



ANNUAL STATEMENT

For the Year Ended December 31, 2020
of the Condition and Affairs of the

Medical Mutual of Ohio

NAIC Group Code..... 730, 730
(Current Period) (Prior Period)

NAIC Company Code..... 29076

Employer's ID Number..... 34-0648820

Organized under the Laws of OH

State of Domicile or Port of Entry OH

Country of Domicile US

Licensed as Business Type Property/Casualty

Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized..... March 30, 1934

Commenced Business..... January 1, 1934

Statutory Home Office

2060 East Ninth Street .. Cleveland .. OH .. US .. 44115-1355
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office

2060 East Ninth Street .. Cleveland .. OH .. US .. 44115-1355
(Street and Number) (City or Town, State, Country and Zip Code)

216-687-7000
(Area Code) (Telephone Number)

Mail Address

2060 East Ninth Street .. Cleveland .. OH .. US .. 44115-1355
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records

2060 East Ninth Street .. Cleveland .. OH .. US .. 44115-1355
(Street and Number) (City or Town, State, Country and Zip Code)

216-687-7000
(Area Code) (Telephone Number)

Internet Web Site Address

www.MedMutual.com

Statutory Statement Contact

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(Name)
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216-687-2759
(Area Code) (Telephone Number) (Extension)
216-360-4073
(Fax Number)

OFFICERS

Name	Title	Name	Title
1. Richard Alan Chiricosta	Chairman, President & CEO	2. Patricia Bunn Decensi	Secretary
3. Raymond Karl Mueller	Treasurer & CFO	4.	

OTHER

Thomas Parke Dewey	EVP	Patricia Bunn Decensi	EVP
Kathleen Rose Golovan	EVP	Andrea Marie Hogben	EVP
John Steven Kish	EVP	Teresa Jo Koenig	EVP
Steffany Matticola Larkins	EVP	Raymond Karl Mueller	EVP
David Gerard Quiring	EVP		

DIRECTORS OR TRUSTEES

Charles Arthur Bryan	Richard Alan Chiricosta	Frederick David DiSanto	Terrance Callahan Egger
Michael Kipp Keating	Robert John King Jr.	Darrell LeRoy McNair	Greta Jane Russell

State of..... Ohio
County of..... Cuyahoga

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)
Richard Alan Chiricosta

1. (Printed Name)
Chairman, President & CEO

(Title)

(Signature)
Patricia Bunn Decensi

2. (Printed Name)
Secretary

(Title)

(Signature)
Raymond Karl Mueller

3. (Printed Name)
Treasurer & CFO

(Title)

Subscribed and sworn to before me
This _____ day of _____ 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 _____

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	1,192,580,984		1,192,580,984	1,172,180,893
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	10,302,344		10,302,344	
2.2 Common stocks.....	503,149,980		503,149,980	446,781,642
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 encumbrances).....	38,071,810		38,071,810	37,155,598
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....69,014,415, Schedule E-Part 1), cash equivalents (\$.....286,826,288, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	355,840,703		355,840,703	361,106,628
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	301,037,667	14,113,350	286,924,317	291,015,835
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).....	2,400,983,488	14,113,350	2,386,870,138	2,308,240,596
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	6,306,127		6,306,127	6,771,319
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	43,189,390	13,461	43,175,929	28,831,824
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....20,329,739).....	20,329,739		20,329,739	18,468,000
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	172,917		172,917	
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.....	4,399,087		4,399,087	3,159,779
18.1 Current federal and foreign income tax recoverable and interest thereon.....	6,108,146		6,108,146	40,135,848
18.2 Net deferred tax asset.....	21,463,095		21,463,095	50,055,000
19. Guaranty funds receivable or on deposit.....	3,529,563		3,529,563	5,208,060
20. Electronic data processing equipment and software.....	4,436,458	1,068,779	3,367,679	5,635,989
21. Furniture and equipment, including health care delivery assets (\$.....0).....	60,274,775	60,274,775	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	25,302,921		25,302,921	4,084,291
24. Health care (\$.....82,928,156) and other amounts receivable.....	155,368,536	72,440,380	82,928,156	68,089,783
25. Aggregate write-ins for other-than-invested assets.....	50,674,562	42,989,788	7,684,774	3,114,107
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	2,802,538,804	190,900,533	2,611,638,271	2,541,794,596
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	2,802,538,804	190,900,533	2,611,638,271	2,541,794,596

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.			0	
2502. Other Assets.....	17,343,392	13,643,534	3,699,858	79,684
2503. Prepaid Assets.....	23,950,869	23,950,869	0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	9,380,301	5,395,385	3,984,916	3,034,423
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	50,674,562	42,989,788	7,684,774	3,114,107

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	376,638,508		376,638,508	363,684,107
2. Accrued medical incentive pool and bonus amounts.....	9,132,000		9,132,000	4,594,000
3. Unpaid claims adjustment expenses.....	9,405,840		9,405,840	7,106,787
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	3,238,164		3,238,164	31,808,746
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserves.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	45,220,929		45,220,929	69,782,841
9. General expenses due or accrued.....	144,835,614		144,835,614	136,772,768
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.....	171,045		171,045	
12. Amounts withheld or retained for the account of others.....	7,362,209		7,362,209	42,011
13. Remittances and items not allocated.....	665,314		665,314	1,156,684
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....			0	
16. Derivatives.....			0	
17. Payable for securities.....	152,020		152,020	
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.....	1,872		1,872	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....	1,838,570		1,838,570	3,903,419
23. Aggregate write-ins for other liabilities (including \$.....55,214,050 current).....	154,145,763	0	154,145,763	120,484,103
24. Total liabilities (Lines 1 to 23).....	752,807,848	0	752,807,848	739,335,466
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	55,018,000
26. Common capital stock.....	XXX	XXX		
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
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	1,858,830,423	1,747,441,130
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	1,858,830,423	1,802,459,130
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	2,611,638,271	2,541,794,596

DETAILS OF WRITE-INS

2301. Accrued Postemployment Benefits Other Than Pension.....	70,555,218		70,555,218	65,273,326
2302. Building Lease Liability.....			0	227,170
2303. Other Liabilities.....	50,319,842		50,319,842	35,202,554
2398. Summary of remaining write-ins for Line 23 from overflow page.....	33,270,703	0	33,270,703	19,781,053
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above).....	154,145,763	0	154,145,763	120,484,103
2501. Estimated 2018 Health Insurer Fee.....	XXX	XXX		55,018,000
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	55,018,000
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 Uncovered	2 Total	3 Total
1. Member months.....	XXX	12,779,829	12,846,930
2. Net premium income (including \$.....0 non-health premium income).....	XXX	2,816,267,745	2,745,478,625
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	2,816,267,745	2,745,478,625
Hospital and Medical:			
9. Hospital/medical benefits.....		1,482,498,002	1,701,383,181
10. Other professional services.....		103,495,900	109,794,202
11. Outside referrals.....		14,382,784	17,299,589
12. Emergency room and out-of-area.....		258,559,177	241,104,646
13. Prescription drugs.....		300,590,435	298,477,680
14. Aggregate write-ins for other hospital and medical.....0		.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....		8,794,774	3,947,097
16. Subtotal (Lines 9 to 15).....0		2,168,321,072	2,372,006,395
Less:			
17. Net reinsurance recoveries.....		(226,084,251)	(9,027,138)
18. Total hospital and medical (Lines 16 minus 17).....0		2,394,405,323	2,381,033,533
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....63,318,618 cost containment expenses.....		129,371,288	94,980,788
21. General administrative expenses.....		221,507,578	188,340,354
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....		(29,900,000)	(5,800,000)
23. Total underwriting deductions (Lines 18 through 22).....0		2,715,384,189	2,658,554,675
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	100,883,556	86,923,950
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		41,857,530	44,472,217
26. Net realized capital gains or (losses) less capital gains tax of \$.....0.....		(17,138,362)	511,543
27. Net investment gains or (losses) (Lines 25 plus 26).....0		24,719,168	44,983,760
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			
29. Aggregate write-ins for other income or expenses.....0		(4,041,610)	(2,576,928)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	121,561,114	129,330,782
31. Federal and foreign income taxes incurred.....	XXX	26,491,103	26,484,195
32. Net income (loss) (Lines 30 minus 31).....	XXX	95,070,011	102,846,587

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
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....		.0	.0
2901. (Other Expense), net of Other Income.....		(4,041,610)	(2,576,928)
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page.....		.0	.0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....		(4,041,610)	(2,576,928)

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	1,802,459,130	1,793,094,383
34. Net income or (loss) from Line 32.....	95,070,011	102,846,587
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 \$.....11,227,000.....	7,420,846	(6,038,021)
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	(17,889,906)	(81,976,035)
39. Change in nonadmitted assets.....	(76,461,157)	(77,876,367)
40. Change in unauthorized and certified reinsurance.....	(1,872)	
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.....	48,233,371	72,408,583
48. Net change in capital and surplus (Lines 34 to 47).....	56,371,293	9,364,747
49. Capital and surplus end of reporting period (Line 33 plus 48).....	1,858,830,423	1,802,459,130

DETAILS OF WRITE-INS		
4701. (Increase)/Decrease in Unrecognized Postretirement Benefit Costs, net of tax.....	(1,898,104)	(2,947,284)
4702. Increase in Pension Costs, net of tax.....	(77,168)	(76,400)
4703. Current Utilization of Valued DTA.....	50,208,643	75,432,267
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).....	48,233,371	72,408,583

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	2,781,471,305	2,717,803,635
2. Net investment income.....	48,837,968	48,788,610
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	2,830,309,273	2,766,592,245
5. Benefit and loss related payments.....	2,443,513,550	2,313,523,744
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	322,231,813	260,411,385
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(57,346,660)	(124,233,699)
10. Total (Lines 5 through 9).....	2,708,398,703	2,449,701,430
11. Net cash from operations (Line 4 minus Line 10).....	121,910,570	316,890,815
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	303,128,676	168,005,670
12.2 Stocks.....	52,264,077	57,438,396
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....	12,527,565	3,811,524
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....	152,020	
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	368,072,338	229,255,590
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	329,942,729	205,907,848
13.2 Stocks.....	86,118,145	61,449,138
13.3 Mortgage loans.....		
13.4 Real estate.....	1,687,009	389,561
13.5 Other invested assets.....	19,006,739	21,417,456
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	436,754,622	289,164,003
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).....	(68,682,284)	(59,908,413)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
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).....	(58,494,211)	(134,244,151)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(58,494,211)	(134,244,151)
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).....	(5,265,925)	122,738,251
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	361,106,628	238,368,377
19.2 End of year (Line 18 plus Line 19.1).....	355,840,703	361,106,628

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (hospital and medical).....	1,904,073,793	234,495,467		2,138,569,260
2.	Medicare Supplement.....	20,899,389			20,899,389
3.	Dental only.....	13,698,878			13,698,878
4.	Vision only.....	3,861,528			3,861,528
5.	Federal Employees Health Benefits Plan.....	15,815,683			15,815,683
6.	Title XVIII - Medicare.....	397,514,809		240,491	397,274,318
7.	Title XIX - Medicaid.....				0
8.	Other health.....	226,148,689			226,148,689
9.	Health subtotal (Lines 1 through 8).....	2,582,012,769	234,495,467	240,491	2,816,267,745
10.	Life.....				0
11.	Property/casualty.....				0
12.	Totals (Lines 9 to 11).....	2,582,012,769	234,495,467	240,491	2,816,267,745

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	2,194,249,550	1,599,408,932	14,802,071	9,159,265	3,242,352	11,689,030	351,887,196		204,060,704	
1.2 Reinsurance assumed.....	194,099,446	194,099,446								
1.3 Reinsurance ceded.....	144,794						144,794			
1.4 Net.....	2,388,204,202	1,793,508,378	14,802,071	9,159,265	3,242,352	11,689,030	351,742,402	0	204,060,704	0
2. Paid medical incentive pools and bonuses.....	4,256,774	3,611,711				13,076	609,581		22,406	
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	343,030,305	269,382,705	2,357,450	870,000		1,797,352	50,621,297		18,001,501	
3.2 Reinsurance assumed.....	33,608,203	33,608,203								
3.3 Reinsurance ceded.....	0									
3.4 Net.....	376,638,508	302,990,908	2,357,450	870,000	0	1,797,352	50,621,297	0	18,001,501	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.....	9,132,000	4,601,268				16,659	4,485,528		28,545	
6. Net healthcare receivables (a).....	15,375,137	11,873,320	56,200	78,893	50,590	9,425	3,127,099		179,610	
7. Amounts recoverable from reinsurers December 31, current year.....	172,917						172,917			
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	362,378,420	280,168,076	2,553,408	750,000		1,857,869	50,236,896		26,812,171	
8.2 Reinsurance assumed.....	1,305,687	1,305,687								
8.3 Reinsurance ceded.....	0									
8.4 Net.....	363,684,107	281,473,763	2,553,408	750,000	0	1,857,869	50,236,896	0	26,812,171	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.....	4,594,000	4,182,178					409,060		2,762	
11. Amounts recoverable from reinsurers December 31, prior year.....	0									
12. Incurred benefits:										
12.1 Direct.....	2,159,526,298	1,576,750,241	14,549,913	9,200,372	3,191,762	11,619,088	349,144,498	0	195,070,424	0
12.2 Reinsurance assumed.....	226,401,962	226,401,962	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	317,711	0	0	0	0	0	317,711	0	0	0
12.4 Net.....	2,385,610,549	1,803,152,203	14,549,913	9,200,372	3,191,762	11,619,088	348,826,787	0	195,070,424	0
13. Incurred medical incentive pools and bonuses.....	8,794,774	4,030,801	0	0	0	29,735	4,686,049	0	48,189	0

(a) Excludes \$.64,428,783 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	0									
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	0	0	0	0	0	0	0	0	0	0
2. Incurred but unreported:										
2.1 Direct.....	343,030,305	269,382,705	2,357,450	870,000		1,797,352	50,621,297		18,001,501	
2.2 Reinsurance assumed.....	33,608,203	33,608,203								
2.3 Reinsurance ceded.....	0									
2.4 Net.....	376,638,508	302,990,908	2,357,450	870,000	0	1,797,352	50,621,297	0	18,001,501	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.....	343,030,305	269,382,705	2,357,450	870,000	0	1,797,352	50,621,297	0	18,001,501	0
4.2 Reinsurance assumed.....	33,608,203	33,608,203	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.....	376,638,508	302,990,908	2,357,450	870,000	0	1,797,352	50,621,297	0	18,001,501	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical).....	193,366,249	1,592,001,813	4,207,186	298,783,722	197,573,435	281,473,763
2. Medicare Supplement.....	2,390,441	12,223,916	6,774	2,350,676	2,397,215	2,553,408
3. Dental only.....	633,277	8,485,654		870,000	633,277	750,000
4. Vision only.....	4,346	3,263,413			4,346	
5. Federal Employees Health Benefits Plan.....	2,332,856	10,552,744	2,252	1,795,100	2,335,108	1,857,869
6. Title XVIII - Medicare.....	34,577,679	323,344,573	(210,243)	50,831,540	34,367,436	50,236,896
7. Title XIX - Medicaid.....					0	
8. Other health.....	27,266,772	177,587,552		18,001,501	27,266,772	26,812,171
9. Health subtotal (Lines 1 to 8).....	260,571,620	2,127,459,665	4,005,969	372,632,539	264,577,589	363,684,107
10. Healthcare receivables (a).....	237,827	90,701,927			237,827	75,564,617
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....	1,974,090	2,282,684	2,403,280	6,728,720	4,377,370	4,594,000
13. Totals (Lines 9 - 10 + 11 + 12).....	262,307,883	2,039,040,422	6,409,249	379,361,259	268,717,132	292,713,490

(a) Excludes \$.64,428,783 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 Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	149,000	145,499	143,673	142,682	142,682
2. 2016.....	1,753,588	1,933,008	1,930,998	1,929,852	1,928,982
3. 2017.....	XXX	1,876,102	2,054,474	2,053,006	2,052,343
4. 2018.....	XXX	XXX	2,009,886	2,201,524	2,200,185
5. 2019.....	XXX	XXX	XXX	2,134,179	2,399,596
6. 2020.....	XXX	XXX	XXX	XXX	2,129,743

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	(10,052)	(14,433)	(15,859)	(16,084)	(16,084)
2. 2016.....	1,978,662	1,938,529	1,929,385	1,928,837	1,928,981
3. 2017.....	XXX	2,096,710	2,061,705	2,051,705	2,051,516
4. 2018.....	XXX	XXX	2,238,927	2,212,830	2,199,128
5. 2019.....	XXX	XXX	XXX	2,417,904	2,407,652
6. 2020.....	XXX	XXX	XXX	XXX	2,418,403

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	2,368,349	1,928,982	73,138	3.8	2,002,120	84.5			2,002,120	84.5
2. 2017.....	2,470,269	2,052,343	79,384	3.9	2,131,727	86.3	(827)		2,130,900	86.3
3. 2018.....	2,636,079	2,200,185	87,630	4.0	2,287,815	86.8	(1,058)		2,286,757	86.7
4. 2019.....	2,745,479	2,399,596	99,358	4.1	2,498,954	91.0	8,294	114	2,507,362	91.3
5. 2020.....	2,816,268	2,129,743	113,270	5.3	2,243,013	79.6	379,361	9,292	2,631,666	93.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(\$000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	140,976	137,491	135,696	134,712	134,712
2. 2016.....	1,473,320	1,628,160	1,626,264	1,625,257	1,624,431
3. 2017.....	XXX	1,423,758	1,558,111	1,556,945	1,556,326
4. 2018.....	XXX	XXX	1,529,024	1,677,050	1,675,855
5. 2019.....	XXX	XXX	XXX	1,601,144	1,798,717
6. 2020.....	XXX	XXX	XXX	XXX	1,594,046

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	(11,036)	(15,372)	(16,665)	(16,995)	(16,995)
2. 2016.....	1,673,726	1,633,413	1,624,888	1,624,467	1,624,431
3. 2017.....	XXX	1,591,593	1,565,216	1,555,932	1,555,616
4. 2018.....	XXX	XXX	1,710,065	1,688,052	1,674,946
5. 2019.....	XXX	XXX	XXX	1,817,157	1,806,629
6. 2020.....	XXX	XXX	XXX	XXX	1,823,029

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	2,012,928	1,624,431	63,547	3.9	1,687,978	83.9			1,687,978	83.9
2. 2017.....	1,940,334	1,556,326	61,459	3.9	1,617,785	83.4	(710)		1,617,075	83.3
3. 2018.....	2,059,989	1,675,855	66,012	3.9	1,741,867	84.6	(909)		1,740,958	84.5
4. 2019.....	2,101,744	1,798,717	74,841	4.2	1,873,558	89.1	8,150	95	1,881,803	89.5
5. 2020.....	2,138,569	1,594,046	76,684	4.8	1,670,730	78.1	301,061	7,747	1,979,538	92.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(\$000 Omitted)

SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	3,092	3,082	3,080	3,078	3,078
2. 2016.....	18,627	21,010	21,002	20,992	20,992
3. 2017.....	XXX	17,867	20,611	20,603	20,599
4. 2018.....	XXX	XXX	16,756	18,897	18,891
5. 2019.....	XXX	XXX	XXX	15,438	17,838
6. 2020.....	XXX	XXX	XXX	XXX	12,224

SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	486	460	452	455	455
2. 2016.....	20,682	21,010	20,992	20,983	20,992
3. 2017.....	XXX	19,667	20,622	20,592	20,593
4. 2018.....	XXX	XXX	18,802	19,291	18,884
5. 2019.....	XXX	XXX	XXX	17,004	17,858
6. 2020.....	XXX	XXX	XXX	XXX	13,905

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	30,040	20,992	1,147	5.5	22,139	73.7			22,139	73.7
2. 2017.....	27,892	20,599	1,962	9.5	22,561	80.9	(6)		22,555	80.9
3. 2018.....	26,373	18,891	1,888	10.0	20,779	78.8	(7)		20,772	78.8
4. 2019.....	23,358	17,838	1,900	10.7	19,738	84.5	20	1	19,759	84.6
5. 2020.....	20,899	12,224	1,334	10.9	13,558	64.9	2,351	66	15,975	76.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(\$000 Omitted)

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	927	927	927	927	927
2. 2016.....	9,958	10,933	10,933	10,933	10,933
3. 2017.....	XXX	9,051	9,740	9,740	9,740
4. 2018.....	XXX	XXX	8,703	9,281	9,281
5. 2019.....	XXX	XXX	XXX	9,006	9,639
6. 2020.....	XXX	XXX	XXX	XXX	8,486

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	280	279	279	279	279
2. 2016.....	10,734	10,933	10,933	10,933	10,933
3. 2017.....	XXX	9,528	9,740	9,740	9,740
4. 2018.....	XXX	XXX	9,068	9,281	9,281
5. 2019.....	XXX	XXX	XXX	9,422	9,639
6. 2020.....	XXX	XXX	XXX	XXX	8,943

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	16,804	10,933	1,420	13.0	12,353	73.5			12,353	73.5
2. 2017.....	14,423	9,740	1,016	10.4	10,756	74.6			10,756	74.6
3. 2018.....	13,415	9,281	908	9.8	10,189	76.0			10,189	76.0
4. 2019.....	13,025	9,639	791	8.2	10,430	80.1			10,430	80.1
5. 2020.....	13,699	8,486	545	6.4	9,031	65.9	870	24	9,925	72.5

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(\$000 Omitted)

SECTION A - PAID HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	.....13	.....13	.....13	.....13	.....13
2. 2016.....	.....2,931	.....2,937	.....2,937	.....2,937	.....2,937
3. 2017.....	.....XXX	.....2,680	.....2,684	.....2,684	.....2,684
4. 2018.....	.....XXX	.....XXX	.....2,645	.....2,649	.....2,649
5. 2019.....	.....XXX	.....XXX	.....XXX	.....2,709	.....2,713
6. 2020.....	.....XXX	.....XXX	.....XXX	.....XXX	.....3,264

SECTION B - INCURRED HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	.....70	.....70	.....70	.....70	.....70
2. 2016.....	.....2,862	.....2,937	.....2,937	.....2,937	.....2,937
3. 2017.....	.....XXX	.....2,595	.....2,684	.....2,684	.....2,684
4. 2018.....	.....XXX	.....XXX	.....2,562	.....2,649	.....2,649
5. 2019.....	.....XXX	.....XXX	.....XXX	.....2,615	.....2,713
6. 2020.....	.....XXX	.....XXX	.....XXX	.....XXX	.....3,118

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	.....3,602	.....2,937	.....35	.....1.2	.....2,972	.....82.5			.....2,972	.....82.5
2. 2017.....	.....3,634	.....2,684	.....69	.....2.6	.....2,753	.....75.8			.....2,753	.....75.8
3. 2018.....	.....3,589	.....2,649	.....47	.....1.8	.....2,696	.....75.1			.....2,696	.....75.1
4. 2019.....	.....3,501	.....2,713	.....49	.....1.8	.....2,762	.....78.9			.....2,762	.....78.9
5. 2020.....	.....3,862	.....3,264	.....1	.....0.0	.....3,265	.....84.5			.....3,265	.....84.5

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(\$000 Omitted)

SECTION A - PAID HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....			.....(5)	.....(5)	.....(5)
2. 2016.....	.....27,140	.....29,022	.....29,009	.....29,009	.....29,002
3. 2017.....	.....XXX	.....24,659	.....27,567	.....27,561	.....27,548
4. 2018.....	.....XXX	.....XXX	.....24,493	.....27,156	.....27,146
5. 2019.....	.....XXX	.....XXX	.....XXX	.....11,936	.....14,302
6. 2020.....	.....XXX	.....XXX	.....XXX	.....XXX	.....10,563

SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....			.....(17)	.....(5)	.....(5)
2. 2016.....	.....29,199	.....29,022	.....28,984	.....29,005	.....29,001
3. 2017.....	.....XXX	.....27,549	.....27,613	.....27,556	.....27,546
4. 2018.....	.....XXX	.....XXX	.....27,296	.....27,189	.....27,144
5. 2019.....	.....XXX	.....XXX	.....XXX	.....13,249	.....14,317
6. 2020.....	.....XXX	.....XXX	.....XXX	.....XXX	.....11,835

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	.....29,199	.....29,002	.....42	.....0.1	.....29,044	.....99.5			.....29,044	.....99.5
2. 2017.....	.....25,286	.....27,548	.....619	.....2.2	.....28,167	.....111.4	.....(2)		.....28,165	.....111.4
3. 2018.....	.....23,400	.....27,146	.....670	.....2.5	.....27,816	.....118.9	.....(2)		.....27,814	.....118.9
4. 2019.....	.....19,541	.....14,302	.....619	.....4.3	.....14,921	.....76.4	.....15		.....14,936	.....76.4
5. 2020.....	.....15,816	.....10,563	.....366	.....3.5	.....10,929	.....69.1	.....1,803	.....45	.....12,777	.....80.8

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 Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....		.....(5)	.....(28)	.....(33)	.....(33)
2. 2016.....	.....134,130	.....149,993	.....149,901	.....149,772	.....149,735
3. 2017.....	.....XXX	.....290,019	.....319,840	.....319,553	.....319,532
4. 2018.....	.....XXX	.....XXX	.....294,113	.....322,950	.....322,822
5. 2019.....	.....XXX	.....XXX	.....XXX	.....326,056	.....361,217
6. 2020.....	.....XXX	.....XXX	.....XXX	.....XXX	.....323,557

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....		.....(16)	.....(123)	.....(33)	.....(33)
2. 2016.....	.....150,820	.....150,261	.....149,699	.....149,560	.....149,735
3. 2017.....	.....XXX	.....330,234	.....319,909	.....319,281	.....319,423
4. 2018.....	.....XXX	.....XXX	.....328,298	.....322,827	.....322,683
5. 2019.....	.....XXX	.....XXX	.....XXX	.....363,896	.....361,312
6. 2020.....	.....XXX	.....XXX	.....XXX	.....XXX	.....362,276

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	.....145,860	.....149,735	.....6,641	.....4.4	.....156,376	.....107.2			.....156,376	.....107.2
2. 2017.....	.....314,756	.....319,532	.....13,914	.....4.4	.....333,446	.....105.9	.....(109)		.....333,337	.....105.9
3. 2018.....	.....335,428	.....322,822	.....17,736	.....5.5	.....340,558	.....101.5	.....(140)		.....340,418	.....101.5
4. 2019.....	.....368,028	.....361,217	.....20,204	.....5.6	.....381,421	.....103.6	.....95	.....17	.....381,533	.....103.7
5. 2020.....	.....397,274	.....323,557	.....33,604	.....10.4	.....357,161	.....89.9	.....55,260	.....1,368	.....413,789	.....104.2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(\$000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	NONE				
2. 2016.....					
3. 2017.....		.XXX			
4. 2018.....		.XXX	.XXX		
5. 2019.....		.XXX	.XXX		
6. 2020.....		.XXX	.XXX	.XXX	

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

12.XI

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	NONE				
2. 2016.....					
3. 2017.....		.XXX			
4. 2018.....		.XXX	.XXX		
5. 2019.....		.XXX	.XXX		
6. 2020.....		.XXX	.XXX	.XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(\$000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	3,992	3,991	3,990	3,990	3,990
2. 2016.....	87,482	90,953	90,952	90,952	90,952
3. 2017.....	XXX	108,068	115,921	115,920	115,914
4. 2018.....	XXX	XXX	134,152	143,541	143,541
5. 2019.....	XXX	XXX	XXX	167,890	195,170
6. 2020.....	XXX	XXX	XXX	XXX	177,603

SECTION B - INCURRED HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	148	146	145	145	145
2. 2016.....	90,639	90,953	90,952	90,952	90,952
3. 2017.....	XXX	115,544	115,921	115,920	115,914
4. 2018.....	XXX	XXX	142,836	143,541	143,541
5. 2019.....	XXX	XXX	XXX	194,561	195,184
6. 2020.....	XXX	XXX	XXX	XXX	195,297

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	129,916	90,952	306	0.3	91,258	70.2			91,258	70.2
2. 2017.....	143,944	115,914	345	0.3	116,259	80.8			116,259	80.8
3. 2018.....	173,885	143,541	369	0.3	143,910	82.8			143,910	82.8
4. 2019.....	216,282	195,170	954	0.5	196,124	90.7	14	1	196,139	90.7
5. 2020.....	226,149	177,603	736	0.4	178,339	78.9	18,016	42	196,397	86.8

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
2. Additional policy reserves (a).....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
3. Reserve for future contingent benefits.....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income).....	3,238,164	816,525	.....	.....	.....	.....	2,421,639	.....	.....
5. Aggregate write-ins for other policy reserves.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6. Totals (gross).....	3,238,164	816,525	.....0	.....0	.....0	.....0	2,421,639	.....0	.....0
7. Reinsurance ceded.....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
8. Totals (net) (Page 3, Line 4).....	3,238,164	816,525	.....0	.....0	.....0	.....0	2,421,639	.....0	.....0
9. Present value of amounts not yet due on claims.....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
10. Reserve for future contingent benefits.....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
11. Aggregate write-ins for other claim reserves.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
12. Totals (gross).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
13. Reinsurance ceded.....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
14. Totals (net) (Page 3, Line 7).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

DETAILS OF WRITE-INS

0501. ....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
0502. ....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
0503. ....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
0598. Summary of remaining write-ins for Line 5 from overflow page.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1101. ....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
1102. ....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
1103. ....	.....0	.....	.....	.....	.....	.....	.....	.....	.....
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....2,808,485 for occupancy of own building).....	177	3,563,003	1,320,914		4,884,094
2. Salaries, wages and other benefits.....	30,058,888	42,549,612	47,675,335		120,283,835
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....			79,457,120		79,457,120
4. Legal fees and expenses.....	3,726		2,407,992		2,411,718
5. Certifications and accreditation fees.....	1,322,806				1,322,806
6. Auditing, actuarial and other consulting services.....	3,018,292	1,491,627	2,070,990		6,580,909
7. Traveling expenses.....	106,595	21,256	350,571		478,422
8. Marketing and advertising.....	1,048	36	1,507,605		1,508,689
9. Postage, express and telephone.....	162,756	776,822	738,911		1,678,489
10. Printing and office supplies.....	5,541	185,359	1,503,369		1,694,269
11. Occupancy, depreciation and amortization.....			2,750,450		2,750,450
12. Equipment.....	31,860	98,093	2,962,811		3,092,764
13. Cost or depreciation of EDP equipment and software.....	3,848,558	4,826,823	2,228,283		10,903,664
14. Outsourced services including EDP, claims, and other services.....	14,600,836	10,479,199	7,703,604		32,783,639
15. Boards, bureaus and association fees.....	24,106	5,051	116,703		145,860
16. Insurance, except on real estate.....			692,175		692,175
17. Collection and bank service charges.....				735,476	735,476
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.....			17,776,185		17,776,185
23.3 Regulatory authority licenses and fees.....	2,842	14,208	196,801		213,851
23.4 Payroll taxes.....	1,579,059	2,041,581	2,889,068		6,509,708
23.5 Other (excluding federal income and real estate taxes).....			46,400,666		46,400,666
24. Investment expenses not included elsewhere.....				1,043,690	1,043,690
25. Aggregate write-ins for expenses.....	8,551,528	0	758,025	0	9,309,553
26. Total expenses incurred (Lines 1 to 25).....	63,318,618	66,052,670	221,507,578	1,779,166	(a).....352,658,032
27. Less expenses unpaid December 31, current year.....	4,603,531	4,802,309	144,715,824	119,790	154,241,454
28. Add expenses unpaid December 31, prior year.....	3,742,324	3,364,463	136,695,309	77,459	143,879,555
29. Amounts receivable relating to uninsured plans, prior year.....			3,159,779		3,159,779
30. Amounts receivable relating to uninsured plans, current year.....			4,399,087		4,399,087
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	62,457,411	64,614,824	214,726,371	1,736,835	343,535,441

DETAILS OF WRITE-INS

2501. Network Access Fees.....	8,551,528				8,551,528
2502. Other.....			702,228		702,228
2503. Amortization Deferred Acquisition.....			55,797		55,797
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).....	8,551,528	0	758,025	0	9,309,553

(a) Includes management fees of \$.....278,628,186 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds.....	(a).....12,489,783	.....12,011,358
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....18,051,075	.....18,038,989
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....69,598	.....93,610
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....5,318,477	.....5,296,688
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....2,808,485
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....1,398,966	.....1,304,928
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....653,609	.....653,609
9. Aggregate write-ins for investment income.....	.....4,082,692	.....4,199,826
10. Total gross investment income.....	.....42,064,200	.....44,407,493
11. Investment expenses.....	.....	(g).....1,779,166
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).....770,797
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....2,549,963
17. Net investment income (Line 10 minus Line 16).....	.....	.....41,857,530

DETAILS OF WRITE-INS

0901. INTEREST EARNED ON TAX REFUND.....	.....4,082,692	.....4,199,826
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).....	.....4,082,692	.....4,199,826
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 \$.....921,805 accrual of discount less \$.....6,623,923 amortization of premium and less \$.....738,805 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 \$.....2,808,485 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 \$.....770,797 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds.....	.....220,832	.....	.....220,832	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....(932,676)	.....	.....(932,676)	.....	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....(3,089)	.....	.....(3,089)	.....298,819	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....330,889	.....(5,576,006)	.....(5,245,117)	.....42,459,887	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....(4,693,886)	.....
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.....	.....(53,312)	.....(11,125,000)	.....(11,178,312)	.....(19,416,974)	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....(437,356)	.....(16,701,006)	.....(17,138,362)	.....18,647,846	.....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 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
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.....			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).....	14,113,350		(14,113,350)
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).....	14,113,350	0	(14,113,350)
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	13,461		(13,461)
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:			
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.....	1,068,779	972,373	(96,406)
21. Furniture and equipment, including health care delivery assets.....	60,274,775	4,026,304	(56,248,471)
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.....	72,440,380	7,474,835	(64,965,545)
25. Aggregate write-ins for other-than-invested assets.....	42,989,788	101,965,864	58,976,076
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	190,900,533	114,439,376	(76,461,157)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	190,900,533	114,439,376	(76,461,157)

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. Other Assets.....	13,643,534	76,368,269	62,724,735
2502. Prepaid Assets.....	23,950,869	24,150,964	200,095
2503. Other Receivables.....	5,395,385	1,390,834	(4,004,551)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	55,797	55,797
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	42,989,788	101,965,864	58,976,076

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	27,569	27,372	27,410	27,745	28,456	332,016
2. Provider service organizations.....						
3. Preferred provider organizations.....	361,274	337,561	327,395	316,775	313,377	3,914,123
4. Point of service.....						
5. Indemnity only.....	359	341	329	315	318	3,945
6. Aggregate write-ins for other lines of business.....	690,739	723,529	710,614	703,638	702,723	8,529,745
7. Total.....	1,079,941	1,088,803	1,065,748	1,048,473	1,044,874	12,779,829

DETAILS OF WRITE-INS

0601. Stop Loss.....	584,477	611,499	596,449	590,903	588,946	7,173,831
0602. Vision Only.....	53,533	57,531	58,316	57,424	58,096	691,783
0603. Dental Only.....	43,594	45,799	47,273	46,868	47,412	561,437
0698. Summary of remaining write-ins for Line 6 from overflow page.....	9,135	8,700	8,576	8,443	8,269	102,694
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	690,739	723,529	710,614	703,638	702,723	8,529,745

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying statutory financial statements of Medical Mutual of Ohio (the Company) have been prepared in conformity with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP), as prescribed by the Ohio Department of Insurance (ODI). No accounting practices were employed by the Company in 2020 or 2019 that departed from NAIC SAP.

	SSAP #	F/S Page	F/S Line #	2020	2019
NET INCOME					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 95,070,011	\$ 102,846,587
(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	\$ 95,070,011	\$ 102,846,587
SURPLUS					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 1,858,830,423	\$ 1,802,459,130
(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	\$ 1,858,830,423	\$ 1,802,459,130

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

The preparation of the statutory financial statements requires management to make estimates and assumptions that affect amounts reported in the statutory financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known which could impact the amounts reported and disclosed herein.

C. Accounting Policy

Basis of Presentation

Statutory accounting practices vary from U.S. generally accepted accounting principles (GAAP). The more significant variances from GAAP are as follows:

Real Estate

Real estate is reported at cost, net of accumulated depreciation. The cost of the property included in the real estate investment, other than land, is depreciated on a straight-line basis over the estimated useful life of the building which the Company has estimated to be 35 years. Depreciation expense is included in investment expense. The Company includes in both income and expense an amount for rent relating to the real estate. The amount recorded is at a rate comparable to rental rates of like property in the same area. For GAAP, no rental income or expense is recognized.

Goodwill and Intangible Assets

Under statutory accounting, goodwill and intangible assets acquired in a business combination are recorded in the investment in the subsidiary and the amortization of the assets are amortized over ten years or less, including indefinite lived assets. Under GAAP accounting, assets are amortized over their estimated useful lives and indefinite lives are not amortized.

Under statutory accounting, amortization expense is recorded to undistributed equity in subsidiaries in surplus. Under GAAP accounting, the expense is recorded to current period earnings.

If the Company determines that indicators of impairment exist and the carrying value of the goodwill or intangible asset is not recoverable, the write-down of the carrying value is based on the intangible asset's estimated fair value. Under statutory accounting, any resulting impairment is recorded to realized capital losses. Under GAAP accounting, it is recorded to impairment loss.

Nonadmitted Assets

Certain assets designated as "nonadmitted," principally deferred taxes, pharmaceutical rebates, provider loans, claim overpayments, furniture and equipment, electronic data processing equipment and software, certain accounts receivables, prepaid expenses, and other assets not identified as an admitted asset in the NAIC's *Accounting Practices and Procedures Manual*, are excluded from the statutory statements of admitted assets, liabilities and surplus and are charged directly to surplus. In accordance with GAAP, such assets are included in the balance sheet, net of a valuation allowance, if necessary. Surplus was reduced by nonadmitted assets of \$190,901,000 and \$114,439,000 at December 31, 2020 and 2019, respectively.

Guarantee Fund Premium Tax Assets

The Company recognizes premium tax assets that are recoverable in excess of one year if the credits are due to the insolvency of a writer of long-term care contracts. For GAAP, the Company is only permitted to recognize premium tax assets that are recoverable in the next calendar year as credits against taxes owed on premiums earned in the current calendar year.

Deferred Income Taxes

The Company computes deferred income taxes in accordance with Statement of Statutory Accounting Principle (SSAP) No. 101, *Income Taxes*. Under SSAP No. 101, gross deferred tax assets are reduced by a statutory valuation allowance adjustment if, based on the weight of available evidence, it is more-likely-than-not that some portion or all of the gross deferred tax assets will not be realized to calculate the adjusted gross deferred tax assets.

Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In

NOTES TO FINANCIAL STATEMENTS

evaluating the need for a valuation allowance the Company includes many factors, including: (1) the nature of the deferred tax assets and liabilities; (2) whether they are ordinary or capital; (3) the timing of reversal; (4) taxable income in prior carry back years as well as projected taxable earnings exclusive of reversing temporary differences and carry forwards; (5) the length of time that carryovers can be used; (6) unique tax rules that would impact the utilization of the deferred tax assets and (7) any tax planning strategies that the Company would employ to avoid a tax benefit expiring unused.

Admitted adjusted deferred income tax assets are limited to (1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with the Internal Revenue Service(IRS) tax loss carryback provisions, not to exceed three years, plus (2) the amount of adjusted gross deferred income tax assets expected to be realized within three years limited to an amount that is no greater than 15% of current period's adjusted statutory surplus, plus (3) the amount of remaining adjusted gross deferred income tax assets that can be offset against existing gross deferred income tax liabilities after considering the character (i.e., ordinary versus capital) and reversal patterns of the deferred tax assets and liabilities. The remaining adjusted deferred income tax assets are nonadmitted.

Under GAAP, a deferred income tax asset is recorded for the amount of gross deferred income tax assets expected to be realized in all future years, and a valuation allowance is established for deferred income tax assets not expected to be realizable.

Reinsurance

Unpaid assumed or ceded claims liability has been reported as an adjustment of the related reserves rather than as a net receivable or payable as would be required under GAAP.

Assumed premium receivable or ceded premium payable has been reported as an adjustment of uncollected premiums rather than a net receivable or payable as required under GAAP.

Health Insurer Fee

The Company is subject to a mandatory annual non tax-deductible assessment on health insurers imposed by the ACA (the Health Insurer Fee). The Company estimates the expense for the Health Insurer Fee based upon the preceding year's ratio of the Company's applicable net written premium compared to the U.S. health insurance industry total applicable net written premium.

In accordance with NAIC SAP, the estimated liability and corresponding the Health Insurer Fee are both recognized in full on January 1 of the applicable calendar year in which the assessment is paid; and the Company reclassifies from unassigned surplus to special surplus the estimated assessment amount for the subsequent year. In accordance with GAAP, the liability would be recognized in full on January 1 with a corresponding deferred cost that is amortized to expense using a straight-line method of allocation.

H.R. 195, Division D – Suspension of Certain Health-Related Taxes, § 4003, suspended the Health Insurer Fee for 2019. The fee returned in 2020 but is permanently repealed for years 2021 and after as a result of H.R. 1865: Further Consolidated Appropriations Act, 2020. See Note 7 for further detail.

Statutory Statements of Cash Flow

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

Other significant accounting policies are as follows:

Invested Assets

U.S. government securities and corporate bonds not backed by other assets are recorded at amortized cost using the interest method or fair value based on their NAIC rating. Single class mortgage-backed securities are valued at amortized cost using the interest method including anticipated prepayments. Prepayment assumptions are obtained from dealer surveys or internal estimates and are based on the current interest rate and economic environment. The retrospective adjustment method is used to value all such securities held. The fair values disclosed for these securities are obtained from independent pricing services.

Other-Than-Temporary Impairment

The Company reviews the values of the Company's investments on a quarterly basis. If the value of the investment falls below its cost basis, the decline is analyzed to determine whether it is an other-than-temporary decline in value. To make this determination for each security, the following is considered:

- The length of time and the extent to which the fair value has been less than the amortized cost basis.
- The Company's ability and intent to hold the security long enough for it to recover its value.
- A significant deterioration in the earning performance, credit rating, asset quality or business prospects of the investee.
- A significant adverse change in the regulatory, economic, or technological environment of the investee.
- Factors that raise significant concerns about the investee's ability to continue as a going concern such as negative cash flows from operations, working capital deficiencies, or noncompliance with statutory capital requirements or debt covenants.

Fair Value Measurements

Assets recorded in the statutory statements of admitted assets, liabilities and surplus are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs are as follows:

Level 1	Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.
Level 2	Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include

NOTES TO FINANCIAL STATEMENTS

market interest rates and volatilities, spreads, and yield curves.

Level 3	Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset at the reporting date.
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Depreciation

Depreciation is charged on a straight-line basis over the estimated useful lives of software, furniture, and equipment. Leasehold improvements are amortized over the shorter of their estimated useful life or the remaining life of the original lease excluding renewal or option periods. Depreciation and leasehold amortization expense were \$3,567,000 and \$1,919,000 in 2020 and 2019, respectively.

Other Invested Assets

Other invested assets include investments in limited partnerships, assets associated with a non-qualified benefit plan, and a health and wellness trust.

Federal Medical Loss Ratio Rebate

The Company is subject to the Affordable Care Act (ACA), which requires the payment of rebates to eligible policyholders or enrollees when the amounts paid for healthcare benefits and quality improvement initiatives fall below specified thresholds. Separate calculations are performed for each state and by group size (individual, small group, large group and Medicare Advantage).

Premiums

Premiums are earned and recorded, net of amounts assumed and ceded under reinsurance agreements, pro rata over the period for which coverage is provided. Uncollected premiums include uncollected amounts from insured individuals and groups and are reported net of an allowance for amounts deemed uncollectible. Premium payments received prior to the period of coverage are classified as advance premiums.

The Company's Medicare Advantage premium revenues are subject to periodic adjustment under the Centers for Medicare & Medicaid Services' (CMS) risk adjustment payment methodology. CMS deploys a risk adjustment model that apportions premiums paid to all health plans according to health severity and certain demographic factors. The CMS risk adjustment model provides higher per member payments for enrollees diagnosed with certain conditions and lower payments for enrollees who are healthier. Under this risk adjustment methodology, CMS calculates the risk adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient and physician treatment settings. The Company and health care providers collect, capture and submit the necessary and available diagnosis data to CMS within prescribed deadlines. Risk adjustment data for certain plans of the Company are subject to review by the government, including audit by regulators. See Note 14 for additional information regarding these audits.

Medicare Part D Pharmacy Benefits

The Company serves as a plan sponsor offering Medicare Part D prescription drug insurance coverage under contracts with CMS. Under the Medicare Part D program, there are seven separate elements of payment during the plan year. These payment elements are as follows:

- *CMS Premium.* CMS pays a fixed monthly premium per member to the Company for the entire plan year.
- *Member Premium.* Additionally, certain members pay a fixed monthly premium to the Company for the entire plan year.
- *Low-Income Premium Subsidy.* For qualifying low-income members, CMS pays some or all of the member's monthly premiums to the Company on the member's behalf.
- *Catastrophic Reinsurance Subsidy.* CMS pays the Company a cost reimbursement estimate monthly to fund the CMS obligation to pay approximately 80% of the costs incurred by individual members in excess of the individual annual out-of-pocket maximum. A settlement is made with CMS based on actual cost experience, after the end of the plan year.
- *Low-Income Member Cost Sharing Subsidy.* For qualifying low-income members, CMS pays on the member's behalf some or all of a member's cost sharing amounts, such as deductibles and coinsurance. The cost sharing subsidy is funded by CMS through monthly payments to the Company. The Company administers and pays the subsidized portion of the claims on behalf of CMS, and a settlement payment is made between CMS and the Company based on actual claims and premium experience, after the end of the plan year.
- *CMS Risk Corridor.* Premiums from CMS are subject to risk corridor provisions that compare costs targeted in the Company's annual bids by product and region to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances of more than 5% above or below the original bid submitted by the Company may result in CMS making additional payments to the Company or require the Company to refund to CMS a portion of the premiums it received. The Company estimates and recognizes an adjustment to net accident and health premiums earned related to the risk corridor payment settlement based upon pharmacy claims experience to date. The estimate of the settlement associated with these risk corridor provisions requires the Company to consider factors that may not be certain, including estimates of eligible pharmacy costs and member eligibility status differences with CMS. The Company records risk corridor adjustments to net accident and health premiums earned in the statutory statements of revenue and expenses.
- *Coverage Gap Discount Program.* Health Reform Legislation mandated a consumer discount on brand name prescription drugs for Medicare Part D plan participants in the coverage gap. This discount is funded by CMS and pharmaceutical manufacturers while the Company administers the application of these funds. Accordingly, amounts received are not reflected as premium revenues, but rather are accounted for as deposits.

The CMS Premium, the Member Premium and the Low-Income Premium Subsidy represent payments for the Company's insurance risk coverage under the Medicare Part D program and, therefore, are recorded as net accident and health premiums earned in the statutory statements of revenue and expenses. Premiums are recognized ratably over the period in which eligible individuals are entitled to receive prescription drug benefits. The Company records premium payments received in advance of the applicable service period in advanced premiums in the statutory statements of

NOTES TO FINANCIAL STATEMENTS

admitted assets, liabilities and surplus.

The Catastrophic Reinsurance Subsidy and the Low-Income Member Cost Sharing Subsidy (Subsidies) represent cost reimbursements under the Medicare Part D program. Amounts received for these Subsidies are not reflected as net accident and health premiums earned, but rather are accounted for as receivables and/or deposits.

Pharmacy benefit costs and administrative costs under the contract are expensed as incurred and are recognized in net accident and health benefits and general administrative expenses, respectively, in statutory statements of revenue and expenses.

The final 2020 risk corridor amount is expected to be settled during the second half of 2021, and is subject to the reconciliation process with CMS.

Uncertain Tax Policies

The Company records uncertain tax positions on the basis of a two-step process whereby (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

Changes to liabilities for uncertain tax positions are recorded as income tax expenses in the accompanying statutory statement of revenue and expense. The total liability for uncertain tax positions at December 31, 2020 and 2019 was \$9,357,000 and \$10,503,000, respectively, included in net current federal income tax receivable/payable in the statutory statements of admitted assets, liabilities and surplus. The Company does not expect any significant changes in its liability for uncertain tax positions in 2021.

Employee Benefits

The Company computes the funded status (i.e., the difference between the fair value of plan assets and the projected benefit obligations) of employee benefit plans in accordance with SSAP No. 92, *Accounting for Postretirement Benefits Other Than Pensions* and SSAP No. 102, *Accounting for Pensions* in the accompanying statutory statement of admitted assets, liabilities and surplus, with corresponding adjustments to surplus.

ACA Risk Adjustment Program

The ACA authorized a permanent risk adjustment program designed to transfer funds from qualified individual and small group plans with below average risks scores to those respective plans with above average risk scores. The estimates of amounts owed or due from the ACA risk adjustment program is required to be reflected as an adjustment to earned premium if sufficient data is available to make an estimate. The Company accounts for the Premium Stabilization Program in accordance with SSAP No. 107, *Accounting for the Risk-Sharing Provisions of the Affordable Care Act*.

In 2020, the Company recognized \$8,227,000 in net risk adjustment, of which \$3,997,000 of income related to the 2020 program year, and income of \$4,230,000 related to the prior program years as the final settlement was favorable to the estimate recorded in the 2019 statutory financial statements.

In 2019, the Company recognized \$7,101,000 in net risk adjustment, of which \$6,182,000 of income related to the 2019 program year, and income of \$919,000 related to the prior program years as the final settlement was favorable to the estimate recorded in the 2018 statutory financial statements.

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

Short-term investments, principally money market accounts, include investments with maturities of one year or less at the time of acquisition and are principally stated at amortized cost, which approximates fair value.

(2) **Basis for Bonds and Amortization Schedule**

Investments in bonds are reported at amortized cost or fair value based on their NAIC rating; for GAAP, such fixed maturity investments are held as available-for-sale and are reported at fair value with unrealized holding gains and losses reported as a separate component of surplus. All single class and multiclass mortgage-backed securities (MBSs) (e.g., collateralized mortgage obligations) (CMOs) are adjusted for the effects of changes in prepayment assumptions on the related accretion of discount or amortization of premium of such securities using either the retrospective or prospective methods. If it is determined that a decline in fair value is other than temporary, the cost basis of the security is written down to the undiscounted estimated future cash flows. For GAAP purposes, all securities purchased or retained that represent beneficial interests in securitized assets (e.g., CMO and MBS securities), other than high credit quality securities, are adjusted using the prospective method when there is a change in estimated future cash flows. If high credit quality securities are adjusted, the retrospective method is used. If it is determined that a decline in fair value is other than temporary, the cost basis of the security is written down to the discounted fair value.

Under statutory accounting, a realized loss is recorded upon the sale of an investment at a loss or when a decline in the fair value of an investment is determined by management to be other than temporary. Realized capital gains and losses are determined on the first-in, first-out cost method.

For GAAP, if a decline in the fair value is other than temporary, the difference between the security's fair value and carrying value (amortized cost) must be realized in earnings if the Company has the intent to sell the security or does not have the intent and ability to hold the security until recovery of the carrying value. If the Company does not intend to sell the security and it is more likely than not that the Company will be required to sell the security before recovery of its amortized cost basis, the other-than-temporary impairment (OTTI) would be separated into (a) the amount representing the credit loss and (b) the amount related to all other factors. The amount of the total OTTI related to the credit loss would be recognized in earnings. The amount of the total OTTI related to other factors would be recognized in other comprehensive income.

(3) **Basis for Common Stocks**

Common stocks are recorded at fair value as determined by the Securities Valuation Office of the NAIC. Related unrealized capital gains or losses are reported as an adjustment to surplus, net of federal income taxes. Under GAAP, unrealized gains and losses are reported in current period earnings.

(4) **Basis for Preferred Stocks**

Highest-quality or high-quality redeemable preferred stocks, which have characteristics of debt securities, are valued at cost or amortized cost. All other redeemable preferred stocks are reported at the lower of cost, amortized cost, or fair value.

Highest-quality or high-quality perpetual preferred stocks, which have characteristics of equity securities, are reported at fair value. All other perpetual

NOTES TO FINANCIAL STATEMENTS

preferred stocks are reported at the lower of cost or fair value.

No preferred stocks are restricted.

(5) Basis for Mortgage Loans

Not applicable.

(6) Basis for Loan-Backed Securities and Adjustment Methodology

Not applicable.

(7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities

The accounts and operations of the Company's subsidiaries are not consolidated with the accounts and operations of the Company as would be required by GAAP. The investment in Medical Mutual Services, LLC (MMS) is carried at its audited GAAP equity value. The Company's investments in Medical Health Insuring Corporation (MHICO), MedMutual Life Insuring Company (MMLIC) and Superior Dental Care, Inc. (SDC) are carried at their audited statutory surplus values. The changes in equity in the undistributed income or losses of subsidiaries are charged or credited directly to surplus. Distributed income of the subsidiaries is recognized in net investment income when the dividend is declared. Bravo Wellness, LLC, (Bravo) is carried at GAAP equity value and is a non-admitted entity.

(8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities

Investments in limited partnerships are recorded in other invested assets. These investments are based on the Company's interest in the underlying audited GAAP equity of the investee. Undistributed earnings and losses of the investee are accounted for as changes in unrealized gains and losses. Under GAAP, these earnings would be accounted for as an equity method investment and flow through net income.

(9) Accounting Policies for Derivatives

Not applicable.

(10) Anticipated Investment Income Used in Premium Deficiency Calculation

The Company considers anticipated net investment income as a factor in determining the premium deficiency reserve amount.

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

Unpaid claims and claims adjustment expenses represent management's best estimate of the ultimate net cost of all reported and unreported claims, less the estimated amount recoverable from claim overpayments and subrogation. The unpaid claims liability is actuarially estimated based on a review of historical claim payment patterns and claim trends. The estimates are subject to the effects of trends in claim severity and frequency, and a reasonable provision for adverse development has been incorporated in management's best estimate. Although considerable variability is inherent in such estimates, management believes that the amounts reported for unpaid claims and claims adjustment expenses are adequate. The estimates are regularly reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.

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

Not applicable.

(13) Method Used to Estimate Pharmaceutical Rebate Receivables

The Company accounts for pharmaceutical rebate receivables in accordance with SSAP No. 84.

D. Going Concern

Not applicable.

Note 2 – Accounting Changes and Corrections of Errors

Not applicable.

Note 3 – Business Combinations and Goodwill

A. Statutory Purchase Method

Effective January 1, 2020, the Company acquired Bravo Wellness, LLC, (Bravo) a Delaware limited liability company headquartered in Cleveland, Ohio that provides compliance expertise, technology, and administrative support services for wellness and related incentive plans. The resulting value of the acquisition provides strategic alignment with wellness initiatives. The statutory purchase method was used to account for the acquisition.

The Company acquired Bravo for a base purchase price of \$31,099,000 with potential earnout payments totaling an additional \$35,000,000 if Bravo achieves certain performance targets over the next five years. The Company transferred \$30,743,000 of the base purchase price on December 31, 2019 which was recorded as a nonadmitted asset in the statutory statements of admitted assets, liabilities and surplus at December 31, 2019. The final base payment was made in 2020, and the future earnout payments estimated as of the acquisition date total \$2,326,000 which are recorded in other liabilities. The potential earnout payments are based on various sales and earnings before interest, tax, depreciation, and amortization (EBITDA) growth targets for the five years immediately following the acquisition.

The difference between the cost of acquiring Bravo (\$33,425,000) and the book value of the Bravo (\$12,654,000) on the acquisition date was resulting goodwill of \$20,771,000. The related goodwill is recorded to the nonadmitted investment in Bravo.

The goodwill is amortized on a straight-line basis over ten years and \$1,484,000 was recognized in undistributed equity of subsidiaries as a component of

NOTES TO FINANCIAL STATEMENTS

unassigned surplus in the statutory statements of admitted assets, liabilities, and surplus. For income tax purposes, the goodwill is being amortized on a straight-line basis over 15 years.

Effective August 31, 2018, MMO entered into an acquisition agreement with SDCA to be the sole shareholder of SDCA, an Ohio corporation. Its wholly owned subsidiary is SDC, an Ohio corporation. SDCA provided administrative services to self-insured dental plans. SDC is an Individual Practice Association prepaid dental plan. SDCA and SDC operate under the trade names Superior Dental Care Alliance and Superior Dental Care, respectively. Effective December 31, 2019 SDCA merged into SDC. In conjunction with the acquisition, liabilities assumed were \$5,428,000.

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

1	2	3	4	5	6	7
Purchased Entity	Acquisition Date	Cost of Acquired Entity	Original Amount of Admitted Goodwill	Admitted Goodwill as of the Reporting Date	Amount of Goodwill Amortized During the Reporting Period	Admitted Goodwill as a % of SCA BACV, Gross of Admitted Goodwill
Superior Dental Care, Inc.	08/31/2018	\$ 15,499,993	\$ 7,177,242	\$ 3,216,839	\$ 1,697,316	17.13%

B. Statutory Merger

Not applicable.

C. Assumption Reinsurance

Not applicable.

D. Impairment Loss

As a result of the effect of COVID-19 on the expected future operating cash flows of Bravo, the Company performed an interim discounted cash flow analysis as of September 30, 2020. Consequently, it was determined that the estimated fair value of Bravo no longer exceeded its carrying value and we recognized a goodwill impairment charge of \$11,125,000 in net realized capital losses in the statutory statements of revenue and expenses.

Note 4 – Discontinued Operations

Not applicable.

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not applicable.

B. Debt Restructuring

Not applicable.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

(1) Description of Sources Used to Determine Prepayment Assumptions

Prepayment assumptions for mortgage-backed / loan backed securities were obtained from Bloomberg.

(2) Other-Than-Temporary Impairments

Not applicable.

(3) Recognized OTTI Securities

Not applicable.

(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	\$ 171,522
	2. 12 Months or Longer	\$
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$ 39,545,546
	2. 12 Months or Longer	\$

(5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary

NOTES TO FINANCIAL STATEMENTS

The unrealized losses on bonds, common stocks and preferred stocks have been reviewed for OTTI as of December 31, 2020. The Company has determined that the decline in value of bonds is principally the result of a general increase in interest rates subsequent to the purchases of these securities and in the opinion of management is temporary. The Company does not intend to sell any of the bonds in an unrealized loss position, nor does the Company expect to be required to sell any of these investments prior to recovery of fair value or maturity. All of the fixed maturity securities in an unrealized loss position at December 31, 2020, are current with respect to required principal and interest payments.

For the common and preferred stocks in an unrealized loss position, the Company evaluated the near-term prospects of the issuers in relation to the severity and duration of the impairment. Based on that evaluation and the Company's ability and intent to hold these investments for a reasonable period of time sufficient for a forecasted recovery of fair value, the Company does not consider these common and preferred stock investments to be other-than-temporarily impaired at December 31, 2020.

During 2020 and 2019, certain common stock investments experienced impairment in value that management determined to be other-than-temporary. The carrying value of those investments were reduced to fair value as of the date of determination and the Company recorded other-than-temporary losses, as if realized, of \$5,576,000 and \$5,122,000 in 2020 and 2019, respectively for common stock.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions
- Not applicable.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transaction – Cash Taker – Overview of Secured Borrowing Transactions
- Not applicable.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions
- Not applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Taker – Overview of Sale Transactions
- Not applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Provider – Overview of Sale Transactions
- Not applicable.
- J. Real Estate
- Not applicable.
- K. Low-Income Housing Tax Credits (LIHTC)
- Not applicable.
- L. Restricted Assets
- (1) Restricted Assets (Including Pledged)

Certain state insurance laws require the Company to maintain deposits with the respective state insurance departments in connection with the licensing requirements.

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Additional Restricted to Total Admitted 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						%	%

NOTES TO FINANCIAL STATEMENTS

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Additional Restricted to Total Admitted Assets (b)
FHLB capital stock							
i. FHLB capital stock						%	%
j. On deposit with states	874,715	887,304	(12,589)		874,715	%	%
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	\$ 874,715	\$ 887,304	\$ (12,589)	\$	\$ 874,715	%	%

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

(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)

Not applicable.

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)

Not applicable.

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

Not applicable.

M. Working Capital Finance Investments

Not applicable.

N. Offsetting and Netting of Assets and Liabilities

Not applicable.

O. 5GI Securities

Not applicable.

P. Short Sales

Not applicable.

Q. Prepayment Penalty and Acceleration Fees

Included the net loss recognized in 2020 is a loss of \$2,704,753 related to prepayment penalties and acceleration fees related to forty called bonds. Included in the net loss recognized in 2019 is a loss of \$147,263 related to prepayment penalties and acceleration fees related to fifteen called bonds.

(1) Number of CUSIPs	40
(2) Aggregate Amount of Investment Income	\$ 2,704,753

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

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

Not applicable.

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

Not applicable.

Note 7 – Investment Income

Not applicable.

Note 8 – Derivative Instruments

NOTES TO FINANCIAL STATEMENTS

Not applicable.

Note 9 – Income Taxes

A. Deferred Tax Assets/(Liabilities)

The Company is taxed as a stock property and casualty insurance company and files a consolidated federal income tax return with certain subsidiaries.

Certain subsidiaries of the Company are organized as single-member, limited liability companies (LLC) and accordingly taxable income or loss of these LLC subsidiaries are included in the tax provision of the Company, regardless of the level of income or loss of such subsidiaries recognized in the statutory statements of revenue and expenses.

Deferred income tax assets (DTAs) and liabilities (DTLs) represent the expected future tax consequences of temporary items with differences generated by statutory accounting as defined in SSAP No. 101. DTAs and DTLs are computed by means of identifying temporary differences which are measured using a balance sheet approach whereby statutory and tax basis balance sheets are compared. Current federal income tax recoverables include all current income taxes, including interest, reasonably expected to be recovered in a subsequent accounting period. Current federal income tax payables include all current income taxes, including interest, expected to be paid in a subsequent accounting period.

As part of the Tax Cuts and Jobs Act, the Alternative Minimum Tax (AMT) program was eliminated for taxable years beginning after December 31, 2017. The AMT credits as of this date were available to offset regular tax each year and the remaining balances are refunded according to a monetization schedule. This monetization schedule, which is outlined in IRC Section 53, states that AMT credits will first offset 100 percent of the current year tax liability and 50 percent of the remaining AMT credits will be refunded. This offset/refund schedule applies for tax years 2018 – 2021. The CARES Act accelerated this refund schedule, permitting corporations to claim the refund in full in either 2018 or 2019. Taxpayers wishing to accelerate an AMT credit refund 2018 were permitted to use the quick refund procedure to claim these credits. Medical Mutual utilized this process to accelerated \$124,234,000 of AMT credits. This refund was received in 2020. At the end of 2020, all AMT credits were fully utilized.

The Company paid \$66,887,000 and \$0 of federal income taxes during 2020 and 2019, respectively.

The Company is subject to federal income tax examinations by tax authorities for the years 2017 through 2020. 2016 and prior years are closed.

1. Components of Net Deferred Tax Asset/(Liability)

	2020			2019			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 101,435,023	\$ 4,177,927	\$ 105,612,950	\$ 134,785,334	\$ 3,203,521	\$ 137,988,855	\$ (33,350,311)	\$ 974,406	\$ (32,375,905)
b. Statutory valuation allowance adjustment	51,377,576	3,724,000	55,101,576	71,676,799	2,040,390	73,717,189	(20,299,223)	1,683,610	(18,615,613)
c. Adjusted gross deferred tax assets (1a-1b)	\$ 50,057,447	\$ 453,927	\$ 50,511,374	\$ 63,108,535	\$ 1,163,131	\$ 64,271,666	\$ (13,051,088)	\$ (709,204)	\$ (13,760,292)
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 50,057,447	\$ 453,927	\$ 50,511,374	\$ 63,108,535	\$ 1,163,131	\$ 64,271,666	\$ (13,051,088)	\$ (709,204)	\$ (13,760,292)
f. Deferred tax liabilities	5,245,654	23,802,625	29,048,279	1,469,898	12,746,768	14,216,666	3,775,756	11,055,857	14,831,613
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 44,811,793	\$ (23,348,698)	\$ 21,463,095	\$ 61,638,637	\$ (11,583,637)	\$ 50,055,000	\$ (16,826,844)	\$ (11,765,061)	\$ (28,591,905)

2. Admission Calculation Components SSAP No. 101

	2020			2019			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 44,811,793	\$ 453,927	\$ 45,265,720	\$ 11,471,758	\$ 1,163,131	\$ 12,634,889	\$ 33,340,035	\$ (709,204)	\$ 32,630,831
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)				50,166,879		50,166,879	(50,166,879)		(50,166,879)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date				50,166,879		50,166,879	(50,166,879)		(50,166,879)
2. Adjusted gross deferred tax						50,166,879			(50,166,879)

NOTES TO FINANCIAL STATEMENTS

	2020			2019			Change		
	1	2	3	4	5	6	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
assets allowed per limitation threshold									
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	5,245,654		5,245,654	1,469,898		1,469,898	3,775,756		3,775,756
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 50,057,447	\$ 453,927	\$ 50,511,374	\$ 63,108,535	\$ 1,163,131	\$ 64,271,666	\$ (13,051,088)	\$ (709,204)	\$ (13,760,292)

3. Other Admissibility Criteria

	2020	2019
a. Ratio percentage used to determine recovery period and threshold limitation amount	1,096.7%	1,054.0%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 1,837,420,652	\$ 1,752,454,457

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	2	3	4	5	6
	Ordinary	Capital	Ordinary	Capital	(Col. 1-3) Ordinary	(Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 50,057,447	\$ 453,927	\$ 63,108,535	\$ 1,163,131	\$ (13,051,088)	\$ (709,204)
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)	\$ 50,057,447	\$ 453,927	\$ 63,108,535	\$ 1,163,131	\$ (13,051,088)	\$ (709,204)
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

There are no temporary differences for deferred tax liabilities that are not recognized at December 2020 and 2019.

C. Current and Deferred Income Taxes

1. Current Income Tax

	1	2	3
	2020	2019	(Col 1-2) Change
a. Federal	\$ 26,789,335	\$ 25,662,566	\$ 1,126,769
b. Foreign	\$	\$	\$
c. Subtotal	\$ 26,789,335	\$ 25,662,566	\$ 1,126,769
d. Federal income tax on net capital gains	\$	\$ 350,017	\$ (350,017)
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$ (298,232)	\$ 471,612	\$ (769,844)
g. Federal and Foreign income taxes incurred	\$ 26,491,103	\$ 26,484,195	\$ 6,908

2. Deferred Tax Assets

	1	2	3
	2020	2019	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$	\$	\$
2. Unearned premium reserve			
3. Policyholder reserves	1,824,559	7,936,621	(6,112,062)

NOTES TO FINANCIAL STATEMENTS

	1	2	3
	2020	2019	(Col 1-2) Change
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual	21,713,439	19,653,858	2,059,581
9. Pension accrual			
10. Receivables - nonadmitted			
11. Net operating loss carry-forward	3,806,163	3,899,868	(93,705)
12. Tax credit carry-forward		50,166,879	(50,166,879)
13. Other (items <=5% and >5% of total ordinary tax assets)	74,090,862	53,128,108	20,962,754
Other (items listed individually >5%of total ordinary tax assets)			
99. Subtotal	\$ 101,435,023	\$ 134,785,334	\$ (33,350,311)
b. Statutory valuation allowance adjustment	51,377,576	71,676,799	(20,299,223)
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 50,057,447	\$ 63,108,535	\$ (13,051,088)
e. Capital:			
1. Investments	\$ 2,655,322	\$ 2,984,365	\$ (329,043)
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <=5% and >5% of total capital tax assets)	1,522,605	219,156	1,303,449
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	\$ 4,177,927	\$ 3,203,521	\$ 974,406
f. Statutory valuation allowance adjustment	3,724,000	2,040,390	1,683,610
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	453,927	1,163,131	(709,204)
i. Admitted deferred tax assets (2d+2h)	\$ 50,511,374	\$ 64,271,666	\$ (13,760,292)

3. Deferred Tax Liabilities

	1	2	3
	2020	2019	(Col 1-2) Change
a. Ordinary:			
1. Investments	\$	\$	\$
2. Fixed assets	5,209,464	1,430,204	3,779,260
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)	36,190	39,694	(3,504)
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	\$ 5,245,654	\$ 1,469,898	\$ 3,775,756
b. Capital:			
1. Investments	\$ 23,802,625	\$ 12,746,768	\$ 11,055,857
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	\$ 23,802,625	\$ 12,746,768	\$ 11,055,857
c. Deferred tax liabilities (3a99+3b99)	\$ 29,048,279	\$ 14,216,666	\$ 14,831,613
4. Net Deferred Tax Assets/Liabilities (2i – 3c)	\$ 21,463,095	\$ 50,055,000	\$ (28,591,905)

NOTES TO FINANCIAL STATEMENTS

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

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 taxes. The significant items causing this difference are as follows:

Description	December 31					
	2020			2019		
	Amount	Tax Effect	Effective Tax Rate	Amount	Tax Effect	Effective Tax Rate
Income before taxes	\$ 121,561,000	\$ 25,528,000	21.0%	\$ 129,331,000	\$ 27,160,000	21.0 %
AMT credit utilization	239,089,000	50,209,000	41.3	352,699,000	74,067,000	57.3
Change in valuation allowances	(88,645,000)	(18,615,000)	(15.3)	127,457,000	26,766,000	20.7
Health Insurer Fee	47,180,000	9,908,000	8.1	-	-	-
Benefit from pass-through entities	(29,456,000)	(6,186,000)	(5.1)	(39,165,000)	(8,225,000)	(6.4)
Other DTA adjustments	(6,628,000)	(1,392,000)	(1.1)	(11,045,000)	(2,319,000)	(1.8)
Other	(5,852,000)	(1,229,000)	(1.0)	10,364,000	2,176,000	1.7
Permanent adjustments	10,550,000	2,216,000	1.8	26,681,000	5,603,000	4.3
Adjustment for nonadmitted assets	(76,461,000)	(16,058,000)	(13.2)	(78,175,000)	(16,417,000)	(12.7)
	<u>\$ 211,338,000</u>	<u>\$ 44,381,000</u>	<u>36.5%</u>	<u>\$ 518,147,000</u>	<u>\$ 108,811,000</u>	<u>84.1 %</u>
Federal income taxes incurred		\$ 26,491,000	21.8%		\$ 26,484,000	20.5 %
Tax on capital gains		-	-		350,000	0.2
Change in net deferred income taxes		<u>17,890,000</u>	<u>14.7</u>		<u>81,977,000</u>	<u>63.4</u>
Total statutory income taxes		<u>\$ 44,381,000</u>	<u>36.5%</u>		<u>\$ 108,811,000</u>	<u>84.1 %</u>

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

1 -2. The Company can recover \$43,400,000 and \$23,487,000 of ordinary income tax incurred relating to 2020 and 2019, respectively, if the Company has ordinary losses in future years. At December 31, 2020, the Company had net operating loss carryforwards of approximately \$18,125,000 expiring through 2026, of which \$15,447,000 are limited by IRC Section 382. The Company has capital loss carryforwards of \$7,241,000 and \$0 to utilize in future years for 2020 and 2019, respectively.

3. The Company’s aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code

Not applicable.

F. Consolidated Federal Income Tax Return

1. The Company’s federal income tax return is consolidated with the following entities:

Medical Mutual of Ohio
Medical Health Insuring Corporation of Ohio
MedMutual Life Insurance Company
Superior Dental Care, Inc

2. The manner in which the Board of Directors sets forth for allocating the consolidated federal income tax:

The Company is party to a written tax sharing agreement with its affiliates that specifies that each member pays taxes to or receives credits from the Company as if the member had filed a separate tax return. The payment is finalized for the tax year after the return is filed and/or after an IRS audit is completed. A member generating a taxable loss, or whose net operating losses (NOLs) or other tax attributes are utilized in the current year, or whose tax attributes are utilized, is compensated for such losses or attributes utilized in the year absorbed. The Company had a receivable from subsidiaries related to the tax sharing agreement of \$4,381,000 and \$2,645,000 at December 31, 2020 and 2019.

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

Not applicable.

I. Alternative Minimum Tax Credit
Was the AMT Credit recognized as a current year recoverable or Deferred Tax Asset (DTA)?
Gross AMT Credit Recognized as:

1a	Current year recoverable	\$ -
1b	Deferred tax asset (DTA)	-
2	Beginning Balance of AMT Credit Carryforward	100,334,000
3	Amounts Recovered	124,234,000
4	Adjustments	(23,900,000)
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)	\$ -

(1) AMT Credit Carryover each year is a total of Recognized Recoverable and Remaining DTA.
(2) The payment of each tax year’s refund is received in the subsequent period with the final payment in 2022.

NOTES TO FINANCIAL STATEMENTS

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A-B; D-L Nature of the Relationship Involved

The Company is a mutual casualty insurance organization domiciled in Ohio. The Company provides commercial, Medicare Advantage (MA) and Medicare Supplement, accident and health plans to both individuals and employer groups in Ohio. The Company also provides stop loss coverage to uninsured accident and health plans. The Company’s principal operating subsidiaries are MMS, a wholly owned subsidiary which provides claims processing and network access services to uninsured accident and health plans, third-party administrators, and other insurance companies; MMHICO, a wholly owned stock casualty company; MMLIC, a wholly owned life and accident and health insurance company; and SDC, an Ohio domiciled dental insurance company. Effective December 31, 2019 Superior Dental Care Alliance, Inc. (SDCA), merged into SDC, a wholly owned subsidiary which provides administrative services to self-insured dental plans. SDCA was the sole owner of its subsidiary SDC. Effective January 1, 2020, the Company acquired Bravo Wellness, LLC, a Delaware limited liability company headquartered in Cleveland, Ohio that provides compliance expertise, technology, and administrative support services for wellness and related incentive plans.

The Company shares office facilities and personnel with its subsidiaries. Such shared costs are allocated between the Company and its subsidiaries based on the actual work performed for, and facilities utilized by, each entity. The Company also provided various services to its subsidiaries, including claims processing, membership, billing, payroll, customer service, information technology services and other administrative services. Expense allocations are reviewed periodically to ensure expenses are being appropriately charged to each affiliate, and could vary from year-to-year. Charges for shared facilities and services totaled \$278,628,000 and \$307,742,000 in 2020 and 2019, respectively, and are reported as a reduction of expenses on the accompanying statutory statements of revenue and expenses. Amounts due to and from the Company and its subsidiaries are settled within 90 days.

During 2020 and 2019, MMLIC provided life, accidental death and dismemberment, and long-term disability coverage to employees of the Company. Premiums paid by the Company to MMLIC for such coverage totaled \$1,883,000 and \$1,923,000 for 2020 and 2019, respectively.

During 2020, Bravo provided wellness services to the Company and our customers. Fees paid by the Company to Bravo for such coverage totaled \$1,157,000 for 2020.

During 2020, the Company loaned Bravo \$4,000,000 which is non admitted in the statutory statements of admitted assets, liabilities, and surplus.

MMS provides access to the Company’s Ohio provider networks through sales to unaffiliated third-party administrators, uninsured accident and health plans, and unaffiliated insurance companies. The Company receives no income from subsidiaries for access to the Company’s provider network.

The Company also guarantees that MHICO and MMLIC will maintain minimum surplus in accordance with state laws.

The Company made a cash capital contribution in 2020 of \$713,000 to Bravo and \$50,000,000 to MMS and \$25,000,000 to MHICO in 2019. No other capital contributions were made in 2019. The Company has committed an additional capital contribution to Bravo of \$887,000.

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

Not applicable.

M. All SCA Investments

Not applicable.

N. Investment in Insurance SCAs

Not applicable.

O. SCA or SSAP 48 Entity Loss Tracking

Not applicable.

Note 11 – Debt

Not applicable.

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

A. Defined Benefit Plan

Postretirement Health and Life Insurance Plan

The Company sponsors a postretirement plan (the Postretirement Plan) that provides certain health care and life insurance benefits for retired employees who have attained age 55 and have provided at least ten years of service and for those qualifying for long-term disability who have attained age 50 and have provided at least fifteen years of service. Postretirement health care is considered for employees hired on or before January 1, 2010. Retiree contributions, which vary by employee age, years of service at retirement and date of retirement, are made only by retirees utilizing these benefits. Retiree contributions are adjusted as the cost of health care changes. Effective January 1, 2016, a Health Reimbursement Arrangement (HRA) was provided to certain Medicare-eligible participants. The HRA amount is based on plan eligibility and is equal to the cap amount the participant previously received based on points at retirement or is allocated as a portion of their retiree health premium account balance. Postretirement life insurance is considered for all employees meeting retirement criteria.

(1) Change in Benefit Obligation

	Overfunded		Underfunded	
	2020	2019	2020	2019
a. Pension Benefits				
1. Benefit obligation at beginning of year	\$	\$	\$	\$
2. Service cost				
3. Interest cost				

NOTES TO FINANCIAL STATEMENTS

	Overfunded		Underfunded	
	2020	2019	2020	2019
4. Contribution by plan participants				
5. Actuarial gain (loss)				
6. Foreign currency exchange rate changes				
7. Benefits paid				
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$	\$	\$	\$
	Overfunded		Underfunded	
b. Postretirement Benefits	2020	2019	2020	2019
1. Benefit obligation at beginning of year	\$	\$	\$ 65,273,000	\$ 59,005,000
2. Service cost			1,692,000	1,471,000
3. Interest cost			1,899,000	2,284,000
4. Contribution by plan participants			196,000	112,000
5. Actuarial gain (loss)			3,978,000	5,310,000
6. Foreign currency exchange rate changes				
7. Benefits paid			2,540,000	2,983,000
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits			(57,000)	(74,000)
10. Benefit obligation at end of year	\$	\$	\$ 70,555,000	\$ 65,273,000
	Overfunded		Underfunded	
c. Special or Contractual Benefits per SSAP No. 11	2020	2019	2020	2019
1. Benefit obligation at beginning of year	\$	\$	\$	\$
2. Service cost				
3. Interest cost				
4. Contribution by plan participants				
5. Actuarial gain (loss)				
6. Foreign currency exchange rate changes				
7. Benefits paid				
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$	\$	\$	\$

(2) Change in Plan Assets

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2020	2019	2020	2019	2020	2019
a. Fair value of plan assets at beginning of year	\$	\$	\$	\$	\$	\$
b. Actual return on plan assets						
c. Foreign currency exchange rate changes						
d. Reporting entity contribution			2,287,000	2,797,000		
e. Plan participants' contributions			196,000	112,000		
f. Benefits paid			2,540,000	2,983,000		
g. Business combinations, divestitures and settlements			(57,000)	(74,000)		
h. Fair value of plan assets at end of year	\$	\$	\$	\$	\$	\$

(3) Funded Status

	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
a. Components				
1. Prepaid benefit costs	\$	\$	\$	\$
2. Overfunded plans assets	\$	\$	\$	\$
3. Accrued benefit costs	\$	\$	\$ 70,555,000	\$ 65,273,000
4. Liability for pension benefits	\$	\$	\$	\$
b. Assets and liabilities recognized				
1. Assets (nonadmitted)	\$	\$	\$	\$
2. Liabilities recognized	\$	\$	\$ 70,555,000	\$ 65,273,000
c. Unrecognized liabilities	\$	\$	\$	\$

NOTES TO FINANCIAL STATEMENTS

(4) Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2020	2019	2020	2019	2020	2019
a. Service cost	\$	\$	\$ 1,692,000	\$ 1,471,000	\$	\$
b. Interest cost			1,899,000	2,284,000		
c. Expected return on plan assets						
d. Transition asset or obligation			1,419,000	1,419,000		
e. Gains and losses						
f. Prior service cost or credit			173,000	173,000		
g. Gain or loss recognized due to a settlement curtailment						
h. Total net periodic benefit cost	\$	\$	\$ 5,183,000	\$ 5,347,000	\$	\$

(5) Amounts in Unassigned Funds (Surplus) Recognized as Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
a. Items not yet recognized as a component of net periodic cost – prior year	\$	\$	\$ 11,359,000	\$ 7,641,000
b. Net transition asset or obligation recognized			(1,419,000)	(1,419,000)
c. Net prior service cost or credit arising during the period				
d. Net prior service cost or credit recognized			(173,000)	(173,000)
e. Net gain and loss arising during the period			3,978,000	5,310,000
f. Net gain and loss recognized				
g. Items not yet recognized as a component of net periodic cost – current period	\$	\$	\$ 13,745,000	\$ 11,359,000

(6) Amounts in Unassigned Funds (Surplus) That Have Not Yet Been Recognized as Components of Net Periodic Benefit Cost

	Pension Benefits		Postretirement Benefits	
	2020	2019	2020	2019
a. Net transition asset or obligation	\$	\$	\$ 4,740,000	\$ 6,159,000
b. Net prior service cost or credit	\$	\$	\$ 1,816,000	\$ 1,989,000
c. Net recognized gains and losses	\$	\$	\$ 7,189,000	\$ 3,211,000

(7) Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost as of December 31

	2020	2019
a. Weighted-average discount rate	2.2%	3.0%
b. Expected long-term rate of return on plan assets	%	%
c. Rate of compensation increase	4.0%	4.0%
d. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	%	%
Weighted-average assumptions used to determine projected benefit obligations as of December 31		
e. Weighted-average discount rate	2.2%	3.0%
f. Rate of compensation increase	4.0%	4.0%
g. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	%	%

The discount rates selected at the measurement dates for purposes of determining the benefit obligation and cost reflect the time value of money. These rates are based on investment-grade bond yields, after allowing for call and default risk. The expected compensation increase assumption is a long-term rate based on current expectations regarding future compensation increases. The health care trend model used to develop the future trend rates is the Getzen Model.

(8) Accumulated Benefit Obligation for Defined Benefit Pension Plans

The Company sponsors a nonqualified defined benefit pension plan for specified independent members of the Board of Directors. The benefit is an annuity form of payment, based upon current compensation and years-of-service, and is limited to a maximum benefit period of 12 years. The accompanying statutory statements of admitted assets, liabilities and surplus include \$2,422,000 and \$2,609,000 at December 31, 2020 and 2019, respectively, in other liabilities related to this plan.

The Company sponsors a nonqualified defined benefit pension plan for certain executive level employees. The plan provides a lump sum distribution upon retirement, based on a base salary calculation and the applicable vesting period. The accompanying statutory statements of admitted assets, liabilities and surplus includes a liability of \$2,277,000 and \$1,595,000 at December 31, 2020 and 2019, respectively, in accounts payable and accrued expenses related to

NOTES TO FINANCIAL STATEMENTS

this plan.

- (9) For Postretirement Benefits Other Than Pensions, the Assumed Health Care Cost Trend Rate(s)

For measurement purposes, a 5.75% and 6.00% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2020 and 2019, respectively.

- (10) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the year indicated:

Year(s)	Amount
a. 2021	\$ 3,897,000
b. 2022	\$ 4,325,000
c. 2023	\$ 4,657,000
d. 2024	\$ 4,717,000
e. 2025	\$ 4,740,000
f. 2026 through 2029	\$ 22,647,000

- (11) Estimate of Contributions Expected to be Paid to the Plan

Expected employer contributions during 2021 are \$3,897,000.

- (12) Amounts and Types of Securities Included in Plan Assets

Not applicable.

- (13) Alternative Method Used to Amortize Prior Service Amounts or Net Gains and Losses

The Company uses an alternative amortization method for gain/loss recognition for the Postretirement Plan. If gains and losses are in excess of 5% of the accumulated benefit obligation, the entire amount is amortized over a period of five years. Otherwise there is no amortization.

- (14) Substantive Comment Used to Account for Benefit Obligation

The Company uses December 31 as the measurement date for calculating its obligations relating to postretirement benefits.

- (15) Cost of Providing Special or Contractual Termination Benefits Recognized

Not applicable.

- (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

The majority of the actuarial loss in 2020 and 2019 is a result of the decrease in the discount rate.

- (17) Accumulated Postretirement and Pension Benefit Obligation and Fair Value of Plan Assets for Defined Postretirement and Pension Benefit Plans

Not applicable.

- (18) Full Transition Surplus Impact of SSAP 102

Not applicable.

B. Investment Policies and Strategies

Not applicable.

C. Fair Value of Plan Assets

Not applicable.

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

Not applicable.

E. Defined Contribution Plans

Retirement Savings Plan

The Company sponsors a retirement savings plan that consists of a defined contribution employee retirement savings plan (the 401(k) Plan) and a defined contribution retirement plan (the Horizons Plan).

The 401(k) Plan is available to eligible employees. The Company contributes 100% of the first 3% and 50% of the next 2% of compensation that a participant contributes to the 401(k) Plan. Participants in the 401(k) Plan immediately vest in employer matching contributions. The Company's contributions to the 401(k) Plan totaled \$8,959,000 and \$8,588,000 for 2020 and 2019, respectively.

The Horizons Plan provides for a fixed contribution to eligible employees, calculated as a percentage of the employees' covered compensation. The fixed contribution is calculated using percentages ranging from 3% to 8%, based on an age plus years of service-graded scale. At December 31, 2020, the Company accrued \$14,461,000 for the fixed contribution relating to the 2020 plan year, which was subsequently paid in January 2021. At December 31, 2019, the Company accrued \$14,223,000 for the fixed contribution relating to the 2019 plan year, which was subsequently paid in January 2020. Amounts are included in accounts

NOTES TO FINANCIAL STATEMENTS

payable and accrued expenses in the statutory financial statements.

Restoration Savings Plan

The Company sponsors a funded, nonqualified deferred compensation plan (the Restoration Plan) for certain highly compensated employees and Directors participating in the nonqualified deferred compensation plan. The IRC currently limits the amounts the Company can pay to certain employees pursuant to the Horizons Plan and the 401(k) Plan. The Restoration Plan provides an additional contribution amount calculated as if those contributions were not limited. Director-level participation is limited to Horizons Plan contributions lost due to voluntary participation in the nonqualified deferred compensation plan. At December 31, 2020, the Company accrued \$1,490,000 related to the 2020 plan year, which is expected to be paid in 2021. At December 31, 2019, the Company accrued \$2,115,000 related to the 2019 plan year, which was paid in 2020. Amounts are included in accounts payable and accrued expenses in the statutory financial statements.

- F. Multiemployer Plans
- Not applicable.
- G. Consolidated/Holding Company Plans
- Not applicable.
- H. Postemployment Benefits and Compensated Absences
- Not applicable.
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)
- Not applicable.

Note 13 – Capital and Surplus, Shareholder’s Dividend Restrictions and Quasi-Reorganizations

- A. Number of Share and Par or State Value of Each Class
- Not applicable.
- B. Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues
- Not applicable.
- C. Dividend Restrictions
- Not applicable.
- D. Dates and Amounts of Dividends Paid
- Not applicable.
- E. Profits that may be Paid as Ordinary Dividends to Stockholders
- Not applicable.
- F. Restrictions Placed on Unassigned Funds (Surplus)
- Not applicable.
- G. Amount of Advances to Surplus not Repaid
- Not applicable.
- H. Amount of Stock Held for Special Purposes
- Not applicable.
- I. Reasons for Changes in Balance of Special Surplus Funds from Prior Period
- The change in the balance of special surplus funds from the prior year end is due to the decrease in the Health Insurer Fee.
- J. The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$ 129,244,199.
- K. The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations
- Not applicable.
- L. The impact of any restatement due to prior quasi-reorganizations is as follows
- Not applicable.
- M. Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization
- Not applicable.

Note 14 – Liabilities, Contingencies and Assessments

- A. Contingent Commitments

NOTES TO FINANCIAL STATEMENTS

The Company has invested in various limited partnership interests as an alternative to direct equity investments. These alternative investments are part of the Company's investment strategy and are organized to invest in selected healthcare and technology opportunities, multi-family rental and mixed use properties, community banks, hedged strategies, microcap manufacturing and service and distribution businesses. The aggregate fair value of the Company's limited partnerships was \$65,651,000 and \$41,554,000 at December 31, 2020 and 2019, respectively. The Company records these investments as other invested assets and the audited GAAP equity method is the basis of valuation. Undistributed earnings and losses of the investee are accounted for as changes in unrealized gains. The values of the investments assigned by the general partners may not be realizable until the sale or disposal of the related assets, which may not occur for several years. Limited partnerships are also highly illiquid investments and the Company's ability to withdraw funds is generally subject to significant restrictions. Distributions of earnings from these limited partnerships are largely at the sole discretion of the general partners and distributions are generally not received by the Company for many years after the earnings have been reported. The Company had commitments to contribute an additional \$4,279,492 and \$6,416,858, to existing limited partnerships as of December 31, 2020 and 2019, respectively.

The Company has committed an additional capital contribution to Bravo of \$887,056.

- (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: \$ 5,166,548.
- (2) Detail of other contingent commitments

Nature and Circumstances of Guarantee and Key Attributes, Including Date and Duration of Agreement	Liability Recognition of Guarantee, (Include Amount Recognized at Inception. If no Initial Recognition, Document Exception Allowed Under SSAP No. 5R)	Ultimate Financial Statement Impact if Action under the Guarantee is Required	Maximum Potential Amount of Future Payments (Undiscounted) the Guarantor could be Required to make under the Guarantee. If unable to Develop an Estimate, this Should be Specifically Noted	Current Status of Payment or Performance Risk of Guarantee. Also Provide Additional Discussion as Warranted
MHICO parental guarantee	\$	Investment in subsidiary	\$ Unable to estimate	No Payment needed as of 12/31/20
MMLIC parental guarantee	\$	Investment in subsidiary	\$ Unable to estimate	No Payment needed as of 12/31/20
Total	\$	XXX	\$	XXX

- (3) Guarantee Obligations
- Not applicable.

B. Assessments

- (1) Assessments Where Amount is Known or Unknown
- The Company is subject to regulations that may result in assessments under state insurance guaranty association laws. The Company is not anticipating any significant assessments as of December 31, 2020.
- (2) Assessments
- Not applicable.

- (3) Guaranty Fund Liabilities and Assets Related to Assessments from Insolvencies for Long-Term Care Contracts

a. Discount Rate Applied

3.5%

b. The undiscounted and discounted amount of the guaranty fund assessments and related assets by insolvency:

Name of the Insolvency	Guaranty Fund Assessment		Related Assets	
	Undiscounted	Discounted	Undiscounted	Discounted
Penn Treaty	\$	\$	\$	\$ 1,737,249

c. Number of jurisdictions, ranges of years used to discount and weighted average number of years of the discounting time period for payables and recoverables by insolvency:

Name of the Insolvency	Payables			Recoverables		
	Number of Jurisdictions	Range of Years	Weighted Average Number of Years	Number of Jurisdictions	Range of Years	Weighted Average Number of Years
Penn Treaty				1	2 to 5	4

- C. Gain Contingencies
- Not applicable.

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

NOTES TO FINANCIAL STATEMENTS

Not applicable.

E. Joint and Several Liabilities

Not applicable.

F. All Other Contingencies

Various lawsuits against the Company have arisen in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty at this time, management believes they will not have a material adverse effect on the Company’s financial position or results of operations.

CMS uses a risk-adjustment model to determine premiums paid to MA plans according to the health status of covered members. Under the risk-adjustment methodology, all MA plans must collect and submit specified medical diagnosis code information from providers to CMS. This data is used to calculate the risk-adjusted premium payments to MA plans. The Company relies on providers to submit claims using proper coding practices and to appropriately document medical data. The Company conducts medical record reviews as part of our data and payment accuracy compliance efforts.

CMS has instituted risk adjustment data validation (RADV) audits to validate the coding practices and supporting documentation maintained by providers. If selected for audit, CMS could require the Company to refund premium payments if the Company’s risk-adjusted premiums are not properly supported by medical record data. Currently, none of the Company’s MA plans have been selected for audit. The Company is unable to predict if any of the Company’s MA plans will be selected for future audit, or the amount of any retrospective or prospective MA premium adjustments that may result. Premium adjustments resulting from RADV audits could have a material adverse effect on the Company’s operating results, financial position, and cash flows.

Note 15 – Leases

A. Lessee Operating Lease

(1) Lessee’s Leasing Arrangements

The Company leases office space and computer equipment. Renewal options are available on the majority of leases and, under certain conditions; options exist to purchase equipment at the end of the lease term. Rental expense was \$9,382,000 and \$10,681,000 for 2020 and 2019, respectively.

During 2018, the Company entered into a lease agreement for the new location of our operations facility in Brooklyn, Ohio. The initial term of sixteen years commenced January 1, 2020 with an option to extend the lease.

As part of the Bravo acquisition, the Company is now party to a lease agreement for the Bravo facility in Cleveland, Ohio. The lease expires in January 2023, with an option to extend the lease.

(2) Leases with Initial or Remaining Noncancelable Lease Terms in Excess of One Year

a. At December 31, 2020 the minimum aggregate rental commitments are as follows:

Year Ending December 31	Operating Leases
1. 2021	\$ 4,779,000
2. 2022	\$ 4,229,000
3. 2023	\$ 3,414,000
4. 2024	\$ 3,414,000
5. 2025	\$ 3,611,000
6. Total	\$ 19,447,000

The minimum aggregate rental commitments for years thereafter are \$38,137,000 for the year ending December 31, 2020.

b. Total of Minimum Rentals to be Received in the Future under Noncancelable Subleases

Not applicable.

(3) For Sale-Leaseback Transactions

Not applicable.

B. Lessor Leases

Not applicable.

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

Not applicable.

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

Not applicable.

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

A. ASO Plans

Not applicable.

NOTES TO FINANCIAL STATEMENTS

B. ASC Plans

Not applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

The statutory statements of admitted assets, liabilities, and surplus include \$1,839,000 of subsidies included in other liabilities, \$3,145,000 of coverage gap discount receivables included in other admitted assets, and \$622,000 risk corridor payables included in aggregate health policy reserves at December 31, 2020 related to the Medicare Part D program.

The statutory statements of admitted assets, liabilities, and surplus include \$3,903,000 of subsidies included in other liabilities, \$2,007,000 of coverage gap discount receivables included in other admitted assets, and \$224,000 risk corridor payables included in aggregate health policy reserves at December 31, 2019 related to the Medicare Part D program.

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

Not applicable.

Note 20 – Fair Value Measurements

A. Fair Value Measurements

(1) Fair Value Measurements at Reporting Date

Level 1 fair values are based on quoted prices for identical assets in active markets. Other invested assets consist of mutual funds that are held in the Company’s nonqualified deferred benefit plans. The fair value measurements for other invested assets are also based on Level 1 inputs. If Level 1 valuations are not available, fair value is determined using models such as matrix pricing, which uses quoted market prices of fixed maturity securities with similar characteristics or discounted cash flows to estimate fair value. The Company does not have any assets carried at fair value based upon Level 2 or 3 inputs.

As the Company is responsible for the determination of fair value, it performs quarterly reviews of the prices received from its custodian. Specifically, the Company compares changes in the reported fair values and returns to relevant market indices to test the reasonableness of the reported prices. If further review is required, and also at year end, the Company will compare the prices received from its custodian to a secondary pricing source. The Company’s internal price verification procedures and review of fair value methodology documentation provided by its custodian’s independent pricing has not historically resulted in adjustment in the prices obtained from the custodian.

There were no transfers between Level 1, 2, and 3 during 2020 or 2019.

Description for Each Type of Asset or Liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
Assets at Fair Value					
PERPETUAL PREFERRED STOCKS INDUSTRIAL & MISC	\$ 7,874,590	\$	\$	\$	\$ 7,874,590
COMMON STOCKS INDUSTRIAL & MISC	\$ 366,814,589	\$	\$	\$	\$ 366,814,589
OTHER INVESTED ASSETS	\$ 20,162,932	\$	\$	\$	\$ 20,162,932
Total	\$ 394,852,111	\$	\$	\$	\$ 394,852,111
Liabilities at Fair Value					
	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

(2) - (5)

Not applicable.

B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

Not applicable.

C. Fair Value Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
BONDS	\$ 1,243,683,379	\$ 1,192,580,984	\$	\$ 1,243,683,379	\$	\$	\$
REDEEMABLE PREFERRED STOCKS INDUSTRIAL & MISC	\$ 2,580,411	\$ 2,427,754	\$ 2,580,411	\$	\$	\$	\$
PERPETUAL PREFERRED STOCKS INDUSTRIAL & MISC	\$ 7,874,590	\$ 7,874,590	\$ 7,874,590	\$	\$	\$	\$
COMMON STOCKS INDUSTRIAL & MISC	\$ 366,814,589	\$ 366,814,589	\$ 366,814,589	\$	\$	\$	\$
OTHER INVESTED ASSETS	\$ 20,162,932	\$ 20,162,932	\$ 20,162,932	\$	\$	\$	\$

D. Not Practicable to Estimate Fair Value

Not applicable.

NOTES TO FINANCIAL STATEMENTS

E. NAV Practical Expedient Investments

Not applicable.

Note 21 – Other Items

- A. Unusual or Infrequent Items
- In response to the COVID-19 pandemic, the Company voluntarily refunded \$60,287,000 of 2020 premiums to its customers. The statutory statement of admitted assets, liabilities, and surplus includes \$4,484,000 of premium refunds still owed to customers at December 31, 2020 classified in other liabilities. All other premium refunds were given via invoice credit in 2020 and charged to net accident and health premiums earned.
- As part of the start-up activities related to obtaining the Medicaid award, the Company incurred \$8,152,000 of costs recognized in current period earnings.
- B. Troubled Debt Restructuring Debtors
- Not applicable.
- C. Other Disclosures
- The Company, MHICO, MMLIC, and SDC are subject to certain RBC requirements which are calculated based on factors specified by the NAIC. Under those requirements, the minimum amounts of surplus which must be maintained are determined based on various risk factors. At December 31, 2020 and 2019, the Company, MHICO, MMLIC and SDC met their specific RBC requirements. The Company also guarantees that MHICO and MMLIC will maintain minimum surplus in accordance with state laws.
- D. Business Interruption Insurance Recoveries
- Not applicable.
- E. State Transferable and Non-Transferable Tax Credits
- Not applicable.
- F. Subprime Mortgage Related Risk Exposure
- Not applicable.
- G. Retained Assets
- Not applicable.
- H. Insurance-Linked Securities (ILS) Contracts
- Not applicable.
- 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
- Not applicable.

Note 22 – Events Subsequent

The Company has evaluated subsequent events from the end of the most recent fiscal year through February 26, 2021, the date the statutory financial statements were available to be issued noting no reportable events.

Subsequent events have been considered through February 26, 2021 for these statutory financial statements which are to be issued on February 26, 2021.

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 [X]	No []
		2020	2019
B.	ACA fee assessment payable for the upcoming year	\$	\$ 55,018,000
C.	ACA fee assessment paid	\$ 47,179,695	\$
D.	Premium written subject to ACA 9010 assessment	\$	\$
E.	Total adjusted capital before surplus adjustment (Five-Year Historical Line 14)	\$ 1,858,883,747	
F.	Total adjusted capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 1,858,883,747	
G.	Authorized control level (Five-Year Historical Line 15)	\$ 167,546,923	
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
- Certain premiums and benefits are assumed from other insurance companies under various reinsurance agreements. Such reinsurance agreements are subject to certain limitations or exceptions that may include a loss limit.

NOTES TO FINANCIAL STATEMENTS

Effective January 1, 2020 the Company entered into a quota share agreement (Quota Share) with a health and wellness trust (Trust). The Quota Share is a 90% / 10% share with MMO/Trust for both the claims and premiums. The Quota Share agreement is for three years, subject to annual renewal at mutually agreeable rates. The initial term ends on December 31, 2022. If the parties are unable to agree to renewal terms the agreement will terminate at the end of the 12-month period.

The effects of reinsurance for the year ended December 31, 2020 and 2019 are as follows:

	2020	2019
Direct accident and health insurance premiums	\$ 2,582,012,000	\$ 2,736,460,000
Assumed accident and health insurance premiums	234,255,000	9,019,000
Net accident and health insurance premiums	\$ 2,816,267,000	\$ 2,745,479,000

Differences between written and earned premiums subject to reinsurance are not significant.

	Year Ended December 31	
	2020	2019
Direct accident and health benefits	\$ 2,168,321,000	\$ 2,371,850,000
Assumed accident and health benefits	226,084,000	9,184,000
Net accident and health benefits	\$ 2,394,405,000	\$ 2,381,034,000

Section 1 – General Interrogatories

- (1)

Are any of the reinsurers listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? Yes [] No [X]
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? \$0
- (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

- (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. \$0
- (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

Not applicable.
- C.

Commutation of Ceded Reinsurance

Not applicable.
- D.

Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable.
- E.

Reinsurance Credits

Not applicable.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A.

Method Used to Estimate Accrued Retrospective Premium Adjustments

Not applicable.
- B.

Retrospective Premiums Recorded Through Written Premium or Adjustment to Earned Premium

NOTES TO FINANCIAL STATEMENTS

Not applicable.

C. Amount and Percentage of Net Premiums Written Subject to Retrospective Rating Features

Not applicable.

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

At December 31, 2020 and 2019, no liabilities were recognized on the accompanying statutory statements of admitted assets, liabilities and surplus as the calculated amounts exceeded the applicable thresholds.

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 [X] No []

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year:

a. Permanent ACA Risk Adjustment Program		AMOUNT
Assets		
1. Premium adjustments receivable due to ACA Risk Adjustment (including high-risk pool payments)		\$ 4,283,655
Liabilities		
2. Risk adjustment user fees payable for ACA Risk Adjustment		\$ 24,075
3. Premium adjustments payable due to ACA Risk Adjustment (including high-risk pool premium)		\$ 816,525
Operations (Revenue & Expenses)		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment		\$ 8,227,206
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)		\$ 24,130

b. Transitional ACA Reinsurance Program		AMOUNT
Assets		
1. Amounts recoverable for claims paid due to ACA Reinsurance		\$
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)		\$
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance		\$
Liabilities		
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium		\$
5. Ceded reinsurance premiums payable due to ACA Reinsurance		\$
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance		\$
Operations (Revenue & Expenses)		
7. Ceded reinsurance premiums due to ACA Reinsurance		\$
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments		\$
9. ACA Reinsurance contributions – not reported as ceded premium		\$

c. Temporary ACA Risk Corridors Program		AMOUNT
Assets		
1. Accrued retrospective premium due to ACA Risk Corridors Liabilities		\$
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		\$
Operations (Revenue & Expenses)		
3. Effect of ACA Risk Corridors on net premium income (paid/received)		\$
4. Effect of ACA Risk Corridors on change in reserves for rate credits		\$

(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:

	Accrued During the Prior Year on Business Written Before Dec. 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments		Ref	Balances Unsettled Reporting as of the Date	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high-risk pool payments)	\$ 6,668,000	\$	\$ 10,411,667	\$	\$ (3,743,667)	\$	\$ 4,030,522	\$	A	\$ 286,855	\$
2. Premium adjustments (payable) (including high-risk pool		(1,302,525)		(286,116)		(1,016,409)		199,884	B		(816,525)

NOTES TO FINANCIAL STATEMENTS

	Accrued the Prior Business Before the Prior	During Year on Written Dec. 31 of Year	Received or the Current Business Before the Prior	Paid as of Year on Written Dec. 31 of Year	Differences	Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	Adjustments		Ref	Unsettled as of the	Balances Reporting Date
					Prior Year Accrued Less Payments (Col. 1-3)						Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
					5		6				0	10
					Receivable		(Payable)		Receivable		Receivable	(Payable)
premium)												
3. Subtotal ACA Permanent Risk Adjustment Program	\$ 6,668,000	\$ (1,302,525)	\$ 10,411,667	\$ (286,116)	\$ (3,743,667)	\$ (1,016,409)	\$ 4,030,522	\$ 199,884			\$ 286,855	\$ (816,525)
b. Transitional ACA Reinsurance Program												
1. Amounts recoverable for claims paid	\$	\$	\$	\$	\$	\$	\$	\$		C	\$	\$
2. Amounts recoverable for claims unpaid (contra liability)										D		
3. Amounts receivable relating to uninsured plans										E		
4. Liabilities for contribution s payable due to ACA Reinsurance – not reported as ceded premium										F		
5. Ceded reinsurance premiums payable										G		
6. Liability for amounts held under uninsured plans										H		
7. Subtotal ACA Transitional Reinsurance Program	\$	\$	\$	\$	\$	\$	\$	\$			\$	\$
c. Temporary ACA Risk Corridors Program												
1. Accrued retrospectiv e premium	\$	\$	\$	\$	\$	\$	\$	\$		I	\$	\$
2. Reserve for rate credits or policy experience rating refunds										J		
3. Subtotal ACA Risk Corridors Program	\$	\$	\$	\$	\$	\$	\$	\$			\$	\$
d. Total for ACA Risk-Sharing Provisions	\$ 6,668,000	\$ (1,302,525)	\$ 10,411,667	\$ (286,116)	\$ (3,743,667)	\$ (1,016,409)	\$ 4,030,522	\$ 199,884			\$ 286,855	\$ (816,525)

Explanations of Adjustments

NOTES TO FINANCIAL STATEMENTS

- A.

ACA Risk Adjustment based on the final risk adjustment report received from HHS on July 17, 2020, risk adjustment data validation adjustments report from HHS on August 18, 2020 and payment and receipts through December 31, 2020.
- B.

ACA Risk Adjustment based on the final risk adjustment report received from HHS on July 17, 2020, risk adjustment data validation adjustments report from HHS on August 18, 2020 and payment and receipts through December 31, 2020.
- C.

Not applicable.
- D.

Not applicable.
- E.

Not applicable.
- F.

Not applicable.
- G.

Not applicable.
- H.

Not applicable.
- I.

Not applicable.
- J.

Not applicable.

(4) - (5)

Not applicable.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

- A.

Change in Incurred Losses and Loss Adjustment Expenses

The following table provides a reconciliation of the beginning and ending reserve balances for unpaid claims, medical incentive pool and bonuses, and claim adjustment expenses (CAE), net of reinsurance and recoveries. The table is also net of health care receivables of \$90,941,000 and \$75,565,000 for 2020 and 2019, respectively:

	2020	2019
Unpaid claims and CAE	\$ 375,385,000	\$ 302,985,000
Reinsurance payable, net	16,180,000	7,492,000
Healthcare receivables, net	(75,565,000)	(63,165,000)
Reserve at beginning of year, net of health care receivables and net reinsurance payables	316,000,000	247,312,000
Add provision for claims and CAE, net of reinsurance, occurring in:		
Current year	2,547,772,000	2,512,884,000
Prior years	(23,996,000)	(36,869,000)
Net incurred claims and CAE during the current year	2,523,776,000	2,476,015,000
Deduct payments for claims and CAE, net of reinsurance, occurring in:		
Current year	2,220,323,000	2,205,872,000
Prior years	285,833,000	201,455,000
Net claims and CAE payments during the current year	2,506,156,000	2,407,327,000
Reserve at end of year, net of health care receivables and reinsurance payables	\$ 333,620,000	\$ 316,000,000
Reinsurance payable, net	(29,384,000)	(16,180,000)
Healthcare receivables, net	90,941,000	75,565,000
Unpaid claims and CAE	\$ 395,177,000	\$ 375,385,000

The foregoing reconciliation shows that a \$23,996,000 redundancy in the December 31, 2019 reserves emerged in 2020, and a \$36,869,000 redundancy in the December 31, 2018 reserves emerged in 2019. The redundancies resulted from differences in claims severity and utilization as compared to expectations.

At December 31, 2020 and 2019, healthcare receivables include \$21,896,000 and \$7,475,000 of claims related receivables that are non-admitted in accordance with SSAP No. 84, *Certain Health Care Receivables and Receivables Under Government Insured Plans*. At December 31, 2020, healthcare receivables also include \$13,883,000 of admitted provider loans receivable, which is not claims related and not included in the unpaid claims table above.

- B.

Information about Significant Changes in Methodologies and Assumptions

Not applicable.

Note 26 – Intercompany Pooling Arrangements

Not applicable.

Note 27 – Structured Settlements

Not Applicable

Note 28 – Health Care Receivables

- A.

Pharmaceutical Rebate Receivables

The admitted receivable balances as of December 31, 2020 and 2019 of \$68,269,000 and \$60,412,000, respectively, are included in health care receivables for insured plans and other admitted assets for uninsured plans on the statutory statements of admitted assets, liabilities and surplus. These are comprised of the estimated pharmacy rebates for the current quarter as reported in the statutory financial statements plus the pharmacy rebates invoiced/confirmed for the preceding quarter. Additional details are included in the table below:

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
12/31/2020	\$ 34,127,000	\$ 34,127,000	\$	\$	\$
09/30/2020	\$ 30,211,125	\$ 34,142,000	\$	\$	\$
06/30/2020	\$ 36,732,000	\$ 36,841,000	\$ 31,558,959	\$	\$
03/31/2020	\$ 30,787,000	\$ 36,735,000	\$ 33,911,649	\$ 22,850	\$
	\$	\$	\$	\$	\$
12/31/2019	\$ 30,460,000	\$ 30,460,000	\$ 870,289	\$ 29,145,871	\$ 1,018,567
09/30/2019	\$ 26,825,000	\$ 29,952,000	\$ 27,652,457	\$ 1,801,808	\$ 84,003
06/30/2019	\$ 26,246,000	\$ 28,689,291	\$ 27,430,243	\$ 13,143	\$ 2,782,112
03/31/2019	\$ 24,372,000	\$ 27,083,000	\$ 26,042,682	\$ 123,511	\$ 1,806,975
	\$	\$	\$	\$	\$
12/31/2018	\$ 24,424,000	\$ 24,424,000	\$ 613,958	\$ 26,741,293	\$ 528,778
09/30/2018	\$ 20,883,000	\$ 23,645,000	\$ 21,969,752	\$ 3,800,836	\$ 235,229
06/30/2018	\$ 19,182,000	\$ 23,281,284	\$ 21,686,237	\$ 107,924	\$ 3,210,727
03/31/2018	\$ 18,055,000	\$ 22,388,338	\$ 21,112,014	\$ 22,311	\$ 2,679,990

B. Risk-Sharing Receivables

Not applicable.

Note 29 – Participating Policies

Not applicable.

Note 30 – Premium Deficiency Reserves

Aggregate health policy reserves include premium deficiency reserves that are recognized for health contracts when expected claims, claim adjustment expenses, and administrative costs exceed the premium to be collected for the remainder of the contract period. The Company considers anticipated net investment income as a factor in determining the premium deficiency reserve amount. Premium deficiency reserves related to Medicare Advantage policies at December 31, 2020 and 2019 totaled \$0 and \$29,900,000, respectively.

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 [X] No []

Note 31 – Anticipated Salvage and Subrogation

The reserve for unpaid claims and CAE at December 31, 2020 and 2019, has been reduced by \$6,525,000 and \$7,748,000, respectively, related to anticipated subrogation claims recoverable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

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

Yes [X]No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

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

1.3

State regulating?

OHIQ

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:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2019

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.

12/31/2019

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).

10/27/2020

3.4

By what department or departments?
OHIO DEPARTMENT OF INSURANCE

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

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

3.6

Have all of the recommendations within the latest financial examination report been complied with?

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

4.1

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

4.11

sales of new business?

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?
If the answer is YES, complete and file the merger history data file with the NAIC.

Yes []No [X]

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	3
Name of Entity	NAIC Company Code	State of Domicile

6.1

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

Yes []No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes []No [X]

7.2

If yes,

7.21

State the percentage of foreign control

%

7.22

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

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

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PricewaterhouseCoopers, LLC, 200 Public Square, 18th Floor, Cleveland, OH 44114

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 []No [X]

10.4

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

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 [X] No [] N/A []

10.6

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

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Ms. Jinn-Feng Lin, FSA, MAAA, PricewaterhouseCoopers, LLC, One North Wacker Drive, Chicago, IL 60606

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]

12.11

Name of real estate holding company

12.12

Number of parcels involved

0

12.13

Total book/adjusted carrying value

\$ 0

12.2

If yes, provide explanation

13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1

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

13.2

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

Yes [] No []

13.3

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

Yes [] No []

13.4

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

Yes [] No [] N/A []

14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []

(a)

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

(b)

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

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

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

(e)

Accountability for adherence to the code.

14.11

If the response to 14.1 is no, please explain:

14.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]

14.21

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

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]

14.31

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

15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes [] No [X]

15.2

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

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

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 []

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 *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [] No [X]

22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$ 0

22.22

Amount paid as expenses

\$ 0

22.23

Other amounts paid

\$ 0

23.1

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

Yes [X] No []

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

23.2

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

\$0

INVESTMENT

24.01

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

Yes [X]No []

24.02

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

24.03

For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

24.04

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

\$0

24.05

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

\$0

24.06

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

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

24.07

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

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

24.08

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

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

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

\$874,715

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	2	3
Nature of Restriction	Description	Amount
		\$

26.1

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

Yes []No [X]

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

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

If no, attach a description with this statement.

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

26.3

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

Yes []No [X]

26.4

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

26.41

Special accounting provision of SSAP No. 108

Yes []No []

26.42

Permitted accounting practice

Yes []No []

26.43

Other accounting guidance

Yes []No []

26.5

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

Yes []No []

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

27.1

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

Yes []No [X]

27.2

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

\$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 *Financial Condition Examiners Handbook*?

Yes [X]No []

28.01

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

1	2
Name of Custodian(s)	Custodian's Address
FIFTH THIRD BANK	5050 KINGSLEY DRIVE, CINCINNATI, OHIO 45263

28.02

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

1	2	3
---	---	---

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 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts", "... handle securities"].

1 Name of Firm or Individual	2 Affiliation
ANCORA ADVISORS, LLC	U
HUNTINGTON BANK	U
JAMES CELLURA	I

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 [] No [X]

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
124674	ANCORA ADVISORS, LLC	N/A	SEC	NO
N/A	HUNTINGTON BANK	N/A	OCC	NO

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

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
922908 36 3	VANGUARD S&P 500 ETF	\$ 64,475,213
922908 65 2	VANGUARD EXTENDED MARKET ETF	\$ 29,650,469
46137V 61 3	INVESCO ETF TR FTSE RAFI US 1000	\$ 18,120,661
47803T 62 7	JOHN HANCOCK INTERNATIONAL GROWTH FUND	\$ 14,945,696
552746 34 9	MFS INTERNATIONAL VALUE FUND	\$ 13,435,987
46432F 84 2	ISHARES CORE MSCI EATE ETF	\$ 10,873,108
315910 86 9	FIDELITY EMERGING MARKETS FUND	\$ 9,442,378
09260C 30 7	BLACKROCK SYSTEMATIC MULTI STRAT FUND	\$ 7,859,613
922042 85 8	VANGUARD FTSE EMERGING MARKETS ETF	\$ 6,900,247
317609 35 2	GRANDUER PEAK INTERNATIONAL OPPORTUNITES FUND	\$ 5,052,188
870297 80 1	SWEDISH EXPORT CREDIT CORP	\$ 3,858,772
29.2999	TOTAL	\$ 184,614,332

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
VANGUARD S&P 500 ETF	APPLE INC, MICROSOFT CORP, AMAZON.COM INC, FACEBOOK INC A, ALPHABET INC A	\$ 13,049,783	12/31/2020
VANGUARD EXTENDED MARKET ETF	TESLA INC, ZOOM VIDEO COMMUNICATIONS INC, SQUARE INC A, UBER TECHNOLOGIES INC, MODERNA INC	\$ 3,074,754	12/31/2020
INVESCO ETF TR FTSE RAFI US 1000	APPLE INC, BERKSHIRE HATHAWAY INC CLASS B, MICROSOFT CORP, JPMORGAN CHASE & CO, EXXON MOBIL CORP	\$ 1,986,024	12/31/2020
JOHN HANCOCK INTERNATIONAL GROWTH FUND	ALIBABA GROUP HOLDING LTD ADR, TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD, TENCENT HOLDINGS LTD, NESTLE SA, ASML HOLDING NV	\$ 3,283,569	12/31/2020
MFS INTERNATIONAL VALUE FUND	CADENCE DESIGN SYSTEMS INC, NESTLE SA, TAIWAN SEMICONDUCTOR MANUFATURING CO LTD ADR, GIVAUDAN SA, SCHNEIDER ELECTRIC SE	\$ 2,497,750	12/31/2020
ISHARES CORE MSCI EATE ETF	NESTLE SA, ROCHE HOLDING AG DIVIDEND RIGHT CERT, NOVARTIS AG, ASML HOLDING NV, LVMH MOET HENNESSY LOUIS VUITTON SE	\$ 681,744	12/31/2020
FIDELITY EMERGING MARKETS FUND	TENCENT HOLDINGS LTD, ALIBABA GROUP HOLDING LTD ADR, TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD, SAMSUNG ELECTRONICS CO LTD, RELIANCE INDUSTRIES LTD	\$ 2,769,449	12/31/2020
BLACKROCK SYSTEMATIC MULTI STRAT FUND	BLACKROCK LIQUIDITY T-FUND INST, BLACKROCK	\$ 1,392,723	12/31/2020

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

	LIQUID ENVIRONMNTLLY AWR DRT, FEDERAL NATIONAL MORTGAGE ASSOCIATION 3.5%, NATIONAL MORTGAGE ASSOCIATION 2%, NATIONAL MORTGAGE ASSOCIATION 2.5%		
VANGUARD FTSE EMERGING MARKETS ETF	ALIBABA GROUP HOLDING LTD ADR, TENCENT HOLDINGS LTD, TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD, TAIWAN SENICONDUCTOR MANUFACTURING LTD ADR, MEITUAN	\$ 1,400,060	12/31/2020
GRANDUER PEAK INTERNATIONAL OPPORTUNITES FUND	EPAM SYSTEMS INC, DECHRA PHARMACEUTICALS PLC, SILERGY CORP, WNS (HOLDINGS) LTD ADR, B&M EUROPEAN VALUE RETAIL SA	\$ 541,595	12/31/2020
SWEDISH EXPORT CREDIT CORP	SWEET LIGHT CRUDE OIL (WTI), BRENT CRUDE OIL, WHEAT, CORN, COTTON	\$ 1,960,256	12/31/2020

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	2	3
		Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 1,192,580,984	\$ 1,243,683,379	\$ 51,102,395
30.2	Preferred Stocks	\$ 10,302,344	\$ 10,455,001	\$ 152,657
30.3	Totals	\$ 1,202,883,328	\$ 1,254,138,380	\$ 51,255,052

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

The fair value of our securities was determined by utilizing prices obtained from our custodian, Fifth Third Bank. Fifth Third utilizes ICE Data Services for their pricing.

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:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

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

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

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

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

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

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

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

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 [] N/A [X]

OTHER

37.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 802,742

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

1 Name	2 Amount Paid
AHIP	\$ 232,923

38.1 Amount of payments for legal expenses, if any? \$ 5,108,855

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

38.2

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

1 Name	2 Amount Paid
BAKER & HOSTETLER	\$ 2,895,191
CALFEE, HALTER & GRISWOLD LLP	\$ 1,272,238

39.1

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

\$ 293,730

39.2

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

1 Name	2 Amount Paid
THE CJR GROUP, INC.	\$ 132,000
America's Health Insurance Plan	\$ 101,611

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?		Yes [X]	No []
1.2	If yes, indicate premium earned on U.S. business only.	\$	20,899,389	
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.	\$	14,549,913	
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	\$	19,389,518	
1.65	Total incurred claims	\$	13,338,044	
1.66	Number of covered lives		7,757	
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	\$	1,509,871	
1.75	Total incurred claims	\$	1,211,869	
1.76	Number of covered lives		512	
2.	Health Test:			
		1	2	
		Current Year	Prior Year	
2.1	Premium Numerator	\$ 2,816,267,745	\$ 2,745,478,625	
2.2	Premium Denominator	\$ 2,816,267,745	\$ 2,745,478,625	
2.3	Premium Ratio (2.1/2.2)	100.0%	100.0%	
2.4	Reserve Numerator	\$ 389,008,672	\$ 400,086,853	
2.5	Reserve Denominator	\$ 389,008,672	\$ 400,086,853	
2.6	Reserve Ratio (2.4/2.5)	100.0%	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 [X]
5.1	Does the reporting entity have stop-loss reinsurance?		Yes []	No [X]
5.2	If no, explain:			
5.3	Maximum retained risk (see instructions)			
5.31	Comprehensive Medical	\$	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:			

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

60,311

8.2

Number of providers at end of reporting year

64,574

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [X] No []

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees with rate guarantees between 15-36 months

\$ 326,080,913

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

7,372,000

10.22

Amount actually paid for year bonuses

4,256,774

10.23

Maximum amount payable withholds

0

10.24

Amount actually paid for year withholds

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.

\$ 75,280,785

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
Greater of 10% of total liabilities or minimum net worth per ORC 1751.28.

12.

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

1
Name of Service Area

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 [] N/A [X]

14.2

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

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

*Ordinary Life Insurance Includes

Term (whether full underwriting, limited underwriting, jet issue, "short form app")

Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")

Variable Life (with or without secondary guarantee)

Universal Life (with or without secondary guarantee)

Variable Universal Life (with or without secondary guarantee)

16.

Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

Yes [X] No []

16.1

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

Yes [] No []

FIVE-YEAR HISTORICAL DATA

	1 2020	2 2019	3 2018	4 2017	5 2016
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	2,611,638,271	2,541,794,596	2,453,868,031	2,233,659,289	1,991,521,499
2. Total liabilities (Page 3, Line 24).....	752,807,848	739,335,466	660,773,648	623,136,011	595,733,119
3. Statutory minimum capital and surplus requirement.....	75,280,785	73,933,547	66,077,365	62,313,601	59,573,312
4. Total capital and surplus (Page 3, Line 33).....	1,858,830,423	1,802,459,130	1,793,094,383	1,610,523,278	1,395,788,380
Income Statement (Page 4)					
5. Total revenues (Line 8).....	2,816,267,745	2,745,478,625	2,636,079,570	2,470,269,254	2,368,348,818
6. Total medical and hospital expenses (Line 18).....	2,394,405,323	2,381,033,533	2,193,352,424	2,052,193,454	1,968,611,195
7. Claims adjustment expenses (Line 20).....	129,371,288	94,980,788	87,175,614	79,509,713	72,601,170
8. Total administrative expenses (Line 21).....	221,507,578	188,340,354	227,782,725	296,664,163	246,151,640
9. Net underwriting gain (loss) (Line 24).....	100,883,556	86,923,950	121,794,807	61,734,924	52,425,813
10. Net investment gain (loss) (Line 27).....	24,719,168	44,983,760	42,394,667	68,088,170	26,324,682
11. Total other income (Lines 28 plus 29).....	(4,041,610)	(2,576,928)	(2,584,649)	(71,746,134)	(2,864,825)
12. Net income or (loss) (Line 32).....	95,070,011	102,846,587	128,037,370	22,361,261	57,879,626
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	121,910,570	316,890,815	222,891,577	24,657,467	152,739,780
Risk-Based Capital Analysis					
14. Total adjusted capital.....	1,858,883,747	1,802,509,457	1,793,143,488	1,610,570,531	1,395,830,477
15. Authorized control level risk-based capital.....	167,546,923	166,227,742	146,502,056	131,950,239	124,164,496
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	1,044,874	1,079,941	1,024,548	990,956	1,026,952
17. Total member months (Column 6, Line 7).....	12,779,829	12,846,930	12,197,814	11,803,287	12,335,520
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	85.0	86.7	83.2	83.1	83.1
20. Cost containment expenses.....	2.2	1.8	1.7	1.6	1.3
21. Other claims adjustment expenses.....	2.3	1.6	1.6	1.6	1.8
22. Total underwriting deductions (Line 23).....	96.4	96.8	95.4	97.5	97.8
23. Total underwriting gain (loss) (Line 24).....	3.6	3.2	4.6	2.5	2.2
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5).....	268,717,132	197,022,374	179,386,775	180,272,502	148,714,097
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)].....	292,713,490	233,891,762	224,961,684	224,789,470	158,765,548
Investments in Parent, Subsidiaries and Affiliates					
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).....	136,335,391	141,029,277	131,050,287	73,979,711	89,758,198
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.....	208,223,511	215,332,208	201,431,597	227,530,519	251,235,008
32. Total of above Lines 26 to 31.....	344,558,902	356,361,485	332,481,884	301,510,230	340,993,206
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

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type 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	..L.....							.....0	
12.	Hawaii.....HI	..N.....							.....0	
13.	Idaho.....ID	..N.....							.....0	
14.	Illinois.....IL	..N.....							.....0	
15.	Indiana.....IN	..L.....							.....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	..L.....	.....452,069						.....452,069	
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	..L.....							.....0	
35.	North Dakota.....ND	..N.....							.....0	
36.	Ohio.....OH	..L.....	..2,168,230,208	...397,514,809		.....15,815,683			..2,581,560,700	
37.	Oklahoma.....OK	..N.....							.....0	
38.	Oregon.....OR	..N.....							.....0	
39.	Pennsylvania.....PA	..L.....							.....0	
40.	Rhode Island.....RI	..N.....							.....0	
41.	South Carolina.....SC	..L.....							.....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	..L.....							.....0	
50.	Wisconsin.....WI	..L.....							.....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.....	..2,168,682,277	...397,514,809	.....0	.....15,815,683	.....0	.....0	..2,582,012,769	.....0
60.	Reporting entity contributions for Employee Benefit Plans.....	..XXX.....							.....0	
61.	Total (Direct Business).....	..XXX.....	..2,168,682,277	...397,514,809	.....0	.....15,815,683	.....0	.....0	..2,582,012,769	.....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
58999.	Total (Lines 58001 through 58003 + 58998).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	9
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.....	48

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

Premiums are allocated based upon the location of the group's home office or the individual's home address.

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

