

Cash flow flip between line 1 and 5 for change in Premium Deficiency Reserve. Notes to financials change to FN 22 authorized control level on ACA table.



ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2020
OF THE CONDITION AND AFFAIRS OF THE

Buckeye Health Plan Community Solutions, Inc.

(Name)

NAIC Group Code 01295 (Current Period) , 01295 (Prior Period) NAIC Company Code 16112 Employer's ID Number 47-5664342

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

Country of Domicile United States

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

Incorporated/Organized 11/04/2015 Commenced Business 01/01/2018

Statutory Home Office 4349 Easton Way, Suite 200 (Street and Number) Columbus, OH, US 43219 (City or Town, State, Country and Zip Code)

Main Administrative Office 7700 Forsyth Boulevard (Street and Number) 314-725-4477 (Area Code) (Telephone Number)
Saint Louis, MO, US 63105 (City or Town, State, Country and Zip Code)

Mail Address 7700 Forsyth Boulevard (Street and Number or P.O. Box) Saint Louis, MO, US 63105 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 7700 Forsyth Boulevard (Street and Number) 314-725-4477 (Area Code) (Telephone Number) (Extension)
Saint Louis, MO, US 63105 (City or Town, State, Country and Zip Code)

Internet Web Site Address www.centene.com
Statutory Statement Contact Shaun O'Rourke (Name) 314-349-3805 (Area Code) (Telephone Number) (Extension)
shaunt.orourke@centene.com (E-Mail Address) 314-725-4658 (Fax Number)

OFFICERS

Name <u>Steven Bradley Province</u> , <u>Jeffrey Alan Schwanek</u> ,	Title President and CEO Treasurer	Name <u>Joel Benjamin Samson #</u> , <u>Tricia Lynn Dinkelman</u> ,	Title Secretary Vice President of Tax
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OTHER OFFICERS

DIRECTORS OR TRUSTEES

Megan Rebecca Flaskamper	Tricia Lynn Dinkelman	Steven Bradley Province
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State of
County of
ss

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

Steven Bradley Province
President and CEO

Joel Benjamin Samson
Secretary

Jeffrey Alan Schwanek
Treasurer

a. Is this an original filing? Yes No

b. If no:

1. State the amendment number
2. Date filed
3. Number of pages attached

1

03/18/2021

2

Subscribed and sworn to before me this
day of ,

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Buckeye Health Plan Community Solutions, Inc.

CASH FLOW

Cash from Operations		1 Current Year	2 Prior Year
1. Premiums collected net of reinsurance		25,015,767	17,871,398
2. Net investment income		30,843	161,282
3. Miscellaneous income		0	0
4. Total (Lines 1 through 3)		25,046,610	18,032,680
5. Benefit and loss related payments		19,537,362	16,662,604
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0	0
7. Commissions, expenses paid and aggregate write-ins for deductions		1,773,656	1,729,895
8. Dividends paid to policyholders		0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		336,041	(361,945)
10. Total (Lines 5 through 9)		21,647,059	18,030,554
11. Net cash from operations (Line 4 minus Line 10)		3,399,551	2,126
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:		410,000	0
12.1 Bonds		0	0
12.2 Stocks		0	0
12.3 Mortgage loans		0	0
12.4 Real estate		0	0
12.5 Other invested assets		0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		0	0
12.7 Miscellaneous proceeds		0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)		410,000	0
13. Cost of investments acquired (long-term only):		7,034,375	0
13.1 Bonds		0	0
13.2 Stocks		0	0
13.3 Mortgage loans		0	0
13.4 Real estate		0	0
13.5 Other invested assets		0	0
13.6 Miscellaneous applications		0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)		7,034,375	0
14. Net increase (decrease) in contract loans and premium notes		0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)		(6,624,375)	0
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):		0	0
16.1 Surplus notes, capital notes		0	0
16.2 Capital and paid in surplus, less treasury stock		0	3,000,000
16.3 Borrowed funds		0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0	0
16.5 Dividends to stockholders		0	0
16.6 Other cash provided (applied)		0	0
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)		0	3,000,000
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)		(3,224,824)	3,002,126
19. Cash, cash equivalents and short-term investments:		6,349,427	3,347,301
19.1 Beginning of year		3,124,603	6,349,427
19.2 End of year (Line 18 plus Line 19.1)			

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of Buckeye Health Plan Community Solutions, Inc. (the Company) have been prepared in conformity with 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 Ohio Insurance Law.

The Ohio Department of Insurance recognizes only statutory accounting practices for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under 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 NAIC SAP with no prescribed differences.

NET INCOME	SSAP #	F/S Page	F/S Line #	2020	2019
(1) Buckeye Health Plan Community Solutions state basis (Page 4, Line 32, Columns 2 & 3	XXX	XXX	XXX	\$ 2,222,769	\$ (485,203)
(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	\$ 2,222,769	\$ (485,203)
SURPLUS					
(5) Buckeye Health Plan Community Solutions state basis (Page 3, Line 33, Columns 3 & 4	XXX	XXX	XXX	\$ 5,740,469	\$ 3,497,208
(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	\$ 5,740,469	\$ 3,497,208

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

The preparation of financial statements in conformity with the *Annual Statement Instructions* and the *Accounting Practices and Procedures Manual* requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

1. Cash, cash equivalents and short-term investments are carried at cost, which approximates fair value. Short-term investments include securities purchased within twelve months or less of maturity date.
2. Investment grade bonds (NAIC designations 1 or 2) not backed by other loans are valued at amortized cost using the scientific (constant yield) method. Bonds containing call provisions, except "make whole" call provisions, are amortized to the call or maturity value/date which produces the lowest asset value (yield to worst). Bonds which are below investment grade (NAIC designation 3 to 6) are carried at the lower of amortized cost or fair value.
3. The Company holds no common stocks.
4. The Company holds no preferred stocks.
5. The Company holds no mortgage loans.
6. The Company holds no loan-backed securities.
7. The Company has no investments in subsidiaries, controlled and affiliated entities.
8. The Company has no investments in joint ventures, partnerships and limited liability companies.
9. The Company holds no derivatives.
10. The Company reviews expectations regarding the profitability of contracts in force to determine whether a premium deficiency reserve is required. The Company considers anticipated investment income when calculating its premium deficiency reserves. The adequacy of the reserve requirements is continually reviewed by management, with any reductions in the reserve being recorded as a beneficial effect in the statement of revenue and expense. The Company has no premium deficiency reserve at December 31, 2020.
11. Unpaid losses and loss adjustment expenses include amounts determined from claims estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount to be adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
12. There were no changes to the capitalization policy.

13. Pharmaceutical rebates are based on actual pharmaceutical claims experience.

D. Going Concern - The Company's management has not identified any conditions or events that raise substantial doubt about its ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

A. Statutory Purchase Method

None

B. Statutory Merger

None

C. Assumption Reinsurance

None

D. Impairment Loss

None

4. Discontinued Operations

A. Discontinued Operation Disposed of or Classified as Held for Sale

None

B. Change in Plan of Sale of Discontinued Operations

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

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

None

B. Debt Restructuring

None

C. Reverse Mortgages

None

D. Loan-Backed Securities

1. None

2. None

3. 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):

a. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$2,336
2. 12 Months or Longer	\$0

b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months	\$1,502,704
2. 12 Months or Longer	\$0

5. For any security in an unrealized loss position, the Company assesses whether it intends to sell the security or if it is more likely than not that the Company will be required to sell the security before recovery of the amortized cost basis for reasons such as liquidity, contractual or regulatory purposes. If the security meets this criterion, the decline in fair value is other-than-temporary and is recorded in earnings. The Company does not intend to sell these securities prior to maturity; therefore, there is no indication of other than temporary impairment of these securities.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

None

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

None

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

None

H. Repurchase Agreements Transactions Accounted for as a Sale

None

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

None

J. Real Estate

None

K. Investments in low-income housing tax credits (LIHTC)

None

L. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	1	2	3	4	5	6	7
	Total Gross (admitted & Nonadmitted) Restricted from Current Year	Total Gross (admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown							
b. Collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states	421,610	409,855	11,755	\$ -	\$ 421,610	3.6%	3.6%
k. On deposit with other regulatory bodies							
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total Restricted Assets	\$ 421,610	\$ 409,855	\$ 11,755	\$ -	\$ 421,610	3.6%	3.6%

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

(b) Column 5 divided by Asset Page, Column 3, Line 28

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

None

3. Detail of Other Restricted Assets

None

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

None

M. Working Capital Finance Investments

None

N. Offsetting and Netting of Assets and Liabilities

None

O. 5*GI Securities

None

P. Short Sales

None

Q. Prepayment Penalty and Acceleration Fees

None

6. Joint Ventures, Partnerships and Limited Liability Companies

None

7. Investment Income

A. Investment income due and accrued with amounts greater than 90 days past due are excluded from surplus.

B. The total amount excluded was \$0.

8. Derivative Instruments

A. Derivatives under SSAP No. 86-Derivatives

None

9. Income Taxes

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):

(1)	DTA/DTL Components	Description	2020			2019			Change		
			Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a)	Gross deferred taxassets	78,401	0	78,401	475,975	0	475,975	(397,574)	0	(397,574)	
(b)	Statutory valuation allowance adjustment	0	0	0	(458,652)	0	(458,652)	458,652	0	458,652	
(c)	Adjusted gross deferred taxassets	78,401	0	78,401	17,322	0	17,322	61,079	0	61,079	
(d)	Deferred taxassets nonadmitted	0	0	0	0	0	0	0	0	0	0
(e)	Net admitted deferred taxassets	78,401	0	78,401	17,322	0	17,322	61,079	0	61,079	
(f)	Deferred tax liabilities	0	0	0	(89)	0	(89)	89	0	0	89
(g)	Net admitted deferred taxasset/(Net deferred tax liability)	78,401	0	78,401	17,233	0	17,233	61,168	0	61,168	
(2) Admission calculation components:											
Admission calculation under ¶11.a.-¶11.c.											
(a)	FIT recoverable by loss carryback [¶11.a.]	78,401	0	78,401	17,235	0	17,235	61,166	0	61,166	
(b)	Expected to be realized [¶11.b.] (lesser of 1. or 2.)	0	0	0	0	0	0	0	0	0	0
	1. Expected to be realized [¶11.b.i.]	0	0	0	0	0	0	0	0	0	0
	2. Surplus limitation [¶11.b.ii.]	XXX	XXX	849,310	XXX	XXX	0	XXX	XXX	849,310	
(c)	DTL offset [¶11.c.]	0	0	0	87	0	87	(87)	0	0	(87)
(d)	Total admitted under ¶¶11.a.-11.c.	78,401	0	78,401	17,322	0	17,322	61,079	0	61,079	
(3) Information used in expected to be realized calculation [¶11.b.]											
2020 2019											
(a)	ExDTA ACL RBC or other ratio	444%		328%							
(b)	Adjusted capital and surplus	5,662,068		3,497,208							

(4) Impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs:

	Description	2020			2019			Change		
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	
	Adjusted gross DTAs - TPS Amount (Necessary for Centene Entities)	6,843	0	6,843	0	0	0	6,843	0	6,843
	Adjusted gross DTAs - Amount (Memo Entry)	78,401	0	78,401	17,322	0	17,322	61,079	0	61,079
(a)	Adjusted gross DTAs - Percentage	8.73%	0.00%	8.73%	0.00%	0.00%	0.00%	8.73%	0.00%	8.73%
	Net admitted DTAs - TPS Amount (Necessary for Centene Entities)	6,843	0	6,843	0	0	0	6,843	0	6,843
	Net admitted DTAs - Amount (Memo Entry)	78,401	0	78,401	17,322	0	17,322	61,079	0	61,079
(b)	Net admitted DTAs - Percentage	8.73%	0.00%	8.73%	0.00%	0.00%	0.00%	8.73%	0.00%	8.73%
(c)	Did the company avail itself of a tax planning strategy involving reinsurance? Yes _____ No <u>X</u> _____									

B. Temporary differences for which DTLs have not been established:

Not Applicable

C. Current tax and change in deferred tax:

(1) Current income taxes incurred consist of the following major components:

Description	2020	2019
(a) Current federal income tax expense	170,668	17,236
(b) Foreign taxes	0	0
(c) Subtotal	170,668	17,236
(d) Tax on capital gains/(losses)	0	0
(e) Utilization of capital loss carryforwards	0	0
(f) Other, including prior year underaccrual (overaccrual)	412	162
(g) Federal and foreign income taxes incurred	<u>171,080</u>	<u>17,398</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

		December 31,			Change
		2020	2019		
(2) DTAs Resulting From Book/Tax Differences In					
(a) Ordinary					
(1) Discounting of unpaid losses and LAE	13,473	6,758	6,715		
(2) Unearned premiums	9	18	(9)		
(3) Policyholder reserves	0	0	0		
(4) Investments	0	0	0		
(5) Deferred acquisition costs	0	0	0		
(6) Policyholder dividends accrued	0	0	0		
(7) Fixed assets	0	0	0		
(8) Accrued Expenses	8,245	3,925	4,320		
(9) Pension accruals	0	0	0		
(10) Nonadmitted assets	56,674	48,132	8,541		
(11) Net operating loss carryforward	0	0	0		
(12) Tax credit carryforward	0	0	0		
(13.1) Goodwill & Intangible Amortization	0	0	0		
(13.2) Premium deficiency reserve	0	417,142	(417,142)		
(13.3) Other (separately disclose items >5%)	0	0	0		
(99) Gross ordinary DTAs	78,401	475,975	(397,575)		
(b) Statutory valuation adjustment adjustment - ordinary	0	(458,652)	458,652		
(c) Nonadmitted ordinary DTAs (-)	0	0	0		
(d) Admitted ordinary DTAs	<u>78,401</u>	<u>17,322</u>	<u>61,078</u>		
(e) Capital					
(1) Investments	0	0	0		
(2) Net capital loss carryforward	0	0	0		
(3) Real estate	0	0	0		
(4) Other (separately disclose items >5%)	0	0	0		
(5) Unrealized capital losses	0	0	0		
(99) Gross capital DTAs	0	0	0		
(f) Statutory valuation adjustment adjustment - capital (-)	0	0	0		
(g) Nonadmitted capital DTAs (-)	0	0	0		
(h) Admitted capital DTAs	<u>0</u>	<u>0</u>	<u>0</u>		
(i) Admitted DTAs	<u>78,401</u>	<u>17,322</u>	<u>61,078</u>		
(3) DTLs Resulting From Book/Tax Differences In					
(a) Ordinary					
(1) Investments	0	(89)	89		
(2) Fixed assets	0	0	0		
(3) Deferred and uncollected premiums	0	0	0		
(4) Policyholder reserves/salvage and subrogation	0	0	0		
(5) Other (separately disclose items >5%)	0	0	0		
(99) Ordinary DTLs	<u>0</u>	<u>(89)</u>	<u>89</u>		
(b) Capital					
(1) Investments	0	0	0		
(2) Real estate	0	0	0		
(3) Other (separately disclose items >5%)	0	0	0		
(4) Unrealized capital gains	0	0	0		
(99) Capital DTLs	<u>0</u>	<u>0</u>	<u>0</u>		
(c) DTLs	<u>0</u>	<u>(89)</u>	<u>89</u>		
(4) Net deferred tax assets/liabilities	<u>78,401</u>	<u>17,233</u>	<u>61,167</u>		

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets 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, 2020	December 31, 2019	Change
Total deferred tax assets	78,401	475,975	(397,574)
Total deferred tax liabilities	0	(89)	89
Net deferred tax assets/liabilities	78,401	475,885	(397,484)
Statutory valuation allowance adjustment (*see explanation below)	0	(458,652)	458,652
Net deferred tax assets/liabilities after SVA	78,401	17,233	61,168
Tax effect of unrealized gains/(losses)	0	0	0
Change in net deferred income tax [(charge)/benefit]	78,401	17,233	61,168

***Statutory valuation allowance**

The valuation allowance adjustment to gross deferred tax assets as of December 31, 2020 and 2019 was \$0 and \$458,652, respectively. The net change in the total valuation allowance adjustments for the year ended December 31, 2020 was a decrease of \$458,652.

D. Reconciliation of federal income tax rate to actual effective rate:

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

Description	2020			2019		
	Amount	Tax Effect	Effective Tax Rate	Amount	Tax Effect	Effective Tax Rate
Income Before Taxes	2,393,855	502,710	21.00%	(467,804)	(98,239)	21.00%
Tax-Exempt Interest	(225)	(47)	0.00%	0	0	0.00%
Dividends Received Deduction	0	0	0.00%	0	0	0.00%
Proration	56	12	0.00%	0	0	0.00%
Health Insurer Fee	352,488	74,022	3.09%	0	0	0.00%
COLI Life Insurance	0	0	0.00%	0	0	0.00%
Meals & Entertainment, Nondeductible Expenses, Etc.	0	0	0.00%	19	4	0.00%
Statutory Valuation Allowance Adjustment	(2,184,059)	(458,652)	-19.16%	517,907	108,760	-23.25%
Deferred Taxes on Nonadmitted Assets	(40,673)	(8,541)	-0.36%	(49,332)	(10,360)	2.21%
Change in Enacted Tax Rates	0	0	0.00%	0	0	0.00%
<i>ETR Placeholder #1</i>			0.00%			
<i>ETR Placeholder #2</i>			0.00%			
<i>ETR Placeholder #3</i>			0.00%			
Other, Including Prior Year True-Up	412	0.02%		0	0.00%	
Total	109,915	4.59%		166	-0.04%	
 Federal Income Taxes Incurred [Expense/(Benefit)]	171,080	7.15%		17,399	-3.72%	
Tax on Capital Gains/(Losses)	0	0.00%		0	0.00%	
Change in Net Deferred Income Tax [Charge/(Benefit)]	(61,168)	-2.56%		(17,233)	3.68%	
Total Statutory Income Taxes	109,912	4.59%		166	-0.04%	

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

At December 31, 2020, the Company had net operating loss carryforwards expiring through the year 20XX of:
\$0

At December 31, 2020, the Company had capital loss carryforwards expiring through the year 20XX of:
\$0

The following is income tax expense that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2018	N/A	0	0
2019	17,237	0	17,237
2020	170,668	0	170,668
Total	187,905	0	187,905

Deposits admitted under IRC § 6603
None

F. The Company's federal income tax return is consolidated with Centene and its subsidiaries, including but not limited to the following entities:

Absolute Total Care, Inc.	FH Assurance Company	QCA Health Plan, Inc.
AcariaHealth Pharmacy #11, Inc.	Golden Triangle Physician Alliance	QualChoice Life and Health Insurance Company, Inc.
AcariaHealth Pharmacy #12, Inc.	Granite State Health Plan, Inc.	QualMed Plans for Health of Pennsylvania, Inc.
AcariaHealth Pharmacy #13, Inc.	Hallmark Life Insurance Company	QualMed Plans for Health of Western Pennsylvania, Inc.
AcariaHealth Pharmacy #14, Inc.	Harmony Behavioral Health IPA, Inc.	QualMed, Inc.
AcariaHealth Pharmacy, Inc.	Harmony Behavioral Health, Inc.	Quincy Coverage Corporation
AcariaHealth Solutions, Inc.	Harmony Health Management, Inc.	RX Direct, Inc.
AcariaHealth, Inc.	Harmony Health Plan, Inc.	Salus Administrative Services, Inc.
Access Medical Acquisition, Inc.	Harmony Health Systems, Inc.	SelectCare Health Plans, Inc.
Access Medical Group of Florida City, Inc.	Health Net Access, Inc.	SelectCare of Texas, Inc.
Access Medical Group of Hialeah, Inc.	Health Net Community Solutions of Arizona, Inc.	SilverSummit Healthplan, Inc.
Access Medical Group of Miami, Inc.	Health Net Community Solutions, Inc.	Sunflower State Health Plan, Inc.
Access Medical Group of North Miami Beach, Inc.	Health Net Health Plan of Oregon, Inc.	Sunshine Health Community Solutions, Inc.
Access Medical Group of Opa-Locka, Inc.	Health Net Life Insurance Company	Sunshine State Health Plan, Inc.
Access Medical Group of Perrine, Inc.	Health Net Life Reinsurance Company	Superior Health Community Solutions, Inc.
Access Medical Group of Tampa II, Inc.	Health Net of Arizona Administrative Services, Inc.	Superior HealthPlan, Inc.
Access Medical Group of Tampa III, Inc.	Health Net of Arizona, Inc.	Tennessee Total Care, Inc.
Access Medical Group of Tampa, Inc.	Health Net of California Real Estate Holdings, Inc.	The WellCare Management Group, Inc.
Access Medical Group of Westchester, Inc.	Health Net of California, Inc.	Trillium Community Health Plan, Inc.
Accountable Care Coalition of DeKalb, LLC	Health Net Pharmaceutical Services	U.S. Medical Management Holdings, Inc.
Accountable Care Coalition of Southeast Texas	Health Net Services, Inc.	UAM Agent Services Corp.
Accountable Care Coalition of Texas, Inc.	Health Plan Real Estate Holding, Inc.	UAM/APS Holding Corp.
Agate Resources, Inc.	HealthSmart Benefit Solutions, Inc.	Universal American Corporation
Ambetter of North Carolina, Inc.	HealthSmart Care Management Solutions, LP	Universal American Financial Services, Inc.
American Progressive Life and Health	HealthSmart Information Systems, Inc.	University Health Plans, Inc.
APS Healthcare Holdings, Inc.	HealthSmart Preferred Care II, LP	Virginia Total Care, Inc.
APS Healthcare, Inc.	HealthSmart Preferred Network II, Inc.	VPA of Texas, PLLC
APS Parent, Inc.	HealthSmart Primary Care Clinics, LP	VPA, P.C.
Arkansas Health & Wellness Health Plan, Inc.	HealthSmart Rx Solutions, Inc.	WCG Health Management, Inc.
AWC of Syracuse, Inc.	Healthy Missouri Holdings, Inc.	WellCare Health Insurance Company New
Bankers Reserve Life Insurance Company of Wisconsin	Healthy Oklahoma Holdings, Inc.	WellCare Health Insurance Company of
Blue Sky Health Plan, Inc.	Healthy Washington Holdings, Inc.	WellCare Health Insurance Company of
Bridgeaway Health Solutions of Arizona, Inc.	Heritage Health Systems of Texas, Inc.	WellCare Health Insurance Company of
Buckeye Community Health Plan, Inc.	Heritage Health Systems, Inc.	WellCare Health Insurance Company of America
Buckeye Health Plan Community Solutions, Inc.	Heritage Physicians Networks	WellCare Health Insurance Company of Kentucky
Calibrate Acquisition Co.	HHS Texas Management, Inc.	WellCare Health Insurance Company of Nevada
California Health and Wellness Plan	Home State Health Plan, Inc.	WellCare Health Insurance of Arizona, Inc.
Care 1st Health Plan Arizona, Inc.	HomeScripts.com, LLC	WellCare Health Insurance of Connecticut
Care1st Health Plan Administrative Services	IHG Holdings, Inc.	WellCare Health Insurance of New York, Inc.
Carolina Complete Health Holding Company Partnership	IlliniCare Health Plan, Inc.	WellCare Health Insurance of North Carolina
Carolina Complete Health, Inc.	Integrated Mental Health Services, 501(A)	WellCare Health Insurance of Tennessee
CBHSP Arizona, Inc.	Integrated Pharmacy Systems, Inc.	WellCare Health Insurance of the Southwest
Celtic Group, Inc.	Interpreta Holdings, Inc.	WellCare Health Plans of Arizona, Inc.
Celticare Health Plan of Massachusetts, Inc.	Interpreta, Inc.	WellCare Health Plans of California, Inc.
Cenpatico of Arizona, Inc.	Iowa Total Care, Inc.	WellCare Health Plans of Kentucky, Inc.
Cenpatico of California, Inc.	Isla Holding Co., Inc.	WellCare Health Plans of Massachusetts, Inc.
Centene Company of Texas, LP	Kentucky Spirit Health Plan, Inc.	WellCare Health Plans of Missouri, Inc.
Centene Corporation	LBB Industries, Inc.	WellCare Health Plans of New Jersey, Inc.
Centene Escrow II Corporation	LiveHealthier, Inc.	WellCare Health Plans of Tennessee, Inc.
Centene Health Plan Holdings, Inc.	Louisiana Healthcare Connections, Inc.	WellCare Health Plans of Vermont, Inc.
Centene Venture Company Alabama Health Plan, Inc.	LSM Holdco, Inc.	WellCare Health Plans of Wisconsin, Inc.
Centene Venture Company Florida	Magnolia Health Plan, Inc.	WellCare National Health Insurance Company
Centene Venture Company Illinois	Managed Health Network	WellCare of Alabama, Inc.
Centene Venture Company Indiana, Inc.	Managed Health Services Illinois, Inc.	WellCare of Arkansas, Inc.
Centene Venture Company Kansas	Managed Health Services Insurance Corporation	WellCare of California, Inc.
Centene Venture Company Michigan	Maryland Collaborative Care Transformation	WellCare of Connecticut, Inc.
Centene Venture Company Tennessee	Mauli Ola Health and Wellness, Inc.	WellCare of Florida, Inc.
Community Medical Holdings Corp.	Meridian Health Plan of Illinois, Inc.	WellCare of Georgia, Inc.
Comprehensive Health Management, Inc.	Meridian Health Plan of Michigan, Inc.	WellCare of Indiana, Inc.
Comprehensive Reinsurance, Ltd.	MHM Maryland, Inc.	WellCare of Kansas, Inc.
Coordinated Care Corporation	MHM Ohio, Inc.	WellCare of Maine, Inc.
Coordinated Care of Washington, Inc.	MHM Services, Inc.	Wellcare of Michigan Holding Company
Delaware First Health Plan, Inc.	MHN Global Services, Inc.	WellCare of Mississippi, Inc.
District Community Care, Inc.	MHN Government Services - Guam, Inc.	WellCare of Missouri Health Insurance Company
Envolve - New York, Inc.	MHN Government Services - International, Inc.	WellCare of Nebraska, Inc.
Envolve Benefit Options, Inc.	MHN Government Services - Puerto Rico, Inc.	WellCare of New Hampshire, Inc.
Envolve Captive Insurance Company, Inc.	MHS Consulting International, Inc.	WellCare of New York, Inc.
Envolve Dental IPA of New York, Inc.	MHS Travel & Charter, Inc.	WellCare of North Carolina, Inc.
Envolve Dental of Florida, Inc.	Michigan Complete Health, Inc.	WellCare of Ohio, Inc.
Envolve Dental of Texas, Inc.	Missouri Care, Incorporated	WellCare of Oklahoma, Inc.
Envolve Dental, Inc.	National Pharmacy Services, Inc.	WellCare of Pennsylvania, Inc.
Envolve Holdings, Inc.	Nebraska Total Care, Inc.	WellCare of South Carolina, Inc.
Envolve Optical, Inc.	New York Quality Healthcare Corporation	WellCare of Texas, Inc.
Envolve PeopleCare, Inc.	New York Rx, Inc.	WellCare of Virginia
Envolve Pharmacy Solutions, Inc.	Next Door Neighbors, Inc.	WellCare of Washington, Inc.
Envolve Total Vision, Inc.	NovaSys Health, Inc.	WellCare Pharmacy Benefits Management, Inc.
Envolve Vision Benefits, Inc.	Ohana Health Plan, Inc.	WellCare Prescription Insurance, Inc.
Envolve Vision IPA of New York, Inc.	Oklahoma Complete Health, Inc.	Wellington Merger Sub II, Inc.
Envolve Vision of Florida, Inc.	One Care by Care1st Health Plan of Arizona	Western Sky Community Care, Inc.
Envolve Vision of Texas, Inc.	Patriots Holding Co.	Windsor Health Group, Inc.
Envolve Vision, Inc.	Peach State Health Plan, Inc.	Windsor Management Services, Inc.
Envolve, Inc.	Pennsylvania Health & Wellness, Inc.	Worco Management Services, Inc.
Exactus Pharmacy Solutions, Inc.	Pennsylvania Health Care Plan, Inc.	

The method of allocation among companies is subject to a written agreement whereby allocation is made primarily on a separate company basis using the percentage method pursuant to provisions of IRC Sections §1502 and §1552 and Treasury Regulations §1.1502 and §1.1552. This percentage method allocates a tax asset (i.e. intercompany receivable) for any benefit derived by the consolidated group for the member's losses or credits that offset consolidated taxable income. In accordance with the tax sharing agreement, each member shall pay to Parent or receive from the Parent the amount of tax liability or benefit reported on each member's proforma federal income tax return within 90 days of the date Parent files its consolidated federal income tax return.

G. Federal or Foreign 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)

Not applicable

I. Alternative Minimum Tax (AMT) Credit

Not applicable

(1). Gross AMT Credit Recognized as:

a. Current year recoverable	\$	-
b. Deferred tax asset (DTA)	\$	-

(2). Beginning Balance of AMT Credit Carryforward

(3). Amounts Recovered	\$	-
(4). Adjustments	\$	-

(5). Ending Balance of AMT Credit Carryforward

(6). Reduction for Sequestration	\$	-
(7). Nonadmitted by Reporting Entity	\$	-

(8). Reporting Entity Ending Balance

	\$	-
	\$	-

J. Global Intangible Low-Taxed Income (GILTI)

Not applicable

10. Information Concerning Parent, Subsidiaries and Affiliates

A – E

During 2020 and 2019, Centene Management Company, LLC, a wholly owned subsidiary of Centene Corporation, provided data, claims processing, case management, care coordination and general management services to the Company. Medical and administrative expenses for the period ending December 31, 2020 and December 31, 2019 included \$2,503,133 and \$1,844,000, respectively, for such services. Amounts due (to) from at December 31, 2020 and December 31, 2019 included (\$1,673,141) and (\$219,803), respectively, for management fees and expenses paid on behalf of the company.

Envolve PeopleCare, Inc. provided triage services and chronic pulmonary disease management services to the Company. Medical expenses for the period ending December 31, 2020 and December 31, 2019 included \$6,990 and \$5,610, respectively, for such services. Amounts due (to) from at December 31, 2020 and December 31, 2019 included (\$1,170) and (\$496), respectively, for such services.

Envolve Pharmacy Solutions, Inc. provided pharmacy benefit management services to the Company. Medical expenses for the period ending December 31, 2020 and December 31, 2019 included \$5,468,892 and \$4,166,736, respectively, for such services. Amounts due (to) from at December 31, 2020 and December 31, 2019 included (\$48,148) and \$400,393, respectively, for such services.

Envolve Vision, Inc. provided vision management services to the Company. Medical expenses for the period ending December 31, 2020 and December 31, 2019 included \$116,261 and \$97,628, respectively, for such services. Amounts due (to) from at December 31, 2020 and December 31, 2019 included (\$116,261) and (\$8,574), respectively, for such services.

Envolve Dental, Inc. provided dental management services to the Company. Medical expenses for the period ending December 31, 2020 and December 31, 2019 included \$193,282 and \$386,792, respectively, for such services. Amounts due (to) from at December 31, 2020 and December 31, 2019 included (\$193,282) and (\$34,188), respectively, for such services.

During 2020 and 2019, Centene Corporation contributed \$0 and \$1,000,000, respectively, to the surplus of the Company. Of the total surplus contributed \$0 and \$1,000,000 are recorded as a receivable at December 31, 2020 and 2019, respectively and included in due from affiliates.

F. Guarantees – None

G. Control Relationship

The Company is wholly owned by Centene Corporation.

H. Upstream Intermediate Entity – None

I. Investment in an SCA entity – None

J. Investments in impaired SCA entities – None

K. Investment in a Foreign Insurance Subsidiary – None

L. Investment in Downstream Noninsurance Holding Company - None

M. All SCA Investments - None

N. Investments in Insurance SCAs - None

O. SCA and SSAP No. 48 Entity Loss Tracking - None

11. Debt

A. Capital Notes

None

B. FHLB (Federal Home Loan Bank) agreements

None

12. Retirement Plans, Deferred Compensation, Post-Employment Benefits, Compensated Absences and Other Postretirement Benefit Plans.

A. Defined Benefit Plans

None

B. Description of investment policies and strategies for retirement plans

None

C. Fair value of each class of plan assets

None

D. Narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets Assumption

None

E. Defined Contribution Plans

None

F. Multiemployer Plans

None

G. Consolidated/Holding Company Plans

None

H. Post-Employment Benefits and Compensated Absences

None

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

None

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

A. The Company has 1,000, \$.001 par value shares authorized, issued and outstanding.

B. The Company has no preferred stock outstanding.

C. The Company is restricted from paying any extraordinary dividend or distribution to its shareholders until thirty days after the Commissioner has received notice of the distribution and has not within the thirty day period disapproved the dividend or distribution. An extraordinary dividend or distribution is one in which the fair market value, together with that of any other dividends or distributions made within the preceding twelve months, exceeds the greater of ten percent of the Company's surplus as of the thirty-first day of December next preceding, or the Company's net income for the twelve month period ending the thirty-first day of December next preceding.

D. No dividends were paid during 2020 and 2019.

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

F. There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

G. The Company has no advances to surplus not repaid.

- H. The Company held no stock for special purposes including conversion of preferred stock, employee stock options and stock purchase warrants.
- I. The Company reported a special surplus of \$0 at December 31, 2020. The Company reported a special surplus of \$372,378 at December 31, 2019.
- J. There are no unassigned funds (surplus) represented or reduced by cumulative gains and losses.
- K. The Company did not hold or issue any surplus debentures or similar obligations.
- L. There have been no quasi-reorganizations.
- M. The Company has not been involved in a quasi-reorganization in the last ten years.

14. Liabilities, Contingencies, and Assessments

- A. Contingent Commitments
 - None
- B. Assessments
 - None
- C. Gain Contingencies
 - None
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits
 - None
- E. Joint and Several Liabilities
 - None
- F. All Other Contingencies
 - None

Various lawsuits against the Company may arise in the course of the Company's business. Contingent liabilities, if any, arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

15. Leases

- None

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

- None

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

- A. Transfers of Receivables reported as Sales
 - None
- B. Transfers and Servicing of Financial Assets
 - None
- C. Wash Sales
 - None

18. Gain or Loss to the Reporting Entity from Uninsured A&H 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
 - None

1. Revenue from the Company's Medicare contract for the year ended December 31, 2020 consisted of \$25,027,295 for medical, hospital related services, and administrative expenses.
2. As of December 31, 2020, the Company recorded no receivable greater than 10% of the Company's amounts receivable from uninsured accident and health plans or \$10,000.
3. In connection with the Company's Medicare contract, the Company has no recorded allowances and reserves for adjustment of recorded revenues at December 31, 2020.
4. The Company has made no adjustments to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

None

20. Fair Value Measurements

A. The guidance in SSAP No. 100R – Fair Value allows the use of net asset value per share (NAV) instead of fair value for certain investments. The guidance is effective Jan. 1, 2018 with early adoption permitted. For reporting entities electing to early-adopt, the reporting entity shall include narrative disclosures on the use of NAV and include the SSAP No. 100R disclosures for situations when an investment may be sold below NAV or if there are significant restrictions in the liquidation of an investment held at NAV.

Level inputs are as follows:

Level input	Input definition
Level 1	Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.
Level 3	Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The following table summarizes fair value measurements by level at December 31, 2020 for assets and liabilities measured at fair value on a recurring basis:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Cash, Cash Equivalents and Short-Term Investments	\$ 3,124,603	\$ -	\$ -	\$ -	\$ 3,124,603
Perpetual Preferred stock					
Industrial and Misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates					
Total Perpetual Preferred Stocks	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds					
U.S. Governments	\$ -	\$ -	\$ -	\$ -	\$ -
Industrial and Misc					
Hybrid Securities					
Parent, Subsidiaries and Affiliates					
Total Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Common Stock					
Industrial and Misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates					
Total Common Stocks	\$ -	\$ -	\$ -	\$ -	\$ -
Derivative assets					
Interest rate contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Foreign exchange contracts					
Credit contracts					
Commodity futures contracts					
Commodity forward contracts					
Total Derivatives	\$ -	\$ -	\$ -	\$ -	\$ -
Separate account assets	\$ -	\$ -	\$ -	\$ -	\$ -
Total assets at fair value/NAV	<u>\$ 3,124,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,124,603</u>
b. Liabilities at fair value					
Derivative liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The following table summarizes fair value measurements by level at December 31, 2019 for assets and liabilities measured at fair value on a recurring basis:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Cash, Cash Equivalents and Short-Term Investments	\$ 6,349,427	\$ -	\$ -	\$ -	\$ 6,349,427
Perpetual Preferred stock					
Industrial and Misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	\$ -	\$ -	\$ -	\$ -	\$ -
Total Perpetual Preferred Stocks	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds					
U.S. Governments	\$ -	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	\$ -	\$ -	\$ -	\$ -	\$ -
Hybrid Securities	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	\$ -	\$ -	\$ -	\$ -	\$ -
Total Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Common Stock					
Industrial and Misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	\$ -	\$ -	\$ -	\$ -	\$ -
Total Common Stocks	\$ -	\$ -	\$ -	\$ -	\$ -
Derivative assets					
Interest rate contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Foreign exchange contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Credit contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity futures contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity forward contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Total Derivatives	\$ -	\$ -	\$ -	\$ -	\$ -
Separate account assets	\$ -	\$ -	\$ -	\$ -	\$ -
Total assets at fair value/NAV	\$ 6,349,427	\$ -	\$ -	\$ -	\$ 6,349,427
b. Liabilities at fair value					
Derivative liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

B. Assets Measured at Fair Value on a Nonrecurring Basis

None

C. Aggregate Fair Value for all Financial Instruments

The following table summarizes the aggregate fair value measurements by level at December 31, 2020 for all financial instruments.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level I	Level II	Level III	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 7,045,907	\$ 7,029,965	\$ 421,852	\$ 6,624,056	\$ -	\$ -	\$ -
Cash and Cash Equivalents	\$ 3,124,603	\$ 3,124,603	\$ 3,124,603	\$ -	\$ -	\$ -	\$ -

The following table summarizes the aggregate fair value measurements by level at December 31, 2019 for all financial instruments.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level I	Level II	Level III	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 411,217	\$ 409,855	\$ -	\$ 411,217	\$ -	\$ -	\$ -
Cash and Cash Equivalents	\$ 6,349,427	\$ 6,349,427	\$ 6,349,427	\$ -	\$ -	\$ -	\$ -

D. Unable to Estimate Fair Value

None

E. Assets Measured at Net Asset Value

None

21. Other Items

A. Unusual or Infrequent Items

None

B. Troubled Debt Restructuring: Debtors

None

C. Other Disclosures

None

D. Business Interruption Insurance Recoveries

None

E. State Transferable and Non-transferable Tax Credits

None

F. Subprime Mortgage Related Risk Exposure

None

G. Retained Assets

None

H. Insurance Linked Securities (ILS) Contracts

None

I. Life Insurance Policy

None

22. Events Subsequent

In connection with the preparation of the statutory financial statements, the Company evaluated subsequent events through February 28, 2021, which was the date the statutory financial statements were issued. Due to market volatility and economic measures taken to contain the virus there may be impact to our operations and financial position, however we are unable to estimate the ultimate impact of the COVID-19 pandemic, at this time.

Type I – Recognizable Subsequent Events

None

Type II – Non-recognizable Subsequent Events

The Company is subject to the annual industry fee under section 9010 of ACA. The industry fee is being levied on certain health insurers that provide insurance in the assessment year, and is allocated to health insurers based on each health insurer's share of net premiums for all U.S health insurers in the year preceding the assessment. In December 2015, President Obama signed the Consolidated Appropriations Act, 2016 which, among other provisions, included a one-year moratorium on the ACA industry fee for 2017 (payable in 2018). Additionally, in January 2018, Congress approved an additional one-year moratorium of the ACA industry fee for 2019 (payable in 2020). The 116th Congress passed a permanent repeal of the ACA industry fee starting in 2021 and repealed the other two ACA taxes, Medical Device Tax and Excise Tax, immediately.

The liability and expense are recognized once the Company provides health insurance for any U.S. health risk in the assessment year. The Company paid and expensed \$352,488 and \$0 in 2020 and 2019, respectively.

	<u>Current Year</u>	<u>Prior Year</u>
	Yes	No
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)?	\$ -	\$ 372,378
B. ACA fee assessment payable for the upcoming year	\$ 352,488	\$ -
C. ACA fee assessment paid	\$ -	\$ 19,568,016
D. Premium written subject to ACA 9010 assessment	\$ 5,740,469	
E. Total Adjusted Capital before surplus adjustment	\$ 5,740,469	
F. Total Adjusted Capital after surplus adjustment	\$ 1,381,950	
G. Authorized Control Level		
H. Would reporting the ACA assessment as of December 31, 2020 have triggered an RBC Action Level (YES/NO)?		

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

1. No
2. No

Section 2 - Ceded Reinsurance Report - Part A

1. No
2. No

Section 3 - Ceded Reinsurance Report - Part B

1. \$0
2. No

B. Uncollectible Reinsurance

None

C. Commutation of Ceded Reinsurance

None

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

None

E. Reinsurance Credit

None

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. The Company participates in the Medicare Advantage program under a contract with Centers for Medicare and Medicaid Services which is subject to federal Medicare MLR regulations under Title 42 of the Code of Federal Regulations, Part 422.
- B. The Company records accrued retrospective premiums through written premium.
- C. The amount of net premiums written by the Company at December 31, 2020 which are subject to retrospective rating features was \$25.0 million, which represents 100% of the total net premiums written.
- D. Medical Loss Ratio Rebates Required pursuant to the Public Health Service Act

None

E. Risk-Sharing Provisions of the ACA

None

25. Change in Incurred Claims and Claims Adjustment Expenses

- A. Reserves for incurred claims and claim adjustment expenses as of December 31, 2019 were \$2.11 million. As of December 31, 2020, \$2.13 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$0.04 million as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Medicaid lines of insurance. Therefore, there has been \$0.06 million in unfavorable prior-year development. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.
- B. There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses for the most recent reporting period presented.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

- A. At December 31, 2020, the Company had admitted pharmacy rebate receivables of \$393,757. These are admitted in accordance with SSAP No. 84 as they are estimated amounts related solely to actual prescriptions filled during the 3 months immediately preceding the reporting date. The amounts are estimated based on historical per script rebates and the actual number of scripts during the period.

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	393,757	393,757	-	-	-
9/30/2020	372,485	335,928	-	93,282	-
6/30/2020	259,114	312,278	-	48,899	263,379
3/31/2020	232,884	275,269	-	8,257	267,012
12/31/2019	212,308	207,957	-	14,631	217,943
9/30/2019	209,771	215,593	-	30	205,005
6/30/2019	181,209	195,495	-	2,738	197,740
3/31/2019	161,800	177,810	-	145	181,873
12/31/2018	118,903	107,224	-	4,370	102,854
9/30/2018	97,929	91,979	662	1,037	90,280
6/30/2018	70,313	71,946	-	25,271	46,675
3/31/2018	65,578	55,609	-	15,787	39,822

29. Participating Policies

None

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves \$0
2. Date of the most recent evaluation of this liability 1/31/2021
3. Was anticipated investment income utilized in the calculation? Yes

31. Anticipated Salvage and Subrogation

None