



# ANNUAL STATEMENT

For the Year Ended December 31, 2020

of the Condition and Affairs of the

## RiverLink Health

NAIC Group Code..... 4807, 4807  
(Current Period) (Prior Period)

Organized under the Laws of OH

Licensed as Business Type Health Insuring Corporation

Incorporated/Organized..... December 18, 2013

Statutory Home Office

Main Administrative Office

Mail Address

Primary Location of Books and Records

Internet Web Site Address

Statutory Statement Contact

NAIC Company Code..... 15499

Employer's ID Number..... 46-4380824

State of Domicile or Port of Entry OH

Country of Domicile US

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

Commenced Business..... January 1, 2015

10496 Montgomery Road, Suite 212 .. Cincinnati .. OH .. US .. 45242  
(Street and Number) (City or Town, State, Country and Zip Code)

33820 Weyerhaeuser Way S .. Federal Way .. WA .. US .. 98001  
(Street and Number) (City or Town, State, Country and Zip Code)

33820 Weyerhaeuser Way S .. Federal Way .. WA .. US .. 98001  
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

33820 Weyerhaeuser Way S .. Federal Way .. WA .. US .. 98001  
(Street and Number) (City or Town, State, Country and Zip Code)

866-789-7747

(Area Code) (Telephone Number)

253-517-4300

(Area Code) (Telephone Number)

253-517-4340

(Area Code) (Telephone Number) (Extension)

253-517-4385

(Fax Number)

## OFFICERS

Name  
1. Mark Fred Bjornson  
3.

Title  
CEO/President

Name  
2. Charles William Hanson  
4.

Title  
Treasurer

## OTHER

## DIRECTORS OR TRUSTEES

Mark Fred Bjornson

Charles William Hanson

Gregory Porter Moore

Randall Alvin Crow

State of..... Washington  
County of.... King

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

(Signature)  
Mark Fred Bjornson

(Signature)  
Charles William Hanson

(Signature)

1. (Printed Name)  
CEO/President

2. (Printed Name)  
Treasurer

3. (Printed Name)

(Title)

(Title)

(Title)

Subscribed and sworn to before me

This 23rd day of February 2021

a. Is this an original filing?

Yes [X] No [ ]

b. If no 1. State the amendment number

2. Date filed

3. Number of pages attached

Shirley Ann Johnson  
Notary Public  
State of Washington  
My Appointment Expires 03/02/2024  
Commission Number 20104747





**ASSETS**

|  | Current Year |                            |  | Prior Year                  |
|--|--------------|----------------------------|--|-----------------------------|
|  | 1<br>Assets  | 2<br>Nonadmitted<br>Assets | 3<br>Net Admitted<br>Assets<br>(Cols. 1 - 2) | 4<br>Net<br>Admitted Assets |
| 1. Bonds (Schedule D).....   | 3,562,043    |                            | 3,562,043                                    | 3,478,070                   |
| 2. Stocks (Schedule D):  |              |                            |  |                             |
| 2.1 Preferred stocks.....  |              |                            | 0  |                             |
| 2.2 Common stocks.....   |              |                            | 0  |                             |
| 3. Mortgage loans on real estate (Schedule B):   |              |                            |  |                             |
| 3.1 First liens.....   |              |                            | 0  |                             |
| 3.2 Other than first liens.....  |              |                            | 0  |                             |
| 4. Real estate (Schedule A):   |              |                            |  |                             |
| 4.1 Properties occupied by the company (less \$.....0<br>encumbrances).....  |              |                            | 0  |                             |
| 4.2 Properties held for the production of income (less \$.....0<br>encumbrances).....  |              |                            | 0  |                             |
| 4.3 Properties held for sale (less \$.....0 encumbrances).....   |              |                            | 0  |                             |
| 5. Cash (\$.....1,702,957, Schedule E-Part 1), cash equivalents (\$.....0,<br>Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA)..... | 1,702,957    |                            | 1,702,957                                    | 1,502,771                   |
| 6. Contract loans (including \$.....0 premium notes).....  |              |                            | 0  |                             |
| 7. Derivatives (Schedule DB).....  |              |                            | 0  |                             |
| 8. Other invested assets (Schedule BA).....  |              |                            | 0  |                             |
| 9. Receivables for securities.....   |              |                            | 0  |                             |
| 10. Securities lending reinvested collateral assets (Schedule DL).....   |              |                            | 0  |                             |
| 11. Aggregate write-ins for invested assets.....   | 0            | 0                          | 0  | 0                           |
| 12. Subtotals, cash and invested assets (Lines 1 to 11).....   | 5,265,000    | 0                          | 5,265,000                                    | 4,980,841                   |
| 13. Title plants less \$.....0 charged off (for Title insurers only).....  |              |                            | 0  |                             |
| 14. Investment income due and accrued.....   | 14,014       |                            | 14,014                                       | 17,759                      |
| 15. Premiums and considerations:   |              |                            |  |                             |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....  |              |                            | 0  |                             |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred<br>and not yet due (including \$.....0 earned but unbilled premiums).....  |              |                            | 0  |                             |
| 15.3 Accrued retrospective premiums (\$.....0) and contracts subject to<br>redetermination (\$.....0).....   |              |                            | 0  | 307,416                     |
| 16. Reinsurance:   |              |                            |  |                             |
| 16.1 Amounts recoverable from reinsurers.....  |              |                            | 0  |                             |
| 16.2 Funds held by or deposited with reinsured companies.....  |              |                            | 0  |                             |
| 16.3 Other amounts receivable under reinsurance contracts.....   |              |                            | 0  |                             |
| 17. Amounts receivable relating to uninsured plans.....  |              |                            | 0  | 166,281                     |
| 18.1 Current federal and foreign income tax recoverable and interest thereon.....  | 28,785       |                            | 28,785                                       | 37,060                      |
| 18.2 Net deferred tax asset.....   |              |                            | 0  | 92                          |
| 19. Guaranty funds receivable or on deposit.....   |              |                            | 0  |                             |
| 20. Electronic data processing equipment and software.....   |              |                            | 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  |                             |
| 23. Receivables from parent, subsidiaries and affiliates.....  |              |                            | 0  |                             |
| 24. Health care (\$.....0) and other amounts receivable.....   | 85,639       | 85,639                     | 0  |                             |
| 25. Aggregate write-ins for other-than-invested assets.....  | 0            | 0                          | 0  | 0                           |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts (Lines 12 to 25).....                                   | 5,393,438    | 85,639                     | 5,307,799                                    | 5,509,448                   |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....   |              |                            | 0  |                             |
| 28. TOTAL (Lines 26 and 27).....   | 5,393,438    | 85,639                     | 5,307,799                                    | 5,509,448                   |

**DETAILS OF WRITE-INS**

|  |   |   |   |   |
|--|---|---|---|---|
| 1101.....  |   |   | 0 |   |
| 1102.....  |   |   | 0 |   |
| 1103.....  |   |   | 0 |   |
| 1198. Summary of remaining write-ins for Line 11 from overflow page..... | 0 | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....    | 0 | 0 | 0 | 0 |
| 2501. Prepaid.....   |   |   | 0 |   |
| 2502.....  |   |   | 0 |   |
| 2503.....  |   |   | 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 |

**LIABILITIES, CAPITAL AND SURPLUS**

|  | Current Period |                |             | Prior Year  |
|--|----------------|----------------|-------------|-------------|
|  | 1<br>Covered   | 2<br>Uncovered | 3<br>Total  | 4<br>Total  |
| 1. Claims unpaid (less \$.....0 reinsurance ceded).....  |                |                | 0           | 5,944       |
| 2. Accrued medical incentive pool and bonus amounts.....   |                |                | 0           |             |
| 3. Unpaid claims adjustment expenses.....  |                |                | 0           | 762         |
| 4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....            |                |                | 0           | 42,253      |
| 5. Aggregate life policy reserves.....   |                |                | 0           |             |
| 6. Property/casualty unearned premium reserves.....  |                |                | 0           |             |
| 7. Aggregate health claim reserves.....  |                |                | 0           |             |
| 8. Premiums received in advance.....   |                |                | 0           |             |
| 9. General expenses due or accrued.....  | 3,984          |                | 3,984       | 5,343       |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....                    |                |                | 0           |             |
| 10.2 Net deferred tax liability.....   |                |                | 0           |             |
| 11. Ceded reinsurance premiums payable.....  |                |                | 0           |             |
| 12. Amounts withheld or retained for the account of others.....  |                |                | 0           |             |
| 13. Remittances and items not allocated.....   |                |                | 0           |             |
| 14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....  |                |                | 0           |             |
| 15. Amounts due to parent, subsidiaries and affiliates.....  | 7,535          |                | 7,535       | 13,642      |
| 16. Derivatives.....   |                |                | 0           |             |
| 17. Payable for securities.....  |                |                | 0           |             |
| 18. Payable for securities lending.....  |                |                | 0           |             |
| 19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)..... |                |                | 0           |             |
| 20. Reinsurance in unauthorized and certified (\$.....0) companies.....  |                |                | 0           |             |
| 21. Net adjustments in assets and liabilities due to foreign exchange rates.....   |                |                | 0           |             |
| 22. Liability for amounts held under uninsured plans.....  |                |                | 0           |             |
| 23. Aggregate write-ins for other liabilities (including \$.....0 current).....  | 0              | 0              | 0           | 0           |
| 24. Total liabilities (Lines 1 to 23).....   | 11,518         | 0              | 11,518      | 67,944      |
| 25. Aggregate write-ins for special surplus funds.....   | XXX            | XXX            | 0           | 0           |
| 26. Common capital stock.....  | XXX            | XXX            |             |             |
| 27. Preferred capital stock.....   | XXX            | XXX            |             |             |
| 28. Gross paid in and contributed surplus.....   | XXX            | XXX            | 8,650,000   | 8,650,000   |
| 29. Surplus notes.....   | XXX            | XXX            |             |             |
| 30. Aggregate write-ins for other-than-special surplus funds.....  | XXX            | XXX            | 0           | 0           |
| 31. Unassigned funds (surplus).....  | XXX            | XXX            | (3,353,719) | (3,208,496) |
| 32. Less treasury stock at cost:   |                |                |             |             |
| 32.1 ....0.000 shares common (value included in Line 26 \$.....0).....   | XXX            | XXX            |             |             |
| 32.2 ....0.000 shares preferred (value included in Line 27 \$.....0).....  | XXX            | XXX            |             |             |
| 33. Total capital and surplus (Lines 25 to 31 minus Line 32).....  | XXX            | XXX            | 5,296,281   | 5,441,504   |
| 34. Total liabilities, capital and surplus (Lines 24 and 33).....  | XXX            | XXX            | 5,307,799   | 5,509,448   |

**DETAILS OF WRITE-INS**

|  |     |     |   |   |
|--|-----|-----|---|---|
| 2301. ....   |     |     | 0 |   |
| 2302. ....   |     |     | 0 |   |
| 2303. ....   |     |     | 0 |   |
| 2398. Summary of remaining write-ins for Line 23 from overflow page..... | 0   | 0   | 0 | 0 |
| 2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above).....    | 0   | 0   | 0 | 0 |
| 2501. ....   | XXX | XXX |   |   |
| 2502. ....   | XXX | XXX |   |   |
| 2503. ....   | XXX | XXX |   |   |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | XXX | XXX | 0 | 0 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....    | XXX | XXX | 0 | 0 |
| 3001. ....   | XXX | XXX |   |   |
| 3002. ....   | XXX | XXX |   |   |
| 3003. ....   | XXX | XXX |   |   |
| 3098. Summary of remaining write-ins for Line 30 from overflow page..... | XXX | XXX | 0 | 0 |
| 3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above).....    | XXX | XXX | 0 | 0 |

**STATEMENT OF REVENUE AND EXPENSES**

|   | Current Year   |            | Prior Year |
|---|----------------|------------|------------|
|   | 1<br>Uncovered | 2<br>Total | 3<br>Total |
| 1. Member months.....   | XXX.....       |            |            |
| 2. Net premium income (including \$.....0 non-health premium income).....   | XXX.....       | (7,230)    | 18,382     |
| 3. Change in unearned premium reserves and reserve for rate credits.....  | XXX.....       |            |            |
| 4. Fee-for-service (net of \$.....0 medical expenses).....  | XXX.....       |            |            |
| 5. Risk revenue.....  | XXX.....       |            |            |
| 6. Aggregate write-ins for other health care related revenues.....  | XXX.....       | 0          | 0          |
| 7. Aggregate write-ins for other non-health revenues.....   | XXX.....       | 0          | 0          |
| 8. Total revenues (Lines 2 to 7).....   | XXX.....       | (7,230)    | 18,382     |
| <b>Hospital and Medical:</b>  |                |            |            |
| 9. Hospital/medical benefits.....   |                | 32,980     | (159,542)  |
| 10. Other professional services.....  |                |            |            |
| 11. Outside referrals.....  |                |            |            |
| 12. Emergency room and out-of-area.....   |                |            |            |
| 13. Prescription drugs.....   |                | (2,579)    | 11,013     |
| 14. Aggregate write-ins for other hospital and medical.....   | 0              | 0          | 0          |
| 15. Incentive pool, withhold adjustments and bonus amounts.....   |                |            |            |
| 16. Subtotal (Lines 9 to 15).....   | 0              | 30,401     | (148,529)  |
| <b>Less:</b>  |                |            |            |
| 17. Net reinsurance recoveries.....   |                |            |            |
| 18. Total hospital and medical (Lines 16 minus 17).....   | 0              | 30,401     | (148,529)  |
| 19. Non-health claims (net).....  |                |            |            |
| 20. Claims adjustment expenses, including \$.....0 cost containment expenses.....   |                |            |            |
| 21. General administrative expenses.....  |                | 255,842    | 674,963    |
| 22. Increase in reserves for life and accident and health contracts including \$.....0<br>increase in reserves for life only).....      |                |            |            |
| 23. Total underwriting deductions (Lines 18 through 22).....  | 0              | 286,243    | 526,435    |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23).....   | XXX.....       | (293,473)  | (508,052)  |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....   |                | 70,249     | 95,028     |
| 26. Net realized capital gains or (losses) less capital gains tax of \$.....0.....  |                | 40,224     | (4,820)    |
| 27. Net investment gains or (losses) (Lines 25 plus 26).....  | 0              | 110,473    | 90,208     |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered<br>\$.....0) (amount charged off \$.....0)]..... |                | (49)       | 11         |
| 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<br>(Lines 24 plus 27 plus 28 plus 29).....   | XXX.....       | (183,049)  | (417,833)  |
| 31. Federal and foreign income taxes incurred.....  | XXX.....       | 8,275      | (50,380)   |
| 32. Net income (loss) (Lines 30 minus 31).....  | XXX.....       | (191,324)  | (367,453)  |

**DETAILS OF WRITE-INS**

|  |          |   |   |
|--|----------|---|---|
| 0601.....  | XXX..... |   |   |
| 0602.....  | XXX..... |   |   |
| 0603.....  | XXX..... |   |   |
| 0698. Summary of remaining write-ins for Line 6 from overflow page.....  | XXX..... | 0 | 0 |
| 0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....     | XXX..... | 0 | 0 |
| 0701.....  | XXX..... |   |   |
| 0702.....  | XXX..... |   |   |
| 0703.....  | XXX..... |   |   |
| 0798. Summary of remaining write-ins for Line 7 from overflow page.....  | XXX..... | 0 | 0 |
| 0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....     | XXX..... | 0 | 0 |
| 1401.....  |          |   |   |
| 1402.....  |          |   |   |
| 1403.....  |          |   |   |
| 1498. Summary of remaining write-ins for Line 14 from overflow page..... | 0        | 0 | 0 |
| 1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....    | 0        | 0 | 0 |
| 2901.....  |          |   |   |
| 2902.....  |          |   |   |
| 2903.....  |          |   |   |
| 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)**

| CAPITAL AND SURPLUS ACCOUNT  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| 33. Capital and surplus prior reporting period.....  | 5,441,503         | 5,846,981       |
| 34. Net income or (loss) from Line 32.....   | (191,324)         | (367,453)       |
| 35. Change in valuation basis of aggregate policy and claim reserves.....                  |                   |                 |
| 36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0 |                   |                 |
| 37. Change in net unrealized foreign exchange capital gain or (loss).....                  |                   |                 |
| 38. Change in net deferred income tax.....   | (92)              | (92)            |
| 39. Change in nonadmitted assets.....  | 46,193            | (23,793)        |
| 40. Change in unauthorized and certified reinsurance.....                                  |                   |                 |
| 41. Change in treasury stock.....  |                   |                 |
| 42. Change in surplus notes.....   |                   |                 |
| 43. Cumulative effect of changes in accounting principles.....                             |                   |                 |
| 44. Capital changes:   |                   |                 |
| 44.1 Paid in.....  |                   |                 |
| 44.2 Transferred from surplus (Stock Dividend).....  |                   |                 |
| 44.3 Transferred to surplus.....   |                   |                 |
| 45. Surplus adjustments:   |                   |                 |
| 45.1 Paid in.....  |                   |                 |
| 45.2 Transferred to capital (Stock Dividend).....  |                   |                 |
| 45.3 Transferred from capital.....   |                   |                 |
| 46. Dividends to stockholders.....   |                   |                 |
| 47. Aggregate write-ins for gains or (losses) in surplus.....                              | 0                 | (14,139)        |
| 48. Net change in capital and surplus (Lines 34 to 47).....                                | (145,223)         | (405,478)       |
| 49. Capital and surplus end of reporting period (Line 33 plus 48).....                     | 5,296,280         | 5,441,503       |

**DETAILS OF WRITE-INS**

|  |   |          |
|--|---|----------|
| 4701. PY tax adjustment.....   |   | (636)    |
| 4702. PY tax correction.....   |   | (13,503) |
| 4703. .....  |   |          |
| 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 | (14,139) |

**CASH FLOW**

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>CASH FROM OPERATIONS</b>  |                   |                 |
| 1. Premiums collected net of reinsurance.....  | 257,933           | (31,096)        |
| 2. Net investment income.....  | 81,669            | 89,752          |
| 3. Miscellaneous income.....   |                   |                 |
| 4. Total (Lines 1 through 3).....  | 339,602           | 58,656          |
| 5. Benefit and loss related payments.....  | (6,849)           | 402,332         |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....                    |                   |                 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions.....                                      | 91,732            | 640,689         |
| 8. Dividends paid to policyholders.....  |                   |                 |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....        |                   | (9,734)         |
| 10. Total (Lines 5 through 9).....   | 84,883            | 1,033,287       |
| 11. Net cash from operations (Line 4 minus Line 10).....   | 254,718           | (974,631)       |
| <b>CASH FROM INVESTMENTS</b>   |                   |                 |
| 12. Proceeds from investments sold, matured or repaid:   |                   |                 |
| 12.1 Bonds.....  | 2,103,608         | 2,146,208       |
| 12.2 Stocks.....   |                   |                 |
| 12.3 Mortgage loans.....   |                   |                 |
| 12.4 Real estate.....  |                   |                 |
| 12.5 Other invested assets.....  |                   |                 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....                           |                   |                 |
| 12.7 Miscellaneous proceeds.....   |                   |                 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7).....   | 2,103,608         | 2,146,208       |
| 13. Cost of investments acquired (long-term only):   |                   |                 |
| 13.1 Bonds.....  | 2,155,035         | 1,859,816       |
| 13.2 Stocks.....   |                   |                 |
| 13.3 Mortgage loans.....   |                   |                 |
| 13.4 Real estate.....  |                   |                 |
| 13.5 Other invested assets.....  |                   |                 |
| 13.6 Miscellaneous applications.....   |                   |                 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6).....  | 2,155,035         | 1,859,816       |
| 14. Net increase (decrease) in contract loans and premium notes.....   |                   |                 |
| 15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....                                  | (51,427)          | 286,392         |
| <b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>   |                   |                 |
| 16. Cash provided (applied):   |                   |                 |
| 16.1 Surplus notes, capital notes.....   |                   |                 |
| 16.2 Capital and paid in surplus, less treasury stock.....   |                   |                 |
| 16.3 Borrowed funds.....   |                   |                 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities.....                               |                   |                 |
| 16.5 Dividends to stockholders.....  |                   |                 |
| 16.6 Other cash provided (applied).....  | (3,105)           | 144,282         |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)..... | (3,105)           | 144,282         |
| <b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>                                     |                   |                 |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....       | 200,186           | (543,958)       |
| 19. Cash, cash equivalents and short-term investments:   |                   |                 |
| 19.1 Beginning of year.....  | 1,502,771         | 2,046,729       |
| 19.2 End of year (Line 18 plus Line 19.1).....   | 1,702,957         | 1,502,771       |

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

|               |  |  |
|---------------|--|--|
| 20,0001 ..... |  |  |
|---------------|--|--|

## ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

|  | 1<br>Total     | 2<br>Comprehensive<br>(Hospital<br>and Medical) | 3<br>Medicare<br>Supplement | 4<br>Dental<br>Only | 5<br>Vision<br>Only | 6<br>Federal<br>Employees<br>Health<br>Benefits Plans | 7<br>Title<br>XVIII<br>Medicare | 8<br>Title<br>XIX<br>Medicaid | 9<br>Other<br>Health | 10<br>Other<br>Non-Health |
|--|----------------|---|-----------------------------|---------------------|---------------------|---|---------------------------------|-------------------------------|----------------------|---------------------------|
| 1. Net premium income.....   | .....(7,230)   |   |                             |                     |                     |   | .....(7,230)                    |                               |                      |                           |
| 2. Change in unearned premium reserves and reserve for rate credit.....          | .....0         |   |                             |                     |                     |   |                                 |                               |                      |                           |
| 3. Fee-for-service (net of \$.....0 medical expenses).....                       | .....0         |   |                             |                     |                     |   |                                 |                               |                      | XXX.....                  |
| 4. Risk revenue.....   | .....0         |   |                             |                     |                     |   |                                 |                               |                      | XXX.....                  |
| 5. Aggregate write-ins for other health care related revenues.....               | .....0         | .....0  | .....0                      | .....0              | .....0              | .....0  | .....0                          | .....0                        | .....0               | XXX.....                  |
| 6. Aggregate write-ins for other non-health care related revenues.....           | .....0         | XXX.....  | XXX.....                    | XXX.....            | XXX.....            | XXX.....  | XXX.....                        | XXX.....                      | XXX.....             | XXX.....                  |
| 7. Total revenues (Lines 1 to 6).....  | .....(7,230)   | .....0  | .....0                      | .....0              | .....0              | .....0  | .....(7,230)                    | .....0                        | .....0               |                           |
| 8. Hospital/medical benefits.....  | .....32,980    |   |                             |                     |                     |   | .....32,980                     |                               |                      | XXX.....                  |
| 9. Other professional services.....  | .....0         |   |                             |                     |                     |   |                                 |                               |                      | XXX.....                  |
| 10. Outside referrals.....   | .....0         |   |                             |                     |                     |   |                                 |                               |                      | XXX.....                  |
| 11. Emergency room and out-of-area.....  | .....0         |   |                             |                     |                     |   |                                 |                               |                      | XXX.....                  |
| 12. Prescription drugs.....  | .....(2,579)   |   |                             |                     |                     |   | .....(2,579)                    |                               |                      | 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).....  | .....30,401    | .....0  | .....0                      | .....0              | .....0              | .....0  | .....30,401                     | .....0                        | .....0               | XXX.....                  |
| 16. Net reinsurance recoveries.....  | .....0         |   |                             |                     |                     |   |                                 |                               |                      | XXX.....                  |
| 17. Total hospital and medical (Lines 15 minus 16).....                          | .....30,401    | .....0  | .....0                      | .....0              | .....0              | .....0  | .....30,401                     | .....0                        | .....0               | XXX.....                  |
| 18. Non-health claims (net).....   | .....0         | XXX.....  | XXX.....                    | XXX.....            | XXX.....            | XXX.....  | XXX.....                        | XXX.....                      | XXX.....             |                           |
| 19. Claims adjustment expenses including \$.....0 cost containment expenses..... | .....0         |   |                             |                     |                     |   |                                 |                               |                      |                           |
| 20. General administrative expenses.....   | .....255,842   |   |                             |                     |                     |   | .....255,842                    |                               |                      |                           |
| 21. Increase in reserves for accident and health contracts.....                  | .....0         |   |                             |                     |                     |   |                                 |                               |                      | XXX.....                  |
| 22. Increase in reserve for life contracts.....                                  | .....0         | XXX.....  | XXX.....                    | XXX.....            | XXX.....            | XXX.....  | XXX.....                        | XXX.....                      | XXX.....             |                           |
| 23. Total underwriting deductions (Lines 17 to 22).....                          | .....286,243   | .....0  | .....0                      | .....0              | .....0              | .....0  | .....286,243                    | .....0                        | .....0               |                           |
| 24. Net underwriting gain or (loss) (Line 7 minus Line 23).....                  | .....(293,473) | .....0  | .....0                      | .....0              | .....0              | .....0  | .....(293,473)                  | .....0                        | .....0               |                           |

## DETAILS OF WRITE-INS

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 1 - PREMIUMS**

| Line of Business                               | 1<br>Direct<br>Business | 2<br>Reinsurance<br>Assumed | 3<br>Reinsurance<br>Ceded | 4<br>Net Premium<br>Income<br>(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.....                 | (7,230)                 |                             |                           | (7,230)   |
| 7. Title XIX - Medicaid.....                   |                         |                             |                           | 0   |
| 8. Other health.....                           |                         |                             |                           | 0   |
| 9. Health subtotal (Lines 1 through 8).....    | (7,230)                 | 0                           | 0                         | (7,230)   |
| 10. Life.....                                  |                         |                             |                           | 0   |
| 11. Property/casualty.....                     |                         |                             |                           | 0   |
| 12. Totals (Lines 9 to 11).....                | (7,230)                 | 0                           | 0                         | (7,230)   |

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

|   | 1<br>Total | 2<br>Comprehensive<br>(Hospital<br>and Medical) | 3<br>Medicare<br>Supplement | 4<br>Dental<br>Only | 5<br>Vision<br>Only | 6<br>Federal<br>Employees<br>Health<br>Benefits Plan | 7<br>Title<br>XVIII<br>Medicare | 8<br>Title<br>XIX<br>Medicaid | 9<br>Other<br>Health | 10<br>Other<br>Non-Health |
|---|------------|---|-----------------------------|---------------------|---------------------|--|---------------------------------|-------------------------------|----------------------|---------------------------|
| 1. Payments during the year:  |            |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 1.1 Direct.....   | 36,344     |   |                             |                     |                     |  | 36,344                          |                               |                      |                           |
| 1.2 Reinsurance assumed.....  | 0          |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 1.3 Reinsurance ceded.....  | 0          |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 1.4 Net.....  | 36,344     | 0   | 0                           | 0                   | 0                   | 0  | 36,344                          | 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          |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 3.2 Reinsurance assumed.....  | 0          |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 3.3 Reinsurance ceded.....  | 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          |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 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.....   | 5,944      |   |                             |                     |                     |  | 5,944                           |                               |                      |                           |
| 8.2 Reinsurance assumed.....  | 0          |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 8.3 Reinsurance ceded.....  | 0          |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 8.4 Net.....  | 5,944      | 0   | 0                           | 0                   | 0                   | 0  | 5,944                           | 0                             | 0                    | 0                         |
| 9. Claim reserve December 31, prior year from Part 2D:                |            |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 9.1 Direct.....   | 0          |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 9.2 Reinsurance assumed.....  | 0          |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 9.3 Reinsurance ceded.....  | 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          |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 12. Incurred benefits:  |            |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 12.1 Direct.....  | 30,400     | 0   | 0                           | 0                   | 0                   | 0  | 30,400                          | 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.....   | 30,400     | 0   | 0                           | 0                   | 0                   | 0  | 30,400                          | 0                             | 0                    | 0                         |
| 13. Incurred medical incentive pools and bonuses.....                 | 0          | 0   | 0                           | 0                   | 0                   | 0  | 0                               | 0                             | 0                    | 0                         |

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

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

|   | 1<br>Total | 2<br>Comprehensive<br>(Medical<br>and Hospital) | 3<br>Medicare<br>Supplement | 4<br>Dental<br>Only | 5<br>Vision<br>Only | 6<br>Federal<br>Employees<br>Health<br>Benefits Plan | 7<br>Title<br>XVIII<br>Medicare | 8<br>Title<br>XIX<br>Medicaid | 9<br>Other<br>Health | 10<br>Other<br>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                         |

**NONE**

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

| Line of Business                                   | Claims Paid<br>During the Year                                   |   | Claim Reserve and Claim Liability<br>December 31 of Current Year |   | 5<br>Claims Incurred<br>in Prior Years<br>(Columns 1 + 3) | 6<br>Estimated Claim<br>Reserve and<br>Claim Liability<br>December 31 of<br>Prior Year |
|--|--|---|--|---|---|--|
|  | 1<br>On Claims Incurred<br>Prior to January 1<br>of Current Year | 2<br>On Claims<br>Incurred During<br>the Year | 3<br>On Claims Unpaid<br>December 31 of<br>Prior Year            | 4<br>On Claims<br>Incurred During<br>the Year |   |  |
| 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.....                     | 36,344   |   |  |   | 36,344  | 5,944  |
| 7. Title XIX - Medicaid.....                       |  |   |  |   | 0   |  |
| 8. Other health.....                               |  |   |  |   | 0   |  |
| 9. Health subtotal (Lines 1 to 8).....             | 36,344   | 0   | 0  | 0   | 36,344  | 5,944  |
| 10. Healthcare receivables (a).....                | 43,193   |   | 85,639   |   | 128,832   | 128,832  |
| 11. Other non-health.....                          |  |   |  |   | 0   |  |
| 12. Medical incentive pools and bonus amounts..... |  |   |  |   | 0   |  |
| 13. Totals (Lines 9 - 10 + 11 + 12).....           | (6,849)  | 0   | (85,639)   | 0   | (92,488)  | (122,888)  |

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

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

(000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL**

| Year in Which Losses<br>Were Incurred | Cumulative Net Amounts Paid |           |           |           |           |
|---------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                       | 1<br>2016                   | 2<br>2017 | 3<br>2018 | 4<br>2019 | 5<br>2020 |
| 1. Prior.....                         | 465                         | 467       | 466       | 164       | 164       |
| 2. 2016.....                          | 7,900                       | 9,165     | 9,147     | 9,526     | 9,526     |
| 3. 2017.....                          | XXX                         | 8,680     | 9,468     | 9,591     | 9,591     |
| 4. 2018.....                          | XXX                         | XXX       | 6,484     | 6,137     | 6,167     |
| 5. 2019.....                          | XXX                         | XXX       | XXX       | XXX       | XXX       |
| 6. 2020.....                          | XXX                         | XXX       | XXX       | XXX       | XXX       |

**SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL**

| Year in Which Losses<br>Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year |           |           |           |           |
|---------------------------------------|--|-----------|-----------|-----------|-----------|
|                                       | 1<br>2016  | 2<br>2017 | 3<br>2018 | 4<br>2019 | 5<br>2020 |
| 1. Prior.....                         | 497  | 497       | 497       | 194       | 194       |
| 2. 2016.....                          | 10,097   | 10,097    | 11,315    | 11,694    | 11,694    |
| 3. 2017.....                          | XXX  | 8,715     | 7,976     | 8,099     | 8,099     |
| 4. 2018.....                          | XXX  | XXX       | 7,993     | 7,645     | 7,675     |
| 5. 2019.....                          | XXX  | XXX       | XXX       | XXX       | XXX       |
| 6. 2020.....                          | XXX  | XXX       | XXX       | XXX       | XXX       |

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL**

| Years in Which<br>Premiums were Earned and<br>Claims were Incurred | 1<br>Premiums<br>Earned | 2<br>Claim<br>Payments | 3<br>Claim Adjustment<br>Expense Payments | 4<br>Percent<br>(Col. 3/2) | 5<br>Claim and Claim<br>Adjustment<br>Expense Payments<br>(Col. 2 + 3) | 6<br>Percent<br>(Col. 5/1) | 7<br>Claims<br>Unpaid | 8<br>Unpaid Claim<br>Adjustment<br>Expense | 9<br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5 + 7 + 8) | 10<br>Percent<br>(Col. 9/1) |
|--|-------------------------|------------------------|---|----------------------------|--|----------------------------|-----------------------|--|--|-----------------------------|
| 1. 2016.....   | 9,204                   | 9,526                  | 175                                       | 1.8                        | 9,701  | 105.4                      |                       |  | 9,701  | 105.4                       |
| 2. 2017.....   | 9,004                   | 9,591                  | 228                                       | 2.4                        | 9,819  | 109.1                      |                       |  | 9,819  | 109.1                       |
| 3. 2018.....   | 8,486                   | 6,167                  | 173                                       | 2.8                        | 6,340  | 74.7                       |                       |  | 6,340  | 74.7                        |
| 4. 2019.....   |                         |                        |   | 0.0                        | 0  | 0.0                        |                       |  | 0  | 0.0                         |
| 5. 2020.....   |                         |                        |   | 0.0                        | 0  | 0.0                        |                       |  | 0  | 0.0                         |

12.GT

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims**  
**NONE**

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

(\$000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE**

| Year in Which Losses<br>Were Incurred | Cumulative Net Amounts Paid |           |           |           |           |
|---------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                       | 1<br>2016                   | 2<br>2017 | 3<br>2018 | 4<br>2019 | 5<br>2020 |
| 1. Prior.....                         | 465                         | 467       | 466       | 164       | 164       |
| 2. 2016.....                          | 7,900                       | 9,165     | 9,147     | 9,526     | 9,526     |
| 3. 2017.....                          | XXX                         | 8,680     | 9,468     | 9,591     | 9,591     |
| 4. 2018.....                          | XXX                         | XXX       | 6,484     | 6,137     | 6,167     |
| 5. 2019.....                          | XXX                         | XXX       | XXX       | XXX       | XXX       |
| 6. 2020.....                          | XXX                         | XXX       | XXX       | XXX       | XXX       |

**SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE**

| Year in Which Losses<br>Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year |           |           |           |           |
|---------------------------------------|--|-----------|-----------|-----------|-----------|
|                                       | 1<br>2016  | 2<br>2017 | 3<br>2018 | 4<br>2019 | 5<br>2020 |
| 1. Prior.....                         | 497  | 497       | 497       | 194       | 194       |
| 2. 2016.....                          | 10,097   | 10,097    | 11,315    | 11,694    | 11,694    |
| 3. 2017.....                          | XXX  | 8,715     | 7,976     | 8,099     | 8,099     |
| 4. 2018.....                          | XXX  | XXX       | 7,993     | 7,645     | 7,675     |
| 5. 2019.....                          | XXX  | XXX       | XXX       | XXX       | XXX       |
| 6. 2020.....                          | XXX  | XXX       | XXX       | XXX       | XXX       |

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE**

| Years in Which<br>Premiums were Earned and<br>Claims were Incurred | 1<br>Premiums<br>Earned | 2<br>Claim<br>Payments | 3<br>Claim Adjustment<br>Expense Payments | 4<br>Percent<br>(Col. 3/2) | 5<br>Claim and Claim<br>Adjustment<br>Expense Payments<br>(Col. 2 + 3) | 6<br>Percent<br>(Col. 5/1) | 7<br>Claims<br>Unpaid | 8<br>Unpaid Claim<br>Adjustment<br>Expenses | 9<br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5 + 7 + 8) | 10<br>Percent<br>(Col. 9/1) |
|--|-------------------------|------------------------|---|----------------------------|--|----------------------------|-----------------------|---|--|-----------------------------|
| 1. 2016.....   | 9,204                   | 9,526                  | 175                                       | 1.8                        | 9,701  | 105.4                      |                       |   | 9,701  | 105.4                       |
| 2. 2017.....   | 9,004                   | 9,591                  | 228                                       | 2.4                        | 9,819  | 109.1                      |                       |   | 9,819  | 109.1                       |
| 3. 2018.....   | 8,486                   | 6,167                  | 173                                       | 2.8                        | 6,340  | 74.7                       |                       |   | 6,340  | 74.7                        |
| 4. 2019.....   |                         | 0                      | 0   | 0.0                        | 0  | 0.0                        |                       |   | 0  | 0.0                         |
| 5. 2020.....   |                         | 0                      | 0   | 0.0                        | 0  | 0.0                        |                       |   | 0  | 0.0                         |

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2D - Aggregate Reserve for A&H Contracts Only**  
**NONE**

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 3 - ANALYSIS OF EXPENSES**

|   | Claim Adjustment Expenses            |  | 3<br>General<br>Administrative<br>Expenses | 4<br>Investment<br>Expenses | 5<br>Total  |
|---|--------------------------------------|--|--|-----------------------------|-------------|
|   | 1<br>Cost<br>Containment<br>Expenses | 2<br>Other Claim<br>Adjustment<br>Expenses |  |                             |             |
| 1. Rent (\$.....0 for occupancy of own building).....                     |                                      |  | 23,892                                     |                             | 23,892      |
| 2. Salaries, wages and other benefits.....                                |                                      |  | 67,461                                     |                             | 67,461      |
| 3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....           |                                      |  |  |                             | 0           |
| 4. Legal fees and expenses.....   |                                      |  |  |                             | 0           |
| 5. Certifications and accreditation fees.....                             |                                      |  |  |                             | 0           |
| 6. Auditing, actuarial and other consulting services.....                 |                                      |  | 8,163                                      |                             | 8,163       |
| 7. Traveling expenses.....  |                                      |  | .13  |                             | .13         |
| 8. Marketing and advertising.....   |                                      |  |  |                             | 0           |
| 9. Postage, express and telephone.....                                    |                                      |  | 19,214                                     |                             | 19,214      |
| 10. Printing and office supplies.....                                     |                                      |  | .43  |                             | .43         |
| 11. Occupancy, depreciation and amortization.....                         |                                      |  | 63,632                                     |                             | 63,632      |
| 12. Equipment.....  |                                      |  | .132                                       |                             | .132        |
| 13. Cost or depreciation of EDP equipment and software.....               |                                      |  | 5,008                                      |                             | 5,008       |
| 14. Outsourced services including EDP, claims, and other services.....    |                                      |  | 38,757                                     |                             | 38,757      |
| 15. Boards, bureaus and association fees.....                             |                                      |  | .660                                       |                             | .660        |
| 16. Insurance, except on real estate.....                                 |                                      |  | 3,284                                      |                             | 3,284       |
| 17. Collection and bank service charges.....                              |                                      |  | (18)                                       |                             | (18)        |
| 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.....                          |                                      |  | 4,060                                      |                             | 4,060       |
| 23.4 Payroll taxes.....   |                                      |  | 5,597                                      |                             | 5,597       |
| 23.5 Other (excluding federal income and real estate taxes).....          |                                      |  |  |                             | 0           |
| 24. Investment expenses not included elsewhere.....                       |                                      |  | 15,944                                     |                             | 15,944      |
| 25. Aggregate write-ins for expenses.....                                 | 0                                    | .0   | 0  | 0                           | 0           |
| 26. Total expenses incurred (Lines 1 to 25).....                          | 0                                    | .0   | 255,842                                    | 0                           | (a) 255,842 |
| 27. Less expenses unpaid December 31, current year.....                   |                                      |  | 3,984                                      |                             | 3,984       |
| 28. Add expenses unpaid December 31, prior year.....                      |                                      |  | 5,343                                      |                             | 5,343       |
| 29. Amounts receivable relating to uninsured plans, prior year.....       |                                      |  | 166,281                                    |                             | 166,281     |
| 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   | 90,920                                     | 0                           | 90,920      |

**DETAILS OF WRITE-INS**

|  |   |    |   |   |   |
|--|---|----|---|---|---|
| 2501.....  |   |    |   |   | 0 |
| 2502.....  |   |    |   |   | 0 |
| 2503.....  |   |    |   |   | 0 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0 | .0 | 0 | 0 | 0 |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above).....    | 0 | .0 | 0 | 0 | 0 |

(a) Includes management fees of \$....235,568 to affiliates and \$.....0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

|  | 1<br>Collected<br>During Year | 2<br>Earned<br>During Year |
|--|-------------------------------|----------------------------|
| 1. U.S. Government bonds.....  | (a).....34,094                | .....31,376                |
| 1.1 Bonds exempt from U.S. tax.....  | (a).....                      | .....                      |
| 1.2 Other bonds (unaffiliated).....  | (a).....39,900                | .....38,873                |
| 1.3 Bonds of affiliates.....   | (a).....                      | .....                      |
| 2.1 Preferred stocks (unaffiliated).....                                     | (b).....                      | .....                      |
| 2.11 Preferred stocks of affiliates.....                                     | (b).....                      | .....                      |
| 2.2 Common stocks (unaffiliated).....  | .....                         | .....                      |
| 2.21 Common stocks of affiliates.....  | .....                         | .....                      |
| 3. Mortgage loans.....   | (c).....                      | .....                      |
| 4. Real estate.....  | (d).....                      | .....                      |
| 5. Contract loans.....   | .....                         | .....                      |
| 6. Cash, cash equivalents and short-term investments.....                    | (e).....                      | .....                      |
| 7. Derivative instruments.....   | (f).....                      | .....                      |
| 8. Other invested assets.....  | .....                         | .....                      |
| 9. Aggregate write-ins for investment income.....                            | .....0                        | .....0                     |
| 10. Total gross investment income.....                                       | .....73,994                   | .....70,249                |
| 11. Investment expenses.....   | .....                         | (g).....                   |
| 12. Investment taxes, licenses and fees, excluding federal income taxes..... | .....                         | (g).....                   |
| 13. Interest expense.....  | .....                         | (h).....                   |
| 14. Depreciation on real estate and other invested assets.....               | .....                         | (i).....0                  |
| 15. Aggregate write-ins for deductions from investment income.....           | .....                         | .....0                     |
| 16. Total deductions (Lines 11 through 15).....                              | .....                         | .....0                     |
| 17. Net investment income (Line 10 minus Line 16).....                       | .....                         | .....70,249                |

**DETAILS OF WRITE-INS**

|  |        |        |
|--|--------|--------|
| 0901.....  | .....  | .....  |
| 0902.....  | .....  | .....  |
| 0903.....  | .....  | .....  |
| 0998. Summary of remaining write-ins for Line 9 from overflow page.....  | .....0 | .....0 |
| 0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....     | .....0 | .....0 |
| 1501.....  | .....  | .....  |
| 1502.....  | .....  | .....  |
| 1503.....  | .....  | .....  |
| 1598. Summary of remaining write-ins for Line 15 from overflow page..... | .....  | .....0 |
| 1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....    | .....  | .....0 |

- (a) Includes \$....3,586 accrual of discount less \$....11,266 amortization of premium and less \$....5,356 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

|   | 1<br>Realized<br>Gain (Loss)<br>on Sales<br>or Maturity | 2<br>Other<br>Realized<br>Adjustments | 3<br>Total Realized<br>Capital Gain (Loss)<br>(Columns 1 + 2) | 4<br>Change in<br>Unrealized<br>Capital Gain (Loss) | 5<br>Change in<br>Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
|---|---|---------------------------------------|---|---|---|
| 1. U.S. Government bonds.....                             | .....27,135   | .....                                 | .....27,135   | .....   | .....   |
| 1.1 Bonds exempt from U.S. tax.....                       | .....   | .....                                 | .....0  | .....   | .....   |
| 1.2 Other bonds (unaffiliated).....                       | .....13,089   | .....                                 | .....13,089   | .....   | .....   |
| 1.3 Bonds of affiliates.....                              | .....   | .....                                 | .....0  | .....   | .....   |
| 2.1 Preferred stocks (unaffiliated).....                  | .....   | .....                                 | .....0  | .....   | .....   |
| 2.11 Preferred stocks of affiliates.....                  | .....   | .....                                 | .....0  | .....   | .....   |
| 2.2 Common stocks (unaffiliated).....                     | .....   | .....                                 | .....0  | .....   | .....   |
| 2.21 Common stocks of affiliates.....                     | .....   | .....                                 | .....0  | .....   | .....   |
| 3. Mortgage loans.....                                    | .....   | .....                                 | .....0  | .....   | .....   |
| 4. Real estate.....                                       | .....   | .....                                 | .....0  | .....   | .....   |
| 5. Contract loans.....                                    | .....   | .....                                 | .....0  | .....   | .....   |
| 6. Cash, cash equivalents and short-term investments..... | .....   | .....                                 | .....0  | .....   | .....   |
| 7. Derivative instruments.....                            | .....   | .....                                 | .....0  | .....   | .....   |
| 8. Other invested assets.....                             | .....   | .....                                 | .....0  | .....   | .....   |
| 9. Aggregate write-ins for capital gains (losses).....    | .....0  | .....0                                | .....0  | .....0  | .....0  |
| 10. Total capital gains (losses).....                     | .....40,224   | .....0                                | .....40,224   | .....0  | .....0  |

**DETAILS OF WRITE-INS**

|   |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|
| 0901.....   | .....  | .....  | .....0 | .....  | .....  |
| 0902.....   | .....  | .....  | .....0 | .....  | .....  |
| 0903.....   | .....  | .....  | .....0 | .....  | .....  |
| 0998. Summary of remaining write-ins for Line 9 from overflow page..... | .....0 | .....0 | .....0 | .....0 | .....0 |
| 0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....    | .....0 | .....0 | .....0 | .....0 | .....0 |

**EXHIBIT OF NONADMITTED ASSETS**

|  | 1<br>Current Year<br>Total<br>Nonadmitted Assets | 2<br>Prior Year<br>Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
|--|--|--|---|
| 1. Bonds (Schedule D).....   |  |  | 0   |
| 2. Stocks (Schedule D):  |  |  | 0   |
| 2.1 Preferred stocks.....  |  |  | 0   |
| 2.2 Common stocks.....   |  |  | 0   |
| 3. Mortgage loans on real estate (Schedule B):   |  |  | 0   |
| 3.1 First liens.....   |  |  | 0   |
| 3.2 Other than first liens.....  |  |  | 0   |
| 4. Real estate (Schedule A):   |  |  | 0   |
| 4.1 Properties occupied by the company.....  |  |  | 0   |
| 4.2 Properties held for the production of income.....  |  |  | 0   |
| 4.3 Properties held for sale.....  |  |  | 0   |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....          |  |  | 0   |
| 6. Contract loans.....   |  |  | 0   |
| 7. Derivatives (Schedule DB).....  |  |  | 0   |
| 8. Other invested assets (Schedule BA).....  |  |  | 0   |
| 9. Receivables for securities.....   |  |  | 0   |
| 10. Securities lending reinvested collateral assets (Schedule DL).....   |  |  | 0   |
| 11. Aggregate write-ins for invested assets.....   | 0  | 0  | 0   |
| 12. Subtotals, cash and invested assets (Lines 1 to 11).....   | 0  | 0  | 0   |
| 13. Title plants (for Title insurers only).....  |  |  | 0   |
| 14. Investment income due and accrued.....   |  |  | 0   |
| 15. Premiums and considerations:   |  |  | 0   |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....  |  |  | 0   |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....                       |  |  | 0   |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination.....  |  |  | 0   |
| 16. Reinsurance:   |  |  | 0   |
| 16.1 Amounts recoverable from reinsurers.....  |  |  | 0   |
| 16.2 Funds held by or deposited with reinsured companies.....  |  |  | 0   |
| 16.3 Other amounts receivable under reinsurance contracts.....   |  |  | 0   |
| 17. Amounts receivable relating to uninsured plans.....  |  |  | 0   |
| 18.1 Current federal and foreign income tax recoverable and interest thereon.....  |  |  | 0   |
| 18.2 Net deferred tax asset.....   |  |  | 0   |
| 19. Guaranty funds receivable or on deposit.....   |  |  | 0   |
| 20. Electronic data processing equipment and software.....   |  |  | 0   |
| 21. Furniture and equipment, including health care delivery assets.....  |  |  | 0   |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates.....  |  |  | 0   |
| 23. Receivables from parent, subsidiaries and affiliates.....  |  |  | 0   |
| 24. Health care and other amounts receivable.....  | 85,639   | 128,832  | 43,193  |
| 25. Aggregate write-ins for other-than-invested assets.....  | 0  | 3,000  | 3,000   |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)..... | 85,639   | 131,832  | 46,193  |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....   |  |  | 0   |
| 28. TOTALS (Lines 26 and 27).....  | 85,639   | 131,832  | 46,193  |

**DETAILS OF WRITE-INS**

|  |   |       |       |
|--|---|-------|-------|
| 1101.....  |   |       | 0     |
| 1102.....  |   |       | 0     |
| 1103.....  |   |       | 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 | 0     | 0     |
| 2501. Prepaid.....   |   | 3,000 | 3,000 |
| 2502.....  |   |       | 0     |
| 2503.....  |   |       | 0     |
| 2598. Summary of remaining write-ins for Line 25 from overflow page..... | 0 | 0     | 0     |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....    | 0 | 3,000 | 3,000 |

**EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY**

| Source of Enrollment                                    | 1<br>Prior<br>Year | 2<br>First<br>Quarter | 3<br>Second<br>Quarter | 4<br>Third<br>Quarter | 5<br>Current<br>Year | 6<br>Current Year<br>Member<br>Months |
|---|--------------------|-----------------------|------------------------|-----------------------|----------------------|---------------------------------------|
|   |                    |                       |                        |                       |                      |                                       |
| 1. Health maintenance organizations.....                |                    |                       |                        |                       |                      |                                       |
| 2. Provider service organizations.....                  |                    |                       |                        |                       |                      |                                       |
| 3. Preferred provider organizations.....                |                    |                       |                        |                       |                      |                                       |
| 4. Point of service.....                                |                    |                       |                        |                       |                      |                                       |
| 5. Indemnity only.....                                  |                    |                       |                        |                       |                      |                                       |
| 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 |

**NOTES TO FINANCIAL STATEMENTS****Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

The financial statements of RiverLink Health (RLH or the Company) are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

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

The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically,

| Citation adopting the Manual: Administrative Rule 3901-3-18(E) |  |   |
|--|--|---|
| SSAP or Appendices   | State Law or Regulation  | Description   |
| A-001  | §§ 3907.14 TO 3907.141 (Life): §§ 3925.05 to 3925.09; § 3925.20 (Non-Life) | Provides limitations on investments that are outside the scope of the Manual. |

Such prescribed accounting practices have no significant effect on the Company’s statutory-basis financial statements for the periods presented.

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

|  | SSAP # | F/S Page | F/S Line # | 2020         | 2019         |
|--|--------|----------|------------|--------------|--------------|
| <b>NET INCOME</b>  |        |          |            |              |              |
| (1) Company state basis (Page 4, Line 32, Columns 2 & 3)                     | XXX    | XXX      | XXX        | \$ (191,324) | \$ (367,453) |
| (2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP |        |          |            | \$           | \$           |
| (3) State Permitted Practices that are an increase/(decrease) from NAIC SAP  |        |          |            | \$           | \$           |
| (4) NAIC SAP (1 – 2 – 3 = 4)   | XXX    | XXX      | XXX        | \$ (191,324) | \$ (367,453) |
| <b>SURPLUS</b>   |        |          |            |              |              |
| (5) Company state basis (Page 3, Line 33, Columns 3 & 4)                     | XXX    | XXX      | XXX        | \$ 5,296,281 | \$ 5,441,504 |
| (6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP |        |          |            | \$           | \$           |
| (7) State Permitted Practices that are an increase/(decrease) from NAIC SAP  |        |          |            | \$           | \$           |
| (8) NAIC SAP (5 – 6 – 7 = 8)   | XXX    | XXX      | XXX        | \$ 5,296,281 | \$ 5,441,504 |

**B. Use of Estimates in the Preparation of the Financial Statement**

The Preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods. Actual results could result in material differences from those estimates.

**C. Accounting Policy**

**Revenue Recognition:** The Company provides health benefits to Medicare-eligible members under contract with the Centers for Medicare and Medicaid Services (CMS). Premium revenue is fixed in advance of the periods covered and is not generally subject to significant accounting estimates.

**Recognition of Health Care Costs:** The Company arranges for medical care for its members through a combination of capitation agreements and fee-for-service programs with medical services providers. Medical and hospital expenses are recorded in the period the member receives or is entitled to the services. These expenses include payments to primary care physicians, specialists, hospitals, pharmacies and other medical services providers.

In addition, the Company uses the following accounting policies:

**(1) Basis for Short-Term Investments**

Cash and cash equivalents consist primarily of highly liquid instruments which mature within three months from

**NOTES TO FINANCIAL STATEMENTS**

the date of purchase. Short-term investments consist primarily of investments purchased with an original maturity of 91 days to one year and certain money-market mutual funds.

## (2) Basis for Bonds and Amortization Schedule

Bonds are stated at amortized cost using the interest method.

## (3) Basis for Common Stocks - None.

## (4) Basis for Preferred Stocks - None.

## (5) Basis for Mortgage Loans - None.

## (6) Basis for Loan-Backed Securities and Adjustment Methodology - None.

## (7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities - None.

## (8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities - None.

## (9) Accounting Policies for Derivatives - None.

## (10) Anticipated Investment Income Used in Premium Deficiency Calculation

The Company assesses the profitability of its contracts for providing health care services to its members when current operating results or forecasts indicate probable future losses. The Company compares anticipated premiums and investment income to health care related costs, including estimated payments for providers, and costs of collecting premiums and processing claims. If the anticipated future costs exceed the premiums, a loss contract accrual is recognized.

## (11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses

Claims unpaid and claims adjustment expenses represent management's best estimate of the ultimate net cost of all reported and unreported claims incurred through the balance sheet date. These estimates are based on estimates of unreported claims using historical and statistical information as well as other environmental and operating factors. The estimates are subject to the effects of trends in claims severity and frequency, changes in the regulatory environment and economic conditions. Although considerable variability is inherent in such estimates, management believes that the liabilities for unpaid claims and related claims adjustment expenses are adequate. The methods for making such estimates and the resulting reserves are continually reviewed and updated as necessary as experience develops or new information becomes known with any adjustments included in current operations.

## (12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period

There was no change in the capitalization policy from prior periods.

## (13) Method Used to Estimate Pharmaceutical Rebate Receivables

The Company estimates amounts receivable for pharmacy rebates based on members' script counts reported by its contracted pharmacy benefits administrator. The Company follows SSAP 84 in determining the admissibility of pharmacy rebates receivable.

## D. Going Concern

Disclosures specific to going concern is not required because it is not probable that the entity will be unable to meet obligations within the next year.

**Note 2 – Accounting Changes and Corrections of Errors**

The Company has no accounting changes and corrections of errors.

**Note 3 – Business Combinations and Goodwill**

## A. Statutory Purchase Method

Company has not participated in any statutory purchase during the current reporting period.

The transaction was accounted for as a statutory purchased, and reflects the following:

| 1<br>Purchased Entity | 2<br>Acquisition Date | 3<br>Cost of Acquired Entity | 4<br>Original Amount of Admitted Goodwill | 5<br>Admitted Goodwill as of the Reporting Date | 6<br>Amount of Goodwill Amortized During the Reporting Period | 7<br>Admitted Goodwill as a % of SCA BACV, Gross of Admitted Goodwill |
|-----------------------|-----------------------|------------------------------|---|---|---|---|
|                       |                       |                              |   |   |   |   |

**NOTES TO FINANCIAL STATEMENTS**

|  |  |    |    |    |    |   |
|--|--|----|----|----|----|---|
|  |  | \$ | \$ | \$ | \$ | % |
|--|--|----|----|----|----|---|

**B. Statutory Merger**

The Company has not been a party to a statutory merger during the current reporting period.

**C. Assumption Reinsurance**

Company does not have any goodwill resulting from assumption of reinsurance.

**D. Impairment Loss**

The Company did not recognize an impairment loss on any of the transactions described above.

**Note 4 – Discontinued Operations****A. Discontinued Operation Disposed of or Classified as Held for Sale**

(1) List of Discontinued Operations Disposed of or Classified as Held for Sale - None.

(2) Description of the Facts and Circumstances Leading to the Disposal or Expected Disposal and a Description of the Expected Manner and Timing of that Disposal - None.

(3) Loss Recognized on Discontinued Operations - None.

(4) Carrying Amount and Fair Value of Discontinued Operations and the Effect on Assets, Liabilities, Surplus and Income

a. Carrying Amount of Discontinued Operations - None.

b. Effect of Discontinued Operations on Assets, Liabilities, Surplus and Income - None.

**B. Change in Plan of Sale of Discontinued Operation - None.****C. Nature of any Significant Continuing Involvement with Discontinued Operations After Disposal - None.****D. Equity Interest Retained in the Discontinued Operation After Disposal - None.****Note 5 – Investments****A. Mortgage Loans, including Mezzanine Real Estate Loans**

(1) Maximum and Minimum Lending Rates - None.

(2) The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgage was: None.

|   |              |            |
|---|--------------|------------|
| (3) Taxes, assessments and any amounts advanced and not included in the mortgage loan total | Current Year | Prior Year |
|   | \$           | \$         |

(4) Age Analysis of Mortgage Loans and Identification of Mortgage Loans in which the Insurer is a Participant or Co-Lender in a Mortgage Loan Agreement: None.

(5) Investment in Impaired Loans with or without Allowance for Credit Losses and Impaired Loans Subject to a Participant or Co-Lender Mortgage Loan Agreement for which the Reporting Entity is Restricted from Unilaterally Foreclosing on the Mortgage Loan: None.

(6) Investment in Impaired Loans – Average Recorded Investment, Interest Income Recognized, Recorded Investment on Nonaccrual Status and Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting: None.

(7) Allowance for Credit Balances: None.

(8) Mortgage Loans Derecognized as a Result of Foreclosure: None.

(9) Policy for Recognizing Interest Income on Impaired Loans - None.

**B. Debt Restructuring**

|   | Current Year | Prior Year |
|---|--------------|------------|
| (1) The total recorded investment in restructured loans, as of year-end | \$           | \$         |
| (2) The realized capital losses related to these loans                  |              |            |

**NOTES TO FINANCIAL STATEMENTS**

|  |    |    |
|--|----|----|
| (3) Total contractual commitments to extend credit to debtors owing receivables whose terms have been modified in troubled debt restructurings | \$ | \$ |
|--|----|----|

(4) Creditor's Income Recognition Policy for Interest Income on Impaired Loans - None.

**C. Reverse Mortgages**

(1) Description of Accounting Policies and Methods - None.

(2) General Information Regarding Commitment Under the Agreement - None.

(3) At December 31, the actuarial reserve of \$0 reduced the asset value of the group of reverse mortgages.

(4) The Company recorded an unrealized loss \$0 as a result of the re-estimates of the cash flows.

**D. Loan-Backed Securities**

(1) Description of Sources Used to Determine Prepayment Assumptions - None.

(2) Other-Than-Temporary Impairments - None.

(3) Recognized OTTI Securities - None.

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains): None.

(5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary - None.

**E. Dollar Repurchase Agreements and/or Securities Lending Transactions**

(1) Policy for Requiring Collateral or Other Security - None.

(2) Disclose the Carrying Amount and Classification of Both Assets and Liabilities - None.

(3) Collateral Received - None.

(4) Aggregate Value of the Reinvested Collateral - None.

(5) Collateral Reinvestment - None.

(6) Detail on Collateral Transactions Not Permitted by Contract or Custom to Sell or Repledge - None.

(7) Collateral for Securities Lending Transactions that Extend Beyond One Year from the Reporting Date - None.

**F. Repurchase Agreements Transactions Accounted for as Secured Borrowing  
Repurchase Transaction – Cash Taker – Overview of Secured Borrowing Transactions**

(1) Company Policies or Strategies for Repo Programs - None.

(2) Type of Repo Trades Used - None.

(3) Original (Flow) and Residual Maturity - None.

(4) Fair Value Securities Sold and/or Acquired that Resulted in Default - None.

(5) Securities "Sold" Under Repo – Secured Borrowing - None.

(6) Securities Sold Under Repo – Secured Borrowing by NAIC Designation - None.

(7) Collateral Received – Secured Borrowing - None.

(8) Cash & Non-Cash Collateral Received – Secured Borrowing by NAIC Designation - None.

(9) Allocation of Aggregate Collateral by Remaining Contractual Maturity - None.

(10) Allocation of Aggregate Collateral Reinvested by Remaining Contractual Maturity - None.

(11) Liability to Return Collateral – Secured Borrowing (Total) - None.

**G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing  
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions**

(1) Company Policy or Strategies for Engaging in Repo Programs - None.

**NOTES TO FINANCIAL STATEMENTS**

- (2) Type of Repo Trades Used - None.
- (3) Original (Flow) and Residual Maturity - None.
- (4) Fair Value Securities Sold and/or Acquired that Resulted in Default - None.
- (5) Fair Value of Securities Acquired Under Repo – Secured Borrowing - None.
- (6) Securities Acquired Under Repo – Secured Borrowing by NAIC Designation - None.
- (7) Collateral Provided – Secured Borrowing - None.
- (8) Allocation of Aggregate Collateral Pledged by Remaining Contractual Maturity - None.
- (9) Recognized Receivable for Return of Collateral – Secured Borrowing - None.
- (10) Recognized Liability to Return Collateral – Secured Borrowing (Total) - None.

**H. Repurchase Agreements Transactions Accounted for as a Sale  
Repurchase Transaction – Cash Taker – Overview of Sale Transactions**

- (1) Company Policy or Strategies for Engaging in Repo Programs - None.
- (2) Type of Repo Trades Used - None.
- (3) Original (Flow) & Residual Maturity - None.
- (4) Fair Value Securities Sold and/or Acquired that Resulted in Default - None.
- (5) Securities "Sold" Under Repo – Sale - None.
- (6) Securities Sold Under Repo – Sale by NAIC Designation - None.
- (7) Proceeds Received – Sale - None.
- (8) Cash & Non-Cash Collateral Received – Sale by NAIC Designation - None.
- (9) Recognized Forward Resale Commitment - None.

**I. Reverse Repurchase Agreements Transactions Accounted for as a Sale  
Repurchase Transaction – Cash Provider – Overview of Sale Transactions**

- (1) Company Policy or Strategies for Engaging in Repo Programs - None.
- (2) Type of Repo Trades Used - None.
- (3) Original (Flow) & Residual Maturity - None.
- (4) Fair Value Securities Sold and/or Acquired that Resulted in Default - None.
- (5) Securities Acquired Under Repo – Sale - None.
- (6) Securities Acquired Under Repo – Sale by NAIC Designation - None.
- (7) Proceeds Provided – Sale - None.
- (8) Recognized Forward Resale Commitment - None.

**J. Real Estate**

- (1) Recognized Impairment Loss - None.
- (2) Sold or Classified Real Estate Investments as Held for Sale - None.
- (3) Changes to a Plan of Sale for an Investment in Real Estate - None.
- (4) Retail Land Sales Operations - None.
- (5) Real Estate Investments with Participating Mortgage Loan Features - None.

**K. Low-Income Housing Tax Credits (LIHTC)**

- (1) Number of Remaining Years of Unexpired Tax Credits and Holding Period for LIHTC Investments - None.
- (2) Amount of LIHTC and Other Tax Benefits Recognized - None.
- (3) Balance of Investment Recognized - None.

**NOTES TO FINANCIAL STATEMENTS**

(4) Regulatory Reviews - None.

(5) LIHTC investments which Exceed 10% of Total Admitted Assets - None.

(6) Recognized Impairment - None.

(7) Amount and Nature of Write-Downs or Reclassifications - None.

**L. Restricted Assets****(1) Restricted Assets (Including Pledged)**

| Restricted Asset Category  | 1<br>Total Gross<br>(Admitted &<br>Nonadmitted)<br>Restricted<br>from<br>Current<br>Year | 2<br>Total Gross<br>(Admitted &<br>Nonadmitted)<br>Restricted<br>from Prior<br>Year | 3<br>Increase<br>(Decrease)<br>(1 minus 2) | 4<br>Total<br>Current Year<br>Nonadmitted<br>Restricted | 5<br>Total<br>Current Year<br>Admitted<br>Restricted<br>(1 minus 4) | 6<br>Gross<br>(Admitted &<br>Nonadmitted)<br>Restricted<br>to Total<br>Assets (a) | 7<br>Additional<br>Restricted to<br>Total<br>Admitted<br>Assets (b) |
|--|--|---|--|---|---|---|---|
| a. Subject to contractual obligation for which liability is not shown              | \$   | \$  | \$   | \$  | \$  | %   | %   |
| b. Collateral held under security lending arrangements                             |  |   |  |   |   | %   | %   |
| c. Subject to repurchase agreements  |  |   |  |   |   | %   | %   |
| d. Subject to reverse repurchase agreements  |  |   |  |   |   | %   | %   |
| e. Subject to dollar repurchase agreements   |  |   |  |   |   | %   | %   |
| f. Subject to dollar reverse repurchase agreements                                 |  |   |  |   |   | %   | %   |
| g. Placed under option contracts   |  |   |  |   |   | %   | %   |
| h. Letter stock or securities restricted as to sale – excluding FHLB capital stock |  |   |  |   |   | %   | %   |
| i. FHLB capital stock  |  |   |  |   |   | %   | %   |
| j. On deposit with states  | 436,179  | 436,179   |  |   | 436,179   | 8.1%  | 8.2%  |
| k. On deposit with other regulatory bodies   |  |   |  |   |   | %   | %   |
| l. Pledged as collateral to FHLB (including assets backing funding agreements)     |  |   |  |   |   | %   | %   |
| m. Pledged as collateral not captured in other categories                          |  |   |  |   |   | %   | %   |
| n. Other restricted assets   |  |   |  |   |   | %   | %   |
| <b>o. Total Restricted Assets</b>  | <b>\$ 436,179</b>  | <b>\$ 436,179</b>   | <b>\$</b>                                  | <b>\$ 436,179</b>                                       | <b>8.1%</b>   | <b>8.2%</b>   |   |

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

**NOTES TO FINANCIAL STATEMENTS**

- (2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate) - None.
- (3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate) - None.
- (4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements - None.

**M. Working Capital Finance Investments**

- (1) Aggregate Working Capital Finance Investments (WCFI) Book/Adjusted Carrying Value by NAIC Designation: None.
- (2) Aggregate Maturity Distribution on the Underlying Working Capital Finance Programs - None.
- (3) Any Events of Default or Working Capital Finance Investments - None.

**N. Offsetting and Netting of Assets and Liabilities - None.****O. 5GI Securities - None.****P. Short Sales****(1) Unsettled Short Sale Transactions (Outstanding as of Reporting Date)**

|                     | Proceeds Received | Current Fair Value of Securities Sold Short | Unrealized Gain or Loss | Expected Settlement (# of Days) | Fair Value of Short Sales Exceeding (or expected to exceed) 3 Settlement Days | Fair Value of Short Sales Expected to be Settled by Secured Borrowing |
|---------------------|-------------------|---|-------------------------|---------------------------------|---|---|
| (a) Bonds           | \$                | \$  | \$                      |                                 | \$  | \$  |
| (b) Preferred Stock |                   |   |                         |                                 |   |   |
| (c) Common Stock    |                   |   |                         |                                 |   |   |
| (d) Totals (a+b+c)  | \$                | \$  | \$                      | XXX                             | \$  | \$  |

**(2) Settled Short Sale Transactions**

|                     | Proceeds Received | Current Fair Value of Securities Sold Short | Realized Gain or Loss on Transaction | Fair Value of Short Sales That Exceeded 3 Settlement Days | Fair Value of Short Sales Settled by Secured Borrowing |
|---------------------|-------------------|---|--------------------------------------|---|--|
| (a) Bonds           | \$                | \$  | \$                                   | \$  | \$   |
| (b) Preferred Stock |                   |   |                                      |   |  |
| (c) Common Stock    |                   |   |                                      |   |  |
| (d) Totals (a+b+c)  | \$                | \$  | \$                                   | \$  | \$   |

**Q. Prepayment Penalty and Acceleration Fees**

|   |          |
|---|----------|
| (1) Number of CUSIPs                      | 6        |
| (2) Aggregate Amount of Investment Income | \$ 3,356 |

**Note 6 – Joint Ventures, Partnerships and Limited Liability Companies****A. Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of Ownership**

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

**B. Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies**

The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships or Limited Liability Companies during the statement periods.

**Note 7 – Investment Income**

The Company had no investment income that was excluded in 2020. All of the Company's investments and the income derived from such investments meet the criteria for admitted receivables.

**A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued: None.**

**NOTES TO FINANCIAL STATEMENTS**

B. The total amount excluded: None.

**Note 8 – Derivative Instruments****A. Derivatives Under SSAP No. 86 – Derivatives**

- (1) Market Risk, Credit Risk and Cash Requirements - None.
- (2) Objectives for Derivative Use - None.
- (3) Accounting Policies for Recognition and Measurement - None.
- (4) Identification of Whether Derivative Contracts with Financing Premiums - None.
- (5) Net Gain or Loss Recognized - None.
- (6) Net Gain or Loss Recognized from Derivatives that no Longer Qualify for Hedge Accounting - None.
- (7) Derivatives Accounted for as Cash Flow Hedges - None.
- (8) Total Premium Costs for Contracts - None.

**B. Derivatives under SSAP No. 108 – Derivatives Hedging Variable Annuity Guarantees**

- (1) Discussion of Hedged Item/Hedging Instruments and Hedging Strategy - None.
- (2) Recognition of Gains/Losses and Deferred Assets and Liabilities
  - a. Scheduled Amortization - None.
  - b. Total Deferred Balance - None.
  - c. Reconciliation of Amortization - None.
  - d. Open Derivative Removed from SSAP No. 108 and Captured in Scope of SSAP No. 86 - None.
  - e. Open Derivative Removed from SSAP No. 86 and Captured in Scope of SSAP No. 108 - None.
- (3) Hedging Strategies Identified as No Longer Highly Effective
  - a. Information on Determination of Ineffectiveness, Including Variations from Prior Assessments Resulting in the Change from Classification as a Highly Effective Hedge - None.
  - b. Details of Hedging Strategies Identified as No Longer Highly Effective - None.
  - c. Amortization - None.
  - d. Disclosure on Whether the Reporting Entity is Electing to Accelerate Amortization - None.
- (4) Hedging Strategies Terminated
  - a. Key Elements in the Reporting Entity's Decision to Terminate - None.
  - b. Details of Hedging Strategies Terminated - None.
  - c. Amortization - None.
  - d. Disclosure on Whether the Reporting Entity is Electing to Accelerate Amortization - None.

**Note 9 – Income Taxes****A. Deferred Tax Assets/(Liabilities)****1. Components of Net Deferred Tax Asset/(Liability)**

|                                  | 2020          |              |                         | 2019          |              |                         | Change                     |                           |                         |
|----------------------------------|---------------|--------------|-------------------------|---------------|--------------|-------------------------|----------------------------|---------------------------|-------------------------|
|                                  | 1<br>Ordinary | 2<br>Capital | 3<br>(Col 1+2)<br>Total | 4<br>Ordinary | 5<br>Capital | 6<br>(Col 4+5)<br>Total | 7<br>(Col 1-4)<br>Ordinary | 8<br>(Col 2-5)<br>Capital | 9<br>(Col 7+8)<br>Total |
| a. Gross deferred tax assets     | \$654,019     | \$           | \$654,019               | \$616,667     | \$           | \$616,667               | \$ 37,352                  | \$                        | \$ 37,352               |
| b. Statutory valuation allowance | 652,556       |              | 652,556                 | 614,819       |              | 614,819                 | 37,737                     |                           | 37,737                  |

**NOTES TO FINANCIAL STATEMENTS**

|  |               | 2020         |                         |               | 2019         |                         |                            | Change                    |                         |
|--|---------------|--------------|-------------------------|---------------|--------------|-------------------------|----------------------------|---------------------------|-------------------------|
|  | 1<br>Ordinary | 2<br>Capital | 3<br>(Col 1+2)<br>Total | 4<br>Ordinary | 5<br>Capital | 6<br>(Col 4+5)<br>Total | 7<br>(Col 1-4)<br>Ordinary | 8<br>(Col 2-5)<br>Capital | 9<br>(Col 7+8)<br>Total |
| adjustment   |               |              |                         |               |              |                         |                            |                           |                         |
| c. Adjusted gross deferred tax assets (1a-1b)                            | \$ 1,464      | \$           | \$ 1,464                | \$ 1,848      | \$           | \$ 1,848                | \$ (384)                   | \$                        | \$ (384)                |
| d. Deferred tax assets nonadmitted                                       |               |              |                         |               |              |                         |                            |                           |                         |
| e. Subtotal net admitted deferred tax asset (1c-1d)                      | \$ 1,464      | \$           | \$ 1,464                | \$ 1,848      | \$           | \$ 1,848                | \$ (384)                   | \$                        | \$ (384)                |
| f. Deferred tax liabilities  | 1,464         |              | 1,464                   | 1,756         |              | 1,756                   | (292)                      |                           | (292)                   |
| g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f) | \$            | \$           | \$                      | \$ 92         | \$           | \$ 92                   | \$ (92)                    | \$                        | \$ (92)                 |

## 2. Admission Calculation Components SSAP No. 101

|  | 2020          |              |                         | 2019          |              |                         | Change                     |                           |                         |
|--|---------------|--------------|-------------------------|---------------|--------------|-------------------------|----------------------------|---------------------------|-------------------------|
|  | 1<br>Ordinary | 2<br>Capital | 3<br>(Col 1+2)<br>Total | 4<br>Ordinary | 5<br>Capital | 6<br>(Col 4+5)<br>Total | 7<br>(Col 1-4)<br>Ordinary | 8<br>(Col 2-5)<br>Capital | 9<br>(Col 7+8)<br>Total |
| a. Federal income taxes paid in prior years recoverable through loss carrybacks  | \$            | \$           | \$                      | \$            | \$           | \$                      | \$                         | \$                        | \$                      |
| b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below) |               |              |                         | 92            |              | 92                      | (92)                       |                           | (92)                    |
| 1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date   |               |              |                         | 92            |              | 92                      | (92)                       |                           | (92)                    |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold   |               |              | 794,428                 |               |              | 816,212                 |                            |                           | (21,784)                |
| c. Adjusted gross  | 1,464         |              | 1,464                   | 1,756         |              | 1,756                   | (292)                      |                           | (292)                   |

**NOTES TO FINANCIAL STATEMENTS**

|   |               | 2020         |                         |               | 2019         |                         |                            | Change                    |                         |
|---|---------------|--------------|-------------------------|---------------|--------------|-------------------------|----------------------------|---------------------------|-------------------------|
|   | 1<br>Ordinary | 2<br>Capital | 3<br>(Col 1+2)<br>Total | 4<br>Ordinary | 5<br>Capital | 6<br>(Col 4+5)<br>Total | 7<br>(Col 1-4)<br>Ordinary | 8<br>(Col 2-5)<br>Capital | 9<br>(Col 7+8)<br>Total |
| deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities |               |              |                         |               |              |                         |                            |                           |                         |
| d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))                                    | \$ 1,464      | \$ 1,464     | \$ 1,848                | \$ 1,848      | \$ (384)     | \$ (384)                |                            |                           |                         |

## 3. Other Admissibility Criteria

|   |              | 2020         | 2019   |
|---|--------------|--------------|--------|
| a. Ratio percentage used to determine recovery period and threshold limitation amount                               |              | 683.5%       | 702.0% |
| b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above | \$ 5,296,189 | \$ 5,441,412 |        |

## 4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

|  | 2020          |              | 2019          |              | Change                      |                            |
|--|---------------|--------------|---------------|--------------|-----------------------------|----------------------------|
|  | 1<br>Ordinary | 2<br>Capital | 3<br>Ordinary | 4<br>Capital | 5<br>(Col. 1-3)<br>Ordinary | 6<br>(Col. 2-4)<br>Capital |
| 1. Adjusted gross DTAs amount from Note 9A1(c)   | \$ 1,464      | \$           | \$ 1,848      | \$           | \$ (384)                    | \$                         |
| 2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies                  |               | %            | %             | %            | %                           | %                          |
| 3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)  | \$ 1,464      | \$           | \$ 1,848      | \$           | \$ (384)                    | \$                         |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies |               | %            | %             | %            | %                           | %                          |

(b) Does the company's tax planning strategies include the use of reinsurance? NO

## B. Deferred Tax Liabilities Not Recognized

1. The types of temporary differences for which a DTL has not been recognized and the types of events that would cause those temporary differences to become taxable are: None.
2. The cumulative amount of each type of temporary difference is: None.

**NOTES TO FINANCIAL STATEMENTS**

3. The amount of the unrecognized DTL for temporary differences related to investments in foreign subsidiaries and foreign corporate joint ventures that are essentially permanent in duration, if determination of that liability is practicable, or a statement that determination is not practicable are: None.
4. The amount of the DTL for temporary differences other than those in item (3) above that is not recognized is: None.

**C. Current and Deferred Income Taxes****1. Current Income Tax**

|   | 1<br>2020 | 2<br>2019   | 3<br>(Col 1-2)<br>Change |
|---|-----------|-------------|--------------------------|
| a. Federal                                    | \$ 8,275  | \$ (50,380) | \$ 58,655                |
| b. Foreign                                    | \$        | \$          | \$                       |
| c. Subtotal                                   | \$ 8,275  | \$ (50,380) | \$ 58,655                |
| d. Federal income tax on net capital gains    | \$        | \$          | \$                       |
| e. Utilization of capital loss carry-forwards | \$        | \$          | \$                       |
| f. Other                                      | \$        | \$ 13,503   | \$ (13,503)              |
| g. Federal and Foreign income taxes incurred  | \$ 8,275  | \$ (36,877) | \$ 45,152                |

**2. Deferred Tax Assets**

|  | 1<br>2020  | 2<br>2019  | 3<br>(Col 1-2)<br>Change |
|--|------------|------------|--------------------------|
| a. Ordinary:   |            |            |                          |
| 1. Discounting of unpaid losses                                    | \$         | \$ 21      | \$ (21)                  |
| 2. Unearned premium reserve  |            |            |                          |
| 3. Policyholder reserves   |            |            |                          |
| 4. Investments   |            |            |                          |
| 5. Deferred acquisition costs                                      |            |            |                          |
| 6. Policyholder dividends accrual                                  |            |            |                          |
| 7. Fixed assets  |            |            |                          |
| 8. Compensation and benefits accrual                               |            |            |                          |
| 9. Pension accrual   |            |            |                          |
| 10. Receivables - nonadmitted                                      | 17,984     | 27,055     | (9,071)                  |
| 11. Net operating loss carry-forward                               | 636,035    | 589,499    | 46,536                   |
| 12. Tax credit carry-forward                                       |            | 92         | (92)                     |
| 13. Other (items <=5% and >5% of total ordinary tax assets)        |            |            |                          |
| Other (items listed individually >5% of total ordinary tax assets) |            |            |                          |
| 99. Subtotal   | \$ 654,019 | \$ 616,667 | \$ 37,352                |
| b. Statutory valuation allowance adjustment                        | 652,556    | 614,819    | 37,737                   |
| c. Nonadmitted   |            |            |                          |
| d. Admitted ordinary deferred tax assets (2a99-2b-2c)              | \$ 1,464   | \$ 1,848   | \$ (384)                 |
| e. Capital:  |            |            |                          |
| 1. Investments   | \$         | \$         | \$                       |
| 2. Net capital loss carry-forward                                  |            |            |                          |
| 3. Real estate   |            |            |                          |
| 4. Other (items <=5% and >5% of total capital tax assets)          |            |            |                          |
| Other (items listed individually >5% of total capital tax assets)  |            |            |                          |
| 99. Subtotal   | \$         | \$         | \$                       |
| f. Statutory valuation allowance adjustment                        |            |            |                          |
| g. Nonadmitted   |            |            |                          |
| h. Admitted capital deferred tax assets (2e99-2f-2g)               |            |            |                          |
| i. Admitted deferred tax assets (2d+2h)                            | \$ 1,464   | \$ 1,848   | \$ (384)                 |

**3. Deferred Tax Liabilities**

|                                     | 1<br>2020 | 2<br>2019 | 3<br>(Col 1-2)<br>Change |
|-------------------------------------|-----------|-----------|--------------------------|
| a. Ordinary:                        |           |           |                          |
| 1. Investments                      | \$        | \$        | \$                       |
| 2. Fixed assets                     |           |           |                          |
| 3. Deferred and uncollected premium |           |           |                          |
| 4. Policyholder reserves            |           |           |                          |

**NOTES TO FINANCIAL STATEMENTS**

|   | 1<br>2020 | 2<br>2019 | 3<br>(Col 1-2)<br>Change |
|---|-----------|-----------|--------------------------|
| 5. Other (items <=5% and >5% of total ordinary tax liabilities)         | 1,464     | 1,756     | (292)                    |
| Other (items listed individually >5% of total ordinary tax liabilities) |           |           |                          |
| 99. Subtotal  | \$ 1,464  | \$ 1,756  | \$ (292)                 |
| b. Capital:   |           |           |                          |
| 1. Investments  | \$        | \$        | \$                       |
| 2. Real estate  |           |           |                          |
| 3. Other (Items <=5% and >5% of total capital tax liabilities)          |           |           |                          |
| Other (items listed individually >5% of total capital tax liabilities)  |           |           |                          |
| 99. Subtotal  | \$        | \$        | \$                       |
| c. Deferred tax liabilities (3a99+3b99)                                 | \$ 1,464  | \$ 1,756  | \$ (292)                 |
| 4. Net Deferred Tax Assets/Liabilities (2i – 3c)                        | \$        | \$ 92     | \$ (92)                  |

The change in net deferred income taxes is composed of the following (this analysis is exclusive of nonadmitted DTAs as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

|  | December 31,<br>2020 | December 31,<br>2019 | Change |
|--|----------------------|----------------------|--------|
| Total deferred tax assets                                |                      |                      | (385)  |
|  | 1,464                | 1,848                |        |
| Total deferred tax liabilities                           |                      |                      | 293    |
|  | (1,464)              | (1,756)              |        |
| Net deferred tax assets/liabilities                      |                      |                      | (92)   |
|  | 0                    | 92                   |        |
| Tax effect of unrealized gains/(losses)                  |                      |                      | -      |
| Change in net deferred income tax<br>[(expense)/benefit] |                      |                      | (92)   |
|  | December 31,<br>2019 | December 31,<br>2018 | Change |
| Total deferred tax assets                                |                      |                      | (631)  |
|  | 1,848                | 2,479                |        |
| Total deferred tax liabilities                           |                      |                      | 539    |
|  | (1,756)              | (2,295)              |        |
| Net deferred tax assets/liabilities                      |                      |                      | (92)   |
|  | 92                   | 184                  |        |
| Tax effect of unrealized gains/(losses)                  |                      |                      | -      |
| Change in net deferred income tax<br>[(expense)/benefit] |                      |                      | (92)   |

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

|   | Amount      | Effective Tax Rate<br>(%) |
|---|-------------|---------------------------|
| <b>Permanent Differences:</b>             |             |                           |
| Provision computed at statutory rate      | \$ (38,440) | 21.0%                     |
| Change in nonadmitted assets              | 9,071       | (5.0)%                    |
| Proration of tax exempt investment income |             | %                         |
| Tax exempt income deduction               |             | %                         |
| Dividends received deduction              |             | %                         |
| Disallowable travel and entertainment     |             | %                         |
| Other permanent differences               | 37,829      | (20.7)%                   |
| <b>Temporary Differences:</b>             |             |                           |
| Total ordinary DTAs                       |             | %                         |
| Total ordinary DTLs                       |             | %                         |
| Total capital DTAs                        |             | %                         |
| Total capital DTLs                        |             | %                         |
| <b>Other:</b>                             |             |                           |
| Statutory valuation allowance adjustment  |             | %                         |

**NOTES TO FINANCIAL STATEMENTS**

|   | Amount          | Effective Tax Rate (%) |
|---|-----------------|------------------------|
| Accrual adjustment – prior year           |                 | %                      |
| Other                                     |                 | %                      |
| <b>Totals</b>                             | <b>\$ 8,459</b> | <b>(4.6)%</b>          |
| Federal and foreign income taxes incurred | 8,367           | (4.6)%                 |
| Realized capital gains (losses) tax       |                 | %                      |
| Change in net deferred income taxes       | 92              | (0.1)%                 |
| <b>Total statutory income taxes</b>       | <b>\$ 8,459</b> | <b>(4.6)%</b>          |

**E. Operating Loss Carry Forwards and Income Taxes Available for Recoupment**

1. The amounts, origination dates and expiration dates of operating loss and tax credit carry forwards available for tax purposes:

| Description (Operating Loss or Tax Credit Carry Forward) | Amounts     | Origination Dates | Expiration Dates  |
|--|-------------|-------------------|-------------------|
| Operating losses   | \$1,334,834 | December 31, 2016 | December 31, 2036 |
| Operating losses   | \$1,220,429 | December 31, 2017 | December 31, 2037 |
| Operating losses   | \$          | December 31, 2018 |                   |
| Operating losses   | \$308,928   | December 31, 2019 |                   |
| Operating losses   | \$164,548   | December 31, 2020 |                   |
| AMT credit carryforward                                  | \$92        |                   |                   |
| Capital losses   | \$          | December 31, 2020 | December 31, 2024 |

2. The following is income tax expense for current year and proceeding years that is available for recoupment in the event of future net losses:

| Year | Amounts |
|------|---------|
| 2020 | \$      |

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code  
Code was zero as of December 31, 2020

**F. Consolidated Federal Income Tax Return**

1. The Company's federal income tax return is consolidated with the following entities:  
QualChoice Health, Inc.46-1222808  
QualChoice Health Plan Services, Inc.46-1224037  
QualChoice of Nebraska, Inc.81-0738227  
QualChoice Holdings, Inc.27-4075520  
Soundpath Health42-1720801  
ClearRiver Health46-4495960  
Heartland Plains Health46-4368223  
Riverlink Health46-4380824  
Riverlink Health of Kentucky, Inc.46-4828332  
Harvest Plains Health of Iowa47-3457150  
Qualchoice Advantage, Inc.47-3433912

2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:  
The method of allocation between the companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis, with the company receiving a current benefit for losses generated to the extent federal taxes are reduced for the consolidated tax group.

**G. Federal or Foreign Federal Income Tax Loss Contingencies:**

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

**H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA**

1a Has the entity fully remitted the RTT? NO  
1b If yes, list the amount of the RTT paid.  
If no, list the future installments to satisfy the RTT:

|   |               |    |
|---|---------------|----|
| 1 | Installment 1 | \$ |
| 2 | Installment 2 |    |
| 3 | Installment 3 |    |
| 4 | Installment 4 |    |
| 5 | Installment 5 |    |
| 6 | Installment 6 |    |
| 7 | Installment 7 |    |
| 8 | Installment 8 |    |
| 9 | Total         | \$ |

I. Alternative Minimum Tax Credit  
Was the AMT Credit recognized as a current year recoverable or Deferred Tax Asset (DTA)? NO

**NOTES TO FINANCIAL STATEMENTS****Gross AMT Credit Recognized as:**

|   |    |
|---|----|
| 1a Current year recoverable                           | \$ |
| 1b Deferred tax asset (DTA)                           |    |
| 2 Beginning Balance of AMT Credit Carryforward        |    |
| 3 Amounts Recovered                                   |    |
| 4 Adjustments   |    |
| 5 Ending Balance of AMT Credit Carryforward (5=2-3-4) |    |
| 6 Reduction for Sequestration                         |    |
| 7 Nonadmitted by Reporting Entity                     |    |
| 8 Reporting Entity Ending Balance (8=5-6-7)           | \$ |

**Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties****A. Nature of the Relationship Involved**

The Company is wholly owned by QualChoice Health Plan Services, Inc., ("QCHPS"), formerly known as CollabHealth Plan Services, Inc., which was formed on October 17, 2012. QCHPS's ultimate parent company is CommonSpirit Health ("CSH"). CSH is a nation-wide Catholic sponsored non-profit organization that operates healthcare and provider entities. The mission of CSH is to "nurture the healing ministry of the Church by bringing it new life, energy and viability in the 21st century. Fidelity to the Gospel urges us to emphasize human dignity and social justice as we move toward the creation of healthier communities."

The Company's mission is to promote our member's health through local provider innovation, be responsible stewards of healthcare resources and an active partner in improving the health of our communities and lives of our members, through offering Medicare Advantage Plans, with and without Part D coverage, to those consumers who are 65 years or older or otherwise qualify for Medicare.

**B. Transactions**

Effective 1/1/2015 the Company and QCHPS entered into an Administrative Services Agreement (ASA) where QCHPS provides substantially all of the management and administrative functions of the Company on a cost basis, in accordance with SSAP No. 70 Allocation of Expenses.

The following shows the amounts paid to QCHPS in 2020 and 2019:

| Explanation of Transaction | Affiliate | 2020      | 2019      |
|----------------------------|-----------|-----------|-----------|
| Administrative services    | QCHPS     | \$235,568 | \$648,543 |

**C. Transactions with Related Parties who are not Reported on Schedule Y**

- (1) Detail of Material Related Party Transactions - None.
- (2) Detail of Material Related Party Transactions Involving Services - None.
- (3) Detail of Material Related Party Transactions Involving Exchange of Assets and Liabilities - None.
- (4) Detail of Amounts Owed To/From a Related Party - None.

**D. Amounts Due From or To Related Parties**

At December 31, 2020 and 2019, the Company reported \$7,535 & \$13,642 as amount due to QCHPS respectively.

**E. Material Management or Service Contracts and Cost-Sharing Arrangements**

The Company has an ASA with QCHPS as described in detail in 10B above.

**F. Guarantees or Undertakings**

The Company has no guarantees or undertakings, written or otherwise, in accordance with the requirements of SSAP No. 5R - Liabilities, Contingencies and Impairments of Assets.

**G. Nature of the Control Relationship**

QCHPS own all outstanding stock of the Company and control the board of directors. QCHPS is an indirect wholly-owned subsidiary of Catholic Health Initiatives, a national faith-based healthcare organization.

**H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned**

The Company does not own shares of any upstream intermediary.

**I. Investments in SCA that Exceed 10% of Admitted Assets - None.****J. Investments in Impaired SCAs - None.**

**NOTES TO FINANCIAL STATEMENTS**

- K. Investment in Foreign Insurance Subsidiary - None.
- L. Investment in Downstream Noninsurance Holding Company - None.
- M. All SCA Investments
  - (1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities) - None.
  - (2) NAIC Filing Response Information - None.
- N. Investment in Insurance SCAs
  - (1) Accounting Practice that Differs from NAIC Statutory Accounting Practices and Procedures - None.
  - (3) RBC Regulatory Event Because of Prescribed or Permitted Practice - None.
- O. SCA or SSAP 48 Entity Loss Tracking - None.

**Note 11 – Debt**

- A. Debt Including Capital Notes

The Company has no debt referring to the SSAP No. 15 - Debt and Holding Company Obligations.

- B. FHLB (Federal Home Loan Bank) Agreements

- (1) Nature of the Agreement - None.
- (2) FHLB Capital Stock - None.
- (3) Collateral Pledged to FHLB - None.
- (4) Borrowing from FHLB
  - a. Amount as of the Reporting Date - None.
  - b. Maximum Amount During Reporting Period (Current Year) - None.
  - c. FHLB – Prepayment Obligations

| Does the Company have Prepayment Obligations under the Following Arrangements (YES/NO) |    |
|--|----|
| 1. Debt  | NO |
| 2. Funding Agreements  | NO |
| 3. Other   | NO |

**Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

- A. Defined Benefit Plan

The Company has no Defined Benefit Plan.

- (1) Change in Benefit Obligation - None.
- (2) Change in Plan Assets - None.
- (3) Funded Status - None.
- (4) Components of Net Periodic Benefit Cost - None.
- (5) Amounts in Unassigned Funds (Surplus) Recognized as Components of Net Periodic Benefit Cost - None.
- (6) Amounts in Unassigned Funds (Surplus) That Have Not Yet Been Recognized as Components of Net Periodic Benefit Cost - None.
- (7) Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost as of December 31 - None.
- (8) Accumulated Benefit Obligation for Defined Benefit Pension Plans - None.
- (9) For Postretirement Benefits Other Than Pensions, the Assumed Health Care Cost Trend Rate(s) - None.
- (10) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the year indicated: None.

**NOTES TO FINANCIAL STATEMENTS**

- (11) Estimate of Contributions Expected to be Paid to the Plan - None.
- (12) Amounts and Types of Securities Included in Plan Assets - None.
- (13) Alternative Method Used to Amortize Prior Service Amounts or Net Gains and Losses - None.
- (14) Substantive Comment Used to Account for Benefit Obligation - None.
- (15) Cost of Providing Special or Contractual Termination Benefits Recognized - None.
- (16) Reasons for Significant Gains/Losses Related to Changes in Defined Benefit Obligation and any Other Significant Change in the Benefit Obligations or Plan Assets Not Otherwise Apparent - None.
- (17) Accumulated Postretirement and Pension Benefit Obligation and Fair Value of Plan Assets for Defined Postretirement and Pension Benefit Plans - None.
- (18) Full Transition Surplus Impact of SSAP 102 - None.

**B. Investment Policies and Strategies**

See Point A above.

**C. Fair Value of Plan Assets**

See Point A above.

- (1) Fair Value Measurements of Plan Assets at Reporting Date - None.

- (2) Valuation Technique(s) and Inputs Used to Measure Fair Value - None.

**D. Basis Used to Determine Expected Long-Term Rate-of-Return**

See Point A above.

**E. Defined Contribution Plans**

See point G below.

**F. Multiemployer Plans**

The Company has no Multiemployer Plans.

**G. Consolidated/Holding Company Plans**

The holding company's employees participate in a defined contribution 401(k) plan sponsored by the parent that covers substantially all full-time employees. Eligible employees are allowed to contribute up to the maximum allowed by law. The holding company matches 100% of the first 1% and 50% of the next 5% of eligible pay an employee contributes to the plan on a pre-tax basis and/or Roth after-tax basis. The holding company also contributes equal to 2.5% of an employee's eligible pre-tax compensation, regardless of the contribution made by the employee to the plan.

**H. Postemployment Benefits and Compensated Absences**

No post employment benefits and no unrecorded amounts for compensated absences.

**I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)**

- (1) Recognition of the Existence of the Act - None.

- (2) Effects of the Subsidy in Measuring the Net Postretirement Benefit Cost - None.

- (3) Disclosure of Gross Benefit Payments - None.

**Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations****A. Number of Share and Par or State Value of Each Class**

None. See Note 10 A.

**B. Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues**

See Note 10 A.

**C. Dividend Restrictions - None.****D. Dates and Amounts of Dividends Paid - None.**

**NOTES TO FINANCIAL STATEMENTS**

- E. Profits that may be Paid as Ordinary Dividends to Stockholders
 

None of the Company's profits may be currently paid as dividends under RCW 48.31C.060.
- F. Restrictions Placed on Unassigned Funds (Surplus) - None.
- G. Amount of Advances to Surplus not Repaid - Not applicable.
- H. Amount of Stock Held for Special Purposes - None.
- I. Reasons for Changes in Balance of Special Surplus Funds from Prior Period - Not applicable.
- J. The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$0.
- K. The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations - None.
- L. The impact of any restatement due to prior quasi-reorganizations is as follows - None.
- M. Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization - None.

**Note 14 – Liabilities, Contingencies and Assessments**

- A. Contingent Commitments
  - (1) Total SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 88, and SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Company contingent liabilities: \$0 .
 

The Company has no contingent commitments.
  - (2) Detail of other contingent commitments
 

The company is not a guarantor.
  - (3) Guarantee Obligations - Not applicable.
- B. Assessments
  - (1) Assessments Where Amount is Known or Unknown - None.
  - (2) Assessments - None.
  - (3) Guaranty Fund Liabilities and Assets Related to Assessments from Insolvencies for Long-Term Care Contracts - None.
- C. Gain Contingencies - None.
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - None.

The Company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits

|  | Direct |
|--|--------|
| Claims related ECO and bad faith losses paid during the reporting period | \$     |

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:

| (a)<br>0-25 Claims | (b)<br>26-50 Claims | (c)<br>51-100 Claims | (d)<br>101-500 Claims | (e)<br>More than 500 Claims |
|--------------------|---------------------|----------------------|-----------------------|-----------------------------|
|                    |                     |                      |                       |                             |

Indicate whether claim count information is disclosed per claim or per claimant:

(f) Per Claim [  ] (g) Per Claimant [  ]

- E. Joint and Several Liabilities - None.

- F. All Other Contingencies

The Company is not currently in litigation; however lawsuits against the Company may arise in the normal course of the Company's business related to events occurring prior to the balance sheet date. The Company believes that contingent liabilities arising from litigation, income taxes and other matters are not material in relation to the financial position of the Company.

**Note 15 – Leases**

- A. Lessee Operating Lease

(1) Lessee's Leasing Arrangements: None

**NOTES TO FINANCIAL STATEMENTS**

- (2) Leases with Initial or Remaining Noncancelable Lease Terms in Excess of One Year: None
- (3) For Sale-Leaseback Transactions: None

## B. Lessor Leases

- (1) Operating Leases: None
- (2) Leveraged Leases: None

**Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash, cash equivalents, short-term investments, bonds and receivables. Concentrations of credit risk with respect to receivables are limited because the Company receives

1. The table below summarizes the face amount of the Company's financial instruments with off-balance sheet risk: None.
2. Nature and Terms of Off-Balance Sheet Risk - None.
3. Amount of Loss if any Party to the Financial Instrument Failed - None.
4. Collateral or Other Security Required to Support Financial Instrument - None.

**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

## A. Transfers of Receivables Reported as Sales

- (1) Proceeds to the Transferor - None.
- (2) Gain or Loss Record on Sale - None.

## B. Transfer and Servicing of Financial Assets

- (1) Description of any Loaned Securities - None.
- (2) Servicing Assets and Servicing Liabilities - None.
- (3) When Servicing Assets and Liabilities are Measured at Fair Value - None.
- (4) Securitizations, Asset-Based Financing Arrangements and Similar Transfers Accounted for as Sales - None.
- (5) Disclosure Requirements for Transfers of Assets Accounted for as Secured Borrowing - None.
- (6) Transfer of Receivables with Recourse - None.
- (7) Securities Underlying Repurchase and Reverse Repurchase Agreements, Dollar Repurchase and Dollar Reverse Repurchase Agreements - None.

## C. Wash Sales

- (1) Description of the Objectives Regarding These Transactions - None.
- (2) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 2020 and reacquired within 30 days of the sale date are: None.

**Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

## A. ASO Plans - None.

## B. ASC Plans - None.

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

- (1) Major Components of Revenue by Payor - None.
- (2) Receivables from Payors with Account Balances the Greater of 10% of Amounts Receivable Relating to Uninsured Accident and Health Plans or \$10,000 - None.
- (3) Recorded Allowances and Reserves for Adjustment of Recorded Revenues - None.

**NOTES TO FINANCIAL STATEMENTS**

(4) Adjustments to Revenue Resulting from Audit of Receivables Related to Revenues Recorded in the Prior Period - None.

**Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

The Company does not have direct premium written/produced by managing general agents or third party administrators.

**Note 20 – Fair Value Measurements**

## A. Fair Value Measurements

(1) Fair Value Measurements at Reporting Date

The Company reports investments at amortized cost.

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy - None.

(3) Policies when Transfers Between Levels are Recognized

The Company has no transfers between fair-value levels.

(4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement - None.

(5) Fair Value Disclosures - None.

## B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements - None.

## C. Fair Value Level - None.

## D. Not Practicable to Estimate Fair Value - None.

## E. NAV Practical Expedient Investments - None.

**Note 21 – Other Items**

## A. Unusual or Infrequent Items

The Company does not have any unusual or infrequent items.

## B. Troubled Debt Restructuring Debtors

The Company does not have troubled debt restructuring.

## C. Other Disclosures - The company ceased writing insurance business as of January 1, 2019.

## D. Business Interruption Insurance Recoveries

The Company does not have any receivable balances due from insurance agents or brokers, and it does not have uninsured plans or retrospectively rated contracts. Therefore, there are no balances for assets that would be reasonably possible to be uncollectible. The Company had no business interruption insurance recoveries.

## E. State Transferable and Non-Transferable Tax Credits

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

(1) Carrying Value of Transferable and Non-Transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-Transferable State Tax Credits by State and in Total - None.

(2) Method of Estimating Utilization of Remaining Transferable and Non-Transferable State Tax Credits - None.

(3) Impairment Loss - None.

(4) State Tax Credits Admitted and Nonadmitted - None.

## F. Subprime Mortgage Related Risk Exposure

The Company has no investments in subprime mortgages.

(1) Description of the Subprime-Mortgage-Related Risk Exposure and Related Risk Management Practices - None.

(2) Direct Exposure Through Investments in Subprime Mortgage Loans - None.

(3) Direct Exposure Through Other Investments - None.

**NOTES TO FINANCIAL STATEMENTS**

(4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage - None.

**G. Retained Assets**

The Company has no retained asset accounts for beneficiaries.

(1) Description of How Accounts are Structured and Reporting - None.

(2) Retained Assets In Force - None.

(3) Segregation Between Individual and Group Contracts - None.

**H. Insurance-Linked Securities (ILS) Contracts**

The Company has no insurance-linked securities contracts.

**I. The Amount that Could be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or has Otherwise Obtained Rights to Control the Policy - None.****Note 22 – Events Subsequent**

The Company had no Type I - Recognized Subsequent Events, or Type II - Non-recognized Subsequent Events.

Subsequent events have been considered through for these statutory financial statements which are to be issued on .

A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)? Yes [ ] No [ X ]

|    |  | 2020 | 2019 |
|----|--|------|------|
| B. | ACA fee assessment payable for the upcoming year   | \$   | \$   |
| C. | ACA fee assessment paid  | \$   | \$   |
| D. | Premium written subject to ACA 9010 assessment   | \$   | \$   |
| E. | Total adjusted capital before surplus adjustment (Five-Year Historical Line 14)  | \$   |      |
| F. | Total adjusted capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)                           | \$   |      |
| G. | Authorized control level (Five-Year Historical Line 15)  | \$   |      |
| H. | Would reporting the ACA assessment as of December 31, 2020 have triggered an RBC action level (YES/NO)? Yes [ ] No [ X ] |      |      |

**Note 23 – Reinsurance****A. Ceded Reinsurance Report****Section1 – 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 ]  
If yes, give full details.

(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 ]  
If yes, give full details.

**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 credits? Yes [ ] No [ X ]  
a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. \$  
b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$

(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 ]  
If yes, give full details.

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

**NOTES TO FINANCIAL STATEMENTS**

(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. **\$**

(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 ]  
If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? **\$**

**B. Uncollectible Reinsurance**

The Company has no uncollectible reinsurance.

**C. Commutation of Ceded Reinsurance**

The Company has no commutation of ceded reinsurance.

**D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation**

(1) Reporting Entity Ceding to Certified Reinsurer Whose Rating was Downgraded or Status Subject to Revocation - None

(2) Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None

**E. Reinsurance Credit - None.****Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination****A. Method Used to Estimate Accrued Retrospective Premium Adjustments**

Based on member encounter data that the Company submits to CMS, the Company's Medicare premiums are subject to retroactive adjustment for both member risk scores and member pharmacy cost experience. This adjustment takes into account the acuity of each member's medical needs relative to what was anticipated when premiums were originally set for that member. In the event that a member requires less acute medical care than was anticipated by the original premium amount, CMS may recover premium from the Company. In the event that a member requires more acute medical care than was anticipated by the original premium amount, CMS may pay the Company additional retroactive premium. A similar retroactive reconciliation is undertaken by CMS for the Company's Medicare members' pharmacy utilization. The Company estimates the amount of Medicare revenue that will ultimately be realized for the periods presented based on its knowledge of the members' health care utilization patterns and CMS practices.

**B. Retrospective Premiums Recorded Through Written Premium or Adjustment to Earned Premium**

The Company records accrued retrospective premium as an adjustment to earned premium.

**C. Amount and Percentage of Net Premiums Written Subject to Retrospective Rating Features - None.****D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act - None.****E. Risk-Sharing Provisions of the Affordable Care Act**

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions  
Yes [ ] No [ X ]

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year: None.

(3) Roll forward of prior year ACA Risk Sharing Provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance: None.

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year - None.

(5) ACA Risk Corridors Receivable as of Reporting Date - None.

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses****A. Change in Incurred Losses and Loss Adjustment Expenses**

The following schedule represents the changes in claims unpaid, unpaid claims adjustment expense and aggregate health claim reserves from the beginning of the year to the end of the period.

|  | 2020  | 2019      |
|--|-------|-----------|
| Beginning liability for unpaid losses and loss adjustment expenses | 6,706 | 1,057,388 |

**NOTES TO FINANCIAL STATEMENTS**

|  |  |           |           |
|--|--|-----------|-----------|
| Health Care Receivable   |  | (128,832) | (605,640) |
| Beginning liability for unpaid losses and loss adjustment expense, net of Health Care Rec. |  | (122,126) | 451,748   |
| Incurred related to:   |  |           |           |
| Current year   |  | 0         | 0         |
| Prior Years  |  | 37,106    | 886,981   |
| Total paid   |  | 37,106    | 886,981   |
| Ending liability for unpaid losses and loss adjustment expenses                            |  | 0         | 6,706     |
| Health Care Receivable   |  | (85,639)  | (128,832) |
| Ending liability for unpaid losses and loss adjustment, net of Health Care Rec.            |  | (85,639)  | (122,126) |

Reserves as of December 31, 2019 were \$6,706. As of December 31, 2020, \$37,106 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$0 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$30,401 unfavorable prior year development since December 31, 2019 to December 31, 2020. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

B. Information about Significant Changes in Methodologies and Assumptions - None.

**Note 26 – Intercompany Pooling Arrangements**

The Company is not part of a group of affiliated entities that utilizes a pooling arrangement.

A. Identification of the Lead Entity and all Affiliated Entities Participating in the Intercompany Pool - None.

B. Description of Lines and Types of Business Subject to the Pooling Agreement - None.

C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement - None.

D. Identification of all Pool Members that are Parties to Reinsurance Agreements with Non-Affiliated Reinsurers - None.

E. Explanation of Discrepancies Between Entries of Pooled Business - None.

F. Description of Intercompany Sharing - None.

G. Amounts Due To/From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool - None.

**Note 27 – Structured Settlements**

Not Applicable

**Note 28 – Health Care Receivables**

A. Pharmaceutical Rebate Receivables

| Quarter    | Estimated Pharmacy Rebates as Reported on Financial Statements | Pharmacy Rebates as Billed or Otherwise Confirmed | Actual Rebates Received Within 90 Days of Billing | Actual Rebates Received Within 91 to 180 Days of Billing | Actual Rebates Received More than 180 Days After Billing |
|------------|--|---|---|--|--|
| 12/31/2020 | \$ 150,773   | \$ 120,119  | \$ 126,003  | \$ 0   | \$ 0   |
| 09/30/2020 | \$ 161,844   | \$ 138,384  | \$ 132,809  | \$ 0   | \$ 0   |
| 06/30/2020 | \$ 156,989   | \$ 166,602  | \$ 153,852  | \$ 0   | \$ 789   |
| 03/31/2020 | \$ 0   | \$ 0  | \$ 0  | \$ 0   | \$ 0   |
| 12/31/2019 | \$ 0   | \$ 0  | \$ 0  | \$ 0   | \$ 0   |
| 09/30/2019 | \$ 0   | \$ 0  | \$ 0  | \$ 0   | \$ 0   |
| 06/30/2019 | \$ 0   | \$ 0  | \$ 0  | \$ 0   | \$ 0   |
| 03/31/2019 | \$ 0   | \$ 0  | \$ 0  | \$ 0   | \$ 0   |
| 12/31/2018 | \$ 0   | \$ 0  | \$ 0  | \$ 0   | \$ 0   |
| 09/30/2018 | \$ 0   | \$ 0  | \$ 0  | \$ 0   | \$ 0   |
| 06/30/2018 | \$ 0   | \$ 0  | \$ 0  | \$ 0   | \$ 0   |

**NOTES TO FINANCIAL STATEMENTS**

| Quarter    | Estimated Pharmacy Rebates as Reported on Financial Statements | Pharmacy Rebates as Billed or Otherwise Confirmed | Actual Rebates Received Within 90 Days of Billing | Actual Rebates Received Within 91 to 180 Days of Billing | Actual Rebates Received More than 180 Days After Billing |
|------------|--|---|---|--|--|
| 03/31/2018 | \$ 159,402   | \$ 155,630  | \$  | \$ 155,630   | \$ 4,292   |

**B. Risk-Sharing Receivables**

| Calendar Year | Evaluation Period Year Ending | Risk Sharing Receivable as Estimated in the Prior Year | Risk Sharing Receivable as Estimated in the Current Year | Risk Sharing Receivable Billed | Risk Sharing Receivable Not Yet Billed | Actual Risk Sharing Amounts Received in Year Billed | Actual Risk Sharing Amounts Received First Year Subsequent | Actual Risk Sharing Amounts Received Second Year Subsequent | Actual Risk Sharing Amounts Received All Other |
|---------------|-------------------------------|--|--|--------------------------------|--|---|--|---|--|
| 0             | 0                             | \$   | \$   | \$                             | \$                                     | \$  | \$   | \$  | \$   |

**Note 29 – Participating Policies**

Not applicable to the reporting Company.

**Note 30 – Premium Deficiency Reserves**

1. Liability carried for premium deficiency reserve: \$0
2. Date of most recent evaluation of this liability: December 31, 2020
3. Was anticipated investment income utilized in the calculation? Yes [ ] No [ X ]

**Note 31 – Anticipated Salvage and Subrogation**

The Company has no anticipated salvage and subrogation.

**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 [X] 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 [X] No [ ] N/A [ ]

1.3 State regulating? Ohio Yes [ ] No [X]

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

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

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

2.2 If yes, date of change: 12/31/2017

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2017

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2017

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/21/2019

3.4 By what department or departments? Ohio Department of Insurance Yes [ ] No [ ] N/A [ ]

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 [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] 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 [X]

4.12 renewals? Yes [ ] No [X]

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

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

4.22 renewals? Yes [ ] No [X]

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

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

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

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

6.2 If yes, give full information:

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

7.2 If yes,

7.21 State the percentage of foreign control %

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

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

8.1 Is the company a subsidiary of a bank holding company regulated with 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 the response to 8.3 is yes, please provide below 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<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
|                     |                             |          |          |           |          |

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? Ernst & Young 999 Third Avenue suite 3500, Seattle, WA 98104-4086

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 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 [X] No [ ]

10.4 If the response to 10.3 is yes, provide information related to this exemption: The company is approved for an exemption from filing the Actuarial Opinion and Audited Financial Statements from the Ohio Department of Insurance

## GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

|                           |   |                                   |   |          |  |      |
|---------------------------|---|-----------------------------------|---|----------|--|------|
| 10.5                      | Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?  | Yes [ ]                           | No [ X ]  | N/A [ ]  |  |      |
| 10.6                      | If the response to 10.5 is no or n/a, please explain:<br><u>The Executive/Finance committee serves as the Audit committee</u>   |                                   |   |          |  |      |
| 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?<br><u>Milliman 1301 5th Avenue, Suite 3800, Seattle, WA 98101-2605</u>          |                                   |   |          |  |      |
| 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   |                                   |   |          |  | 0    |
| 12.12                     | Number of parcels involved  |                                   |   |          |  |      |
| 12.13                     | Total book/adjusted carrying value  |                                   |   |          |  | \$ 0 |
| 12.2                      | If yes, provide explanation   |                                   |   |          |  |      |
| 13.                       | <b>FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:</b>   |                                   |   |          |  |      |
| 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 [ ]  |          |  |      |
| 14.11                     | (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;   |                                   |   |          |  |      |
| 14.11                     | (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  |                                   |   |          |  |      |
| 14.11                     | (c) Compliance with applicable governmental laws, rules and regulations;  |                                   |   |          |  |      |
| 14.11                     | (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and   |                                   |   |          |  |      |
| 14.11                     | (e) Accountability for adherence to the code.   |                                   |   |          |  |      |
| 14.11                     | If the response to 14.1 is no, please explain:  |                                   |   |          |  |      |
| 14.2                      | Has the code of ethics for senior managers been amended?  | Yes [ ]                           | No [ X ]  |          |  |      |
| 14.21                     | If the response to 14.2 is yes, provide information related to amendment(s).  |                                   |   |          |  |      |
| 14.3                      | Have any provisions of the code of ethics been waived for any of the specified officers?  | Yes [ ]                           | No [ X ]  |          |  |      |
| 14.31                     | If the response to 14.3 is yes, provide the nature of any waiver(s).  |                                   |   |          |  |      |
| 15.1                      | Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?  | Yes [ ]                           | No [ X ]  |          |  |      |
| 15.2                      | If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.  |                                   |   |          |  |      |
|                           | 1 American Bankers Association (ABA) Routing Number   | 2 Issuing or Confirming Bank Name | 3 Circumstances That Can Trigger the Letter of Credit | 4 Amount |  |      |
|                           |   |                                   |   | \$       |  |      |
| <b>BOARD OF DIRECTORS</b> |   |                                   |   |          |  |      |
| 16.                       | Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator 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 [ ]  |          |  |      |
| <b>FINANCIAL</b>          |   |                                   |   |          |  |      |
| 19.                       | Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?   | Yes [ ]                           | No [ X ]  |          |  |      |
| 20.1                      | Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  |                                   |   |          |  |      |
| 20.11                     | To directors or other officers  | \$                                | 0   |          |  |      |
| 20.12                     | To stockholders not officers  | \$                                | 0   |          |  |      |
| 20.13                     | Trustees, supreme or grand (Fraternal only)   | \$                                | 0   |          |  |      |
| 20.2                      | Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):   |                                   |   |          |  |      |
| 20.21                     | To directors or other officers  | \$                                | 0   |          |  |      |
| 20.22                     | To stockholders not officers  | \$                                | 0   |          |  |      |
| 20.23                     | Trustees, supreme or grand (Fraternal only)   | \$                                | 0   |          |  |      |
| 21.1                      | Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement?   | Yes [ ]                           | No [ X ]  |          |  |      |
| 21.2                      | If yes, state the amount thereof at December 31 of the current year:  |                                   |   |          |  |      |
| 21.21                     | Rented from others  | \$                                | 0   |          |  |      |
| 21.22                     | Borrowed from others  | \$                                | 0   |          |  |      |
| 21.23                     | Leased from others  | \$                                | 0   |          |  |      |
| 21.24                     | Other   | \$                                | 0   |          |  |      |
| 22.1                      | Does this statement include payments for assessments as described in the <i>Annual Statement Instructions</i> other than guaranty fund or guaranty association assessments?   | Yes [ ]                           | No [ X ]  |          |  |      |
| 22.2                      | If answer is yes:   |                                   |   |          |  |      |
| 22.21                     | Amount paid as losses or risk adjustment  | \$                                | 0   |          |  |      |
| 22.22                     | Amount paid as expenses   | \$                                | 0   |          |  |      |
| 22.23                     | Other amounts paid  | \$                                | 0   |          |  |      |
| 23.1                      | Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?   | Yes [ ]                           | No [ X ]  |          |  |      |

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

|   |   |  |             |
|---|---|--|-------------|
| 23.2  | If yes, indicate any amounts receivable from parent included in the Page 2 amount:  | \$ _____ 0   |             |
| <b>INVESTMENT</b>   |   |  |             |
| 24.01   | Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?  | Yes [X] No [ ]   |             |
| 24.02   | If no, give full and complete information, relating thereto:  |  |             |
| 24.03   | For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).   |  |             |
| 24.04   | For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions.  | \$ _____ 0   |             |
| 24.05   | For the reporting entity's securities lending program, report amount of collateral for other programs.  | \$ _____ 0   |             |
| 24.06   | Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?  | Yes [ ] No [ ] N/A [X]   |             |
| 24.07   | Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?  | Yes [ ] No [ ] N/A [X]   |             |
| 24.08   | Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?  | Yes [ ] No [ ] N/A [X]   |             |
| 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 current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)  | Yes [X] No [ ]   |             |
| 25.2  | If yes, state the amount thereof at December 31 of the current year:  |  |             |
| 25.21   | Subject to repurchase agreements  | \$ _____ 0   |             |
| 25.22   | Subject to reverse repurchase agreements  | \$ _____ 0   |             |
| 25.23   | Subject to dollar repurchase agreements   | \$ _____ 0   |             |
| 25.24   | Subject to reverse dollar repurchase agreements   | \$ _____ 0   |             |
| 25.25   | Placed under option agreements  | \$ _____ 0   |             |
| 25.26   | Letter stock or securities restricted as sale – excluding FHLB Capital Stock  | \$ _____ 0   |             |
| 25.27   | FHLB Capital Stock  | \$ _____ 0   |             |
| 25.28   | On deposit with states  | \$ _____ 436,179   |             |
| 25.29   | On deposit with other regulatory bodies   | \$ _____ 0   |             |
| 25.30   | Pledged as collateral – excluding collateral pledged to an FHLB   | \$ _____ 0   |             |
| 25.31   | Pledged as collateral to FHLB – including assets backing funding agreements   | \$ _____ 0   |             |
| 25.32   | Other   | \$ _____ 0   |             |
| 25.3  | For category (25.26) provide the following:   |  |             |
|   | 1<br>Nature of Restriction  | 2<br>Description   | 3<br>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?<br>If no, attach a description with this statement.  | Yes [ ] No [ ] N/A [X]   |             |
| <b>Lines 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:</b> |   |  |             |
| 26.3  | Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a results 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:  |  |             |
|   | <ul style="list-style-type: none"> <li>• The reporting entity has obtained explicit approval from the domiciliary state.</li> <li>• Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.</li> <li>• 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 Guidance Conditional Tail Expectation Amount.</li> <li>• 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 the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.</li> </ul> | Yes [ ] No [ ]   |             |
| 27.1  | Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?   | Yes [ ] No [X]   |             |
| 27.2  | If yes, state the amount thereof at December 31 of the current year:  | \$ _____ 0   |             |
| 28.   | Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC <i>Financial Condition Examiners Handbook</i> ?  | Yes [X] No [ ]   |             |
| 28.01   | For agreements that comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , complete the following:  |  |             |
|   | 1<br>Name of Custodian(s)   | 2<br>Custodian's Address   |             |
|   | BNY Mellon Asset Servicing  | BNY Mellon Center, 500 Grant Street, Suite 410, Pittsburgh, PA 15258 |             |
| 28.02   | For all agreements that do not comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , provide the name, location and a complete explanation   |  |             |
|   | 1   | 2  | 3           |

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

| Name(s) | Location(s) | Complete Explanation(s) |
|---------|-------------|-------------------------|
|---------|-------------|-------------------------|

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]

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

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>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<br>Name of Firm or Individual                   | 2<br>Affiliation |
|---|------------------|
| Catholic Health Initiatives - Treasury department | A                |
| BNY Mellon Asset Management North America         | U                |

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

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

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

| 1<br>Central Registration Depository Number | 2<br>Name of Firm or Individual           | 3<br>Legal Entity Identifier (LEI) | 4<br>Registered With | 5<br>Investment Management Agreement (IMA) Filed |
|---|---|------------------------------------|----------------------|--|
| 105764                                      | BNY Mellon Asset Management North America |                                    | SEC                  | DS   |

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

29.2 If yes, complete the following schedule:

| 1<br>CUSIP    | 2<br>Name of Mutual Fund | 3<br>Book/Adjusted Carrying Value |
|---------------|--------------------------|-----------------------------------|
|               |                          | \$                                |
| 29.2999 TOTAL |                          | \$                                |

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

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

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

|      |                  | 1<br>Statement (Admitted) Value | 2<br>Fair Value | 3<br>Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
|------|------------------|---------------------------------|-----------------|--|
| 30.1 | Bonds            | \$ 3,562,043                    | \$ 3,611,533    | \$ 49,490  |
| 30.2 | Preferred Stocks | \$ 0                            | \$ 0            | \$ 0   |
| 30.3 | Totals           | \$ 3,562,043                    | \$ 3,611,533    | \$ 49,490  |

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

Rates from Custodian

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 for each self-designation 5GI security:

- 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.
- Issuer or obligor is current on all contracted interest and principal payments.
- The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

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

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

- The security was purchased prior to January 1, 2018.
- The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- 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.
- The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes [ ] No [X]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- The shares were purchased prior to January 1, 2019.

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

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

Yes [ ] No [ X ]

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

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate then the reporting entity has 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 [ X ] N/A [ ]

**OTHER**

37.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 0

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

| 1<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | \$               |

38.1 Amount of payments for legal expenses, if any? \$ 0

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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           | \$               |

39.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0

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<br>Name | 2<br>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?  | \$                | 0               |
| 1.31 | Reason for excluding:  |                   |                 |
| 1.4  | Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.  | \$                | 0               |
| 1.5  | Indicate total incurred claims on all Medicare Supplement insurance.   | \$                | 0               |
| 1.6  | Individual policies:   |                   |                 |
|      | Most current three years:  |                   |                 |
| 1.61 | Total premium earned   | \$                | 0               |
| 1.62 | Total incurred claims  | \$                | 0               |
| 1.63 | Number of covered lives  |                   | 0               |
|      | All years prior to most current three years:   |                   |                 |
| 1.64 | Total premium earned   | \$                | 0               |
| 1.65 | Total incurred claims  | \$                | 0               |
| 1.66 | Number of covered lives  |                   | 0               |
| 1.7  | Group policies:  |                   |                 |
|      | Most current three years:  |                   |                 |
| 1.71 | Total premium earned   | \$                | 0               |
| 1.72 | Total incurred claims  | \$                | 0               |
| 1.73 | Number of covered lives  |                   | 0               |
|      | All years prior to most current three years:   |                   |                 |
| 1.74 | Total premium earned   | \$                | 0               |
| 1.75 | Total incurred claims  | \$                | 0               |
| 1.76 | Number of covered lives  |                   | 0               |
| 2.   | Health Test:   |                   |                 |
|      |  | 1<br>Current Year | 2<br>Prior Year |
| 2.1  | Premium Numerator  | \$ (7,230)        | \$ 18,382       |
| 2.2  | Premium Denominator  | \$ (7,230)        | \$ 18,382       |
| 2.3  | Premium Ratio (2.1/2.2)  |                   | 100.0%          |
| 2.4  | Reserve Numerator  | \$ 0              | \$ 48,196       |
| 2.5  | Reserve Denominator  | \$ 0              | \$ 48,196       |
| 2.6  | Reserve Ratio (2.4/2.5)  |                   | 100.0%          |
| 3.1  | Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?  | Yes [ ] No [ X ]  |                 |
| 3.2  | If yes, give particulars:  |                   |                 |
| 4.1  | Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?  | Yes [ X ] No [ ]  |                 |
| 4.2  | If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?   | Yes [ ] No [ ]    |                 |
| 5.1  | Does the reporting entity have stop-loss reinsurance?  | Yes [ ] No [ X ]  |                 |
| 5.2  | If no, explain:  |                   |                 |
|      | <u>The Company ceased writing insurance business as of January 1, 2019.</u>  |                   |                 |
| 5.3  | Maximum retained risk (see instructions)   |                   |                 |
| 5.31 | Comprehensive Medical  | \$                | 0               |
| 5.32 | Medical Only   | \$                | 0               |
| 5.33 | Medicare Supplement  | \$                | 0               |
| 5.34 | Dental and Vision  | \$                | 0               |
| 5.35 | Other Limited Benefit Plan   | \$                | 0               |
| 5.36 | Other  | \$                | 0               |
| 6.   | Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements: |                   |                 |
|      | <u>Hold harmless provision in provider agreements: insolvency provision in reinsurance contracts.</u>  |                   |                 |

**GENERAL INTERROGATORIES****PART 2 – HEALTH INTERROGATORIES**

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   | 0 |

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 with rate guarantees between 15-36 months | \$ 0 |
| 9.22 Business with rate guarantees over 36 months                            | \$ 0 |

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

10.2 If yes:

|  |   |
|--|---|
| 10.21 Maximum amount payable bonuses         | 0 |
| 10.22 Amount actually paid for year bonuses  | 0 |
| 10.23 Maximum amount payable withhold        | 0 |
| 10.24 Amount actually paid for year withhold | 0 |

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? Yes [X] No [ ]

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

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

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

11.6 If the amount is calculated, show the calculation

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

|                           |
|---------------------------|
| 1<br>Name of Service Area |
| Butler County             |
| Clermont County           |
| Hamilton County           |
| Warren County             |

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

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

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

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

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

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

| 1<br>Company Name | 2<br>NAIC Company Code | 3<br>Domiciliary Jurisdiction | 4<br>Reserve Credit | Assets Supporting Reserve Credit |                       |            |
|-------------------|------------------------|-------------------------------|---------------------|----------------------------------|-----------------------|------------|
|                   |                        |                               |                     | 5<br>Letters of Credit           | 6<br>Trust Agreements | 7<br>Other |
|                   | 0                      |                               | \$                  | \$                               | \$                    | \$         |
|                   |                        |                               |                     |                                  |                       |            |

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

|                              |      |
|------------------------------|------|
| 15.1 Direct Premium Written  | \$ 0 |
| 15.2 Total Incurred Claims   | \$ 0 |
| 15.3 Number of Covered Lives | 0    |

15.4 \*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 charted, registered, qualified, eligible or writing business in at least two states? Yes [ ] No [X]

## **GENERAL INTERROGATORIES**

### **PART 2 – HEALTH INTERROGATORIES**

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

Yes [ ] No [X]

**FIVE-YEAR HISTORICAL DATA**

|  | 1<br>2020 | 2<br>2019 | 3<br>2018 | 4<br>2017   | 5<br>2016   |
|--|-----------|-----------|-----------|-------------|-------------|
| <b>Balance Sheet (Pages 2 and 3)</b>   |           |           |           |             |             |
| 1. Total admitted assets (Page 2, Line 28).....  | 5,307,799 | 5,509,448 | 6,996,020 | 6,690,368   | 5,354,349   |
| 2. Total liabilities (Page 3, Line 24).....  | 11,518    | 67,944    | 1,149,038 | 1,954,657   | 3,519,315   |
| 3. Statutory minimum capital and surplus requirement.....  | 1,700,000 | 1,700,000 | 1,700,000 | 1,700,000   | 1,700,000   |
| 4. Total capital and surplus (Page 3, Line 33).....  | 5,296,281 | 5,441,504 | 5,846,982 | 4,735,712   | 1,835,034   |
| <b>Income Statement (Page 4)</b>   |           |           |           |             |             |
| 5. Total revenues (Line 8).....  | (7,230)   | 18,382    | 8,787,790 | 9,131,840   | 9,250,450   |
| 6. Total medical and hospital expenses (Line 18).....  | 30,401    | (148,529) | 7,253,514 | 9,948,245   | 10,358,409  |
| 7. Claims adjustment expenses (Line 20).....   |           |           | 153,505   | 163,621     | 155,995     |
| 8. Total administrative expenses (Line 21).....  | 255,842   | 674,963   | 399,379   | 438,612     | 589,955     |
| 9. Net underwriting gain (loss) (Line 24).....   | (293,473) | (508,052) | 1,114,818 | (212,553)   | (2,671,118) |
| 10. Net investment gain (loss) (Line 27).....  | 110,473   | .90,208   | .50,346   | .54,006     | .62,561     |
| 11. Total other income (Lines 28 plus 29).....   | (49)      | 11        | (6,005)   | (2,350)     |             |
| 12. Net income or (loss) (Line 32).....  | (191,324) | (367,453) | 1,155,572 | (96,742)    | (2,608,560) |
| <b>Cash Flow (Page 6)</b>  |           |           |           |             |             |
| 13. Net cash from operations (Line 11).....  | 254,718   | (974,631) | 236,029   | (1,105,044) | (1,422,140) |
| <b>Risk-Based Capital Analysis</b>   |           |           |           |             |             |
| 14. Total adjusted capital.....  | 5,296,281 | 5,441,504 | 5,846,982 | 4,735,712   | 1,835,034   |
| 15. Authorized control level risk-based capital.....   | 774,868   | 775,176   | 468,653   | 625,701     | 652,730     |
| <b>Enrollment (Exhibit 1)</b>  |           |           |           |             |             |
| 16. Total members at end of period (Column 5, Line 7).....   |           |           | 890       | 1,114       | 1,296       |
| 17. Total member months (Column 6, Line 7).....  |           |           | 10,798    | 13,564      | 15,430      |
| <b>Operating Percentage (Page 4)</b>   |           |           |           |             |             |
| (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0   |           |           |           |             |             |
| 18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....                                     | 100.0     | 100.0     | 100.0     | 100.0       | 100.0       |
| 19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....                           | (420.5)   | (808.0)   | 82.5      | 108.9       | 112.0       |
| 20. Cost containment expenses.....   |           |           | 1.0       | 1.2         | 1.3         |
| 21. Other claims adjustment expenses.....  |           |           | 0.8       | 0.6         | 0.4         |
| 22. Total underwriting deductions (Line 23).....   | (3,959.2) | 2,863.8   | 87.3      | 102.3       | 128.9       |
| 23. Total underwriting gain (loss) (Line 24).....  | 4,059.2   | (2,763.8) | 12.7      | (2.3)       | (28.9)      |
| <b>Unpaid Claims Analysis (U&amp;I Exhibit, Part 2B)</b>   |           |           |           |             |             |
| 24. Total claims incurred for prior years (Line 13, Col. 5).....   | (92,488)  | 279,444   | 384,499   | 944,273     | 354,696     |
| 25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]                                  | (122,888) | 427,972   | 1,123,510 | 1,152,346   | 625,887     |
| <b>Investments in Parent, Subsidiaries and Affiliates</b>  |           |           |           |             |             |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....  |           |           |           |             |             |
| 27. Affiliated preferred stocks (Sch. D. Summary, Line 18, Col. 1).....                                    |           |           |           |             |             |
| 28. Affiliated common stocks (Sch. D. Summary, Line 24, Col. 1).....                                       |           |           |           |             |             |
| 29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10)..... |           |           |           |             |             |
| 30. Affiliated mortgage loans on real estate.....  |           |           |           |             |             |
| 31. All other affiliated.....  |           |           |           |             |             |
| 32. Total of above Lines 26 to 31.....   | 0         | 0         | 0         | 0           | 0           |
| 33. Total investment in parent included in Lines 26 to 31 above.....                                       |           |           |           |             |             |

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

Yes  No

If no, please explain:

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Allocated by States and Territories

| State, Etc.   | 1<br>Active<br>Status<br>(a) | Direct Business Only                  |                              |                            |   |  |  |                                      |                                    |
|---|------------------------------|---------------------------------------|------------------------------|----------------------------|---|--|--|--------------------------------------|------------------------------------|
|   |                              | 2<br>Accident<br>& Health<br>Premiums | 3<br>Medicare<br>Title XVIII | 4<br>Medicaid<br>Title XIX | 5<br>Federal Employees<br>Health<br>Benefits Plan<br>Premiums | 6<br>Life & Annuity<br>Premiums and<br>Other<br>Considerations | 7<br>Property/<br>Casualty<br>Premiums | 8<br>Total<br>Columns<br>2 Through 7 | 9<br>Deposit-<br>Type<br>Contracts |
| 1. Alabama.....   | AL ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 2. Alaska.....  | AK ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 3. Arizona.....   | AZ ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 4. Arkansas.....  | AR ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 5. California.....  | CA ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 6. Colorado.....  | CO ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 7. Connecticut.....   | CT ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 8. Delaware.....  | DE ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 9. District of Columbia.....  | DC ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 10. Florida.....  | FL ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 11. Georgia.....  | GA ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 12. Hawaii.....   | HI ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 13. Idaho.....  | ID ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 14. Illinois.....   | IL ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 15. Indiana.....  | IN ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 16. Iowa.....   | IA ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 17. Kansas.....   | KS ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 18. Kentucky.....   | KY ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 19. Louisiana.....  | LA ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 20. Maine.....  | ME ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 21. Maryland.....   | MD ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 22. Massachusetts.....  | MA ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 23. Michigan.....   | MI ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 24. Minnesota.....  | MN ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 25. Mississippi.....  | MS ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 26. Missouri.....   | MO ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 27. Montana.....  | MT ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 28. Nebraska.....   | NE ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 29. Nevada.....   | NV ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 30. New Hampshire.....  | NH ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 31. New Jersey.....   | NJ ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 32. New Mexico.....   | NM ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 33. New York.....   | NY ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 34. North Carolina.....   | NC ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 35. North Dakota.....   | ND ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 36. Ohio.....   | OH ..L.....                  |                                       | (7,230)                      |                            |   |  |  | (7,230)                              |                                    |
| 37. Oklahoma.....   | OK ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 38. Oregon.....   | OR ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 39. Pennsylvania.....   | PA ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 40. Rhode Island.....   | RI ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 41. South Carolina.....   | SC ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 42. South Dakota.....   | SD ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 43. Tennessee.....  | TN ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 44. Texas.....  | TX ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 45. Utah.....   | UT ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 46. Vermont.....  | VT ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 47. Virginia.....   | VA ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 48. Washington.....   | WA ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 49. West Virginia.....  | WV ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 50. Wisconsin.....  | WI ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 51. Wyoming.....  | WY ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 52. American Samoa.....   | AS ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 53. Guam.....   | GU ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 54. Puerto Rico.....  | PR ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 55. U.S. Virgin Islands.....  | VI ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 56. Northern Mariana Islands.....                                     | MP ..N.....                  |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 57. Canada.....   | CAN ..N.....                 |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 58. Aggregate Other alien.....  | OT ..XXX.....                | 0                                     | 0                            | 0                          | 0   | 0  | 0                                      | 0                                    | 0                                  |
| 59. Subtotal.....   | XXX.....                     | 0                                     | (7,230)                      | 0                          | 0   | 0  | 0                                      | (7,230)                              | 0                                  |
| 60. Reporting entity contributions for<br>Employee Benefit Plans..... | XXX.....                     |                                       |                              |                            |   |  |  | 0                                    |                                    |
| 61. Total (Direct Business).....                                      | XXX.....                     | 0                                     | (7,230)                      | 0                          | 0   | 0  | 0                                      | (7,230)                              | 0                                  |

**DETAILS OF WRITE-INS**

|  |   |   |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|---|---|
| 58001.....   |   |   |   |   |   |   |   | 0 |   |
| 58002.....   |   |   |   |   |   |   |   | 0 |   |
| 58003.....   |   |   |   |   |   |   |   | 0 |   |
| 58998. Summary of remaining write-ins for line 58..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58999. Total (Lines 58001 through 58003 + 58998).....  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 1

E - Eligible - Reporting entities eligible or approved to write surplus lines in the state..... 0

R - Registered - Non-domiciled RRGs..... 0

Q - Qualified - Qualified or accredited reinsurer..... 0

N - None of the above - Not allowed to write business in the state..... 56

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

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

PART 1 – ORGANIZATIONAL CHART

