

**Due to updated information gathered during the audit, we have elected to amend the 2020 Annual Statement.**



LIFE, AND ACCIDENT AND HEALTH COMPANIES/FRATERNAL BENEFIT SOCIETIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2020  
OF THE CONDITION AND AFFAIRS OF THE

Optum Insurance of Ohio, Inc.

NAIC Group Code07070707NAIC Company Code69647Employer's ID Number31-0628424  
(Current)(Prior)

Organized under the Laws ofOhio, State of Domicile or Port of EntryOH

Country of DomicileUnited States of America

Licensed as business type:Life, Accident and Health [ X ] Fraternal Benefit Societies [ ]

Incorporated/Organized10/19/1948Commenced Business12/05/1978

Statutory Home Office50 W. Broad Street, Suite 1800Columbus, OH, US 43215  
(Street and Number)(City or Town, State, Country and Zip Code)

Main Administrative Office9800 Health Care Lane; MS: MN006-W500  
(Street and Number)  
Minnetonka, MN, US 55343952-979-7329  
(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Mail Address9800 Health Care Lane; MS: MN006-W500Minnetonka, MN, US 55343  
(Street and Number or P.O. Box)(City or Town, State, Country and Zip Code)

Primary Location of Books and Records9800 Health Care Lane; MS: MN006-W500  
(Street and Number)  
Minnetonka, MN, US 55343952-979-7329  
(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Internet Website Addresswww.optumrx.com

Statutory Statement ContactTanner Scott Pearson+1(952) 979-7329  
(Name)(Area Code) (Telephone Number)  
tanner\_pearson5@uhc.com952-931-4651  
(E-mail Address)(FAX Number)

OFFICERS

President, Chief Executive OfficerJohn Michael PrinceChief Financial Officer, Chairman of the BoardJeffrey David Grosklags  
SecretaryKaren Elizabeth PetersonTreasurerPeter Marshall Gill

OTHER

Nyle Brent Cottingham, Vice PresidentDaniel Christopher Davis, Vice PresidentKirsten Colleen Hines, Assistant Secretary  
Heather Anastasia Lang, Assistant SecretaryDavid John Oberg, Assistant Secretary

DIRECTORS OR TRUSTEES

Daniel Christopher DavisElizabeth Fulton EricksonJeffrey David Grosklags  
Ellen Ruth NelsonJohn Michael Prince

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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 there from 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.

John Michael PrinceKaren Elizabeth PetersonJeffrey David Grosklags  
President, Chief Executive OfficerSecretaryChief Financial Officer, Chairman of the Board

Subscribed and sworn to before me thisSubscribed and sworn to before me thisSubscribed and sworn to before me this  
day ofday ofday of

a. Is this an original filing?..... Yes [ ] No [ X ]  
b. If no,  
1. State the amendment number..... 1  
2. Date filed.....  
3. Number of pages attached..... 37

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	2,683,767	0	2,683,767	2,604,977
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ .....0 encumbrances) .....	0	0	0	0
5. Cash (\$ .....301,779,189 , Schedule E - Part 1), cash equivalents (\$ .....690,067 , Schedule E - Part 2) and short-term investments (\$ .....0 , Schedule DA) .....	302,469,256	0	302,469,256	377,938,757
6. Contract loans (including \$ .....0 premium notes) .....	0	0	0	0
7. Derivatives (Schedule DB) .....	0	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0	0
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	305,153,023	0	305,153,023	380,543,734
13. Title plants less \$ .....0 charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	29,509	0	29,509	29,133
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0	0
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....	0	0	0	0
15.3 Accrued retrospective premiums (\$ .....0 ) and contracts subject to redetermination (\$ .....0 ) .....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	0	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0	0
17. Amounts receivable relating to uninsured plans .....	118,784,683	98,323	118,686,360	119,679,233
18.1 Current federal and foreign income tax recoverable and interest thereon ....	0	0	0	6,074,125
18.2 Net deferred tax asset .....	448,416	219,665	228,751	245,781
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0	0
24. Health care (\$ .....0 ) and other amounts receivable .....	0	0	0	0
25. Aggregate write-ins for other than invested assets .....	98,672	0	98,672	178,501
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	424,514,303	317,988	424,196,315	506,750,507
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27) .....	424,514,303	317,988	424,196,315	506,750,507
DETAILS OF WRITE-INS				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0	0
2501. State Income Tax Recoverable .....	98,672	0	98,672	178,501
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	98,672	0	98,672	178,501

LIABILITIES, SURPLUS AND OTHER FUNDS

	1	2
	Current Year	Prior Year
1. Aggregate reserve for life contracts \$ .....0 (Exh. 5, Line 9999999) less \$ .....0 included in Line 6.3 (including \$ .....0 Modco Reserve) .....	0	0
2. Aggregate reserve for accident and health contracts (including \$ .....0 Modco Reserve) .....	0	0
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ .....0 Modco Reserve) .....	0	0
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11) .....	0	0
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11) .....	0	0
5. Policyholders' dividends/refunds to members \$ .....0 and coupons \$ .....0 due and unpaid (Exhibit 4, Line 10) .....	0	0
6. Provision for policyholders' dividends, refunds to members and coupons payable in following calendar year - estimated amounts:		
6.1 Policyholders' dividends and refunds to members apportioned for payment (including \$ .....0 Modco) .....	0	0
6.2 Policyholders' dividends and refunds to members not yet apportioned (including \$ .....0 Modco) .....	0	0
6.3 Coupons and similar benefits (including \$ .....0 Modco) .....	0	0
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....	0	0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ .....0 discount; including \$ .....0 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of lines 4 and 14) .....	0	0
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....	0	0
9.2 Provision for experience rating refunds, including the liability of \$ .....0 accident and health experience rating refunds of which \$ .....0 is for medical loss ratio rebate per the Public Health Service Act .....	0	0
9.3 Other amounts payable on reinsurance, including \$ .....0 assumed and \$ .....0 ceded .....	0	0
9.4 Interest maintenance reserve (IMR, Line 6) .....	45,180	57,883
10. Commissions to agents due or accrued-life and annuity contracts \$ .....0 accident and health \$ .....0 and deposit-type contract funds \$ .....0 .....	0	0
11. Commissions and expense allowances payable on reinsurance assumed .....	0	0
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 7) .....	1,656,587	1,458,398
13. Transfers to Separate Accounts due or accrued (net) (including \$ .....0 accrued for expense allowances recognized in reserves, net of reinsured allowances) .....	0	0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 6) .....	0	0
15.1 Current federal and foreign income taxes, including \$ .....0 on realized capital gains (losses) .....	105,216	0
15.2 Net deferred tax liability .....	0	0
16. Unearned investment income .....	0	0
17. Amounts withheld or retained by reporting entity as agent or trustee .....	0	0
18. Amounts held for agents' account, including \$ .....0 agents' credit balances .....	0	0
19. Remittances and items not allocated .....	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0
21. Liability for benefits for employees and agents if not included above .....	0	0
22. Borrowed money \$ .....0 and interest thereon \$ .....0 .....	0	0
23. Dividends to stockholders declared and unpaid .....	0	0
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7) .....	0	0
24.02 Reinsurance in unauthorized and certified (\$ .....0 ) companies .....	0	0
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$ .....0 ) reinsurers .....	0	0
24.04 Payable to parent, subsidiaries and affiliates .....	129,110,164	89,825,719
24.05 Drafts outstanding .....	0	0
24.06 Liability for amounts held under uninsured plans .....	226,022,413	349,200,429
24.07 Funds held under coinsurance .....	0	0
24.08 Derivatives .....	0	0
24.09 Payable for securities .....	0	0
24.10 Payable for securities lending .....	0	0
24.11 Capital notes \$ .....0 and interest thereon \$ .....0 .....	0	0
25. Aggregate write-ins for liabilities .....	47,357	21,270
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25) .....	356,986,917	440,563,699
27. From Separate Accounts Statement .....	0	0
28. Total liabilities (Lines 26 and 27) .....	356,986,917	440,563,699
29. Common capital stock .....	2,727,274	2,727,274
30. Preferred capital stock .....	0	0
31. Aggregate write-ins for other than special surplus funds .....	0	0
32. Surplus notes .....	0	0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1) .....	4,990,293	4,990,293
34. Aggregate write-ins for special surplus funds .....	0	0
35. Unassigned funds (surplus) .....	59,491,831	58,469,241
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 29 \$ .....0 ) .....	0	0
36.2 .....0 shares preferred (value included in Line 30 \$ .....0 ) .....	0	0
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ .....0 in Separate Accounts Statement) .....	64,482,124	63,459,534
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55) .....	67,209,398	66,186,808
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3) .....	424,196,315	506,750,507
DETAILS OF WRITE-INS		
2501. Unclaimed Property .....	47,357	21,270
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	47,357	21,270
3101. ....		
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page .....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198)(Line 31 above) .....	0	0
3401. ....		
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page .....	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....	0	0

SUMMARY OF OPERATIONS

	1	2
	Current Year	Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11) .....	0	0
2. Considerations for supplementary contracts with life contingencies .....	0	0
3. Net investment income (Exhibit of Net Investment Income, Line 17) .....	42,325	46,730
4. Amortization of Interest Maintenance Reserve (IMR, Line 5) .....	12,703	13,327
5. Separate Accounts net gain from operations excluding unrealized gains or losses .....	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1) .....	5,858	28,214
7. Reserve adjustments on reinsurance ceded .....	0	0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts .....	0	0
8.2 Charges and fees for deposit-type contracts .....	0	0
8.3 Aggregate write-ins for miscellaneous income .....	60,395,936	58,965,794
9. Total (Lines 1 to 8.3) .....	60,456,822	59,054,065
10. Death benefits .....	0	0
11. Matured endowments (excluding guaranteed annual pure endowments) .....	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8) .....	0	0
13. Disability benefits and benefits under accident and health contracts .....	0	0
14. Coupons, guaranteed annual pure endowments and similar benefits .....	0	0
15. Surrender benefits and withdrawals for life contracts .....	0	0
16. Group conversions .....	0	0
17. Interest and adjustments on contract or deposit-type contract funds .....	0	0
18. Payments on supplementary contracts with life contingencies .....	0	0
19. Increase in aggregate reserves for life and accident and health contracts .....	0	0
20. Totals (Lines 10 to 19) .....	0	0
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1) .....	5,858	28,214
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1) .....	0	0
23. General insurance expenses and fraternal expenses (Exhibit 2, Line 10, Cols. 1, 2, 3, 4 and 6) .....	19,578,493	18,942,440
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3 + 5) .....	509,566	573,568
25. Increase in loading on deferred and uncollected premiums .....	0	0
26. Net transfers to or (from) Separate Accounts net of reinsurance .....	0	0
27. Aggregate write-ins for deductions .....	0	0
28. Totals (Lines 20 to 27) .....	20,093,917	19,544,222
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 minus Line 28) .....	40,362,905	39,509,843
30. Dividends to policyholders and refunds to members .....	0	0
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30) .....	40,362,905	39,509,843
32. Federal and foreign income taxes incurred (excluding tax on capital gains) .....	8,404,216	8,224,729
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32) .....	31,958,689	31,285,114
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ .....0 (excluding taxes of \$ .....0 transferred to the IMR) .....	0	0
35. Net income (Line 33 plus Line 34) .....	31,958,689	31,285,114
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2) .....	66,186,808	68,741,250
37. Net income (Line 35) .....	31,958,689	31,285,114
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....(12) .....	(153)	87
39. Change in net unrealized foreign exchange capital gain (loss) .....	0	0
40. Change in net deferred income tax .....	(86,356)	(444,904)
41. Change in nonadmitted assets .....	150,410	1,605,261
42. Change in liability for reinsurance in unauthorized and certified companies .....	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease .....	0	0
44. Change in asset valuation reserve .....	0	0
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Col. 2 minus Col. 1) .....	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period .....	0	0
47. Other changes in surplus in Separate Accounts Statement .....	0	0
48. Change in surplus notes .....	0	0
49. Cumulative effect of changes in accounting principles .....	0	0
50. Capital changes:		
50.1 Paid in .....	0	0
50.2 Transferred from surplus (Stock Dividend) .....	0	0
50.3 Transferred to surplus .....	0	0
51. Surplus adjustment:		
51.1 Paid in .....	0	0
51.2 Transferred to capital (Stock Dividend) .....	0	0
51.3 Transferred from capital .....	0	0
51.4 Change in surplus as a result of reinsurance .....	0	0
52. Dividends to stockholders .....	(31,000,000)	(35,000,000)
53. Aggregate write-ins for gains and losses in surplus .....	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53) .....	1,022,590	(2,554,442)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38) .....	67,209,398	66,186,808
DETAILS OF WRITE-INS		
08.301. Service Fee Revenue .....	60,395,936	58,965,794
08.302. ....		
08.303. ....		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page .....	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398)(Line 8.3 above) .....	60,395,936	58,965,794
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798)(Line 27 above) .....	0	0
5301. ....		
5302. ....		
5303. ....		
5398. Summary of remaining write-ins for Line 53 from overflow page .....	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398)(Line 53 above) .....	0	0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Optum Insurance of Ohio, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS - SUMMARY

	1	2	3	4	5	6	7	8	9
	Total	Individual Life	Group Life	Individual Annuities	Group Annuities	Accident and Health	Fraternal	Other Lines of Business	YRT Mortality Risk Only
1. Premiums and annuity considerations for life and accident and health contracts .....	0	0	0	0	0	0	0	0	0
2. Considerations for supplementary contracts with life contingencies .....	0	XXX	XXX	0	0	XXX	XXX	0	XXX
3. Net investment income .....	42,325	0	0	0	0	0	0	42,325	0
4. Amortization of Interest Maintenance Reserve (IMR) .....	12,703	0	0	0	0	0	0	12,703	0
5. Separate Accounts net gain from operations excluding unrealized gains or losses .....	0	0	0	0	0	0	XXX	0	0
6. Commissions and expense allowances on reinsurance ceded .....	5,858	5,858	0	0	0	0	XXX	0	0
7. Reserve adjustments on reinsurance ceded .....	0	0	0	0	0	0	XXX	0	0
8. Miscellaneous Income:									
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts .....	0	0	0	0	0	0	XXX	0	0
8.2 Charges and fees for deposit-type contracts .....	0	0	0	0	0	XXX	XXX	0	0
8.3 Aggregate write-ins for miscellaneous income .....	60,395,936	0	0	0	0	0	0	60,395,936	0
9. Totals (Lines 1 to 8.3) .....	60,456,822	5,858	0	0	0	0	0	60,450,964	0
10. Death benefits .....	0	0	0	0	0	XXX	XXX	0	0
11. Matured endowments (excluding guaranteed annual pure endowments) .....	0	0	0	0	0	XXX	XXX	0	0
12. Annuity benefits .....	0	XXX	XXX	0	0	XXX	XXX	0	XXX
13. Disability benefits and benefits under accident and health contracts .....	0	0	0	0	0	0	XXX	0	0
14. Coupons, guaranteed annual pure endowments and similar benefits .....	0	0	0	0	0	0	XXX	0	0
15. Surrender benefits and withdrawals for life contracts .....	0	0	0	0	0	XXX	XXX	0	0
16. Group conversions .....	0	0	0	0	0	0	XXX	0	0
17. Interest and adjustments on contract or deposit-type contract funds .....	0	0	0	0	0	0	XXX	0	0
18. Payments on supplementary contracts with life contingencies .....	0	0	0	0	0	XXX	XXX	0	0
19. Increase in aggregate reserves for life and accident and health contracts .....	0	0	0	0	0	0	XXX	0	0
20. Totals (Lines 10 to 19) .....	0	0	0	0	0	0	XXX	0	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) .....	5,858	5,858	0	0	0	0	0	0	XXX
22. Commissions and expense allowances on reinsurance assumed .....	0	0	0	0	0	0	XXX	0	0
23. General insurance expenses and fraternal expenses .....	19,578,493	0	0	0	0	0	0	19,578,493	0
24. Insurance taxes, licenses and fees, excluding federal income taxes .....	509,566	0	0	0	0	0	0	509,566	0
25. Increase in loading on deferred and uncollected premiums .....	0	0	0	0	0	0	XXX	0	0
26. Net transfers to or (from) Separate Accounts net of reinsurance .....	0	0	0	0	0	0	XXX	0	0
27. Aggregate write-ins for deductions .....	0	0	0	0	0	0	0	0	0
28. Totals (Lines 20 to 27) .....	20,093,917	5,858	0	0	0	0	0	20,088,059	0
29. Net gain from operations before dividends to policyholders, refunds to members and federal income taxes (Line 9 minus Line 28) .....	40,362,905	0	0	0	0	0	0	40,362,905	0
30. Dividends to policyholders and refunds to members .....	0	0	0	0	0	0	XXX	0	0
31. Net gain from operations after dividends to policyholders, refunds to members and before federal income taxes (Line 29 minus Line 30) .....	40,362,905	0	0	0	0	0	0	40,362,905	0
32. Federal income taxes incurred (excluding tax on capital gains) .....	8,404,216	0	0	0	0	0	0	8,404,216	0
33. Net gain from operations after dividends to policyholders, refunds to members and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32) .....	31,958,689	0	0	0	0	0	0	31,958,689	0
34. Policies/certificates in force end of year .....	1,382	1,382	0	0	0	0	XXX	0	0
DETAILS OF WRITE-INS									
08.301. Service Fee Revenue .....	60,395,936	0	0	0	0	0	0	60,395,936	0
08.302. ....									
08.303. ....									
08.398. Summary of remaining write-ins for Line 8.3 from overflow page .....	0	0	0	0	0	0	0	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above) .....	60,395,936	0	0	0	0	0	0	60,395,936	0
2701. ....									
2702. ....									
2703. ....									
2798. Summary of remaining write-ins for Line 27 from overflow page .....	0	0	0	0	0	0	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) .....	0	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Optum Insurance of Ohio, Inc.

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5	6	7
	1	Accident and Health		4			
		2	3				
	Life	Cost Containment	All Other	All Other Lines of Business	Investment	Fraternal	Total
1. Rent .....	.0	.0	0	66,713	.0	.0	66,713
2. Salaries and wages .....	.0	.0	0	917,678	.0	.0	917,678
3.11 Contributions for benefit plans for employees .....	.0	.0	0	201,317	.0	.0	201,317
3.12 Contributions for benefit plans for agents .....	.0	.0	0	.0	.0	.0	.0
3.21 Payments to employees under non-funded benefit plans .....	.0	.0	0	1,910	.0	.0	1,910
3.22 Payments to agents under non-funded benefit plans .....	.0	.0	0	.0	.0	.0	.0
3.31 Other employee welfare .....	.0	.0	0	2,632	.0	.0	2,632
3.32 Other agent welfare .....	.0	.0	0	.0	.0	.0	.0
4.1 Legal fees and expenses .....	.0	.0	0	13,250	.0	.0	13,250
4.2 Medical examination fees .....	.0	.0	0	.161	.0	.0	.161
4.3 Inspection report fees .....	.0	.0	0	.31	.0	.0	.31
4.4 Fees of public accountants and consulting actuaries .....	.0	.0	0	158,833	.0	.0	158,833
4.5 Expense of investigation and settlement of policy claims .....	.0	.0	0	3,849	.0	.0	3,849
5.1 Traveling expenses .....	.0	.0	0	10,836	.0	.0	10,836
5.2 Advertising .....	.0	.0	0	67,978	.0	.0	67,978
5.3 Postage, express, telegraph and telephone .....	.0	.0	0	48,699	.0	.0	48,699
5.4 Printing and stationery .....	.0	.0	0	14,959	.0	.0	14,959
5.5 Cost or depreciation of furniture and equipment .....	.0	.0	0	15,446	.0	.0	15,446
5.6 Rental of equipment .....	.0	.0	0	3,052	.0	.0	3,052
5.7 Cost or depreciation of EDP equipment and software .....	.0	.0	0	121,033	.0	.0	121,033
6.1 Books and periodicals .....	.0	.0	0	1,223	.0	.0	1,223
6.2 Bureau and association fees .....	.0	.0	0	1,415	.0	.0	1,415
6.3 Insurance, except on real estate .....	.0	.0	0	14,928	.0	.0	14,928
6.4 Miscellaneous losses .....	.0	.0	0	.0	.0	.0	.0
6.5 Collection and bank service charges .....	.0	.0	0	5,858	.0	.0	5,858
6.6 Sundry general expenses .....	.0	.0	0	.0	.0	.0	.0
6.7 Group service and administration fees .....	.0	.0	0	17,628,456	.0	.0	17,628,456
6.8 Reimbursements by uninsured plans .....	.0	.0	0	.0	.0	.0	.0
7.1 Agency expense allowance .....	.0	.0	0	.0	.0	.0	.0
7.2 Agents' balances charged off (less \$ _____ recovered) .....	.0	.0	0	.0	.0	.0	.0
7.3 Agency conferences other than local meetings .....	.0	.0	0	.0	.0	.0	.0
8.1 Official publication (Fraternal Benefit Societies Only) .....	XXX	XXX	XXX	XXX	XXX	.0	.0
8.2 Expense of supreme lodge meetings (Fraternal Benefit Societies Only) .....	XXX	XXX	XXX	XXX	XXX	.0	.0
9.1 Real estate expenses .....	.0	.0	0	.0	.0	.0	.0
9.2 Investment expenses not included elsewhere .....	.0	.0	0	.0	10,111	.0	10,111
9.3 Aggregate write-ins for expenses .....	.0	.0	0	278,236	.0	.0	278,236
10. General expenses incurred .....	.0	.0	0	19,578,493	10,111	(b)	(a) 19,588,604
11. General expenses unpaid Dec. 31, prior year .....	.0	.0	0	1,458,398	.0	.0	1,458,398
12. General expenses unpaid Dec. 31, current year .....	.0	.0	0	1,656,587	.0	.0	1,656,587
13. Amounts receivable relating to uninsured plans, prior year .....	.0	.0	0	.0	.0	.0	.0
14. Amounts receivable relating to uninsured plans, current year .....	.0	.0	0	.0	.0	.0	.0
15. General expenses paid during year (Lines 10+11-12-13+14) .....	.0	.0	0	19,380,304	10,111	.0	19,390,415
DETAILS OF WRITE-INS							
09.301. Other professional fees .....	.0	.0	0	278,236	.0	.0	278,236
09.302. ....							
09.303. ....							
09.398. Summary of remaining write-ins for Line 9.3 from overflow page .....	.0	.0	0	.0	.0	.0	.0
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398) (Line 9.3 above) .....	.0	.0	0	278,236	.0	.0	278,236

(a) Includes management fees of \$ 2,029,308 to affiliates and \$ 0 to non-affiliates.  
(b) Show the distribution of this amount in the following categories (Fraternal Benefit Societies Only):  
1. Charitable \$ 0 ; 2. Institutional \$ 0 ; 3. Recreational and Health \$ 0 ; 4. Educational \$ 0  
5. Religious \$ 0 ; 6. Membership \$ 0 ; 7. Other \$ 0 ; 8. Total \$ 0

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

		Insurance			4	5	6
		1	2	3			
		Life	Accident and Health	All Other Lines of Business	Investment	Fraternal	Total
1.	Real estate taxes .....	0	0	3,450	0	0	3,450
2.	State insurance department licenses and fees .....	0	0	103,680	0	0	103,680
3.	State taxes on premiums .....	0	0	19,628	0	0	19,628
4.	Other state taxes, including \$ .....0 for employee benefits .....	0	0	308,941	0	0	308,941
5.	U.S. Social Security taxes .....	0	0	73,867	0	0	73,867
6.	All other taxes .....	0	0	0	0	0	0
7.	Taxes, licenses and fees incurred .....	0	0	509,566	0	0	509,566
8.	Taxes, licenses and fees unpaid Dec. 31, prior year .....	0	0	0	0	0	0
9.	Taxes, licenses and fees unpaid Dec. 31, current year .....	0	0	0	0	0	0
10.	Taxes, licenses and fees paid during year (Lines 7 + 8 - 9) .....	0	0	509,566	0	0	509,566

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1	2
	Life	Accident and Health
1. Applied to pay renewal premiums .....		
2. Applied to shorten the endowment or premium-paying period .....		
3. Applied to provide paid-up additions .....		
4. Applied to provide paid-up annuities .....		
5. Total Lines 1 through 4 .....		
6. Paid in cash .....		
7. Left on deposit .....		
8. Aggregate write-ins for dividend or refund options .....		
9. Total Lines 5 through 8 .....		
10. Amount due and unpaid .....		
11. Provision for dividends or refunds payable in the following calendar year .....		
12. Terminal dividends .....		
13. Provision for deferred dividend contracts .....		
14. Amount provisionally held for deferred dividend contracts not included in Line 13 .....		
15. Total Lines 10 through 14 .....		
16. Total from prior year .....		
17. Total dividends or refunds (Lines 9 + 15 - 16) .....		
DETAILS OF WRITE-INS		
0801. ....		
0802. ....		
0803. ....		
0898. Summary of remaining write-ins for Line 8 from overflow page .....		
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above) .....		

NONE

**OPTUM INSURANCE OF OHIO, INC.**

**NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN**

**Organization and Operation**

Optum Insurance of Ohio, Inc. (the “Company”), licensed as a life, accident, and health insurer, is domiciled in the State of Ohio. The Company is a wholly owned subsidiary of OptumRx PBM of Maryland, LLC (the “Parent”), which is a wholly owned subsidiary of UnitedHealth Group Incorporated (“UnitedHealth Group”). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company is licensed to sell life, annuity, and accident and health insurance products in 48 states and the District of Columbia. The Company entered into a coinsurance agreement with Protective Life Insurance Company (“Protective”) on April 30, 1997 to cede the risk associated with its life and annuity contracts. Under this agreement, Protective agreed to administer certain life and annuity contracts originally written by the Company and to pay for any claims arising under the insurance contracts. As of December 31, 2020 and 2019, all of the Company’s insurance contracts were 100% ceded to Protective under the coinsurance agreement.

The Company operates as a national Medicare Prescription Drug Plan (“PDP”) sponsor under Part D of the Medicare program. The Company holds an agreement with the Department of Health and Human Services, and Centers for Medicare and Medicaid Services (“CMS”) to operate as a national PDP sponsor. As an approved national PDP sponsor, the Company is able to provide PDP Medicare benefits to employer groups wishing to contract indirectly with CMS to offer prescription drug benefits to eligible members. The Company only provides Medicare Part D benefits to employer groups that will directly reimburse it for the cost of the prescription drugs and does not subject the Company to any insurance risk. The Company is able to offer benefits to all retirees of an employer group regardless of their state of residence by providing adequate access to pharmacy providers. Employer groups and unions located in all 50 states are within the Company’s target market; the insured Medicare-eligible members of these organizations may reside anywhere in the United States and its territories.

As a PDP plan sponsor, the Company only facilitates the information flow of the PDP benefits and reimbursements between the employer groups and CMS. In addition to charging a service fee for the PDP services, the Company does facilitate the collection for the reimbursement of the drug spend from the employer groups, however, 100% of these payments are remitted back to the affiliated pharmaceutical benefit manager (“PBM”). The Company does not administer or make claims payments on behalf of the employer groups; that is the sole responsibility of the PBM. The PBM provides specific reporting on drug spend to the Company, who in turn provides it to CMS to facilitate any reimbursements due to the employer groups. The Company does not arrange for the provision of medical services for these employer groups.

**A. Accounting Practices**

The statutory basis financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (the “Department”).

The Department recognizes only statutory accounting practices, prescribed or permitted by the State of Ohio, for determining and reporting the financial condition and results of operations of a life, accident, and health insurer for determining its solvency under Ohio Insurance Law. The state prescribes the use of the National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures manual (“NAIC SAP”) in effect for the accounting periods covered in the statutory basis financial statements.



No significant differences exist between the practices prescribed or permitted by the State of Ohio and the NAIC SAP which materially affect the statutory basis net income and capital and surplus, as illustrated in the table below:

	SSAP #	F/S Page #	F/S Line #	December 31, 2020	December 31, 2019
<b>Net Income</b>					
(1) Company state basis (Page 4, Line 35, Columns 1 & 2)	XXX	XXX	XXX	\$ 31,958,689	\$ 31,285,114
(2) State prescribed practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(3) State permitted practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	<u>\$ 31,958,689</u>	<u>\$ 31,285,114</u>
<b>Capital and Surplus</b>					
(5) Company state basis (Page 3, Line 38, Columns 1 & 2)	XXX	XXX	XXX	\$ 67,209,398	\$ 66,186,808
(6) State prescribed practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(7) State permitted practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	<u>\$ 67,209,398</u>	<u>\$ 66,186,808</u>

**B. Use of Estimates in the Preparation of the Statutory Basis Financial Statements**

The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income in the period in which the estimate is adjusted. As of December 31, 2020, there are no amounts in the statutory basis financial statements that the Company believes contain material estimates and judgements.

**C. Accounting Policy**

**Basis of Presentation** — The Company prepares its statutory basis financial statements on the basis of accounting practices prescribed or permitted by the Department. These statutory practices differ from accounting principles generally accepted in the United States of America ("GAAP").

Accounting policy disclosures that are required by the NAIC Annual Statement instructions are as follows:

- (1) The Company holds no short-term investments as of December 31, 2020 or 2019.
- (2) Bonds are stated at book/adjusted carrying value if they meet NAIC designation of one through five and stated at the lower of book/adjusted carrying value or fair value if they meet an NAIC designation of six. The Company does not have any mandatory convertible securities or Securities Valuation Office of the NAIC ("SVO") identified funds (i.e.: exchange traded funds or bond mutual funds) in its bond portfolio. Amortization of bond premium or accretion of discount is calculated using the constant-yield interest method. Bonds are valued and reported using market prices published by the SVO in accordance with the NAIC Valuation of Securities manual prepared by the SVO or an external pricing service;
- (3–4) The Company holds no common or preferred stock;
- (5) The Company holds no mortgage loans on real estate;
- (6) The Company holds no loan-backed securities;
- (7) The Company holds no investments in subsidiaries, controlled, or affiliated entities;

- (8) The Company has no investment interests with respect to joint ventures, partnerships, or limited liability companies;
- (9) The Company holds no derivatives;
- (10) The Company has reviewed the statutory requirements for establishing a premium deficiency reserve ("PDR"). Given the nature of the Company's operations, no PDR was required to be established as of December 31, 2020 and 2019. The Company does anticipate investment income as a factor in the PDR calculation (see Note 30);
- (11) The Company does not administer or make claims payments on behalf of the employer groups for the Medicare Part D activity. The Company cedes 100% of the risk and administrative functions associated with its life and annuity contracts. As a result, the Company does not report any unpaid claims adjustment expenses or claims adjustment expenses in the statutory basis financial statements of admitted assets, liabilities, and capital and surplus and the statutory basis statements of operations, respectively;
- (12) The Company does not carry any fixed assets in the statutory basis financial statements;
- (13) The Company does not have any health care receivables.

The Company has also deemed the following to be significant accounting policies and/or differences between statutory practices and GAAP:

### **ASSETS**

#### ***Cash and Invested Assets***

- The Company holds no short-term investments;
- Bonds include U.S. government and agency securities with a maturity of greater than one year at the time of purchase;
- Certain debt investments categorized as available-for-sale or held-to-maturity under GAAP are presented at the lower of book/adjusted carrying value or fair value in accordance with the NAIC designations in the statutory basis financial statements, whereas under GAAP, these investments are shown at fair value or book/adjusted carrying value, respectively;
- Cash and cash equivalents in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash, cash equivalents, and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;
- Cash represents cash held by the Company in operating accounts;
- Cash equivalents include money-market funds. Cash equivalents have original maturity dates of three months or less from the date of acquisition. Money-market funds are reported at fair value or net asset value ("NAV") as a practical expedient;
- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. The Company has not recognized any realized capital gains or losses on sales of investments in 2020 or 2019;
- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital gains (losses) less taxes, excluding transfers, in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The Company has not recorded any other-than-temporary impairments ("OTTI") for the years ended December 31, 2020 and 2019;

- The NAIC SAP requires the following captions to be taken into consideration in the reconciliation of the statutory basis statements of cash flows: cash, including cash overdrafts, cash equivalents, and short-term investments, which can include restricted cash reserves, with original maturities of one year or less from the time of acquisition, whereas under GAAP, pursuant to Accounting Standards Update 2016-18, *Statement of Cash Flows, Restricted Cash*, the statements of cash flows reconcile the corresponding captions of cash, cash equivalents and restricted cash with maturities of three months or less. Short-term investments with a final maturity of one year or less from the balance sheet date are not included in the reconciliation of GAAP cash flows. In addition, there are classification differences within the presentation of the cash flow categories between GAAP and NAIC SAP. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

### **Other Assets**

- **Investment Income Due and Accrued** — Investment income earned and due as of the reporting date, in addition to investment income earned but not paid or collected until subsequent periods, is reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and accrued and amounts determined to be uncollectible are written off in the period in which the determination is made. In addition, the remaining balance is assessed for admissibility and any balance greater than 90 days past due is considered a nonadmitted asset.
- **Amounts Receivable Relating to Uninsured Plans** — Receivables for amounts held under uninsured plans represent amounts due from employer groups participating in the Medicare Part D program for service fees as well as reimbursement for drug spend due back to the affiliated PBM. Amounts receivable relating to uninsured plans also includes pharmacy rebates for the Medicare Part D program that are due from the Company's affiliated PBM, who collects the rebates directly from the pharmaceutical manufacturers and subsequently remits the amounts to the Company. The Company in turn passes the rebates through to the participating employer groups. A corresponding payable in the same amount for pharmaceutical rebates due to the participating employer groups from the Company is included in liability for amounts held under uninsured plans.
- **Current Federal Income Tax Recoverable** — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. A current federal income tax recoverable is recognized when the Company's allocated intercompany estimated payments are more than its actual calculated obligation based on the Company's stand-alone federal income tax return (see Note 9).
- **Net Deferred Tax Asset** — The NAIC SAP provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). In addition, under the NAIC SAP, the change in deferred tax assets is recorded directly to unassigned surplus in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under the NAIC SAP, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheet.
- **State Income Tax Recoverable** — State income tax recoverable represents amounts that are expected to be recovered as a result of an overpayment of estimated tax carrybacks, or items for which the reporting entity has authority to recover under a state regulation or statute.

### **LIABILITIES**

- **Interest Maintenance Reserve** — The Company maintains an interest maintenance reserve ("IMR"). The IMR is designed to defer recognition of realized capital gains and losses, due to interest rate changes on fixed-income investments, and to amortize those gains and losses into future investment income over the remaining life of the investments sold. To the extent the deferral of capital losses results in a net asset, such amount will be nonadmitted and excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus. Due to the nature of the Company's invested assets holdings, no asset valuation reserve is required to be established.

The IMR is determined based on a formula prescribed by the NAIC whereby the Company defers the portion of realized capital gains and losses on sales of fixed-income investments, principally bonds, attributable to changes in the general level of interest rates and amortizes these deferrals over the remaining period to maturity based on groupings of individual securities sold in five year bands, rather than recognize the realized gains and losses currently. Under GAAP, realized capital gains and losses are reported in the statements of operations on a pre-tax basis in the period that the asset giving rise to the gain or loss is sold and calculation of allowances are provided where there has been a decline in value deemed other-than-temporary, in which case, the provision for such decline is charged to earnings.

- **General Expenses Due or Accrued** — General expenses that are due as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent period are reported as general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Current Federal Income Tax Payable** — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. A liability for federal income taxes payable is recognized when its allocated intercompany estimated payments are less than its actual calculated obligation based on the Company's stand-alone federal income tax return (see Note 9).
- **Payable to Parent, Subsidiaries, and Affiliates, Net** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts owed as amounts payable to parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Liability for Amounts Held Under Uninsured Plans** — Liability for amounts held under uninsured plans consists of amounts due to Medicare Part D employer groups for pharmacy rebates which will be paid once received by the Company from the affiliated PBM. A corresponding receivable in the same amount for pharmaceutical rebates due to the Company from the affiliated PBM is included in amounts receivable relating to uninsured plans. In addition, liability for amounts held under uninsured plans includes the following: credits received from CMS which in turn will be to passed through to the participating employer groups; amounts due back to the self-insured employer groups for pharmaceutical rebates that have been credited to the self-insured employer groups accounts that are in excess of amounts due for the facilitation services and drug spend reimbursement; and for overpayments related to terminated groups.

#### **CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS**

- **Nonadmitted Assets** — Certain assets, including certain deferred tax assets and certain amounts receivable relating to uninsured plans are considered nonadmitted assets under the NAIC SAP and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus and charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheet.
- **Restricted Cash Reserves** — The Company held regulatory deposits in the amount of \$3,373,771 and \$3,845,145 as of December 31, 2020 and 2019, respectively, in compliance with the various states requirements for qualification purposes as a domestic and foreign insurer. These restricted cash reserves consist principally of money market funds and government obligations and are stated at book/adjusted carrying value, which approximates fair value. These restricted deposits are included in bonds and cash equivalents in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on these deposits accrues to the Company.
- **Minimum Capital and Surplus** — Under the laws of the State of Ohio, the Company's domiciliary state, the Department requires the Company to maintain a minimum capital and surplus equal to \$2,500,000.

Risk-based capital ("RBC") is a regulatory tool for measuring the minimum amount of capital appropriate for a life, accident and health insurer to support its overall business operations in consideration of its size and risk profile. The Department requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above, or the company action level as calculated by the RBC formula, or the level needed to avoid action pursuant to the trend test in the RBC formula. The Company is in compliance with the required amount.

The Company is also subject to minimum capital and surplus requirements in other states where it is licensed to do business.

The Company has \$67,209,398 and \$66,186,808 in total statutory basis capital and surplus as of December 31, 2020 and 2019, respectively, which is in compliance with the required amounts where it is licensed to do business.

### **STATEMENTS OF OPERATIONS**

- **Net Investment Income** — Net investment income includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income (see Note 7).
- **Service Fee Revenue** — Service fee revenue consists primarily of revenue received for the facilitation services performed on behalf of the employer groups that self-insure the PDP Medicare Part D benefits of their retiree population. Under these contracts, the Company recognizes revenue in the period in which the related services are performed. For employer groups electing to self-invoice, the Company estimates service fee revenue in the period in which the service relates and adjusts this estimate in the following period when the invoice and payment is received. The Company does not make claims payments on behalf of the employer groups; that is the sole responsibility of the PBM. The employer groups retain the risk of financing drug spend for their retirees, and the Company administers, on a pass-through basis, the payment of customer funds to the affiliated PBM.
- **General Insurance Expenses** — Pursuant to the terms of the Management Services Agreement (the "Agreement") (see Note 10), the Company pays a management fee to an affiliate in exchange for administrative and management services. Costs for items not included within the scope of the Agreement are directly expensed as incurred.
- **Insurance Taxes, Licenses and Fees, Excluding Federal Income Taxes ("Insurance TL&F")** — Insurance TL&F represents insurance assessments, state taxes on premium and income and state insurance department licenses and fees. Insurance TL&F is recognized when incurred.
- **Federal Income Taxes Incurred** — The provision for federal income taxes incurred is calculated based on applying the statutory federal income tax rate of 21% to net income before federal income taxes subject to certain adjustments (see Note 9).

### **REINSURANCE**

- **Reinsurance Ceded** — All of the Company's direct life and annuity business has been ceded to Protective. Accordingly, for the years ended December 31, 2020 and 2019, the Company had no amounts for net premiums and annuity considerations for life and accident and health contracts, no net benefits or commissions incurred, and no net aggregate reserves and contract claims for life, accident and health contracts in the statutory basis financial statements.

### **OTHER**

- **Vulnerability Due to Certain Concentrations** — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company's existing products in new markets and offerings of new products, both of which may restrict the Company's ability to expand its business.

The Company has four self-insured employer groups that accounted for 88.2% and 87.9% of total service fee revenue for the years ended December 31, 2020 and 2019, respectively. The Company has three and two self-insured employer groups that accounted for 91.0% and 84.6% of amounts due related to the facilitation of the Medicare Part D benefits, which is a component of amounts receivable relating to uninsured plans as of December 31, 2020 and 2019, respectively.

**Recently Issued Accounting Standards** — The Company reviewed all recently issued guidance in 2020 and 2019 that has been adopted for 2020 or subsequent years' implementation and has determined that none of the items would have a significant impact to the statutory basis financial statements.

### **D. Going Concern**

The Company has the ability and will continue to operate for a period of time sufficient to carry out its commitments, obligations and business objectives.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

No changes in accounting principles or corrections of errors have been recorded during the years ended December 31, 2020 and 2019.

3. BUSINESS COMBINATIONS AND GOODWILL

A–D. The Company was not party to a business combination during the years ended December 31, 2020 and 2019, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

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

(1–4) The Company did not have any discontinued operations disposed of or classified as held for sale during 2020 and 2019.

B. Change in Plan of Sale of Discontinued Operation — Not applicable.

C. Nature of any Significant Continuing Involvement with Discontinued Operations after Disposal — Not applicable.

D. Equity Interest Retained in the Discontinued Operation after Disposal — Not applicable.

5. INVESTMENTS

As of December 31, 2020 and 2019, the book/adjusted carrying value, fair value, and gross unrecognized unrealized gains and losses of the Company’s investments, excluding cash and cash equivalents of \$302,469,256 and \$377,938,757 respectively, are disclosed in the table below.

	2020				Fair Value
	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	
U.S. government and agency securities	\$ 2,683,767	\$ 24,590	\$ 1	\$ -	\$ 2,708,356
Total bonds	\$ 2,683,767	\$ 24,590	\$ 1	\$ -	\$ 2,708,356

	2020				Fair Value
	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	
Less than one year	\$ 2,253,786	\$ 21,083	\$ -	\$ -	\$ 2,274,869
One to five years	429,981	3,507	1	-	433,487
Total bonds	\$ 2,683,767	\$ 24,590	\$ 1	\$ -	\$ 2,708,356

	2019				Fair Value
	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	
U.S. government and agency securities	\$ 2,604,977	\$ 10,049	\$ -	\$ 597	\$ 2,614,429
Total bonds	\$ 2,604,977	\$ 10,049	\$ -	\$ 597	\$ 2,614,429

The following table illustrates the fair value and gross unrecognized unrealized losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrecognized unrealized loss position as of December 31, 2020 and 2019:

	2020					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses
U.S. government and agency securities	\$ 5,197	\$ (1)	\$ -	\$ -	\$ 5,197	\$ (1)
Total bonds	\$ 5,197	\$ (1)	\$ -	\$ -	\$ 5,197	\$ (1)

  

	2019					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses
U.S. government and agency securities	\$ -	\$ -	\$ 126,050	\$ (597)	\$ 126,050	\$ (597)
Total bonds	\$ -	\$ -	\$ 126,050	\$ (597)	\$ 126,050	\$ (597)

The unrecognized unrealized losses on investments in U.S. government and agency securities at December 31, 2020 and 2019, were mainly caused by interest rate fluctuations and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its book/adjusted carrying value. The contractual cash flows of the U.S. government and agency securities are guaranteed either by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. As a result of this review, no OTTIs were recorded by the company as of December 31, 2020 and 2019.

- A–C.** The Company has no mortgage loans, real estate loans, restructured debt, or reverse mortgages. The Company also has no real estate property occupied by the Company, real estate property held for the production of income, or real estate property held for sale.
- D.    Loan-Backed Securities**
- (1–5)** The Company has no loan-backed securities.
- E.    Dollar Repurchase Agreements and/or Securities Lending Transactions** — Not applicable.
- F.    Repurchase Agreements Transactions Accounted for as Secured Borrowing** — Not applicable.
- G.    Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing** — Not applicable.
- H.    Repurchase Agreements Transactions Accounted for as a Sale** — Not applicable.
- I.    Reverse Repurchase Agreements Transactions Accounted for as a Sale** — Not applicable.
- J.    Real Estate** — Not applicable.
- K.    Low-Income Housing Tax Credits** — Not applicable.

L. Restricted Assets —

(1) Restricted assets, including pledged securities as of December 31, 2020 and 2019, are presented below:

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted Current Year					Percentage					
	1	2	3	4	5	6	7	8	9	10	11
	Total General Account (G/A)	G/A Supporting S/A Activity (a)	Total Separate Account (S/A) Restricted Assets	S/A Supporting G/A Activity (b)	Total (1 Plus 3)	Total from Prior Year	Increase/ (Decrease) (5 Minus 6)	Total Nonadmitted Restricted	Total Admitted Restricted (5 minus 8)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (c)	Admitted Restricted to Total Admitted Assets (d)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0 %	0 %
b. Collateral held under security lending agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
c. Subject to repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-	-	-	0 %	0 %
g. Placed under option contracts	-	-	-	-	-	-	-	-	-	0 %	0 %
h. Letter stock or securities restricted as to sale—excluding FHLB capital stock	-	-	-	-	-	-	-	-	-	0 %	0 %
i. FHLB capital stock	-	-	-	-	-	-	-	-	-	0 %	0 %
j. On deposit with states	3,373,771	-	-	-	3,373,771	3,845,145	(471,374)	-	3,373,771	1 %	1 %
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-	0 %	0 %
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-	-	-	0 %	0 %
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-	-	-	0 %	0 %
n. Other restricted assets	-	-	-	-	-	-	-	-	-	0 %	0 %
o. Total restricted assets	\$ 3,373,771	\$ -	\$ -	\$ -	\$ 3,373,771	\$ 3,845,145	\$ (471,374)	\$ -	\$ 3,373,771	1 %	1 %

<sup>(a)</sup> Subset of column 1  
<sup>(b)</sup> Subset of column 3  
<sup>(c)</sup> Column 5 divided by Asset Page, Column 1, Line 28  
<sup>(d)</sup> Column 9 divided by Asset Page, Column 3, Line 28

(2–4) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2020 or 2019.

M. Working Capital Finance Investments — Not applicable.

N. Offsetting and Netting of Assets and Liabilities

The Company does not have any offsetting or netting of assets and liabilities as it relates to derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending activities.

O. 5GI Securities

The Company does not have any investments with an NAIC designation of 5GI as of December 31, 2020 and 2019.

P. Short Sales — Not applicable.

Q. Prepayment Penalty and Acceleration Fees

The Company does not have any prepayment penalty and acceleration fees as of December 31, 2020.

R. Reporting Entity’s Share of Cash Pool by Asset Type — Not applicable.

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

A–B. The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of admitted assets and did not recognize any impairment write-down for its investments in joint ventures, partnerships, and limited liability companies during the statement periods.

7. INVESTMENT INCOME

A. The Company excludes all investment income due and accrued amounts that are over 90 days past due from the statutory basis statements of admitted assets, liabilities, and capital and surplus.



B. There were no investment income amounts excluded from the statutory basis financial statements.

8. DERIVATIVE INSTRUMENTS

A–B. The Company has no derivative instruments.

9. INCOME TAXES

A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset at December 31, 2020 and 2019 are as follows:

	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
(a) Gross deferred tax assets	\$ 448,416	\$ -	\$ 448,416	\$ 534,814	\$ -	\$ 534,814	\$ (86,398)	\$ -	\$ (86,398)
(b) Statutory valuation allowance adjustments	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	448,416	-	448,416	534,814	-	534,814	(86,398)	-	(86,398)
(d) Deferred tax assets nonadmitted	219,665	-	219,665	288,979	-	288,979	(69,314)	-	(69,314)
(e) Subtotal net admitted deferred tax asset (1c - 1d)	228,751	-	228,751	245,835	-	245,835	(17,084)	-	(17,084)
(f) Deferred tax liabilities	-	-	-	-	54	54	-	(54)	(54)
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	\$ 228,751	\$ -	\$ 228,751	\$ 245,835	\$ (54)	\$ 245,781	\$ (17,084)	\$ 54	\$ (17,030)

(2) The components of the adjusted gross deferred tax assets admissibility calculation under Statement of Statutory Accounting Principles (“SSAP”) No. 101, *Income Taxes*, are as follows:

Admission Calculation Components SSAP No. 101	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
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 159,383	\$-	\$ 159,383	\$ 176,413	\$-	\$ 176,413	\$ (17,030)	\$-	\$ (17,030)
(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)	69,368	-	69,368	69,368	-	69,368	-	-	-
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	69,368	-	69,368	69,368	-	69,368	-	-	-
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	10,047,097	XXX	XXX	9,891,154	XXX	XXX	155,943
(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	-	-	-	-	54	54	-	(54)	(54)
(d) Deferred tax assets admitted as the result of application of SSAP No. 101									
Total (2(a) + 2(b) + 2(c))	\$ 228,751	\$-	\$ 228,751	\$ 245,781	\$ 54	\$ 245,835	\$ (17,030)	\$ (54)	\$ (17,084)

(3) The ratio percentage and adjusted capital and surplus used to determine the recovery period and threshold limitations for the admissibility calculation are presented below:

	2020	2019
(a) Ratio percentage used to determine recovery period and threshold limitation amount	11,499 %	9,247 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	\$ 66,980,647	\$ 65,941,027

(4) The impact to the gross deferred tax assets balances as a result of tax-planning strategies as of December 31, 2020 and 2019 is presented below:

Impact of Tax-Planning Strategies	2020		2019		Change	
	1	2	3	4	5	6
	Ordinary	Capital	Ordinary	Capital	(Col 1 - 3) Ordinary	(Col 2 - 4) Capital
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets by tax character as a percentage.						
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 448,416	\$ -	\$ 534,814	\$ -	\$ (86,398)	\$ -
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)	\$ 228,751	\$ -	\$ 245,835	\$ -	\$ (17,084)	\$ -
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?			Yes		No	X

B. Unrecognized Deferred Tax Liabilities

(1–4) There are no unrecognized deferred tax liabilities for the years ended December 31, 2020 and 2019.

C. Significant Components of Income Taxes

(1) The current federal income taxes incurred for the years ended December 31, 2020 and 2019 are as follows:

	1	2	3
	2020	2019	(Col 1 - 2) Change
1. Current income tax			
(a) Federal	\$ 8,404,216	\$ 8,224,729	\$ 179,487
(b) Foreign	-	-	-
(c) Subtotal	8,404,216	8,224,729	179,487
(d) Federal income tax on net capital gains	-	-	-
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	\$ 8,404,216	\$ 8,224,729	\$ 179,487

(2-4) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2020 and 2019, are as follows:

	1	2	3
	2020	2019	(Col 1 - 2) Change
2 Deferred tax assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ -	\$ -	\$ -
(2) Unearned premium reserve	-	-	-
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables — nonadmitted	20,648	37,678	(17,030)
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	427,768	497,136	(69,368)
(99) Subtotal	448,416	534,814	(86,398)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	219,665	288,979	(69,314)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	228,751	245,835	(17,084)
(e) Capital:			
(1) Investments	-	-	-
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
(i) Admitted deferred tax assets (2d + 2h)	228,751	245,835	(17,084)
3 Deferred tax liabilities:			
(a) Ordinary:			
(1) Investments	-	-	-
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	-	-	-
(99) Subtotal	-	-	-
(b) Capital:			
(1) Investments	-	42	(42)
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	12	(12)
(99) Subtotal	-	54	(54)
(c) Deferred tax liabilities (3a99 + 3b99)	-	54	(54)
4 Net deferred tax assets/liabilities (2i - 3c)	\$ 228,751	\$ 245,781	\$ (17,030)

The other ordinary deferred tax asset of \$427,768 and \$497,136 for 2020 and 2019, respectively, consists of intangibles. The other capital deferred tax liability of \$12 for 2019 consists of unrealized gains.

The Company assessed the potential realization of the gross deferred tax asset and as a result, no statutory valuation allowance was required and no allowance was established as of December 31, 2020 and 2019.

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 21% to net income before federal income taxes incurred. A summarization of the significant items causing this difference as of December 31, 2020 and 2019 is as follows:

	2020		2019	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Tax provision at the federal statutory rate	\$ 8,476,210	21%	\$ 8,297,067	21%
Other current year items	(2,668)	0%	(2,798)	0%
Tax effect of nonadmitted assets	17,030	0%	375,522	1%
Prior year true-up	-	0%	(146)	0%
Change in statutory valuation allowance	-	0%	(12)	0%
Total statutory income taxes	\$ 8,490,572	21%	\$ 8,669,633	22%
Federal income taxes incurred	\$ 8,404,216	21%	\$ 8,224,729	21%
Change in net deferred income tax	86,356	0%	444,904	1%
Total statutory income taxes	\$ 8,490,572	21%	\$ 8,669,633	22%

- E. At December 31, 2020, the Company had no net operating loss carryforwards.

Current federal income tax payable (recoverable) of \$105,216 and (\$6,074,125) as of December 31, 2020 and 2019, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds were \$2,224,875 and \$9,785,290 in 2020 and 2019, respectively.

Federal income taxes incurred of \$8,404,216 and \$8,224,875 for 2020 and 2019, respectively, are available for recoupment in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 ("Deposits made to suspend running of interest on potential underpayments, etc.") of the Internal Revenue Service ("IRS") Code.

- F. The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in the NAIC Statutory Statement Schedule Y - Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The U.S. IRS has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2016 and prior. UnitedHealth Group's 2017 through 2020 tax returns are under review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to the 2013 tax year. In general, the Company is subject to examination in non-U.S. jurisdictions for years 2015 and forward. The Company does not believe any adjustments that may result from these examinations will be material to the Company.
- G. **Tax Contingencies** — Not applicable.
- H. **Repatriation Transition Tax** — Not applicable.
- I. **Alternative Minimum Tax Credit** — Not applicable.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

- A–B. In the ordinary course of business, the Company contracts with several affiliates to provide a wide variety of services to the Company's members. These agreements are filed with and approved by the Department according to Management's understanding of the current requirements and standards. Within the confines of the applicable filed and approved agreements (including subsequent amendments thereto), the amount and types of services provided by these affiliated entities can change year over year.

Effective January 1, 2019, the Company entered into a Management Services Agreement (the “Agreement”) with United HealthCare Services, Inc. (“UHS”). This Agreement has been approved by the Department and will replace the previous agreement with OptumRx Holdings I, Inc. UHS will provide similar services to the Company under a revised fee structure that is changing from an allocation of the expenses to a percentage of revenue charge based on UHS’ expenses for services or use of assets provided to the Company.

The Company has a tax-sharing agreement with UnitedHealth Group (see Note 9).

The Company paid dividends of \$31,000,000 and \$35,000,000 in 2020 and 2019, respectively, to its parent (see Note 13).

**C. Transactions With Related Parties Who Are Not Reported On Schedule Y**

The Company has no material related party transactions that meet the disclosure requirements pursuant to SSAP No. 25, *Affiliates and Other Related Parties* (“SSAP No. 25”) that are not included in NAIC Statutory Statement Schedule Y—Part 2 Summary Of Insurer’s Transactions With Any Affiliates.

- D.** At December 31, 2020 and 2019, the Company reported \$129,110,164 and \$89,825,719, respectively, as payables to parent, subsidiaries and affiliates, net which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.
- E.** The administrative services, access fees, and cost of care services provided by affiliates are calculated using one or more of the following methods: (1) a percentage of premiums; (2) use of assets; (3) direct pass-through of charges; (4) per member per month; (5) per employee per month; (6) per claim; or (7) a combination thereof consistent with the provisions contained in each contract. These amounts are included in GIE and benefits under accident and health contracts in the statutory basis statements of operations. The following table identifies the amounts reported for the administrative services, access fees, and cost of care services provided by related parties for the years ended December 31, 2020 and 2019, which meet the disclosure requirements pursuant to SSAP No. 25, regardless of the effective date of the contract:

	2020	2019
United HealthCare Services, Inc.	\$ 2,029,308	\$ 2,178,618

UHS provides, or arranges for the provision of, management, administrative, and other services deemed necessary or appropriate for UHS to provide management and operational support to the Company. The services can include, but are not limited to, the categories of management and operational services outlined in the Agreement, such as human resources, legal, facilities, general administration, and treasury and investment functions. Management fees of \$2,029,308 and \$2,178,618 in 2020 and 2019, respectively, are included in general insurance expenses in the statutory basis statements of operations.

Effective January 1, 2019, the Company entered into a revised Share Services Agreement with OptumRx PBM of Illinois, Inc. and affiliates to provide pharmacy benefit management services. This Agreement has been approved by the Department.

- F.** The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party.
- G.** The Company is part of an insurance holding company system with UnitedHealth Group as the ultimate parent. Management believes that the Company’s transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.
- H.** The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.
- I.** The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.
- J.** The Company does not have any investments in impaired subsidiaries, controlled, or affiliated entities.
- K.** The Company does not have any investments in foreign insurance subsidiaries.
- L.** The Company does not hold any investments in a downstream noninsurance holding company.

- M.** The Company does not have any investments in noninsurance subsidiaries, controlled, or affiliated entities.
- N.** The Company does not have any investments in insurance subsidiaries, controlled, or affiliated entities.
- O.** The Company does not have any investments in subsidiary, controlled, or affiliated entities or joint ventures, partnerships and limited liability companies in which the Company's share of losses exceeds the investment.

**11. DEBT**

- A–B.** The Company had no outstanding debt with third-parties or outstanding Federal Home Loan Bank agreements during 2020 and 2019.

**12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**

- A–I.** The Company has no defined benefit plans, defined contribution plans, multiemployer plans, consolidated/holding company plans, postemployment benefits, and compensated absences plans and is not impacted by the Medicare Modernization Act on postretirement benefits, since all personnel are employees of Optum Services, Inc., an affiliate, which is under common control with UHS and OptumRx Holdings I, Inc., which provides/provided services to the Company under the terms of the Agreement (see Note 10).

**13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS**

- A–B.** The Company has 4,000,000 shares authorized and 1,363,637 shares issued and outstanding of \$2 par value common stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Parent.
- C.** Dividend payment requirements are outlined in the domiciliary state statutes and may be further restricted by the Department.
- D.** The Company paid ordinary cash dividends of \$31,000,000 and \$35,000,000 on September 28, 2020 and September 27, 2019, respectively, to the Parent, which was approved by the Department and recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- E.** The amount of ordinary dividends that may be paid out during any given period is subject to certain restrictions as specified by state statute.
- F.** There are no restrictions placed on the Company's unassigned surplus.
- G.** The Company is not a mutual reciprocal or a similarly organized entity and does not have advances to surplus not repaid.
- H.** The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options, or stock purchase warrants.
- I.** The Company does not have any special surplus funds.
- J.** The portion of unassigned surplus, excluding net income and dividends, reduced (or represented) by each item below is as follows:

	2020	2019
Unrealized capital gains on investments	\$ -	\$ 165
Net deferred income taxes	448,416	534,760
Nonadmitted assets	<u>(317,988)</u>	<u>(468,398)</u>
Total	<u>\$ 130,428</u>	<u>\$ 66,527</u>

- K–M.** The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

**14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS**

**A. Contingent Commitments**

The Company has no contingent commitments.

**B. Assessments**

The Company is not aware of any guaranty fund assessments or premium tax offsets, potential or accrued, that could have a material financial effect on the operations of the entity.

**C. Gain Contingencies**

The Company is not aware of any gain contingencies that should be disclosed in the statutory basis financial statements.

**D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits — Not applicable.**

**E. Joint and Several Liabilities — Not applicable.**

**F. All Other Contingencies**

The Company's business is regulated at the federal, state, and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

The Company has been, or is currently involved, in various governmental investigations, audits and reviews. These include routine, regular and special investigations, audits and reviews by CMS, state insurance and health and welfare departments and other governmental authorities. The Company cannot reasonably estimate the range of loss, if any, that may result from any material government investigations, audits and reviews in which it is currently involved given the inherent difficulty in predicting regulatory action, fines and penalties, if any, and the various remedies and levels of judicial review available to the Company in the event of an adverse finding.

Because of the nature of its businesses, the Company is frequently made party to a variety of legal actions and regulatory inquiries, including class actions and suits brought by customers and regulators, relating to the Company's businesses, including management and administration of health benefit plans and other services.

The Company records liabilities for its estimates of probable costs resulting from these matters where appropriate. Estimates of costs resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters involve: indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility, or it is probable that a loss may be incurred. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

The Company routinely evaluates the collectability of all receivable amounts included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Impairment reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's statutory basis financial condition.

There are no assets that the Company considers to be impaired at December 31, 2020 and 2019.

**15. LEASES**

**A–B.** According to the Agreement between the Company and its affiliates (see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of the affiliate. Fees associated with the lease agreements are included as a component of the Company's management fee.

**16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK**

**(1–4)** The Company does not hold any financial instruments with off-balance-sheet risk or have any concentrations of credit risk.

**17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**

**A–C.** The Company did not participate in any transfer of receivables, financial assets or wash sales.

**18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS**

**A–B.** The Company has no operations from Administrative Services Only Contracts or Administrative Services Contracts in 2020 and 2019.

**C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract**

The Company offers to coordinate the Medicare Part D program benefits for employer groups on a self-insured basis. The Company recorded a payable in liability for amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus of \$205,388,160 and \$286,983,569 at December 31, 2020 and 2019, respectively, for the cost reimbursements under the Medicare Part D program for the catastrophic reinsurance, low-income subsidies, and Gap Discount that the Company has received that are due back to the self-insured employer groups.

The Company has also recorded a receivable and corresponding payable of \$20,120,537 and \$28,480,867 in amounts receivable relating to uninsured plans and liability for amounts held under insured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus as of December 31, 2020 and 2019, respectively for pharmacy rebates that the PBM has collected that are due back to the Company and ultimately due back to the self-insured employer groups.

The Company has also recorded a receivable of \$96,246,845 and \$91,198,366 from the self-insured employer groups for amounts due related to the facilitation of the Medicare Part D benefits and for the reimbursement of the drug spend due back to the PBM in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus as of December 31, 2020 and 2019, respectively. In addition, the Company has recorded a payable of \$513,716 and \$33,735,993 for amounts due back to the self-insured groups for pharmaceutical rebates that have been credited to the self-insured employer groups accounts that are in excess of amounts due for the facilitation services and drug spend reimbursement and for overpayments related to terminated groups in liability for amounts held under insured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus as of December 31, 2020 and 2019, respectively.

**19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS**

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2020 and 2019.

**20. FAIR VALUE MEASUREMENTS**

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

*Level 1* — Quoted (unadjusted) prices for identical assets in active markets.

*Level 2* — Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.);
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.);
- Inputs that are derived principally from or corroborated by other observable market data.



Level 3 — Unobservable inputs that cannot be corroborated by observable market data.

The estimated fair values of bonds (“investment holdings”) are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (“pricing service”), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company’s internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

A. Fair Value

(1) Fair Value Measurements at Reporting Date

The following tables present information about the Company’s financial assets that are measured and reported at fair value at December 31, 2020 and 2019, in the statutory basis statements of admitted assets, liabilities, and capital and surplus according to the valuation techniques the Company used to determine their fair values:

Description for Each Class of Asset or Liability	December 31, 2020				
	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value:					
Perpetual preferred stock:					
Industrial and misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total perpetual preferred stocks	-	-	-	-	-
Bonds:					
U.S. governments	-	-	-	-	-
Industrial and misc	-	-	-	-	-
Hybrid securities	-	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total bonds	-	-	-	-	-
Common stock:					
Industrial and misc	-	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total common stocks	-	-	-	-	-
Derivative assets:					
Interest rate contracts	-	-	-	-	-
Foreign exchange contracts	-	-	-	-	-
Credit contracts	-	-	-	-	-
Commodity futures contracts	-	-	-	-	-
Commodity forward contracts	-	-	-	-	-
Total derivatives	-	-	-	-	-
Money-market funds	690,067	-	-	-	690,067
Separate account assets	-	-	-	-	-
Total assets at fair value/NAV	\$ 690,067	\$ -	\$ -	\$ -	\$ 690,067
b. Liabilities at fair value:					
Derivative liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

Description for Each Class of Asset or Liability	December 31, 2019				
	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value:					
Perpetual preferred stock:					
Industrial and misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total perpetual preferred stocks	-	-	-	-	-
Bonds:					
U.S. governments	-	-	-	-	-
Industrial and misc	-	-	-	-	-
Hybrid securities	-	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total bonds	-	-	-	-	-
Common stock:					
Industrial and misc	-	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total common stocks	-	-	-	-	-
Derivative assets:					
Interest rate contracts	-	-	-	-	-
Foreign exchange contracts	-	-	-	-	-
Credit contracts	-	-	-	-	-
Commodity futures contracts	-	-	-	-	-
Commodity forward contracts	-	-	-	-	-
Total derivatives	-	-	-	-	-
Money-market funds	1,240,168	-	-	-	1,240,168
Separate account assets	-	-	-	-	-
Total assets at fair value/NAV	<u>\$ 1,240,168</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,240,168</u>
b. Liabilities at fair value:					
Derivative liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- (2) The Company does not have any financial assets with a fair value hierarchy of Level 3 that were measured and reported at fair value.
- (3) Transfers between fair value hierarchy levels, if any, are recorded as of the beginning of the reporting period in which the transfer occurs. There were no transfers between Levels 1, 2 or 3 of any financial assets or liabilities during the years ended December 31, 2020 or 2019.
- (4) The Company has no investments reported with a fair value hierarchy of Level 2 or Level 3 and therefore has no valuation technique to disclose.
- (5) The Company has no derivative assets and liabilities to disclose.

B. Fair Value Combination — Not applicable.

C. Aggregate Fair Value Hierarchy

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2020 and 2019 is presented in the table below:

Type of Financial Instrument	December 31, 2020						Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	
U.S. government and agency securities	\$ 2,708,356	\$ 2,683,767	\$ 2,708,356	\$ -	\$ -	\$ -	\$ -
Cash equivalents	690,067	690,067	690,067	-	-	-	-
Total bonds and cash equivalents	<u>\$ 3,398,423</u>	<u>\$ 3,373,834</u>	<u>\$ 3,398,423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Type of Financial Instrument	December 31, 2019						Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	
U.S. government and agency securities	\$ 2,614,429	\$ 2,604,977	\$ 2,614,429	\$ -	\$ -	\$ -	\$ -
Cash equivalents	1,240,168	1,240,168	1,240,168	-	-	-	-
Total bonds and cash equivalents	<u>\$ 3,854,597</u>	<u>\$ 3,845,145</u>	<u>\$ 3,854,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

D. Not Practicable to Estimate Fair Value — Not applicable.

E. Investments Measured Using the NAV Practical Expedient — Not applicable.

**21. OTHER ITEMS****COVID-19 Trends and Uncertainties**

The COVID-19 pandemic continues to evolve and the ultimate impact on the Company and its statutory basis results of operations, financial condition and cash flows remains uncertain. During the second quarter, the global health system experienced unprecedented levels of care deferral. As the pandemic advanced, access to and demand for care was most constrained from mid-March through April, began to recover in May and June and restored to near normal seasonal levels in the third quarter. Care patterns continued to normalize in the fourth quarter, returning to, and even exceeding, seasonal baselines, including COVID-19 treatment and testing costs, towards the end of the quarter. The temporary deferral of care experienced in 2020 may cause care patterns to moderately exceed normal baselines in future periods as utilization of health system capacity continues to increase. From time to time, health system capacity may be subject to possible increased volatility due to the pandemic. The Company has taken various measures which could include expanded benefit coverage in areas such as COVID-19 care and testing, telemedicine, and pharmacy benefits; provided customers assistance in the form of co-pay waivers and premium forgiveness; offered additional enrollment opportunities to those who previously declined employer-sponsored offerings; extended certain premium payment terms for customers experiencing financial hardship; simplified administrative practices; and accelerated payments to care providers, all with the aim of assisting customers, care providers, members and communities in addressing the COVID-19 crisis. Temporary care deferrals impacted the Company's results of operations for the year ended December 31, 2020. The impact of temporary care deferrals was partially offset by COVID-19 related care and testing, the significant financial assistance provided to customers, rebate requirements and broader economic impacts.

Increased consumer demand for care, potentially even higher acuity care, along with continued COVID-19 care and testing costs are expected to result in increased future medical costs. Disrupted care patterns, as a result of the pandemic, may temporarily affect the ability to obtain complete member health status information, impacting future revenue in businesses utilizing risk adjustment methodologies. The ultimate overall impact is uncertain and dependent on the future pacing and intensity of the pandemic, the duration of policies and initiatives to address COVID-19, and general economic uncertainty.

**A. Unusual or Infrequent Items**

The Company did not encounter any unusual or infrequent items for the years ended December 31, 2020 and 2019.

**B. Troubled Debt Restructuring: Debtors**

The Company has no troubled debt restructurings as of December 31, 2020 and 2019.

**C. Other Disclosures**

The Company does not have any amounts not recorded in the statutory basis financial statements that represent segregated funds held for others. The Company also does not have any exposures related to forward commitments that are not derivative instruments.

**D. Business Interruption Insurance Recoveries**

The Company has not received any business interruption insurance recoveries during 2020 and 2019.

**E. State Transferable and Non-transferable Tax Credits**

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

**F. Sub-Prime Mortgage-Related Risk Exposure**

**(1-4)** The Company does not have any sub-prime mortgage-related risk exposure as of December 31, 2020 and 2019.

**G. Retained Assets**

The Company does not have any retained asset accounts for beneficiaries.

**H. Insurance-Linked Securities Contracts**

As of December 31, 2020, the Company is not aware of any possible proceeds of insurance-linked securities.

**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.**

22. EVENTS SUBSEQUENT

Subsequent events have been evaluated through April 21, 2021, which is the date these statutory basis financial statements were available for issuance.

**TYPE I — Recognized Subsequent Events**

Any material Type I events subsequent to December 31, 2020, have been recognized in the statutory basis financial statements and corresponding disclosures.

**TYPE II — Non-Recognized Subsequent Events**

There are no material non-recognized Type II events that require disclosure.

23. REINSURANCE

The Company, through a 100% coinsurance agreement, reinsures all of its direct life and annuity business with Protective. The Company has no net premiums and annuity considerations for life and accident and health contracts, no net benefits or commissions incurred, no net policyholder liabilities, and no net aggregate reserves and contract claims for life and accident and health contracts in the statutory basis financial statements as of December 31, 2020 and 2019.

The effect of the external reinsurance agreement outlined above on premiums for life and accident and health contracts—net and benefits under life and accident and health insurance contracts is presented below:

	2020	2019
Premiums and annuity considerations for life and accident and health contracts:		
Direct	\$ 553,597	\$ 668,346
Ceded: Nonaffiliate	<u>(553,597)</u>	<u>(668,346)</u>
Premiums and annuity considerations for life and accident and health contracts - net	<u>\$ -</u>	<u>\$ -</u>
Benefits under life and accident and health insurance contracts, annuity contracts, and deposit-type contracts		
Direct	\$ 745,021	\$ 1,357,359
Ceded: Nonaffiliate	<u>(745,021)</u>	<u>(1,357,359)</u>
Benefits under life and accident and health insurance contracts, annuity contracts, deposit-type contracts - net	<u>\$ -</u>	<u>\$ -</u>

Due to the 100% coinsurance agreement with Protective, the Company does not recognize any reinsurance recoverables. In addition, liabilities associated with aggregate reserves for life and accident and health contracts (includes annuity contracts) of \$15,596,808 and \$16,043,530, liability for deposit-type contracts of \$121,240 and \$160,760, and liabilities for contract claims of \$231,010 and \$137,320 at December 31, 2020 and 2019, respectively, have been 100% ceded to Protective in accordance with the agreement. Accordingly, the Company reports no benefit expenses and liabilities for this activity in the statutory basis statements of operations and statutory basis statements of admitted assets, liabilities, and capital and surplus, respectively.

**A. Ceded Reinsurance Report**

**Section 1 — General Interrogatories**

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

Yes ( ) No (X)

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

Yes ( ) No (X)

**Section 2 — Ceded Reinsurance Report — Part A**

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

Yes ( )              No (X)

- (2) Does the reporting entity have any reinsurance agreements in effect that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( )              No (X)

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

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

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2020.

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

Yes ( )              No (X)

**B. Uncollectible Reinsurance** — During 2020 and 2019, there were no uncollectible reinsurance recoverables.

**C. Commutation of Ceded Reinsurance** — There was no commutation of reinsurance in 2020 or 2019.

**D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation** — Not applicable.

**E-G. Affiliated Captive Reinsurers** – Not applicable.

**H. Reinsurance Credit**

- (1) The Company has no reinsurance contracts subject to Appendix A-791 – *Life and Health Reinsurance Agreements* (“A-791”) that includes a provision which limits the reinsurer’s assumption of significant risk.
- (2) The Company has no reinsurance contracts not subject to A-791, for which reinsurance accounting was applied and which includes a provision that limits the reinsurer’s assumption of risk.
- (3) The Company’s reinsurance contracts do not contain features which result in delays in payment in form or in fact.
- (4) The Company has not reflected a reinsurance accounting credit for any contracts not subject to Appendix A-791 and not yearly renewable term, which meet the risk transfer requirements of SSAP No. 61R, *Life, Deposit-Type, and Accident and Health Reinsurance* (“SSAP No. 61R”).
- (5) The Company did not cede any risk which is not subject to A-791 and not yearly renewable term reinsurance, under any reinsurance contract during the period covered by these financial statements, for which the statutory accounting treatment and GAAP accounting treatment were not the same.
- (6) The Company’s ceded reinsurance contract which is not subject to A-791 and not yearly renewable term reinsurance, is treated the same for GAAP and statutory accounting principles.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

- A–C. The Company does not have any retrospectively rated contracts or contracts subject to redetermination as of December 31, 2020 or 2019.
- D. The Company does not have any business subject to specific minimum loss ratio requirements as of December 31, 2020 and 2019.
- E. Risk-Sharing Provisions of the Affordable Care Act
- (1–5) The Company did not write accident and health premiums in 2020 and 2019 subject to the risk-sharing provisions of the Affordable Care Act (“ACA”).

25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

- A–C. The Company has no net incurred claims or claims adjustment expenses as all claims and administrative activities are the responsibility of Protective pursuant to the 100% coinsurance agreement.

26. INTERCOMPANY POOLING ARRANGEMENTS

- A–G. The Company did not have any intercompany pooling arrangements in 2020 or 2019.

27. STRUCTURED SETTLEMENTS

- A–B. The Company did not have structured settlements in 2020 or 2019.

28. HEALTH CARE RECEIVABLES

- A. The Company does not have any pharmacy rebates receivable.
- B. The Company does not have any risk-sharing receivables.

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2020 or 2019.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any PDR as of December 31, 2020 or 2019. The analysis of PDR was completed as of December 31, 2020 and 2019. The Company does consider anticipated investment income when calculating the PDR.

The following table summarizes the Company's PDR as of December 31, 2020 and 2019:

	2020
1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	<u>12/31/2020</u>
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	2019
1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	<u>12/31/2019</u>
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

31. RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS

The Company has no reserves for life contracts and annuity contracts as all activity and calculation of amounts are the responsibility of Protective pursuant to the 100% coinsurance agreements (see Note 23).

- (1) The Company waives deduction of deferred fractional premiums upon death of an insured and returns any portion of the final premium beyond the date of death. Reserves for these benefits are included in Exhibit 5, Life Insurance. Reserve for surrender values in excess of reserves, if any, as legally computed are reported in Exhibit 5, Life Reserves.
- (2) Extra premiums are charged according to underwriting classifications. For substandard policies, reserves are calculated by computing the regular reserve for the plan and adding one-half of the extra premium charge for the year to that reserve.
- (3) The Company had \$0 of insurance in-force at December 31, 2020, for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Ohio. Reserves to cover the above insurance totaled the gross amount of \$0 at December 31, 2020.
- (4) Tabular Interest has been determined by formulas as prescribed by the NAIC.

The Tabular Less Actual Reserve Released has been determined by formula as prescribed by the NAIC.

Tabular Cost has been determined by a formula as prescribed by the NAIC.

- (5) For the determination of Tabular Interest on funds not involving life contingencies for each valuation rate of interest, the tabular interest is calculated as one hundredth of the product of such valuation rate of interest times the mean of the amount of funds subject to such valuation rate of interest held at the beginning and end of the year of valuation.
- (6) The Company made no other changes to the reserving methodology during 2020.

32. ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT-TYPE CONTRACT LIABILITIES BY WITHDRAWAL CHARACTERISTICS

At December 31, 2020 and 2019, total annuity actuarial reserves, deposit-type contract funds, and other liabilities without life or disability contingencies by withdrawal characteristics are as follows:

A. Individual Annuities:

2020					
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	\$ -	\$ -	\$ -	\$ -	- %
b. At book value less current surrender charge of 5% or more	-	-	-	-	- %
c. At fair value	-	-	-	-	- %
d. Total with market value adjustment or at fair value (total of a through c)	-	-	-	-	- %
e. At book value without adjustment (minimal or no charge or adjustment)	5,965,465	-	-	5,965,465	99 %
(2) Not subject to discretionary withdrawal	47,258	-	-	47,258	1 %
(3) Total (gross: direct + assumed)	6,012,723	-	-	6,012,723	100 %
(4) Reinsurance ceded	6,012,723	-	-	6,012,723	
(5) Total (net) (3) - (4)	\$ -	\$ -	\$ -	\$ -	
(6) Amount included in A(1)b above that will move to A(1)e for the first time within the year after the statement date:	\$ -	\$ -	\$ -	\$ -	

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2019					
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	\$ -	\$ -	\$ -	\$ -	- %
b. At book value less current surrender charge of 5% or more	-	-	-	-	- %
c. At fair value	-	-	-	-	- %
d. Total with market value adjustment or at fair value (total of a through c)	-	-	-	-	- %
e. At book value without adjustment (minimal or no charge or adjustment)	6,442,984	-	-	6,442,984	99 %
(2) Not subject to discretionary withdrawal	48,354	-	-	48,354	1 %
(3) Total (gross: direct + assumed)	6,491,338	-	-	6,491,338	100 %
(4) Reinsurance ceded	6,491,338	-	-	6,491,338	
(5) Total (net) (3) - (4)	\$ -	\$ -	\$ -	\$ -	
(6) Amount included in A(1)b above that will move to A(1)e for the first time within the year after the statement date:	\$ -	\$ -	\$ -	\$ -	

B. Group Annuities:

2020					
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	\$ -	\$ -	\$ -	\$ -	- %
b. At book value less current surrender charge of 5% or more	-	-	-	-	- %
c. At fair value	-	-	-	-	- %
d. Total with market value adjustment or at fair value (total of a through c)	-	-	-	-	- %
e. At book value without adjustment (minimal or no charge or adjustment)	-	-	-	-	- %
(2) Not subject to discretionary withdrawal	-	-	-	-	- %
(3) Total (gross: direct + assumed)	-	-	-	-	- %
(4) Reinsurance ceded	-	-	-	-	
(5) Total (net) (3) - (4)	\$ -	\$ -	\$ -	\$ -	
(6) Amount included in B(1)b above that will move to B(1)e for the first time within the year after the statement date:	\$ -	\$ -	\$ -	\$ -	

2019					
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	\$ -	\$ -	\$ -	\$ -	- %
b. At book value less current surrender charge of 5% or more	-	-	-	-	- %
c. At fair value	-	-	-	-	- %
d. Total with market value adjustment or at fair value (total of a through c)	-	-	-	-	- %
e. At book value without adjustment (minimal or no charge or adjustment)	-	-	-	-	- %
(2) Not subject to discretionary withdrawal	-	-	-	-	- %
(3) Total (gross: direct + assumed)	-	-	-	-	- %
(4) Reinsurance ceded	-	-	-	-	
(5) Total (net) (3) - (4)	\$ -	\$ -	\$ -	\$ -	
(6) Amount included in B(1)b above that will move to B(1)e for the first time within the year after the statement date:	\$ -	\$ -	\$ -	\$ -	



C. Deposit-Type Contracts (no life contingencies):

2020					
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	\$ -	\$ -	\$ -	\$ -	- %
b. At book value less current surrender charge of 5% or more	-	-	-	-	- %
c. At fair value	-	-	-	-	- %
d. Total with market value adjustment or at fair value (total of a through c)	-	-	-	-	- %
e. At book value without adjustment (minimal or no charge or adjustment)	632	-	-	632	1 %
(2) Not subject to discretionary withdrawal	121,240	-	-	121,240	99 %
(3) Total (gross: direct + assumed)	121,872	-	-	121,872	100 %
(4) Reinsurance ceded	121,872	-	-	121,872	
(5) Total (net) (3) - (4)	\$ -	\$ -	\$ -	\$ -	
(6) Amount included in C(1)b above that will move to C(1)e for the first time within the year after the statement date:	\$ -	\$ -	\$ -	\$ -	
2019					
	General Account	Separate Account with Guarantees	Separate Account Nonguaranteed	Total	% of Total
(1) Subject to discretionary withdrawal:					
a. With market value adjustment	\$ -	\$ -	\$ -	\$ -	- %
b. At book value less current surrender charge of 5% or more	-	-	-	-	- %
c. At fair value	-	-	-	-	- %
d. Total with market value adjustment or at fair value (total of a through c)	-	-	-	-	- %
e. At book value without adjustment (minimal or no charge or adjustment)	-	-	-	-	- %
(2) Not subject to discretionary withdrawal	160,760	-	-	160,760	100 %
(3) Total (gross: direct + assumed)	160,760	-	-	160,760	100 %
(4) Reinsurance ceded	160,760	-	-	160,760	
(5) Total (net) (3) - (4)	\$ -	\$ -	\$ -	\$ -	
(6) Amount included in C(1)b above that will move to C(1)e for the first time within the year after the					

- D. The Company coinsures 100% of its annuity actuarial reserves, deposit-type contract funds, and other liabilities to Protective. As a result, there are no amounts shown in the reconciliation of annuity reserves and deposit fund liabilities to Aggregate Reserves for Life Policies and Contracts Exhibit and Deposit Funds and Other Liabilities without Life or Disability Contingencies Exhibit, of the Life, Accident and Health Annual Statement and the corresponding lines in the Separate Accounts Statement as the activity is required to be reported on a net basis.

	2020
Life Accident & Health Annual Statement	
(1) Exhibit 5, Annuities Section, Total (net)	\$ -
(2) Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	-
(3) Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	-
(4) Subtotal	-
Separate Accounts Annual Statement	
(5) Exhibit 3, Line 0299999, Column 2	-
(6) Exhibit 3, Line 0399999, Column 2	-
(7) Policyholder dividend and coupon accumulations	-
(8) Policyholder premiums	-
(9) Guaranteed interest contracts	-
(10) Other contract deposit funds	-
(11) Subtotal	-
(12) Combined Total	\$ -
	2019
Life Accident & Health Annual Statement	
(1) Exhibit 5, Annuities Section, Total (net)	\$ -
(2) Exhibit 5, Supplementary Contracts with Life Contingencies Section, Total (net)	-
(3) Exhibit 7, Deposit-Type Contracts, Line 14, Column 1	-
(4) Subtotal	-
Separate Accounts Annual Statement	
(5) Exhibit 3, Line 0299999, Column 2	-
(6) Exhibit 3, Line 0399999, Column 2	-
(7) Policyholder dividend and coupon accumulations	-
(8) Policyholder premiums	-
(9) Guaranteed interest contracts	-
(10) Other contract deposit funds	-
(11) Subtotal	-
(12) Combined Total	\$ -

33. ANALYSIS OF LIFE ACTUARIAL RESERVES BY WITHDRAWAL CHARACTERISTICS

A–C. At December 31, 2020 and 2019, total life actuarial reserves by withdrawal characteristics are as follows:

2020			
	Account Value	Cash Value	Reserve
A. General Account			
(1) Subject to discretionary withdrawal, surrender values, or policy loans:			
a. Term Policies with Cash Value	\$ -	\$ -	\$ -
b. Universal Life	-	-	-
c. Universal Life with Secondary Guarantees	-	-	-
d. Indexed Universal Life	-	-	-
e. Indexed Universal Life with Secondary Guarantees	-	-	-
f. Indexed Life	-	-	-
g. Other Permanent Cash Value Life Insurance	-	-	-
h. Variable Life	-	-	-
i. Variable Universal Life	-	-	-
j. Miscellaneous Reserves	-	-	-
(2) Not subject to discretionary withdrawal or no cash values:			
a. Term Policies without Cash Value	XXX	XXX	9,105,369
b. Accidental Death Benefits	XXX	XXX	45
c. Disability - Active Lives	XXX	XXX	56
d. Disability - Disabled Lives	XXX	XXX	-
e. Miscellaneous Reserves	XXX	XXX	-
(3) Total (gross: direct + assumed)	-	-	9,105,470
(4) Reinsurance Ceded	-	-	9,105,470
(5) Total (Net) (3) - (4)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
2020			
	Account Value	Cash Value	Reserve
B. Separate Account with Guarantees			
(1) Subject to discretionary withdrawal, surrender values, or policy loans:			
a. Term Policies with Cash Value	\$ -	\$ -	\$ -
b. Universal Life	-	-	-
c. Universal Life with Secondary Guarantees	-	-	-
d. Indexed Universal Life	-	-	-
e. Indexed Universal Life with Secondary Guarantees	-	-	-
f. Indexed Life	-	-	-
g. Other Permanent Cash Value Life Insurance	-	-	-
h. Variable Life	-	-	-
i. Variable Universal Life	-	-	-
j. Miscellaneous Reserves	-	-	-
(2) Not subject to discretionary withdrawal or no cash values:			
a. Term Policies without Cash Value	XXX	XXX	-
b. Accidental Death Benefits	XXX	XXX	-
c. Disability - Active Lives	XXX	XXX	-
d. Disability - Disabled Lives	XXX	XXX	-
e. Miscellaneous Reserves	XXX	XXX	-
(3) Total (gross: direct + assumed)	-	-	-
(4) Reinsurance Ceded	-	-	-
(5) Total (Net) (3) - (4)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Optum Insurance of Ohio, Inc.

2020			
	Account Value	Cash Value	Reserve
C. Separate Account Nonguaranteed			
(1) Subject to discretionary withdrawal, surrender values, or policy loans:			
a. Term Policies with Cash Value	\$ -	\$ -	\$ -
b. Universal Life	-	-	-
c. Universal Life with Secondary Guarantees	-	-	-
d. Indexed Universal Life	-	-	-
e. Indexed Universal Life with Secondary Guarantees	-	-	-
f. Indexed Life	-	-	-
g. Other Permanent Cash Value Life Insurance	-	-	-
h. Variable Life	-	-	-
i. Variable Universal Life	-	-	-
j. Miscellaneous Reserves	-	-	-
(2) Not subject to discretionary withdrawal or no cash values:			
a. Term Policies without Cash Value	XXX	XXX	-
b. Accidental Death Benefits	XXX	XXX	-
c. Disability - Active Lives	XXX	XXX	-
d. Disability - Disabled Lives	XXX	XXX	-
e. Miscellaneous Reserves	XXX	XXX	-
(3) Total (gross: direct + assumed)	-	-	-
(4) Reinsurance Ceded	-	-	-
(5) Total (Net) (3) - (4)	\$ -	\$ -	\$ -

D. The Company coinsures 100% of its life reserves to Protective. As a result, there are no amounts shown in the reconciliation of total life actuarial reserves disclosed to Aggregate Reserves for Life Policies and Contracts Exhibit of the Life, Accident and Health Annual Statement and the corresponding lines in the Separate Accounts Statement as the activity is required to be reported on a net basis.

	2020
Life & Accident & Health Annual Statement	
(1) Exhibit 5, Life Insurance Section, Total (net)	\$ -
(2) Exhibit 5, Accidental Death Benefits Section, Total (net)	-
(3) Exhibit 5, Disability - Active Lives Section, Total (net)	-
(4) Exhibit 5, Disability - Disabled Lives Section, Total (net)	-
(5) Exhibit 5, Miscellaneous Reserves Section, Total (net)	-
(6) Subtotal	-
Separate Accounts Annual Statement:	
(7) Exhibit 3, Line 0199999, Column 2	-
(8) Exhibit 3, Line 0499999, Column 2	-
(9) Exhibit 3, Line 0599999, Column 2	-
(10) Subtotal (Lines (7) through (9))	-
(11) Combined Total ((6) and (10))	\$ -

34. PREMIUMS AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

The Company reports no premiums and annuity considerations deferred and uncollected as the administration, billing and subsequent collections for all life, annuity, and accident and health contracts are the responsibility of Protective pursuant to the 100% coinsurance agreement.

35. SEPARATE ACCOUNTS

A–C. The Company does not have separate account business as of December 31, 2020 and 2019.

36. LOSS/CLAIM ADJUSTMENT EXPENSES

A–B. The Company has no claims adjustment expenses as all administrative activities are the responsibility of Protective pursuant to the 100% coinsurance agreement.

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.  
\$000 omitted for amounts of life insurance

	1 2020	2 2019	3 2018	4 2017	5 2016
<b>Life Insurance in Force</b> (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4) .....	58,261	62,601	61,651	68,229	72,929
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4) .....	12	15	7,347	7,959	8,725
3. Credit life (Line 21, Col. 6) .....	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4) .....	0	0	0	0	0
5. Industrial (Line 21, Col. 2) .....	0	0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4) .....	0	0	0	0	0
7. Total (Line 21, Col. 10) .....	58,273	62,616	68,998	76,188	81,654
7.1 Total in force for which VM-20 deterministic/stochastic reserves are calculated .....	0	0	0	0	XXX
<b>New Business Issued</b> (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2) .....	0	0	0	0	0
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2) .....	0	0	0	0	0
10. Credit life (Line 2, Col. 6) .....	0	0	0	0	0
11. Group (Line 2, Col. 9) .....	0	0	0	0	0
12. Industrial (Line 2, Col. 2) .....	0	0	0	0	0
13. Total (Line 2, Col. 10) .....	0	0	0	0	0
<b>Premium Income - Lines of Business</b> (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Col. 2) .....	0	0	0	0	0
15.1 Ordinary-life insurance (Line 20.4, Col. 3) .....	0	0	0	0	0
15.2 Ordinary-individual annuities (Line 20.4, Col. 4) .....	0	0	0	0	0
16. Credit life (group and individual) (Line 20.4, Col. 5) .....	0	0	0	0	0
17.1 Group life insurance (Line 20.4, Col. 6) .....	0	0	0	0	0
17.2 Group annuities (Line 20.4, Col. 7) .....	0	0	0	0	0
18.1 A & H-group (Line 20.4, Col. 8) .....	0	0	0	0	0
18.2 A & H-credit (group and individual) (Line 20.4, Col. 9) .....	0	0	0	0	0
18.3 A & H-other (Line 20.4, Col. 10) .....	0	0	0	0	0
19. Aggregate of all other lines of business (Line 20.4, Col. 11) .....	0	0	0	0	0
20. Total .....	0	0	0	0	0
<b>Balance Sheet (Pages 2 &amp; 3)</b>					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3) .....	424,196,315	506,750,507	356,229,281	185,935,612	87,073,300
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26) .....	356,986,917	440,563,699	287,488,031	138,055,276	46,648,777
23. Aggregate life reserves (Page 3, Line 1) .....	0	0	0	0	0
23.1 Excess VM-20 deterministic/stochastic reserve over NPR related to Line 7.1 .....	0	0	0	0	XXX
24. Aggregate A & H reserves (Page 3, Line 2) .....	0	0	0	0	0
25. Deposit-type contract funds (Page 3, Line 3) .....	0	0	0	0	0
26. Asset valuation reserve (Page 3, Line 24.01) .....	0	0	0	0	1,803
27. Capital (Page 3, Lines 29 and 30) .....	2,727,274	2,727,274	2,727,274	2,727,274	2,727,274
28. Surplus (Page 3, Line 37) .....	64,482,124	63,459,534	66,013,976	45,153,062	37,697,249
<b>Cash Flow (Page 5)</b>					
29. Net Cash from Operations (Line 11) .....	(83,655,176)	223,811,758	(47,764,479)	9,660,138	4,458,719
<b>Risk-Based Capital Analysis</b>					
30. Total adjusted capital .....	67,209,398	66,186,808	68,741,250	47,880,336	40,426,326
31. Authorized control level risk - based capital .....	579,966	713,135	522,083	90,468	134,538
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets</b> (Page 2, Col. 3) (Line No. /Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1) .....	0.9	0.7	0.9	17.1	5.3
33. Stocks (Lines 2.1 and 2.2) .....	0.0	0.0	0.0	0.0	0.0
34. Mortgage loans on real estate(Lines 3.1 and 3.2 ) .....	0.0	0.0	0.0	0.0	0.0
35. Real estate (Lines 4.1, 4.2 and 4.3) .....	0.0	0.0	0.0	0.0	0.0
36. Cash, cash equivalents and short-term investments (Line 5) .....	99.1	99.3	99.1	82.9	94.7
37. Contract loans (Line 6) .....	0.0	0.0	0.0	0.0	0.0
38. Derivatives (Page 2, Line 7) .....	0.0	0.0	0.0	0.0	0.0
39. Other invested assets (Line 8) .....	0.0	0.0	0.0	0.0	0.0
40. Receivables for securities (Line 9) .....	0.0	0.0	0.0	0.0	0.0
41. Securities lending reinvested collateral assets (Line 10) .....	0.0	0.0	0.0	0.0	0.0
42. Aggregate write-ins for invested assets (Line 11) .....	0.0	0.0	0.0	0.0	0.0
43. Cash, cash equivalents and invested assets (Line 12) .....	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2020	2 2019	3 2018	4 2017	5 2016
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
44. Affiliated bonds (Schedule D Summary, Line 12, Col. 1) .....	0	0	0	0	0
45. Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1) .....	0	0	0	0	0
46. Affiliated common stocks (Schedule D Summary Line 24, Col. 1), .....	0	0	0	0	0
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
48. Affiliated mortgage loans on real estate .....	0	0	0	0	0
49. All other affiliated .....	0	0	0	0	0
50. Total of above Lines 44 to 49 .....	0	0	0	0	0
51. Total Investment in Parent included in Lines 44 to 49 above .....	0	0	0	0	0
<b>Total Nonadmitted and Admitted Assets</b>					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2) .....	317,988	468,398	2,073,659	697,450	5,461
53. Total admitted assets (Page 2, Line 28, Col. 3) .....	424,196,315	506,750,507	356,229,281	185,935,612	87,073,300
<b>Investment Data</b>					
54. Net investment income (Exhibit of Net Investment Income) .....	42,325	46,730	29,613	23,036	21,797
55. Realized capital gains (losses) (Page 4, Line 34, Column 1 ) .....	0	0	0	0	0
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1) .....	(153)	87	54	12	0
57. Total of above Lines 54, 55 and 56 .....	42,172	46,817	29,667	23,048	21,797
<b>Benefits and Reserve Increases (Page 6)</b>					
58. Total contract/certificate benefits - life (Lines 10, 11, 12, 13, 14 and 15, Col. 1 minus Lines 10, 11,12, 13, 14 and 15, Cols. 6, 7 and 8) .....	0	0	0	0	0
59. Total contract/certificate benefits - A & H (Lines 13 & 14, Col. 6) .....	0	0	0	0	0
60. Increase in life reserves - other than group and annuities (Line 19, Col. 2) .....	0	0	0	0	0
61. Increase in A & H reserves (Line 19, Col. 6) .....	0	0	0	0	0
62. Dividends to policyholders and refunds to members (Line 30, Col. 1) .....	0	0	0	0	0
<b>Operating Percentages</b>					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.0 .....	0.0	0.0	0.0	0.0	0.0
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.0 .....	5.4	8.0	8.2	5.9	6.1
65. A & H loss percent (Schedule H, Part 1, Lines 5 and 6, Col. 2) .....	0.0	0.0	0.0	0.0	0.0
66. A & H cost containment percent (Schedule H, Pt. 1, Line 4, Col. 2) .....	0.0	0.0	0.0	0.0	0.0
67. A & H expense percent excluding cost containment expenses (Schedule H, Pt. 1, Line 10, Col. 2) .....	0.0	0.0	0.0	0.0	0.0
<b>A &amp; H Claim Reserve Adequacy</b>					
68. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1 Col. 2) .....	0	0	0	0	0
69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2 Col. 2) .....	0	0	0	0	0
70. Incurred losses on prior years' claims-health other than group (Schedule H, Part 3, Line 3.1 Col. 1 less Col. 2) .....	0	0	0	0	0
71. Prior years' claim liability and reserve-health other than group (Schedule H, Part 3, Line 3.2 Col. 1 less Col. 2) .....	0	0	0	0	0
<b>Net Gains From Operations After Dividends to Policyholders/Members' Refunds and Federal Income Taxes by Lines of Business (Page 6.x, Line 33)</b>					
72. Industrial life (Page 6.1, Col. 2) .....	0	0	0	0	0
73. Ordinary - life (Page 6.1, Col. 1 less Cols. 2, 10 and 12) .....	0	0	0	14,438,628	7,329,370
74. Ordinary - individual annuities (Page 6, Col. 4) .....	0	0	0	0	0
75. Ordinary-supplementary contracts .....	XXX	XXX	0	0	0
76. Credit life (Page 6.1, Col. 10 plus Page 6.2, Col. 7) .....	0	0	0	0	0
77. Group life (Page 6.2, Col. 1 Less Cols. 7 and 9) .....	0	0	0	0	0
78. Group annuities (Page 6, Col. 5) .....	0	0	0	0	0
79. A & H-group (Page 6.5, Col. 3) .....	0	0	0	0	0
80. A & H-credit (Page 6.5, Col. 10) .....	0	0	0	0	0
81. A & H-other (Page 6.5, Col. 1 less Cols. 3 and 10) .....	0	0	0	0	0
82. Aggregate of all other lines of business (Page 6, Col. 8) .....	31,958,689	31,285,114	35,233,096	0	0
83. Fraternal (Page 6, Col. 7) .....	0	0	0	0	0
84. Total (Page 6, Col. 1) .....	31,958,689	31,285,114	35,233,096	14,438,628	7,329,370

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: .....