

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	409,978		409,978	399,960
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ 14,108,960 , Schedule E-Part 1), cash equivalents (\$ 2,811,703 , Schedule E-Part 2) and short-term investments (\$ 0 , Schedule DA).....	16,920,663		16,920,663	3,139,328
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....	0		0	0
8. Other invested assets (Schedule BA).....	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	17,330,641	0	17,330,641	3,539,288
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued			0	0
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset.....			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$) and other amounts receivable.....			0	0
25. Aggregate write-ins for other-than-invested assets	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	17,330,641	0	17,330,641	3,539,288
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	17,330,641	0	17,330,641	3,539,288
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Payment Innovation Receivable.....			0	0
2502. Prepaid Assets.....			0	0
2503. Other Assets.....			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0

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LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)			0	0
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses			0	0
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act.....			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves.....			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued			0	(2,551)
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses)).....			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	(26,492)		(26,492)	2,313
16. Derivatives.....		0	0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers).....			0	0
20. Reinsurance in unauthorized and certified (\$) companies.....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	(26,492)	0	(26,492)	(238)
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	2,000,000	2,000,000
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	34,640,000	34,650,000
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	(19,282,755)	(33,110,474)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX	0	0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	17,357,245	3,539,526
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	17,330,753	3,539,288
DETAILS OF WRITE-INS				
2301. Payment Innovations Accrued Claims.....			0	0
2302. Salaries, Wages and Related Liabilities.....			0	0
2303. Other Current Liabilities.....			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501. Special Surplus ACA Fee.....	XXX	XXX	0	0
2502. 2503. 2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001. Prior Year Net Income.....	XXX	XXX	0	0
3002. 3003. 3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

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STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	0	0
2. Net premium income (including \$ 0 non-health premium income).....	XXX	0	1,347
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0
4. Fee-for-service (net of \$ medical expenses).....	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	13,728,473	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	13,728,473	1,347
Hospital and Medical:			
9. Hospital/medical benefits			(48,765)
10. Other professional services			0
11. Outside referrals			0
12. Emergency room and out-of-area			0
13. Prescription drugs			0
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15).....	0	0	(48,765)
Less:			
17. Net reinsurance recoveries			8,245
18. Total hospital and medical (Lines 16 minus 17)	0	0	(57,010)
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$ 0 cost containment expenses.....		0	0
21. General administrative expenses.....		(67,357)	26,502
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22)	0	(67,357)	(30,508)
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	13,795,830	.31,855
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		14,874	.82,169
26. Net realized capital gains (losses) less capital gains tax of \$			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	14,874	.82,169
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	13,810,704	114,024
31. Federal and foreign income taxes incurred	XXX	0	0
32. Net income (loss) (Lines 30 minus 31).....	XXX	13,810,704	114,024
DETAILS OF WRITE-INS			
0601. PPO Access Fee Revenue.....	XXX	0	0
0602. Payment Innovation Revenue.....	XXX	0	0
0603. Employee Assistance Program.....	XXX	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	13,728,473	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	13,728,473	0
0701. Prior Year.....	XXX	0	0
0702.	XXX	0	0
0703.	XXX	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0
1401. Payment innovations claims expense.....			0
1402.			0
1403.			0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0
2901. Gain on Sale of Insurance Business.....			0
2902. Other Income.....			0
2903. Mercy Settlement.....			0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	3,538,512	12,924,260
34. Net income or (loss) from Line 32	13,810,704	114,024
35. Change in valuation basis of aggregate policy and claim reserves	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	0	0
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0
38. Change in net deferred income tax	0	0
39. Change in nonadmitted assets	7,013	228
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles	0	0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0
44.3 Transferred to surplus	0	0
45. Surplus adjustments:		
45.1 Paid in	(10,000)	(9,500,000)
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital	0	0
46. Dividends to stockholders	0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	13,807,717	(9,385,748)
49. Capital and surplus end of reporting year (Line 33 plus 48)	17,346,229	3,538,512
DETAILS OF WRITE-INS		
4701.	0	0
4702.	0	0
4703.	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

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CASH FLOW

Cash from Operations		1	2
		Current Year	Prior Year
1. Premiums collected net of reinsurance	0	1,347	
2. Net investment income	14,874	82,169	
3. Miscellaneous income	13,728,473	0	
4. Total (Lines 1 through 3)	13,743,347	83,516	
5. Benefit and loss related payments	0	(57,010)	
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0	
7. Commissions, expenses paid and aggregate write-ins for deductions	(69,908)	29,053	
8. Dividends paid to policyholders		0	
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	0	
10. Total (Lines 5 through 9)	(69,908)	(27,957)	
11. Net cash from operations (Line 4 minus Line 10)	13,813,255	111,473	
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	400,000	0	
12.2 Stocks	0	0	
12.3 Mortgage loans	0	0	
12.4 Real estate	0	0	
12.5 Other invested assets	0	0	
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	
12.7 Miscellaneous proceeds	1,961	0	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	401,961	0	
13. Cost of investments acquired (long-term only):			
13.1 Bonds	412,002	0	
13.2 Stocks	0	0	
13.3 Mortgage loans	0	0	
13.4 Real estate	0	0	
13.5 Other invested assets	0	0	
13.6 Miscellaneous applications	0	0	
13.7 Total investments acquired (Lines 13.1 to 13.6)	412,002	0	
14. Net increase (decrease) in contract loans and premium notes	0	0	
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(10,041)	0	
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	
16.2 Capital and paid in surplus, less treasury stock	(10,000)	(9,500,000)	
16.3 Borrowed funds	0	0	
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0	
16.5 Dividends to stockholders	0	0	
16.6 Other cash provided (applied)	(28,805)	2,313	
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(38,805)	(9,497,687)	
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)	13,764,409	(9,386,214)	
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	3,138,164	12,524,378	
19.2 End of year (Line 18 plus Line 19.1)	16,902,574	3,138,164	

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc
ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	0	0	0	0	0	0	0	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	13,728,473	0	0	0	0	0	0	0	13,728,473	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	13,728,473	0	0	0	0	0	0	0	13,728,473	0
8. Hospital/medical benefits	0									XXX
9. Other professional services	0									XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription drugs	0									XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	0	0	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries	0									XXX
17. Total hospital and medical (Lines 15 minus 16)	0	0	0	0	0	0	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ cost containment expenses	0									(67,357)
20. General administrative expenses	(67,357)									(67,357)
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	(67,357)	0	0	0	0	0	0	0	(67,357)	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	13,795,830	0	0	0	0	0	0	0	13,795,830	0
DETAILS OF WRITE-INS										
0501. Risk Corridor Settlement	13,728,473								13,728,473	XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	13,728,473	0	0	0	0	0	0	0	13,728,473	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc
UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 – CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non- Health
1. Payments during the year:										
1.1 Direct	0									
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	0	0	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	0	0	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	0	0	0	0	0	0	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	0	0	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	0	0	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	0	0	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	0									
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	0	0	0	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1. Direct	0									
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	0	0	0	0	0	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	0	0	0	0	0	0	0	0	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4. Net	0	0	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)					0	.0
2. Medicare Supplement					0	.0
3. Dental Only.....					0	.0
4. Vision Only.....					0	.0
5. Federal Employees Health Benefits Plan					0	.0
6. Title XVIII - Medicare					0	.0
7. Title XIX - Medicaid.....					0	.0
8. Other health					0	.0
9. Health subtotal (Lines 1 to 8).....	0	.0	.0	0	0	.0
10. Healthcare receivables (a).....					0	.0
11. Other non-health.....					0	.0
12. Medical incentive pools and bonus amounts					0	.0
13. Totals (Lines 9-10+11+12)	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

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

(\$000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	8,492	0	0	0	0
2. 2016	20,322	0	0	0	0
3. 2017	XXX	0	0	0	0
4. 2018	XXX	XXX	0	0	0
5. 2019	XXX	XXX	XXX	0	0
6. 2020	XXX	XXX	XXX	XXX	XXX

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	162,896	0	0	0	0
2. 2016	20,658	0	0	0	0
3. 2017	XXX	0	0	0	0
4. 2018	XXX	XXX	0	0	0
5. 2019	XXX	XXX	XXX	0	0
6. 2020	XXX	XXX	XXX	XXX	XXX

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2016	27,264	0	0.0	0	0	0.0			0	0.0
2. 2017	0	0	0.0	0	0	0.0			0	0.0
3. 2018	0	0	0.0	0	0	0.0			0	0.0
4. 2019	0	0	0.0	0	0	0.0			0	0.0
5. 2020	0	0	0.0	0	0	0.0			0	0.0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	8,492	0	0	0	0
2. 2016.....	20,322	0	0	0	0
3. 2017.....	XXX	0	0	0	0
4. 2018.....	XXX	XXX	0	0	0
5. 2019.....	XXX	XXX	XXX	0	0
6. 2020.....	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	162,896	0	0	0	0
2. 2016.....	20,658	0	0	0	0
3. 2017.....	XXX	0	0	0	0
4. 2018.....	XXX	XXX	0	0	0
5. 2019.....	XXX	XXX	XXX	0	0
6. 2020.....	XXX	XXX	XXX	XXX	0

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2016.....	27,264	0	0	0.0	0	0.0	0	0	0	0.0
2. 2017.....	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2018.....	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2019.....	0	0	0	0.0	0	0.0	0	0	0	0.0
5. 2020.....	0	0	0	0.0	0	0.0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

UNDERWRITING AND INVESTMENT EXHIBIT

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

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

(a) Includes \$ premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building)					0
2. Salaries, wages and other benefits					0
3. Commissions (less \$ceded plus \$assumed)					0
4. Legal fees and expenses					0
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services					0
7. Traveling expenses					0
8. Marketing and advertising					0
9. Postage, express and telephone					0
10. Printing and office supplies					0
11. Occupancy, depreciation and amortization					0
12. Equipment					0
13. Cost or depreciation of EDP equipment and software					0
14. Outsourced services including EDP, claims, and other services					0
15. Boards, bureaus and association fees					0
16. Insurance, except on real estate			(68,855)		(68,855)
17. Collection and bank service charges					0
18. Group service and administration fees					0
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes					0
23.3 Regulatory authority licenses and fees					0
23.4 Payroll taxes					0
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	0	1,498	0	1,498
26. Total expenses incurred (Lines 1 to 25)	0	0	(67,357)	0	(67,357)
27. Less expenses unpaid December 31, current year					0
28. Add expenses unpaid December 31, prior year	0	0	(2,551)	0	(2,551)
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	0	0	(69,908)	0	(69,908)
DETAILS OF WRITE-INS					
2501. Information Technology Services					0
2502. Shared Services					0
2503. ACA Health Insurer Fee and Exchange Fees					0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	1,498	0	1,498
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	0	0	1,498	0	1,498

(a) Includes management fees of \$to affiliates and \$to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	14,874
1.1 Bonds exempt from U.S. tax	(a)	14,874
1.2 Other bonds (unaffiliated)	(a)	0
1.3 Bonds of affiliates	(a)	0
2.1 Preferred stocks (unaffiliated)	(b)	0
2.11 Preferred stocks of affiliates	(b)	0
2.2 Common stocks (unaffiliated)	(b)	0
2.21 Common stocks of affiliates	(b)	0
3. Mortgage loans	(c)	0
4. Real estate	(d)	0
5. Contract loans	(e)	0
6. Cash, cash equivalents and short-term investments	(f)	0
7. Derivative instruments	(f)	0
8. Other invested assets	(f)	0
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	21,869	14,874
11. Investment expenses	(g)	0
12. Investment taxes, licenses and fees, excluding federal income taxes	(g)	0
13. Interest expense	(h)	0
14. Depreciation on real estate and other invested assets	(i)	0
15. Aggregate write-ins for deductions from investment income	0	0
16. Total deductions (Lines 11 through 15)	0	0
17. Net investment income (Line 10 minus Line 16)	14,874	0
DETAILS OF WRITE-INS		
0901.	0	0
0902.	0	0
0903.	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.	0	0
1502.	0	0
1503.	0	0
1598. Summary of remaining write-ins for Line 15 from overflow page	0	0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)	0	0
(a) Includes \$ accrual of discount less \$ amortization of premium and less \$ 3,250 paid for accrued interest on purchases.	0	0
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ 0 paid for accrued dividends on purchases.	0	0
(c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ paid for accrued interest on purchases.	0	0
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.	0	0
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.	0	0
(f) Includes \$ accrual of discount less \$ amortization of premium.	0	0
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.	0	0
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.	0	0
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.	0	0

EXHIBIT OF CAPITAL GAINS (LOSSES)

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	7,013	7,013
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	7,013	7,013
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets.....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other-than-invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	0	7,013	7,013
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	0	7,013	7,013
DETAILS OF WRITE-INS			
1101. Prepaid Expenses.....		7,013	7,013
1102. Other Assets.....		0	0
1103.		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	7,013	7,013
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

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

HealthSpan Inc.
 Notes to Financial Statements
 For the years ended December 31, 2020 and 2019

1. Summary of Significant Accounting Policies and Going Concern

a. Accounting Practices

The accompanying statutory financial statements of HealthSpan Inc. (“HealthSpan or the Company”) have been prepared in conformity with the National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures* manual, (“NAIC SAP”), the NAIC Annual Statement Instructions, and other accounting practices as prescribed or permitted by the State of Ohio – Ohio Department of Insurance (ODI). There were no reported differences to net income, statutory surplus, or risk based capital for specific practices, prescribed or permitted by the State of Ohio, that deviate from NAIC SSAP in the reported periods.

	F/S SSAP #	F/S Page	F/S Line #	Year Ended 12/31/2020	Year Ended 12/31/19
NET INCOME					
(1) HealthSpan state basis (page 4, Line 32, Columns 2 & 3)				\$ 85	\$ 114
(2) State Prescribed Practices that increase / (decrease) NAIC SAP:				-	-
(3) State Permitted Practices that increase / (decrease) NAIC SAP:				-	-
(4) NAIC SAP (1-2-3=4)				<u>\$ 85</u>	<u>\$ 114</u>
SURPLUS					
(5) HealthSpan state basis (page 3, Line 33, Columns 3 & 4)				\$ 3,632	\$ 3,540
(6) State Prescribed Practices that increase / (decrease) NAIC SAP:				-	-
(7) State Permitted Practices that increase / (decrease) NAIC SAP:				-	-
(8) NAIC SAP (5-6-7=8)				<u>\$ 3,632</u>	<u>\$ 3,540</u>

b. Use of Management Estimates in the Preparation of the Financial Statements

The preparation of the statutory financial statements in conformity with NAIC SAP, the NAIC Annual Statement Instructions, and other accounting practices as prescribed or permitted by the ODI requires management to make estimates and assumptions that affect the reported amounts. The estimated fair value of investments; revenue accruals; the reserves for unpaid claims and claims adjustment expense; the premium deficiency reserves; legal liabilities; real estate, property, and equipment impairment and useful lives; and investment impairments represent significant estimates. Actual results could differ materially from those estimates.

c. Accounting Policies

Cash and Short Term Investments

Cash and short term investments – net include interest bearing deposits purchased with an original or remaining maturity of twelve months or less. Cash and investments that are restricted by contractual or regulatory requirements are classified as bonds and other invested assets and excluded from cash and short-term investments.

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

1. Summary of Significant Accounting Policies and Going Concern (continued)

c. Accounting Policies (continued)

Premiums and Health Care Receivables

Premium receivables reflected in the financial statements are the result of payments collect for prior years. HealthSpan exited all insurance lines of business effective December 31, 2016.

d. Accounting Policies (continued)

Bonds and Other Invested Assets

Bonds and other invested assets include money market funds and U.S. Treasury securities. Recognized gains and losses are recorded on the specific identification basis. Interest income is included in net investment and other income.

Bonds are reported in accordance with NAIC Annual Statement Instructions (Statement Value). Accordingly, bonds that are designated highest quality, NAIC Designation 1 and 2, are reported at amortized cost using the effective interest method, and bonds that are classified as NAIC Designation 3 or lower are reported at lower of amortized cost or fair value.

Investments are regularly reviewed for impairment and a charge is recognized when the fair value is below cost basis and is judged to be other than temporary. Impairment is included in recognized losses.

The Company's investment transactions are recorded on a trade date basis.

HealthSpan is required to keep investments on deposit in the State of Ohio, where it is licensed. At December 31, 2020 and December 31, 2019, \$400 thousand in long term U.S. Treasury notes were restricted to satisfy the state's regulatory requirements.

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

1. Summary of Significant Accounting Policies and Going Concern (continued)

c. Accounting Policies (continued)

Reserves for Claims Unpaid and Unpaid Claims Adjustment Expenses

The cost of health care services is recognized in the period in which services are provided. Reserves for unpaid claims and claims adjustment expense consists of unpaid health care expenses, which include an estimate of the cost of services provided to HealthSpan's members by third party providers that have been incurred but not reported. The estimate for incurred but not reported claims is based on actuarial projections of costs using historical paid claims and other relevant data. Estimates are monitored and reviewed and, as settlements are made or estimates are revised, adjustments are reflected in current operations. Such estimates are subject to the impact of changes in the regulatory environment and economic conditions. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided. While the ultimate amount of paid claims is dependent on future developments, management is of the opinion that the reserves for unpaid claims and claims adjustment expense are adequate to cover such claims.

No claims liability is recorded at December 31, 2020 or at December 31, 2019 as HealthSpan exited all insurance lines of business effective December 31, 2016, and there are no known claims outstanding for dates of services prior to December 31, 2016.

Negative amounts reported for incurred claims related to prior years result from claims being adjudicated and paid for amounts less than originally estimated.

Receivables and Payables for Securities

Receivables and payables for securities represent current amounts for unsettled securities purchases or sales.

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

1. Summary of Significant Accounting Policies and Going Concern (continued)

c. Accounting Policies (continued)

Donations and Grants Made or Received

Donations and grants made are recognized at fair value in the period in which a commitment is made, provided the payment of the donation or grant is probable and the amount is determinable. Donations or grants received are recognized at fair value in the period the donation or grant was committed unconditionally by the grantor or in the period the donation or grant requirements are met, if later.

No donations or grants were made or received during the first six months of 2020 or during 2019.

Revenue Recognition

No premium was written in 2020 or 2019.

Pension and Other Postretirement Benefits

HealthSpan does not have defined benefit pension plans and does not offer postretirement benefits. HealthSpan offers a defined contribution plan.

Cost Allocations

For reporting lines of business activity, expenses are specifically identified or allocated using methodologies that yield the most accurate results.

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

1. Summary of Significant Accounting Policies and Going Concern (continued)

c. Accounting Policies (continued)

Going Concern

Effective February 29, 2016, HealthSpan entered into a definitive agreement with a buyer to transition its insurance business to buyer during 2016 with full exit by HealthSpan from the insurance business effective January 1, 2017 as follows:

- HealthSpan exited the employer group commercial business effective August 31, 2016 and endorsed buyer as the replacement carrier;
- HealthSpan exited the individual commercial line of business effective December 31, 2016.

HealthSpan has sufficient cash to fund run-out operations during 2020 and beyond, as needed, including claims payments related to services provided to covered members.

2. Accounting Changes and Corrections of Errors – None

3. Business Combinations and Goodwill – None

4. Discontinued Operations – None

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

5. Investments

a. Mortgage Loans

As of December 31, 2020 and December 31, 2019, HealthSpan had no investments in mortgage loans.

b. Debt Restructuring

As of December 31, 2020 and December 31, 2019, HealthSpan had no investments in restructured debt.

c. Reverse Mortgages

As of December 31, 2020 and December 31, 2019, HealthSpan had no investments in reverse mortgages.

d. Loan Backed Securities

As of December 31, 2020 and December 31, 2019, HealthSpan had no investments in loan backed securities.

e. Repurchase Agreements and Securities Lending Transactions

As of December 31, 2020 and December 31, 2019 HealthSpan had no repurchase agreements or securities lending transactions.

f. Real Estate

As of December 31, 2020 and December 31, 2019, HealthSpan had no investments in real estate.

g. Investments in Low-Income Housing Tax Credits

As of December 31, 2020 and December 31, 2019, HealthSpan had no investments in low-income housing credits.

HealthSpan Inc.
 Notes to Financial Statements
 For the years ended December 31, 2020 and 2019

5. Investments (continued)

h. Restricted Assets – HealthSpan is required to keep investments on deposit in the State of Ohio, where it is licensed. At December 31, 2020 and December 31, 2019, Healthspan maintained \$400 thousand in restricted long-term U.S. Treasury notes to satisfy the state's regulatory requirements.

		(in thousands)					
Restricted	Asset Category	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Percentage Gross Restricted to Total Assets	6 Percentage Admitted Restricted to Total Admitted Assets
Subject to contractual obligation for which liability a 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						
i	On deposit with states	\$ 400	\$ 400	\$ -	\$ 400	0.12%	0.12%
j	On deposit with other regulatory bodies						
Pledged as collateral not captured in other k categories							
l	Other restricted assets						
m	Total Restricted Assets	400	400	-	400	0.12%	0.12%

i. Working Capital Finance Investments

As of December 31, 2020 and December 31, 2019, HealthSpan had no working capital finance investments.

j. Offsetting and Netting of Assets and Liabilities

As of December 31, 2020 and December 31, 2019, HealthSpan had no offsetting of derivative, repurchase, or securities borrowing and lending assets or liabilities.

k. Structured Notes

As of December 31, 2020 and December 31, 2019, HealthSpan had no structured notes.

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

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

7. Investment Income

There is no investment income due or accrued at December 31, 2020 and December 31, 2019.

8. Derivative Instruments – None.

9. Income Taxes

There were no significant changes in from the 2019 annual statement.

HealthSpan Inc.
Notes to Financial Statements
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10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

In 2014, Mercy Health (formerly Catholic Health Partners, or CHP) sold all of the outstanding capital stock of HealthSpan, Inc. to HealthSpan Partners (HSP) for \$3.6 million in the form of a promissory note due on December 31, 2023. HSP is a distinct, secular and tax-exempt organization which had the primary objective of developing provider networks and insurance products. HSP is a partner organization of Bon Secours Mercy Health (formerly Mercy Health). HealthSpan exited all insurance lines of business effective December 31, 2016 and all other lines of business effective June 30, 2017. HealthSpan is no longer in operation except to complete run out activities. Bon Secours Mercy Health is a Catholic health organization, supervising market delivery systems consisting of hospitals, nursing homes, and other organizations providing health-related services. The Company was issued its Certificate of Authority by the Ohio Department of Insurance in July 2013.

On February 29, 2016, HealthSpan Inc (“HSI”) and Bon Secours Mercy Health entered into a Definitive Agreement with Medical Mutual of Ohio (“MMO”) for the sale of its insurance company assets. Through the sale, HSI transitioned certain lines of business to MMO in a sequenced manner throughout 2016 and ceased operating all lines of business as of December 31, 2016. HSI discontinued all coverage in the individual health insurance markets effective December 31, 2016. Prior to the withdrawals, HSI endorsed MMO as the preferred replacement carrier.

HSI continued its operations in 2018 and 2019 for the limited purpose of processing claims incurred prior to the effective date of discontinuation and winding down its operations.

On September 1, 2018, Bon Secours Mercy Health and Bon Secours Health System, Inc. (“BSHSI”), a Maryland nonstock, nonprofit corporation headquartered in Marriottsville, Maryland merged to create a Catholic health system that spans seven states in the eastern half of the United States. BSHSI, whose name was changed to Bon Secours Mercy Health, Inc. (“BSMH”), became the sole corporate member of Bon Secours Mercy Health. Bon Secours Mercy Health continued operations as the same corporate entity under its then current tax identification number. All existing Bon Secours Mercy Health subsidiaries at this time remained subsidiaries of Bon Secours Mercy Health. HealthSpan Partners and its subsidiaries were unaffected by this first step of the merger.

On January 1, 2020, Mercy Health merged up and into BSMH. The assets of Mercy Health automatically transferred to and vested in BSMH. BSMH is the successor to and is liable for all the debts, and obligations of Bon Secours Mercy Health. All Mercy Health subsidiaries remain subsidiaries of BSMH. HealthSpan Partners and its subsidiaries were unaffected by this second step of the merger.

For the Year ended December 31, 2020 and the year ended December 31, 2019, HealthSpan, Inc. received \$0.0 of contributed surplus from HSP.

At December 31, 2020 and December 31, 2019, related party and affiliate balances were as follows (in thousands):

HealthSpan Inc.
Notes to Financial Statements
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	<u>12/31/2020</u>	<u>12/31/2019</u>
Bon Secours Mercy Health	\$ 24	\$ 2,313
HealthSpan Partners	-	-
HealthSpan Physicians	-	-
HealthSpan Integrated Care	-	-
	<u>\$ 24</u>	<u>\$ 2,313</u>

10. Debt

As of December 31, 2020 and December 31, 2019, HealthSpan did not have an agreement with the Federal Home Loan Bank or other third party lenders.

11. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and other Postretirement Benefit Plans

As of December 31, 2020 and December 31, 2019, the Company has no retirement plans, deferred compensation, post-employment benefits and compensated absences, and post-retirement benefit plans.

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

12. Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

HealthSpan is a nonprofit, charitable corporation and does not issue stock. HealthSpan Partners (HSP) is the sole corporate member of HealthSpan and no individual or entity has any ownership interest in HealthSpan. HealthSpan and HSP share certain corporate officers.

(1) – (2)

HealthSpan is a nonprofit, charitable organization and does not issue stock. HealthSpan Partners (HSP) is the sole corporate member of HealthSpan and no individual or entity has any ownership interest in HealthSpan. HealthSpan and HSP share certain corporate officers.

(3) – (6)

On January 10, 2019, HealthSpan's Board of Directors declared an extraordinary dividend of \$9,500,000 payable to HealthSpan Partners, parent company of HealthSpan. The Ohio Department of Insurance approved payment of the extraordinary dividend on February 8, 2019. HealthSpan transferred the extraordinary dividend of \$9,500,000 in cash to HealthSpan Partners on February 19th, 2019.

(7) – (8)

At December 31, 2020 and December 31, 2019, HealthSpan held no stock for special purpose and is not a mutual reciprocal entity.

(9)

As of December 31, 2020 and December 31, 2019, HealthSpan has no changes in special surplus.

(10)

No portion of surplus is represented by cumulative unrealized gains or losses.

(11)

The Company has no surplus notes at December 31, 2020 and December 31, 2019.

(12) – (13)

HealthSpan did not undergo any quasi-reorganization during the Year ended December 31, 2020 or in the year ended December 31, 2019.

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

13. Liabilities, Contingencies and Assessments

A - Contingent commitments

As of December 31, 2020 and December 31, 2019, HealthSpan was not a guarantor, and had no commitments to a subsidiary, controlled or affiliated entity.

B – C Assessments and Gain Contingencies

As of December 31, 2020 and December 31, 2019, HealthSpan had no assessments or gain contingencies that could have a material effect on the financial statements.

D – Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

For the Year ended December 31, 2020 and the year ended December 31, 2019, HealthSpan paid the following amounts in the reporting periods to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits (in thousands):

	<u>12/31/2020</u>	<u>12/31/2019</u>
Claims related ECO and bad faith losses paid during the reporting period:	\$ _____ -	\$ _____ -

The number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period were:

	0 - 25 Claims	25 - 50 Claims	51 - 100 Claims	101 - 500 Claims	More than 500 Claims
2020	X				
2019	X				

The claim count information above is disclosed per claim.

E – Joint and Several Liabilities.

HealthSpan is involved in various legal proceedings arising in the ordinary course of business operations. Such litigation proceedings include: administrative litigation, employment litigation, breach of contract and other commercial and tort litigation, consistent with the health care industry.

In the opinion of management, based upon current facts and circumstances, the resolution of these matters is not expected to have a material adverse effect on the financial position or results of operations of HealthSpan. Where appropriate, reserves have been established in accordance with SSAP No. 5R, *Liabilities, Contingencies, and Impairment of Assets*. The outcome of litigation and other legal and regulatory matters is inherently uncertain, however, and it is possible that one or more of the legal or regulatory matters currently pending or threatened could have a material adverse effect.

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

14. Leases

A – Operating Leases

- (1) HealthSpan had no operating leases for the Year ended December 31, 2020 and the year ending December 31, 2019.
- (2) At December 31, 2020 and December 31, 2019, there were no minimum aggregate commitments under noncancelable operating leases extending beyond one year.
- (3) The Company is not involved in any material sales-leaseback transactions.

B – Lessor Leases

Leasing is not a material part of the Company's activities in terms of revenue, net income, or assets.

15. Information About Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Financial instruments that potentially subject HealthSpan to concentrations of credit risk consist primarily of investment securities and accounts receivable. All investments in securities are managed within guidelines established by HealthSpan's management, which, as a matter of policy and procedure, limit the amounts that may be invested in each type of security, with any one issuer, and in various credit quality classifications. Concentrations of credit risk with respect to accounts receivable is limited due to the large number of payers comprising HealthSpan's customer base. Accordingly, HealthSpan does not believe any significant concentration of off-balance sheet or credit risk existed at December 31, 2020 or December 31, 2019.

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

16. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities – None

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

A-B – ASO and ASC Plans – None

C – Medicare or Similarly Structured Cost Based Reimbursement Contract - None

18. Direct Premium Written / Produced by Managing General Agents / Third Party Administrators - None

19. Fair Value Measurements

HealthSpan has no nonfinancial assets or liabilities that are required to be measured and reported at fair value on a recurring basis. Fair value is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. HealthSpan's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three levels.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.
- Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement.

19. Fair Value Measurements (continued)

Investments, as discussed in the *Investments* note, are reported at lower of amortized cost or fair value, with impairment recorded if amortized cost is greater than fair value. The fair values of investments are based on quoted market prices, if available, or estimated using quoted market prices for similar investments. If listed prices or quotes are not available, fair value is based upon other observable inputs or models that primarily use market-based or independently sourced market parameters as inputs. In addition to market information, models also incorporate transaction details such as maturity. Fair value adjustments, including credit, liquidity, and other factors are included, as appropriate, to arrive at a fair value measurement.

Investments at statement value and estimated fair value at December 31, 2020 (in thousands).

HealthSpan Inc.
 Notes to Financial Statements
 For the years ended December 31, 2020 and 2019

Asset Description	Aggregate	Admitted			
	Fair Value	Assets	Level 1	Level 2	Level 3
U.S Treasury Bonds	\$ 400	\$ 400		\$ 400	\$ -
Industrial and miscellaneous Bonds	-	-		-	-
Total Investments	\$ 400	\$ 400	\$ -	\$ 400	\$ -

Investments at statement value and estimated fair value at December 31, 2019 (in thousands).

Asset Description	Aggregate	Admitted			
	Fair Value	Assets	Level 1	Level 2	Level 3
U.S Treasury Bonds	\$ 400	\$ 400	\$ -	\$ 400	\$ -
Industrial and miscellaneous Bonds	-	-		-	-
Total Investments	\$ 400	\$ 400	\$ -	\$ 400	\$ -

20. Other Items

- a. Extraordinary Items – Not Applicable
- b. Troubled Debt Restructuring – Not applicable
- c. Other Disclosure and Unusual Items – Not Applicable
- d. Business Interruption Insurance Recoveries – Not Applicable
- e. State Transferrable and Non-transferrable Tax Credits – Not applicable
- f. Subprime Mortgage Related Risk Exposure – Not applicable.
- g. Retained Assets – Not applicable

21. Subsequent Events

On February 3, 2020, HealthSpan's Board of Directors declared an extraordinary dividend of \$13,000,000 payable to HealthSpan Partners, parent company of HealthSpan and ultimately to Bon Secours Bon Secours Mercy Health.

The Ohio Department of Insurance approval of the extraordinary dividend is pending.

HealthSpan will transfer the extraordinary dividend of \$13,000,000 in cash to HealthSpan Partners then to Bon Secours Bon Secours Mercy Health once the Ohio Department of Insurance approves the extraordinary dividend.

For the Year Ended December 31, 2020, the Company paid no dividends.

22. Reinsurance

HealthSpan did not write any insurance business or cover lives during 2020 or 2019. Therefore, HealthSpan had no reinsurance.

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

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

Yes () No (X)

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

Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

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

Yes () No (X)

(2) Does the reporting entity have any reinsurance agreements in effect 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?

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

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

None

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

23. Reinsurance (continued)

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

Yes () No (X)

B. Uncollectible Reinsurance (None)

(1) The Company has written off in the current year reinsurance balances due (from the companies listed below) in the amount of: \$0.0, which is reflected as:

a. Losses incurred	\$ -
b. Loss adjustment expenses incurred	\$ -
c. Premiums earned	\$ -
d. Other	\$ -
e. Company	<u>Amount</u>

C. Commutation of Ceded Reinsurance (None)

The Company has reported in its operations in the current year as a result of commutation of reinsurance, amounts, which are reflected as:

a. Losses incurred	\$ -
b. Loss adjustment expenses incurred	\$ -
c. Premiums earned	\$ -
d. Other	\$ -
e. Company	<u>Amount</u>

D. Certified Reinsurer Rating Downgraded or Status Subject To Revocation (None)

(1) Reporting Entity Ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation

Name of Certified Reinsurer	Relationship to Reporting Entity	Date of Action	Jurisdiction of Action	Collateral Percentage Requirement		Net Obligation Subject to Collateral	Collateral Required (but not Received)
				Before	After		

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

24. Retrospectively Rated Contracts

The ACA established risk sharing programs, known as risk adjustment, reinsurance, and risk corridors, to protect health insurers against the incurrence of high claims which may occur as a result of the guarantee issue rules of the ACA. Two of the programs, reinsurance and risk corridors, were temporary and concluded in 2016. The risk adjustment program is permanent.

The risk adjustment program shifts risk by transferring funds to individual and small group plans that report high risk based on the demographic factors and health status of each member as derived from current year medical diagnosis as reported throughout the year. This program transfers funds from lower risk plans to higher risk plans within similar plans in the same state. Under the risk adjustment program, a risk score is assigned to each covered member to determine an average risk score at the individual and small group level by legal entity in a particular market in a state. Additionally, an average risk score is determined for the entire subject population for each market in each state. Settlements are determined on a net basis by legal entity and state. Each health insurance issuer's average risk score is compared to the state's average risk score. Plans with an average risk score below the state average will pay into a pool, and health insurance issuers with an average risk score that is greater than the state average risk score will receive money from that pool. The Company's estimate of amounts receivable and/or payable under the risk adjustment program is based on our estimate of both our own and the state average risk scores. As of December 31, 2016, the risk adjustment reserve was \$0.7 million. HealthSpan paid \$0.1 million for risk adjustment during 2017 for the 2016 assessments, the difference of \$0.8 million is reflected as a change in estimate within net premium revenue. HealthSpan has recorded contributions to the risk adjustment program as assessments which are included in the statement of admitted assets, liabilities, and surplus.

The risk corridor program limits issuer gains and losses for qualified health plans in the individual and small markets by comparing allowable medical costs to a target amount, each defined/prescribed by Department of Health and Human Services (HHS), and sharing the risk for allowable costs with the federal government. Allowable medical costs are adjusted for risk adjustment settlements, transitional reinsurance recoveries, and cost sharing reductions received from HHS. Variances from the target exceeding certain thresholds may result in HHS making additional payments to HealthSpan or require HealthSpan to refund HHS a portion of the premiums we received. HHS guidance provides that risk corridor collections over the life of the three-year program will first be applied to any shortfalls from previous benefit years before application to current year obligations.

On December 21, 2020, HealthSpan Inc received \$13.7M in funds resulting from the settlement of a class action lawsuit related to unpaid Risk Corridor receivables. The amount received was reported as Other Revenue for the year ended December 31, 2020 net of a 5% reduction for attorney and other fees. A schedule reflecting the final amounts due and collected is depicted in the Risk Corridor table below.

For the year ended December 31, 2019 HealthSpan had unrecorded receivables of \$14M. During 2017, HealthSpan recognized \$0 thousand and collected \$848 thousand in income related to the 2014 Risk Corridor receivable. No receivable from 2015 or 2016 was reflected in the financial statements as the program was not funded and management has determined that the collectability is uncertain. Additionally, the NAIC's position on the risk corridor required that any receivable recorded be non-admitted on the statutory-basis financial statements. As of December 31, 2020, the 2014, 2015 and 2016 receivables were fully settled.

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

The reinsurance program requires HealthSpan to make reinsurance contributions for calendar years 2014 through 2016 to HHS based on a national contribution rate per covered member as determined by HHS. While all commercial medical plans, including self-funded plans, are required to fund the reinsurance entity, only fully-insured non-grandfathered plans compliant with the ACA in the individual commercial market will be eligible for recoveries if individual claims exceed a specified threshold. Accordingly, plan contributions are recorded as premium reductions and recoveries are recorded as a reduction of claim expense. For group members, the ACA reinsurance program is accounted for as an assessment because claims incurred for group members are not eligible for recovery under the program.

For individual members, who may incur high claim costs eligible for reimbursement, the ACA reinsurance program is accounted for as reinsurance. Accordingly, plan contributions are recorded as premium reductions and recoveries are recorded as a reduction of claim expense. For group members, the ACA reinsurance program is accounted for as an assessment because claims incurred for group members are not eligible for recovery under the program.

The following table summarizes the medical loss ratio rebates required pursuant to the Public Health Service Act - -NONE as HealthSpan ceased insurance operations effective December 31, 2016.

	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Other Categories with Rebates	5 Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred					
(2) Medical loss ratio rebates paid					
(3) Medical loss ratio rebates unpaid					
(4) Plus reinsurance assumed amounts					
(5) Less reinsurance ceded amounts					
(6) Rebates unpaid net of reinsurance					
Current Reporting Year					
(7) Medical loss ratio rebates incurred					
(8) Medical loss ratio rebates paid					
(9) Medical loss ratio rebates unpaid					
(10) Plus reinsurance assumed amounts					
(11) Less reinsurance ceded amounts					
(12) Rebates unpaid net of reinsurance					

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

24. Retrospectively Rated Contracts (Continued)

The following table summarizes the impacts of the risk sharing provisions of the ACA on admitted assets, liabilities and revenue of HealthSpan for the Year ended December 31, 2020 (*in thousands*):

		<u>12/31/2020</u>
a. Permanent ACA Risk Adjustment Program		
Assets		
1. Premium adjustments receivable	\$	-
Liabilities		
2. User fees payable	\$	-
3. Premium adjustments payable	\$	-
Operations		
4. Reported as revenue in premium for accident and health contracts (written / collected)	\$	-
5. Reported in expenses user fees (incurred / paid)	\$	-
b. Transitional ACA Reinsurance		
Assets		
1. Amount recoverable for claims paid	\$	-
2. Amounts recoverable for claims unpaid	\$	-
3. amounts receivable relating to uninsured plans for contributions	\$	-
Liabilities		
4. Liabilities for contributions payable -not reported as ceded premium	\$	-
5. Ceded reinsurance premiums payable	\$	-
6. Liabilities for amounts held under uninsured plans contributions for reinsurance (2).	\$	-
Operations		
7. Ceded reinsurance premiums due	\$	-
8. Reinsurance recoveries (income statement) due to reinsurance payments or expected payments	\$	-
9. Reinsurance contributions -not reported as ceded premium	\$	-
c. Temporary ACA Risk Corridors Program		
Assets		
1. Accrued retrospective premium due (1)	\$	-
Liabilities		
2. Reserve for rate credits or policy experience rating refunds (1)	\$	-
Operations		
3. Effect on net premium income (paid / received) (1)	\$	-
4. Change in reserves for rate credits (1)	\$	-

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

24. Retrospectively Rated Contracts (continued)

	Accrued prior year on business written before December 31 of the prior year		Received or paid as of the current year on business written before December 31 of the prior year		Prior year accrued less payments col(1-3)	Prior year accrued less payments col(2-4)	To prior year balances	To prior year balances	Cumulative balance from prior years Col(1-3+7)	Cumulative balance from prior years Col(2-4+8)	
	1 Receivable	2 (Payable)	3 Receivable	4 (Payable)	5 Receivable	6 (Payable)	7 Receivable	8 (Payable)	Ref	9 Receivable	10 (Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustment receivable	-	-	-	-	-	-	-	-	A	-	
2. Premium adjustment (payable)	-	-	-	-	-	-	-	-	B	-	
3. Subtotal ACA Permanent Risk Adjustment Program	-	-	-	-	-	-	-	-			
b. Transitional ACA Permanent Risk Adjustment Program											
1. Amounts recoverable for claims paid	-	-	-	-	-	-	-	-	C	-	
2. Amounts recoverable for claims unpaid (contra liability)	-	-	-	-	-	-	-	-	D	-	
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	-	-	-	-	-	-	-	-	F	-	
5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G	-	
6. Liability for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-	
7. Subtotal ACA transitional reinsurance program	-	-	-	-	-	-	-	-			
c. Temporary ACA risk corridor program											
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	I	-	
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	J	-	
3. Subtotal ACA risk corridor program	-	-	-	-	-	-	-	-			
d. Total for ACA risk Sharing Programs	-	-	-	-	-	-	-	-			

Explanations

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.
- D. Not applicable.
- E. Not applicable.
- F. Not applicable.
- G. Not applicable.
- H. Not applicable
- I. Not applicable.
- J. Estimate was less than actual.

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

24. Retrospectively Rated Contracts (continued)

Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

Risk Corridors Program Year	Accrued during the Prior Year on Business Written Before Dec 31 of the Prior Year		Received or Paid as of the Current Year on Balances Written Before Dec 31 of the Prior Year		Differences		Adjustments		Unadjusted Balances as of the Reporting Date	
					Prior year Accrued less Payments (Col. 1-3)	Prior year Accrued less Payments (Col. 2-4)	To Prior year Balances	To Prior year Balances	Cumulative Balance from Prior Years (Col 2-4+8)	Ref
	1 Receivable	2 Payable	3 Receivable	4 Payable	5 Receivable	6 Payable	7 Receivable	8 Payable	9 Receivable	10 Payable
a. 2014									A	
1. Accrued retrospective premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	B	-
b. 2015									C	
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	D	-
c. 2016									E	
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	F	-
Total Risk Corridors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Explanation of Adjustments										
A - Figure was adjusted to final results										
B N/A										
C N/A										
D N/A										
E - Figure was adjusted to final results										
F - N/A										

ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program year	1	2	3	4	5	6
	Estimated Amount to be Filed or Final Amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Amounts received from CMS	Asset Balance (Gross of Non-admission) (1-2-3)	Non-admitted Amount	Net Admitted Asset (4-5)
a. 2014	\$ 5,067	\$ 211	\$ 4,856	\$ -	\$ -	\$ -
b. 2015	8,659	433	8,226	-	-	-
c. 2016	1,547	77	1,470	-	-	-
d. Total (a+b+c)	\$ 15,273	\$ 721	\$ 14,552	\$ -	\$ -	\$ -

HealthSpan Inc.
Notes to Financial Statements
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25. Change in Incurred Claims and Claim Adjustment Expenses

	<u>9/30/2020</u>	<u>12/31/2019</u>
Claims Payable:		
Balance beginning of period	\$ -	\$ -
Incurred Claims:		
Insured Events of Current Year	\$ -	\$ -
Increase (decrease) insured events of prior year	- -	- -
Total incurred claims	<u>\$ -</u>	<u>\$ -</u>
Payment of claims:		
Claims incurred in prior years	\$ -	\$ -
Claims incurred in current year	- -	- -
Claims Adjustment Expense	- -	- -
Total claims and related expenses paid	<u>\$ -</u>	<u>\$ -</u>
Balance end of the period	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

26. Intercompany Pooling Arrangements

HealthSpan has no intercompany pooling arrangements.

27. Structured Settlements

Not applicable for health entities.

HealthSpan Inc.
Notes to Financial Statements
For the years ended December 31, 2020 and 2019

28. Health Care Receivables

a. Pharmaceutical Rebate Receivables

The Company accounts for pharmaceutical rebate receivables in accordance with SSAP No. 84, *Certain Health Care Receivables and Receivables under Government Insured Plans* (SSAP No. 84). No pharmaceutical rebate receivables were recorded at December 31, 2020 and December 31, 2019 are \$0

29. Participating Policies - None

30. Premium Deficiency Reserves

HealthSpan had no Premium Deficiency Reserve included in as a reduction of loss reserves for the Year ended December 31, 2020 and the year ended December 31, 2019, respectively.

31. Anticipated Salvage and Subrogation

HealthSpan had no salvage and subrogation included in as a reduction of loss reserves for the Year ended December 31, 2020 and the year ended December 31, 2019, respectively.

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No []

If yes, complete Schedule Y, Parts 1, 1A and 2.

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

1.3 State Regulating? Ohio.....

1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No []

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

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No []

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2015

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).01/30/2017

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

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A []

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

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

4.11 sales of new business? Yes [] No []

4.12 renewals? Yes [] No []

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

4.21 sales of new business? Yes [] No []

4.22 renewals? Yes [] No []

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []

If yes, complete and file the merger history data file with the NAIC.

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

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....
.....

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No []

6.2 If yes, give full information

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No []

7.2 If yes,

7.21 State the percentage of foreign control0.0 %

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

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
N/A. The Ohio Department of Insurance has granted an exemption from the annual audit for calendar year 2019 and 2018.....

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

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

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

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

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Glenn A. Giese, Principal, FSA, MAAA, Oliver Wyman Consulting Actuaries, 411 East Wisconsin Ave., Suite 1300 Milwaukee, WI 53202....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company _____

12.12 Number of parcels involved _____ 0

12.13 Total book/adjusted carrying value \$.....

12.2 If yes, provide explanation

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

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

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

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

c. Compliance with applicable governmental laws, rules and regulations;

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

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

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

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

GENERAL INTERROGATORIES

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans): 20.11 To directors or other officers \$.....
20.12 To stockholders not officers \$.....
20.13 Trustees, supreme or grand (Fraternal only) \$.....

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): 20.21 To directors or other officers \$.....
20.22 To stockholders not officers \$.....
20.23 Trustees, supreme or grand (Fraternal only) \$.....

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year: 21.21 Rented from others \$.....
21.22 Borrowed from others \$.....
21.23 Leased from others \$.....
21.24 Other \$.....

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No [X]

22.2 If answer is yes: 22.21 Amount paid as losses or risk adjustment \$.....
22.22 Amount paid as expenses \$.....
22.23 Other amounts paid \$.....

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]

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

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No []

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

24.03 For 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. \$.....

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

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 [] NA []

24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] NA [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 [] NA [X]

GENERAL INTERROGATORIES

24.09 For the reporting entity's securities 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	\$.....0
24.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$.....0
24.093 Total payable for securities lending reported on the liability page	\$.....0

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

Yes [] No [X]

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	\$.....

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

Yes [] No [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 []

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

26.41 Special accounting provision of SSAP No. 108	Yes [] No []
26.42 Permitted accounting practice	Yes [] No []
26.43 Other accounting guidance	Yes [] No []

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

Yes [] No []

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

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

Yes [] No [X]

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

\$.....

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

Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian's Address
State Street Bank and Trust.....	801 Pennsylvania, Kansas City, MO 64105.....
State Street Bank and Trust.....	801 Pennsylvania, Kansas City, MO 64105.....

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

GENERAL INTERROGATORIES

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

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

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

Yes [] No [X]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 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 Name of Firm or Individual	2 Affiliation
.....
.....
.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) manage more than 10% of the reporting entity’s invested assets?

Yes [] No [X]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a “U”) listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity’s invested assets?

Yes [] No [X]

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

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

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

Yes [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
.....
29.2999 TOTAL		0

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

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

GENERAL INTERROGATORIES

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	409,978	409,936	(42)
30.2 Preferred Stocks.....	0	0	0
30.3 Totals	409,978	409,936	(42)

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

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 []
 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-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
 a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
 b. Issuer or obligor is current on all contracted interest and principal payments.
 c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes [] No []

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
 a. The security was purchased prior to January 1, 2018.
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as 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 []

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

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No []

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 nonaffiliated 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 completed robust re-underwriting 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 [] NA []

OTHER

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

GENERAL INTERROGATORIES

38.1 Amount of payments for legal expenses, if any?

\$

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

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

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

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

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [] No [X]
1.2	If yes, indicate premium earned on U.S. business only.	\$ 0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$
1.31	Reason for excluding	
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above	\$
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$ 0
1.6	Individual policies:	
	Most current three years:	
1.61	Total premium earned	\$ 0
1.62	Total incurred claims	\$ 0
1.63	Number of covered lives	..... 0
	All years prior to most current three years:	
1.64	Total premium earned	\$ 0
1.65	Total incurred claims	\$ 0
1.66	Number of covered lives	..... 0
1.7	Group policies:	
	Most current three years:	
1.71	Total premium earned	\$ 0
1.72	Total incurred claims	\$ 0
1.73	Number of covered lives	..... 0
	All years prior to most current three years:	
1.74	Total premium earned	\$ 0
1.75	Total incurred claims	\$ 0
1.76	Number of covered lives	..... 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$ 0	\$ 0
2.2	Premium Denominator	\$ 0	\$ 1,347
2.3	Premium Ratio (2.1/2.2)	..... 0.000	..... 0.000
2.4	Reserve Numerator	\$ 0	\$ 0
2.5	Reserve Denominator	\$ 0	\$ 0
2.6	Reserve Ratio (2.4/2.5)	..... 0.000	..... 0.000

3.1	Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?	Yes [] No [X]
3.2	If yes, give particulars:	

4.1	Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?	Yes [X] No []
4.2	If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?	Yes [] No [X]
5.1	Does the reporting entity have stop-loss reinsurance?	Yes [] No [X]
5.2	If no, explain:	

5.3	Maximum retained risk (see instructions)	5.31 Comprehensive Medical	\$
		5.32 Medical Only	\$
		5.33 Medicare Supplement	\$
		5.34 Dental and Vision	\$
		5.35 Other Limited Benefit Plan	\$
		5.36 Other	\$

6.	Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:	
----	--	--

7.1	Does the reporting entity set up its claim liability for provider services on a service date basis?	Yes [X] No []
7.2	If no, give details	

8.	Provide the following information regarding participating providers:	8.1 Number of providers at start of reporting year	..... 0
		8.2 Number of providers at end of reporting year	.....

9.1	Does the reporting entity have business subject to premium rate guarantees?	Yes [] No [X]
9.2	If yes, direct premium earned:	

9.21	Business with rate guarantees between 15-36 months	.....
9.22	Business with rate guarantees over 36 months	.....

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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

10.2 If yes:

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

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,	Yes [] No [X]
11.13 An Individual Practice Association (IPA), or,	Yes [] No [X]
11.14 A Mixed Model (combination of above) ?	Yes [] No [X]

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

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

Ohio.....

11.4 If yes, show the amount required.

\$.....

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

Yes [] No [X]

11.6 If the amount is calculated, show the calculation

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

1 Name of Service Area
Adams.....
Allen.....
Au/aiize.....
Brown.....
But ler.....
Champaign.....
Clark.....
Clermont.....
Clinton.....
Cuyahoga.....
Fulton.....
Geauga.....
Hamilton.....
Henry.....
Highland.....
Lake.....
Lorain.....
Lucas.....
Mahoning.....
Medina.....
Mercer.....
Ottawa.....
Portage.....
Preble.....
Putnam.....
Shelby.....
Stark.....
Summit.....
Trumbull.....
Van Wert.....
Wayne.....
Wood.....

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

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

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

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

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

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

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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

15.1 Direct Premium Written	\$.....
15.2 Total Incurred Claims	\$.....
15.3 Number of Covered Lives	.....

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

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

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 []

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

FIVE - YEAR HISTORICAL DATA

	1 2020	2 2019	3 2018	4 2017	5 2016
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	17,330,641	3,539,288	12,924,260	12,754,731	25,562,929
2. Total liabilities (Page 3, Line 24)	(26,492)	(238)	0	184,590	15,769,986
3. Statutory minimum capital and surplus requirement	.0	.0	2,500,000	2,500,000	2,683,652
4. Total capital and surplus (Page 3, Line 33)	17,357,245	3,539,526	12,924,260	12,570,141	9,792,944
Income Statement (Page 4)					
5. Total revenues (Line 8)	13,728,473	1,347	47,715	1,914,226	37,415,913
6. Total medical and hospital expenses (Line 18)	.0	(57,010)	(259,152)	(1,325,751)	20,657,706
7. Claims adjustment expenses (Line 20)	.0	.0	.0	.0	1,745,644
8. Total administrative expenses (Line 21)	(67,357)	26,502	43,755	827,341	14,959,972
9. Net underwriting gain (loss) (Line 24)	13,795,830	31,855	263,112	2,412,636	3,210,591
10. Net investment gain (loss) (Line 27)	14,874	82,169	85,357	.0	16,871
11. Total other income (Lines 28 plus 29)	.0	.0	.0	368,729	(5,354,402)
12. Net income or (loss) (Line 32)	13,810,704	114,024	348,470	2,781,365	(2,126,940)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	13,813,255	111,473	444,702	(691,811)	(4,477,407)
Risk-Based Capital Analysis					
14. Total adjusted capital	17,357,245	3,539,526	12,924,260	12,570,141	9,792,944
15. Authorized control level risk-based capital	26,143	772,516	772,744	752,739	1,341,826
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	.0	.0	.0	.0	1,918
17. Total members months (Column 6, Line 7)	.0	.0	.0	.0	55,620
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	.0	(4,232.4)	(548.6)	(90.1)	77.6
20. Cost containment expenses	.0	.0	.0	.0	.0
21. Other claims adjustment expenses	.0	.0	.0	.0	.6
22. Total underwriting deductions (Line 23)	.0	(2,264.9)	(456.0)	(33.9)	128.5
23. Total underwriting gain (loss) (Line 24)	.0	2,364.9	557.0	163.9	12.1
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	.0	(57,010)	(216,413)	1,663,357	8,856,854
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	.0	.0	43,637	2,989,108	10,943,584
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	.0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	.0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	.0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	.0	0	0	0	0
30. Affiliated mortgage loans on real estate	.0	0	0	0	0
31. All other affiliated	.0	0	0	0	0
32. Total of above Lines 26 to 31	.0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above	.0	0	0	0	0

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

If no, please explain

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE HealthSpan Inc

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

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

(a) Active Status Counts

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

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

