT             | HCR III Healthcare, LLC |
| Manor Care-Pike Creek of Wilmington DE, LLC             | DE              | 07/24/07    | 26-0623346 | N/A----        | HCR III Healthcare, LLC |
| Arden Courts of Wilmington DE, LLC                      | DE              | 07/24/07    | 26-0625127 | N/A----        | HCR III Healthcare, LLC |
| Manor Care of Wilmington DE, LLC                        | DE              | 07/24/07    | 26-0623367 | N/A----        | HCR III Healthcare, LLC |
| Heartland of Boca Raton FL, LLC                         | DE              | 07/24/07    | 26-0623949 | FL             | HCR III Healthcare, LLC |
| Manor Care of Boca Raton FL, LLC                        | DE              | 07/24/07    | 26-0624217 | FL             | HCR III Healthcare, LLC |
| Heartland of Boynton Beach FL, LLC                      | DE              | 07/24/07    | 26-0623523 | FL             | HCR III Healthcare, LLC |
| Manor Care of Boynton Beach FL, LLC                     | DE              | 07/24/07    | 26-0624241 | FL             | HCR III Healthcare, LLC |
| Manor Care-Carrollwood of Tampa FL, LLC                 | DE              | 07/24/07    | 26-0624118 | FL             | HCR III Healthcare, LLC |
| Arden Courts of Delray Beach FL, LLC                    | DE              | 07/24/07    | 26-0625237 | FL             | HCR III Healthcare, LLC |
| Manor Care of Delray Beach FL, LLC                      | DE              | 07/24/07    | 26-0624068 | FL             | HCR III Healthcare, LLC |
| Manor Care of Dunedin FL, LLC                           | DE              | 07/24/07    | 26-0624190 | FL             | HCR III Healthcare, LLC |
| Arden Courts of Ft. Myers FL, LLC                       | DE              | 07/24/07    | 26-0625314 | FL             | HCR III Healthcare, LLC |
| Heartland of Fort Myers FL, LLC                         | DE              | 07/24/07    | 26-0623726 | FL             | HCR III Healthcare, LLC |
| Manor Care of Ft. Myers FL, LLC                         | DE              | 07/24/07    | 26-0624272 | FL             | HCR III Healthcare, LLC |
| Heartland-South Jacksonville of Jacksonville FL, LLC    | DE              | 07/24/07    | 26-0623559 | FL             | HCR III Healthcare, LLC |
| Heartland of Jacksonville FL, LLC                       | DE              | 07/24/07    | 26-0623590 | FL             | HCR III Healthcare, LLC |
| Heartland of Kendall FL, LLC                            | DE              | 07/24/07    | 26-0623392 | FL             | HCR III Healthcare, LLC |
| Kensington Manor-Sarasota FL, LLC                       | DE              | 07/24/07    | 26-0623931 | FL             | HCR III Healthcare, LLC |
| Arden Courts of Largo FL, LLC                           | DE              | 07/24/07    | 26-0625141 | FL             | HCR III Healthcare, LLC |
| Heartland of Lauderdale FL, LLC                         | DE              | 07/24/07    | 26-0623998 | FL             | HCR III Healthcare, LLC |
| Arden Courts-Lely Palms of Naples FL, LLC               | DE              | 07/24/07    | 26-0625279 | FL             | HCR III Healthcare, LLC |
| Manor Care-Lely Palms of Naples FL (SH), LLC            | DE              | 07/24/07    | 26-0625295 | FL             | HCR III Healthcare, LLC |
| Heartland-Miami Lakes of Hialeah FL, LLC                | DE              | 07/24/07    | 26-0623652 | FL             | HCR III Healthcare, LLC |
| Manor Care of Naples FL, LLC                            | DE              | 07/24/07    | 26-0624049 | FL             | HCR III Healthcare, LLC |
| Heartland of Orange Park FL, LLC                        | DE              | 07/24/07    | 26-0623613 | FL             | HCR III Healthcare, LLC |
| Arden Courts of Palm Harbor FL, LLC                     | DE              | 07/24/07    | 26-0625222 | FL             | HCR III Healthcare, LLC |
| Manor Care of Palm Harbor FL, LLC                       | DE              | 07/24/07    | 26-0624018 | FL             | HCR III Healthcare, LLC |
| Manor Care of Plantation FL, LLC                        | DE              | 07/24/07    | 26-0624255 | FL             | HCR III Healthcare, LLC |
| Heartland-Prosperity Oaks of Palm Beach Gardens FL, LLC | DE              | 07/24/07    | 26-0623909 | FL             | HCR III Healthcare, LLC |
| Arden Courts of Sarasota FL, LLC                        | DE              | 07/24/07    | 26-0625246 | FL             | HCR III Healthcare, LLC |
| Heartland of Sarasota FL, LLC                           | DE              | 07/24/07    | 26-0623968 | FL             | HCR III Healthcare, LLC |
| Manor Care Nursing Center of Sarasota FL, LLC           | DE              | 07/24/07    | 26-0624159 | FL             | HCR III Healthcare, LLC |
| Arden Courts of Seminole FL, LLC                        | DE              | 07/24/07    | 26-0625266 | FL             | HCR III Healthcare, LLC |
| Heartland of Tamarac FL, LLC                            | DE              | 07/24/07    | 26-0623500 | FL             | HCR III Healthcare, LLC |
| Arden Courts of Tampa FL, LLC                           | DE              | 07/24/07    | 26-0625330 | FL             | HCR III Healthcare, LLC |
| Manor Care of Venice FL, LLC                            | DE              | 07/24/07    | 26-0624092 | FL             | HCR III Healthcare, LLC |
| Arden Courts of W. Palm Beach FL, LLC                   | DE              | 07/24/07    | 26-0625258 | FL             | HCR III Healthcare, LLC |
| Manor Care of W. Palm Beach FL, LLC                     | DE              | 07/24/07    | 26-0624142 | FL             | HCR III Healthcare, LLC |
| Arden Courts of Winter Springs FL, LLC                  | DE              | 07/24/07    | 26-0625340 | FL             | HCR III Healthcare, LLC |
| Heartland of Zephyrhills FL, LLC                        | DE              | 07/24/07    | 26-0623476 | FL             | HCR III Healthcare, LLC |
| Manor Care Rehabilitation Center of Decatur GA, LLC     | DE              | 07/24/07    | 26-0624293 | GA             | HCR III Healthcare, LLC |

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| Entity Name con't                              | State<br>Formed | Date Formed | EIN        | State<br>Qual. | Member                  |
|------------------------------------------------|-----------------|-------------|------------|----------------|-------------------------|
| Manor Care-Largo MD, LLC                       | DE              | 07/24/07    | 26-0620266 | MD             | HCR III Healthcare, LLC |
| Arden Courts of Pikesville MD, LLC             | DE              | 07/24/07    | 26-0622121 | MD             | HCR III Healthcare, LLC |
| Springhouse of Pikesville MD, LLC              | DE              | 07/24/07    | 26-0620079 | MD             | HCR III Healthcare, LLC |
| Arden Courts of Potomac MD, LLC                | DE              | 07/24/07    | 26-0622198 | MD             | HCR III Healthcare, LLC |
| Manor Care of Potomac MD, LLC                  | DE              | 07/24/07    | 26-0620187 | MD             | HCR III Healthcare, LLC |
| Manor Care-Rossville MD, LLC                   | DE              | 07/24/07    | 26-0620310 | MD             | HCR III Healthcare, LLC |
| Manor Care-Roland Park MD, LLC                 | DE              | 07/24/07    | 26-0620341 | MD             | HCR III Healthcare, LLC |
| Manor Care-Ruxton MD, LLC                      | DE              | 07/24/07    | 26-0620431 | MD             | HCR III Healthcare, LLC |
| Arden Courts of Silver Spring MD, LLC          | DE              | 07/24/07    | 26-0622164 | MD             | HCR III Healthcare, LLC |
| Manor Care of Silver Spring MD, LLC            | DE              | 07/24/07    | 26-0620058 | MD             | HCR III Healthcare, LLC |
| Arden Courts of Towson MD, LLC                 | DE              | 07/24/07    | 26-0622661 | MD             | HCR III Healthcare, LLC |
| Manor Care of Towson, LLC                      | DE              | 07/24/07    | 26-0620456 | MD             | HCR III Healthcare, LLC |
| Manor Care of Wheaton MD, LLC                  | DE              | 07/24/07    | 26-0620376 | MD             | HCR III Healthcare, LLC |
| Arden Courts of Cherry Hill NJ, LLC            | DE              | 07/24/07    | 26-0623009 | NJ             | HCR III Healthcare, LLC |
| Manor Care of Mountainside NJ, LLC             | DE              | 07/24/07    | 26-0612791 | NJ             | HCR III Healthcare, LLC |
| Manor Care of Voorhees NJ, LLC                 | DE              | 07/24/07    | 26-0612955 | NJ             | HCR III Healthcare, LLC |
| Arden Courts of Wayne NJ, LLC                  | DE              | 07/24/07    | 26-0622912 | NJ             | HCR III Healthcare, LLC |
| Manor Care-West Deptford of Paulsboro NJ, LLC  | DE              | 07/24/07    | 26-0612993 | NJ             | HCR III Healthcare, LLC |
| Arden Courts of W. Orange NJ, LLC              | DE              | 07/24/07    | 26-0622938 | NJ             | HCR III Healthcare, LLC |
| Arden Courts of Whippany NJ, LLC               | DE              | 07/24/07    | 26-0623155 | NJ             | HCR III Healthcare, LLC |
| Arden Courts of Allentown PA, LLC              | DE              | 07/24/07    | 26-0623965 | PA             | HCR III Healthcare, LLC |
| Manor Care of Allentown PA, LLC                | DE              | 07/24/07    | 26-0610673 | PA             | HCR III Healthcare, LLC |
| Manor Care of Bethel Park PA, LLC              | DE              | 07/24/07    | 26-0622002 | PA             | HCR III Healthcare, LLC |
| Manor Care of Bethlehem PA (2021), LLC         | DE              | 07/24/07    | 26-0614878 | PA             | HCR III Healthcare, LLC |
| Manor Care of Bethlehem PA (2029), LLC         | DE              | 07/24/07    | 26-0621845 | PA             | HCR III Healthcare, LLC |
| Manor Care of Camp Hill PA, LLC                | DE              | 07/24/07    | 26-0623070 | PA             | HCR III Healthcare, LLC |
| Manor Care of Carlisle PA, LLC                 | DE              | 07/24/07    | 26-0610623 | PA             | HCR III Healthcare, LLC |
| Manor Care of Chambersburg PA, LLC             | DE              | 07/24/07    | 26-0614915 | PA             | HCR III Healthcare, LLC |
| Manor Care of Dallastown PA, LLC               | DE              | 07/24/07    | 26-0614534 | PA             | HCR III Healthcare, LLC |
| Donahoe Manor-Bedford PA, LLC                  | DE              | 07/24/07    | 26-0623108 | PA             | HCR III Healthcare, LLC |
| Manor Care of Easton PA, LLC                   | DE              | 07/24/07    | 26-0621877 | PA             | HCR III Healthcare, LLC |
| Manor Care-Greentree of Pittsburgh PA, LLC     | DE              | 07/24/07    | 26-0622713 | PA             | HCR III Healthcare, LLC |
| Hampton House-Wilkes Barre, PA, LLC            | DE              | 07/24/07    | 26-0610244 | PA             | HCR III Healthcare, LLC |
| Manor Care of Huntingdon Valley PA, LLC        | DE              | 07/24/07    | 26-0610582 | PA             | HCR III Healthcare, LLC |
| Arden Courts of Jefferson Hills PA, LLC        | DE              | 07/24/07    | 26-0624075 | PA             | HCR III Healthcare, LLC |
| Manor Care of Jersey Shore PA, LLC             | DE              | 07/24/07    | 26-0614957 | PA             | HCR III Healthcare, LLC |
| Arden Courts of King of Prussia PA, LLC        | DE              | 07/24/07    | 26-0624032 | PA             | HCR III Healthcare, LLC |
| Manor Care of King of Prussia PA, LLC          | DE              | 07/24/07    | 26-0610645 | PA             | HCR III Healthcare, LLC |
| Manor Care of Kingston PA, LLC                 | DE              | 07/24/07    | 26-0615323 | PA             | HCR III Healthcare, LLC |
| Manor Care-Kingston Court of York PA, LLC      | DE              | 07/24/07    | 26-0610561 | PA             | HCR III Healthcare, LLC |
| Manor Care of Lancaster PA, LLC                | DE              | 07/24/07    | 26-0621637 | PA             | HCR III Healthcare, LLC |
| Manor Care-Lansdale of Montgomeryville PA, LLC | DE              | 07/24/07    | 26-0614451 | PA             | HCR III Healthcare, LLC |
| Manor Care of Laureldale PA, LLC               | DE              | 07/24/07    | 26-0615380 | PA             | HCR III Healthcare, LLC |

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
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| Entity Name con't                                                 | State<br>Formed | Date Formed | EIN        | State<br>Qual. | Member                  |
|-------------------------------------------------------------------|-----------------|-------------|------------|----------------|-------------------------|
| Shadyside Nursing and Rehabilitation Center-Pittsburgh PA, LLC    | DE              | 07/24/07    | 26-0610325 | PA             | HCR III Healthcare, LLC |
| Manor Care of Sinking Spring PA, LLC                              | DE              | 07/24/07    | 26-0621908 | PA             | HCR III Healthcare, LLC |
| Sky Vue Terrace-Pittsburgh PA, LLC                                | DE              | 07/24/07    | 26-0610347 | PA             | HCR III Healthcare, LLC |
| Manor Care of Sunbury PA, LLC                                     | DE              | 07/24/07    | 26-0615499 | PA             | HCR III Healthcare, LLC |
| Arden Courts-Susquehanna of Harrisburg PA, LLC                    | DE              | 07/24/07    | 26-0624065 | PA             | HCR III Healthcare, LLC |
| Wallingford Nursing and Rehabilitation Center-Wallingford PA, LLC | DE              | 07/24/07    | 26-0610542 | PA             | HCR III Healthcare, LLC |
| Manor Care of West Reading PA, LLC                                | DE              | 07/24/07    | 26-0615529 | PA             | HCR III Healthcare, LLC |
| Arden Courts-Warminster of Hatboro PA, LLC                        | DE              | 07/24/07    | 26-0623869 | PA             | HCR III Healthcare, LLC |
| Whitehall Borough-Pittsburgh PA, LLC                              | DE              | 07/24/07    | 26-0622805 | PA             | HCR III Healthcare, LLC |
| Manor Care of Williamsport PA (North), LLC                        | DE              | 07/24/07    | 26-0621747 | PA             | HCR III Healthcare, LLC |
| Manor Care of Williamsport PA (South), LLC                        | DE              | 07/24/07    | 26-0621778 | PA             | HCR III Healthcare, LLC |
| Arden Courts of Yardley PA, LLC                                   | DE              | 07/24/07    | 26-0623944 | PA             | HCR III Healthcare, LLC |
| Manor Care of Yardley PA, LLC                                     | DE              | 07/24/07    | 26-0614171 | PA             | HCR III Healthcare, LLC |
| Manor Care of Yeadon PA, LLC                                      | DE              | 07/24/07    | 26-0621815 | PA             | HCR III Healthcare, LLC |
| Manor Care of York PA (North), LLC                                | DE              | 07/24/07    | 26-0622887 | PA             | HCR III Healthcare, LLC |
| Manor Care of York PA (South), LLC                                | DE              | 07/24/07    | 26-0622947 | PA             | HCR III Healthcare, LLC |
| Heartland-Charleston of Hanahan SC, LLC                           | DE              | 07/24/07    | 26-0623167 | SC             | HCR III Healthcare, LLC |
| Columbia Rehabilitation and Nursing Center-Columbia SC, LLC       | DE              | 07/24/07    | 26-0623408 | SC             | HCR III Healthcare, LLC |
| Oakmont East-Greenville SC, LLC                                   | DE              | 07/24/07    | 26-0623316 | SC             | HCR III Healthcare, LLC |
| Oakmont West-Greenville SC, LLC                                   | DE              | 07/24/07    | 26-0623335 | SC             | HCR III Healthcare, LLC |
| Oakmont of Union SC, LLC                                          | DE              | 07/24/07    | 26-0623208 | SC             | HCR III Healthcare, LLC |
| West Ashley Rehabilitation and Nursing Center-Charleston SC, LLC  | DE              | 07/24/07    | 26-0623364 | SC             | HCR III Healthcare, LLC |
| Manor Care of Fond Du Lac WI, LLC                                 | DE              | 07/24/07    | 26-0624802 | WI             | HCR III Healthcare, LLC |
| Manor Care of Green Bay WI (East), LLC                            | DE              | 07/24/07    | 26-0624767 | WI             | HCR III Healthcare, LLC |
| Manor Care of Green Bay WI (West), LLC                            | DE              | 07/24/07    | 26-0624786 | WI             | HCR III Healthcare, LLC |
| Heartland-Pewaukee of Waukesha WI, LLC                            | DE              | 07/24/07    | 26-0624873 | WI             | HCR III Healthcare, LLC |
| Heartland of Platteville WI, LLC                                  | DE              | 07/24/07    | 26-0624818 | WI             | HCR III Healthcare, LLC |
| Heartland-Washington Manor of Kenosha WI, LLC                     | DE              | 07/24/07    | 26-0624859 | WI             | HCR III Healthcare, LLC |
| ProMedica Senior Care of Brightwood, MD, LLC                      | DE              | 12/23/20    | 86-1310885 | MD             | HCR III Healthcare, LLC |
| ProMedica Senior Care of Exton, PA, LLC                           | DE              | 12/14/20    | 86-1376199 | PA             | HCR III Healthcare, LLC |
| ProMedica Senior Care of Lafayette, CO, LLC                       | DE              | 12/14/20    |            | CO             | HCR III Healthcare, LLC |
| ProMedica Senior Care of Lakewood, CO, LLC                        | DE              | 12/22/20    | 86-4395571 | CO             | HCR III Healthcare, LLC |
| ProMedica Senior Care of Moorestown, NJ, LLC                      | DE              | 12/14/20    | 86-1448854 | NJ             | HCR III Healthcare, LLC |
| ProMedica Senior Care of Philadelphia, PA, LLC                    | DE              | 12/14/20    | 86-1430242 | PA             | HCR III Healthcare, LLC |
| ProMedica Senior Care of Piscataway, NJ, LLC                      | DE              | 12/22/20    | 86-1179270 | NJ             | HCR III Healthcare, LLC |
| ProMedica Senior Care of Voorhees NJ, LLC                         | DE              | 12/22/20    | 86-1243633 | NJ             | HCR III Healthcare, LLC |
| ProMedica Senior Care of Willow Grove, PA, LLC                    | DE              | 12/23/20    | 86-1360692 | PA             | HCR III Healthcare, LLC |
| Manor Care of Citrus Heights CA, LLC                              | DE              | 07/24/07    | 26-0622564 | CA             | HCR IV Healthcare, LLC  |
| Manor Care of Fountain Valley CA, LLC                             | DE              | 07/24/07    | 26-0622988 | CA             | HCR IV Healthcare, LLC  |
| Manor Care of Hemet CA, LLC                                       | DE              | 07/24/07    | 26-0623107 | CA             | HCR IV Healthcare, LLC  |
| Manor Care of Palm Desert CA, LLC                                 | DE              | 07/24/07    | 26-0623221 | CA             | HCR IV Healthcare, LLC  |
| Manor Care of Sunnyvale CA, LLC                                   | DE              | 07/24/07    | 26-0623034 | CA             | HCR IV Healthcare, LLC  |
| Manor Care-Tice Valley CA, LLC                                    | DE              | 07/24/07    | 26-0622591 | CA             | HCR IV Healthcare, LLC  |

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| Entity Name con't                                | State<br>Formed | Date Formed | EIN        | State<br>Qual. | Member                 |
|--------------------------------------------------|-----------------|-------------|------------|----------------|------------------------|
| Manor Care of Hinsdale IL, LLC                   | DE              | 07/24/07    | 26-0615984 | IL             | HCR IV Healthcare, LLC |
| Manor Care of Homewood IL, LLC                   | DE              | 07/24/07    | 26-0614920 | IL             | HCR IV Healthcare, LLC |
| Manor Care of Libertyville IL, LLC               | DE              | 07/24/07    | 26-0615859 | IL             | HCR IV Healthcare, LLC |
| Heartland of Macomb IL, LLC                      | DE              | 07/24/07    | 26-0624476 | IL             | HCR IV Healthcare, LLC |
| Heartland of Moline IL, LLC                      | DE              | 07/24/07    | 26-0624491 | IL             | HCR IV Healthcare, LLC |
| Manor Care of Naperville IL, LLC                 | DE              | 07/24/07    | 26-0615638 | IL             | HCR IV Healthcare, LLC |
| Heartland of Normal IL, LLC                      | DE              | 07/24/07    | 26-0615386 | IL             | HCR IV Healthcare, LLC |
| Manor Care of Northbrook IL, LLC                 | DE              | 07/24/07    | 26-0618960 | IL             | HCR IV Healthcare, LLC |
| Manor Care of Oak Lawn (East) IL, LLC            | DE              | 07/24/07    | 26-0615929 | IL             | HCR IV Healthcare, LLC |
| Manor Care of Oak Lawn (West) IL, LLC            | DE              | 07/24/07    | 26-0616038 | IL             | HCR IV Healthcare, LLC |
| Manor Care of Palos Heights IL, LLC              | DE              | 07/24/07    | 26-0615889 | IL             | HCR IV Healthcare, LLC |
| Manor Care of Palos Heights (West) IL, LLC       | DE              | 07/24/07    | 26-0618879 | IL             | HCR IV Healthcare, LLC |
| Heartland of Paxton IL, LLC                      | DE              | 07/24/07    | 26-0614884 | IL             | HCR IV Healthcare, LLC |
| Heartland of Peoria IL, LLC                      | DE              | 07/24/07    | 26-0615478 | IL             | HCR IV Healthcare, LLC |
| Heartland-Riverview of East Peoria IL (SNF), LLC | DE              | 07/24/07    | 26-0619009 | IL             | HCR IV Healthcare, LLC |
| Manor Care of Rolling Meadows IL, LLC            | DE              | 07/24/07    | 26-0619150 | IL             | HCR IV Healthcare, LLC |
| Arden Courts of South Holland IL, LLC            | DE              | 07/24/07    | 26-0622045 | IL             | HCR IV Healthcare, LLC |
| Manor Care of South Holland IL, LLC              | DE              | 07/24/07    | 26-0615010 | IL             | HCR IV Healthcare, LLC |
| Manor Care of Westmont IL, LLC                   | DE              | 07/24/07    | 26-0619027 | IL             | HCR IV Healthcare, LLC |
| Arden Courts of Palos Heights IL, LLC            | DE              | 07/24/07    | 26-0625390 | IL             | HCR IV Healthcare, LLC |
| Arden Courts of Elk Grove Village IL, LLC        | DE              | 07/24/07    | 26-0625405 | IL             | HCR IV Healthcare, LLC |
| Arden Courts of Northbrook IL, LLC               | DE              | 07/24/07    | 26-0625378 | IL             | HCR IV Healthcare, LLC |
| Manor Care of Indy (South) IN, LLC               | DE              | 07/24/07    | 26-0619623 | IN             | HCR IV Healthcare, LLC |
| Manor Care-Summer Trace of Carmel IN, LLC        | DE              | 07/24/07    | 26-0619716 | IN             | HCR IV Healthcare, LLC |
| Manor Care of Topeka KS, LLC                     | DE              | 07/24/07    | 26-0619810 | KS             | HCR IV Healthcare, LLC |
| Manor Care of Wichita KS, LLC                    | DE              | 07/24/07    | 26-0619870 | KS             | HCR IV Healthcare, LLC |
| Heartland of Allen Park MI, LLC                  | DE              | 07/24/07    | 26-0611286 | MI             | HCR IV Healthcare, LLC |
| Heartland of Ann Arbor MI, LLC                   | DE              | 07/24/07    | 26-0612384 | MI             | HCR IV Healthcare, LLC |
| Heartland of Battle Creek MI, LLC                | DE              | 07/24/07    | 26-0612206 | MI             | HCR IV Healthcare, LLC |
| Arden Courts of Bingham Farms MI, LLC            | DE              | 07/24/07    | 26-0622828 | MI             | HCR IV Healthcare, LLC |
| Heartland-Briarwood MI, LLC                      | DE              | 07/24/07    | 26-0611711 | MI             | HCR IV Healthcare, LLC |
| Heartland of Canton MI, LLC                      | DE              | 07/24/07    | 26-0620527 | MI             | HCR IV Healthcare, LLC |
| Heartland of Dearborn Heights MI, LLC            | DE              | 07/24/07    | 26-0611231 | MI             | HCR IV Healthcare, LLC |
| Fostrian Courts Assisted Living-Flushing MI, LLC | DE              | 07/24/07    | 26-0622894 | MI             | HCR IV Healthcare, LLC |
| Heartland-Fostrian of Flushing MI, LLC           | DE              | 07/24/07    | 26-0611818 | MI             | HCR IV Healthcare, LLC |
| Heartland-Georgian East of Grosse Pointe MI, LLC | DE              | 07/24/07    | 26-0611334 | MI             | HCR IV Healthcare, LLC |
| Heartland-Hampton of Bay City MI, LLC            | DE              | 07/24/07    | 26-0611865 | MI             | HCR IV Healthcare, LLC |
| Manor Care of Kingsford MI, LLC                  | DE              | 07/24/07    | 26-0611592 | MI             | HCR IV Healthcare, LLC |
| Arden Courts of Livonia MI, LLC                  | DE              | 07/24/07    | 26-0622866 | MI             | HCR IV Healthcare, LLC |
| Heartland-Oakland MI, LLC                        | DE              | 07/24/07    | 26-0620480 | MI             | HCR IV Healthcare, LLC |
| Arden Courts of Sterling Heights MI, LLC         | DE              | 07/24/07    | 26-0622772 | MI             | HCR IV Healthcare, LLC |
| Heartland of Three Rivers MI, LLC                | DE              | 07/24/07    | 26-0612325 | MI             | HCR IV Healthcare, LLC |
| Heartland-University of Livonia MI, LLC          | DE              | 07/24/07    | 26-0611184 | MI             | HCR IV Healthcare, LLC |

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| Entity Name con't                                    | State<br>Formed | Date Formed | EIN        | State<br>Qual. | Member                 |
|------------------------------------------------------|-----------------|-------------|------------|----------------|------------------------|
| Heartland of Chillicothe OH, LLC                     | DE              | 07/24/07    | 26-0609311 | OH             | HCR IV Healthcare, LLC |
| Manor Care-Euclid Beach of Cleveland OH, LLC         | DE              | 07/24/07    | 26-0609550 | OH             | HCR IV Healthcare, LLC |
| Heartland of Greenville OH, LLC                      | DE              | 07/24/07    | 26-0614250 | OH             | HCR IV Healthcare, LLC |
| Heartland of Hillsboro OH, LLC                       | DE              | 07/24/07    | 26-0609351 | OH             | HCR IV Healthcare, LLC |
| Heartland-Holly Glen of Toledo OH, LLC               | DE              | 07/24/07    | 26-0614404 | OH             | HCR IV Healthcare, LLC |
| Heartland of Jackson OH, LLC                         | DE              | 07/24/07    | 26-0614303 | OH             | HCR IV Healthcare, LLC |
| Arden Courts of Kenwood OH, LLC                      | DE              | 07/24/07    | 26-0623245 | OH             | HCR IV Healthcare, LLC |
| Heartland of Kettering OH, LLC                       | DE              | 07/24/07    | 26-0609231 | OH             | HCR IV Healthcare, LLC |
| Heartland of Madeira OH, LLC                         | DE              | 07/24/07    | 26-0609604 | OH             | HCR IV Healthcare, LLC |
| Heartland of Marion OH, LLC                          | DE              | 07/24/07    | 26-0613105 | OH             | HCR IV Healthcare, LLC |
| Heartland of Marietta OH, LLC                        | DE              | 07/24/07    | 26-0609259 | OH             | HCR IV Healthcare, LLC |
| Manor Care of Mayfield Heights OH, LLC               | DE              | 07/24/07    | 26-0609565 | OH             | HCR IV Healthcare, LLC |
| Heartland of Mentor OH, LLC                          | DE              | 07/24/07    | 26-0610122 | OH             | HCR IV Healthcare, LLC |
| Heartland of Miamisburg OH, LLC                      | DE              | 07/24/07    |            | OH             | HCR IV Healthcare, LLC |
| Manor Care of North Olmsted OH, LLC                  | DE              | 07/24/07    | 26-0610082 | OH             | HCR IV Healthcare, LLC |
| Heartland-Oak Pavilion of Cincinnati OH, LLC         | DE              | 07/24/07    | 26-0614533 | OH             | HCR IV Healthcare, LLC |
| Heartland of Oregon OH, LLC                          | DE              | 07/24/07    | 26-0609590 | OH             | HCR IV Healthcare, LLC |
| Arden Courts of Parma OH, LLC                        | DE              | 07/24/07    | 26-0623801 | OH             | HCR IV Healthcare, LLC |
| Manor Care of Parma OH, LLC                          | DE              | 07/24/07    | 26-0609661 | OH             | HCR IV Healthcare, LLC |
| Heartland of Piqua OH, LLC                           | DE              | 07/24/07    | 26-0609466 | OH             | HCR IV Healthcare, LLC |
| Heartland of Perrysburg OH, LLC                      | DE              | 07/24/07    | 26-0609189 | OH             | HCR IV Healthcare, LLC |
| Perrysburg Commons Senior Housing-Perrysburg OH, LLC | DE              | 07/24/07    | 26-0623264 | OH             | HCR IV Healthcare, LLC |
| Heartland of Portsmouth OH, LLC                      | DE              | 07/24/07    | 26-0609290 | OH             | HCR IV Healthcare, LLC |
| Heartland-Riverview of South Point OH, LLC           | DE              | 07/24/07    | 26-0609484 | OH             | HCR IV Healthcare, LLC |
| Heartland of Springfield OH, LLC                     | DE              | 07/24/07    | 26-0609416 | OH             | HCR IV Healthcare, LLC |
| Heartland of Waterville OH, LLC                      | DE              | 07/24/07    | 26-0609511 | OH             | HCR IV Healthcare, LLC |
| Heartland of Wauseon OH, LLC                         | DE              | 07/24/07    | 26-0614568 | OH             | HCR IV Healthcare, LLC |
| Heartland Village of Westerville OH (NC), LLC        | DE              | 07/24/07    | 26-0609323 | OH             | HCR IV Healthcare, LLC |
| Heartland Village of Westerville OH (RC), LLC        | DE              | 07/24/07    | 26-0609337 | OH             | HCR IV Healthcare, LLC |
| Manor Care of Westerville OH, LLC                    | DE              | 07/24/07    | 26-0609626 | OH             | HCR IV Healthcare, LLC |
| Arden Courts of Westlake OH, LLC                     | DE              | 07/24/07    | 26-0623289 | OH             | HCR IV Healthcare, LLC |
| Manor Care of Willoughby OH, LLC                     | DE              | 07/24/07    | 26-0610097 | OH             | HCR IV Healthcare, LLC |
| Heartland-Woodridge of Fairfield OH, LLC             | DE              | 07/24/07    | 26-0623327 | OH             | HCR IV Healthcare, LLC |
| Arden Courts of Austin TX, LLC                       | DE              | 07/24/07    | 26-0624145 | TX             | HCR IV Healthcare, LLC |
| Arden Courts of Richardson TX, LLC                   | DE              | 07/24/07    | 26-0624214 | TX             | HCR IV Healthcare, LLC |
| Arden Courts of San Antonio TX, LLC                  | DE              | 07/24/07    | 26-0624189 | TX             | HCR IV Healthcare, LLC |
| Manor Care of Alexandria VA, LLC                     | DE              | 07/24/07    | 26-0624590 | VA             | HCR IV Healthcare, LLC |
| Arden Courts of Annandale VA, LLC                    | DE              | 07/24/07    | 26-0624314 | VA             | HCR IV Healthcare, LLC |
| Manor Care of Arlington VA, LLC                      | DE              | 07/24/07    | 26-0624619 | VA             | HCR IV Healthcare, LLC |
| Arden Courts-Fair Oaks of Fairfax VA, LLC            | DE              | 07/24/07    | 26-0624353 | VA             | HCR IV Healthcare, LLC |
| Manor Care-Fair Oaks of Fairfax VA, LLC              | DE              | 07/24/07    | 26-0624605 | VA             | HCR IV Healthcare, LLC |
| Manor Care-Imperial of Richmond VA, LLC              | DE              | 07/24/07    | 26-0624643 | VA             | HCR IV Healthcare, LLC |
| Medical Care Center-Lynchburg VA, LLC                | DE              | 07/24/07    | 26-0624567 | VA             | HCR IV Healthcare, LLC |