



ANNUAL STATEMENT
For the Year Ending DECEMBER 31, 2021
OF THE CONDITION AND AFFAIRS OF THE
Perennial Advantage of Ohio, Inc.

| | | | | | | |
|---------------------------------------|--|------------------------|--|------------|--|------------|
| NAIC Group Code | 0000 (Current Period) | 0000 (Prior Period) | NAIC Company Code | 16783 | Employer's ID Number | 84-3881087 |
| Organized under the Laws of | OH | | State of Domicile or Port of Entry | OH | | |
| Country of Domicile | United States | | | | | |
| Licensed as business type: | Life, Accident & Health[] Dental Service Corporation[] Other[] | | Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[] N/A[X] | | Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X] | |
| Incorporated/Organized | 08/23/2019 | | Commenced Business | 01/01/2021 | | |
| Statutory Home Office | 9200 Worthington Rd (Street and Number) | | Westerville, OH, US 43082 (City or Town, State, Country and Zip Code) | | | |
| Main Administrative Office | | | 10900 Nuckols Road STE 110 (Street and Number) | | | |
| | Glen Allen, VA, US 23060 (City or Town, State, Country and Zip Code) | | (804)396-6412 (Area Code) (Telephone Number) | | | |
| Mail Address | 10900 Nuckols Road STE 110 (Street and Number or P.O. Box) | | Glen Allen , VA, US 23060 (City or Town, State, Country and Zip Code) | | | |
| Primary Location of Books and Records | | | 10900 Nuckols Road STE 110 (Street and Number) | | | |
| | Glen Allen , VA, US 23060 (City or Town, State, Country and Zip Code) | | (804)396-6412 (Area Code) (Telephone Number) | | | |
| Internet Website Address | N/A | | | | | |
| Statutory Statement Contact | Robert Ragland (Name) | | (804)220-6171 (Area Code)(Telephone Number)(Extension) | | | |
| | regulatoryaccounting@allyalign.com (E-Mail Address) | | (804)241-1577 (Fax Number) | | | |

OFFICERS

| Name | Title |
|-------------------------|-------------|
| Lynne Susan Katzmann | President |
| Laurence Charles Gumina | Secretary |
| Anne Pearson Rote | Treasurer # |

OTHERS

DIRECTORS OR TRUSTEES

Terry Rogers #

State of Ohio
County of Delaware ss

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

| | | |
|---|---|--|
| (Signature) Lynne Susan Katzmann (Printed Name) 1. President (Title) | (Signature) Laurence Charles Gumina (Printed Name) 2. Secretary (Title) | (Signature) Anne Pearson Rote (Printed Name) 3. Treasurer (Title) |
| Subscribed and sworn to before me this _____ day of _____, 2022 | a. Is this an original filing? b. If no: 1. State the amendment number 2. Date filed 3. Number of pages attached | Yes[X] No[] _____ _____ _____ |
| _____ (Notary Public Signature) | | |

ASSETS

| | | Current Year | | | Prior Year |
|----------------------|---|--------------|--------------------|--------------------------------|---------------------|
| | | 1 | 2 | 3 | 4 |
| | | Assets | Nonadmitted Assets | Net Admitted Assets (Cols.1-2) | Net Admitted Assets |
| 1. | Bonds (Schedule D) | 260,000 | | 260,000 | 260,000 |
| 2. | Stocks (Schedule D): | | | | |
| 2.1 | Preferred stocks | | | | |
| 2.2 | Common Stocks | | | | |
| 3. | Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 | First liens | | | | |
| 3.2 | Other than first liens | | | | |
| 4. | Real estate (Schedule A): | | | | |
| 4.1 | Properties occupied by the company (less \$.....0 encumbrances) | | | | |
| 4.2 | Properties held for the production of income (less \$.....0 encumbrances) | | | | |
| 4.3 | Properties held for sale (less \$.....0 encumbrances) | | | | |
| 5. | Cash (\$.....3,710,607, Schedule E Part 1), cash equivalents (\$.....975, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA) | 3,711,582 | | 3,711,582 | 2,421,890 |
| 6. | Contract loans (including \$.....0 premium notes) | | | | |
| 7. | Derivatives (Schedule DB) | | | | |
| 8. | Other invested assets (Schedule BA) | | | | |
| 9. | Receivables for securities | | | | |
| 10. | Securities Lending Reinvested Collateral Assets (Schedule DL) | | | | |
| 11. | Aggregate write-ins for invested assets | | | | |
| 12. | Subtotals, cash and invested assets (Lines 1 to 11) | 3,971,582 | | 3,971,582 | 2,681,890 |
| 13. | Title plants less \$.....0 charged off (for Title insurers only) | | | | |
| 14. | Investment income due and accrued | | | | |
| 15. | Premiums and considerations: | | | | |
| 15.1 | Uncollected premiums and agents' balances in the course of collection | 382 | | 382 | |
| 15.2 | Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) | | | | |
| 15.3 | Accrued retrospective premiums (\$.....429,281) and contracts subject to redetermination (\$.....0) | 429,281 | | 429,281 | |
| 16. | Reinsurance: | | | | |
| 16.1 | Amounts recoverable from reinsurers | | | | |
| 16.2 | Funds held by or deposited with reinsured companies | | | | |
| 16.3 | Other amounts receivable under reinsurance contracts | | | | |
| 17. | Amounts receivable relating to uninsured plans | 1,299,992 | | 1,299,992 | |
| 18.1 | Current federal and foreign income tax recoverable and interest thereon | | | | |
| 18.2 | Net deferred tax asset | | | | |
| 19. | Guaranty funds receivable or on deposit | | | | |
| 20. | Electronic data processing equipment and software | | | | |
| 21. | Furniture and equipment, including health care delivery assets (\$.....0) | | | | |
| 22. | Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 23. | Receivables from parent, subsidiaries and affiliates | | | | |
| 24. | Health care (\$.....222,119) and other amounts receivable | 290,874 | 68,755 | 222,119 | |
| 25. | Aggregate write-ins for other than invested assets | 9,555 | 9,391 | 164 | 4,979 |
| 26. | TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 6,001,666 | 78,146 | 5,923,520 | 2,686,869 |
| 27. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. | TOTAL (Lines 26 and 27) | 6,001,666 | 78,146 | 5,923,520 | 2,686,869 |
| DETAILS OF WRITE-INS | | | | | |
| 1101. | ..... |  |  |  |  |
| 1102. | ..... |  |  |  |  |
| 1103. | ..... |  |  |  |  |
| 1198. | Summary of remaining write-ins for Line 11 from overflow page | | | | |
| 1199. | TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | | |
| 2501. | Prepaid expenses | 9,391 | 9,391 | | |
| 2502. | Other receivables | 164 | | 164 | 4,979 |
| 2503. | ..... |  |  |  |  |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | | | | |
| 2599. | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | 9,555 | 9,391 | 164 | 4,979 |

LIABILITIES, CAPITAL AND SURPLUS

| | | Current Year | | | Prior Year |
|----------------------|--|--------------|----------------|-------------|-------------|
| | | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. | Claims unpaid (less \$.....0 reinsurance ceded) | 2,793,730 | | 2,793,730 | |
| 2. | Accrued medical incentive pool and bonus amounts | 26,133 | | 26,133 | |
| 3. | Unpaid claims adjustment expenses | 101,095 | | 101,095 | |
| 4. | Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act | | | | |
| 5. | Aggregate life policy reserves | | | | |
| 6. | Property/casualty unearned premium reserves | | | | |
| 7. | Aggregate health claim reserves | | | | |
| 8. | Premiums received in advance | 85,406 | | 85,406 | |
| 9. | General expenses due or accrued | | 2,459 | 2,459 | 77,896 |
| 10.1 | Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) | 20,375 | | 20,375 | |
| 10.2 | Net deferred tax liability | | | | |
| 11. | Ceded reinsurance premiums payable | | | | |
| 12. | Amounts withheld or retained for the account of others | | | | |
| 13. | Remittances and items not allocated | | | | |
| 14. | Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) | | | | |
| 15. | Amounts due to parent, subsidiaries and affiliates | 19,700 | | 19,700 | |
| 16. | Derivatives | | | | |
| 17. | Payable for securities | | | | |
| 18. | Payable for securities lending | | | | |
| 19. | Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) | | | | |
| 20. | Reinsurance in unauthorized and certified (\$.....0) companies | | | | |
| 21. | Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 22. | Liability for amounts held under uninsured plans | 26,436 | | 26,436 | |
| 23. | Aggregate write-ins for other liabilities (including \$.....0 current) | | | | |
| 24. | TOTAL Liabilities (Lines 1 to 23) | 3,072,875 | 2,459 | 3,075,334 | 77,896 |
| 25. | Aggregate write-ins for special surplus funds | X X X | X X X | | |
| 26. | Common capital stock | X X X | X X X | 10 | 10 |
| 27. | Preferred capital stock | X X X | X X X | | |
| 28. | Gross paid in and contributed surplus | X X X | X X X | 4,331,119 | 4,331,119 |
| 29. | Surplus notes | X X X | X X X | | |
| 30. | Aggregate write-ins for other than special surplus funds | X X X | X X X | | |
| 31. | Unassigned funds (surplus) | X X X | X X X | (1,482,943) | (1,722,156) |
| 32. | Less treasury stock, at cost: | | | | |
| 32.1 |0 shares common (value included in Line 26 \$.....0) | X X X | X X X | | |
| 32.2 |0 shares preferred (value included in Line 27 \$.....0) | X X X | X X X | | |
| 33. | TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) | X X X | X X X | 2,848,186 | 2,608,973 |
| 34. | TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) | X X X | X X X | 5,923,520 | 2,686,869 |
| DETAILS OF WRITE-INS | | | | | |
| 2301. | ..... |  |  |  |  |
| 2302. | ..... |  |  |  |  |
| 2303. | ..... |  |  |  |  |
| 2398. | Summary of remaining write-ins for Line 23 from overflow page | | | | |
| 2399. | TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) | | | | |
| 2501. | ..... | X X X | X X X | | |
| 2502. | ..... | X X X | X X X | | |
| 2503. | ..... | X X X | X X X | | |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | X X X | X X X | | |
| 2599. | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | X X X | X X X | | |
| 3001. | ..... | X X X | X X X | | |
| 3002. | ..... | X X X | X X X | | |
| 3003. | ..... | X X X | X X X | | |
| 3098. | Summary of remaining write-ins for Line 30 from overflow page | X X X | X X X | | |
| 3099. | TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) | X X X | X X X | | |

STATEMENT OF REVENUE AND EXPENSES

| | | Current Year | | Prior Year |
|-----------------------|---|----------------|------------|-------------|
| | | 1 Uncovered | 2 Total | 3 Total |
| 1. | Member Months | X X X | 4,690 | |
| 2. | Net premium income (including \$.....0 non-health premium income) | X X X | 11,247,626 | |
| 3. | Change in unearned premium reserves and reserve for rate credits | X X X | | |
| 4. | Fee-for-service (net of \$.....0 medical expenses) | X X X | | |
| 5. | Risk revenue | X X X | | |
| 6. | Aggregate write-ins for other health care related revenues | X X X | | |
| 7. | Aggregate write-ins for other non-health revenues | X X X | | |
| 8. | TOTAL Revenues (Lines 2 to 7) | X X X | 11,247,626 | |
| Hospital and Medical: | | | | |
| 9. | Hospital/medical benefits | | 5,454,685 | |
| 10. | Other professional services | | 2,127,761 | |
| 11. | Outside referrals | | | |
| 12. | Emergency room and out-of-area | | 112,327 | |
| 13. | Prescription drugs | | 891,551 | |
| 14. | Aggregate write-ins for other hospital and medical | | 83,111 | |
| 15. | Incentive pool, withhold adjustments and bonus amounts | | 47,420 | |
| 16. | Subtotal (Lines 9 to 15) | | 8,716,855 | |
| Less: | | | | |
| 17. | Net reinsurance recoveries | | | |
| 18. | TOTAL Hospital and Medical (Lines 16 minus 17) | | 8,716,855 | |
| 19. | Non-health claims (net) | | | |
| 20. | Claims adjustment expenses, including \$.....320,276 cost containment expenses | 539,538 | 881,692 | |
| 21. | General administrative expenses | 1,616,821 | 1,274,667 | 1,386,037 |
| 22. | Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) | | | |
| 23. | TOTAL Underwriting Deductions (Lines 18 through 22) | 2,156,359 | 10,873,214 | 1,386,037 |
| 24. | Net underwriting gain or (loss) (Lines 8 minus 23) | X X X | 374,412 | (1,386,037) |
| 25. | Net investment income earned (Exhibit of Net Investment Income, Line 17) | | 650 | 325 |
| 26. | Net realized capital gains (losses) less capital gains tax of \$.....0 | | | |
| 27. | Net investment gains (losses) (Lines 25 plus 26) | | 650 | 325 |
| 28. | Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] | | | |
| 29. | Aggregate write-ins for other income or expenses | | | |
| 30. | Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) | X X X | 375,062 | (1,385,712) |
| 31. | Federal and foreign income taxes incurred | X X X | 66,875 | |
| 32. | Net income (loss) (Lines 30 minus 31) | X X X | 308,187 | (1,385,712) |
| DETAILS OF WRITE-INS | | | | |
| 0601. | ..... | X X X | | |
| 0602. | ..... | X X X | | |
| 0603. | ..... | X X X | | |
| 0698. | Summary of remaining write-ins for Line 6 from overflow page | X X X | | |
| 0699. | TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | X X X | | |
| 0701. | ..... | X X X | | |
| 0702. | ..... | X X X | | |
| 0703. | ..... | X X X | | |
| 0798. | Summary of remaining write-ins for Line 7 from overflow page | X X X | | |
| 0799. | TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) | X X X | | |
| 1401. | Durable Medical Equipment | | 83,111 | |
| 1402. | ..... |  |  |  |
| 1403. | ..... |  |  |  |
| 1498. | Summary of remaining write-ins for Line 14 from overflow page | | | |
| 1499. | TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) | | 83,111 | |
| 2901. | ..... |  |  |  |
| 2902. | ..... |  |  |  |
| 2903. | ..... |  |  |  |
| 2998. | Summary of remaining write-ins for Line 29 from overflow page | | | |
| 2999. | TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) | | | |

STATEMENT OF REVENUE AND EXPENSES (Continued)

| | | 1 | 2 |
|---------------------------|--|--------------|-------------|
| | | Current Year | Prior Year |
| CAPITAL & SURPLUS ACCOUNT | | | |
| 33. | Capital and surplus prior reporting year | 2,608,973 | (327,272) |
| 34. | Net income or (loss) from Line 32 | 308,187 | (1,385,712) |
| 35. | Change in valuation basis of aggregate policy and claim reserves | | |
| 36. | Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 | | |
| 37. | Change in net unrealized foreign exchange capital gain or (loss) | | |
| 38. | Change in net deferred income tax | | |
| 39. | Change in nonadmitted assets | (68,974) | (9,172) |
| 40. | Change in unauthorized and certified reinsurance | | |
| 41. | Change in treasury stock | | |
| 42. | Change in surplus notes | | |
| 43. | Cumulative effect of changes in accounting principles | | |
| 44. | Capital Changes: | | |
| 44.1 | Paid in | | 10 |
| 44.2 | Transferred from surplus (Stock Dividend) | | |
| 44.3 | Transferred to surplus | | |
| 45. | Surplus adjustments: | | |
| 45.1 | Paid in | | 4,331,119 |
| 45.2 | Transferred to capital (Stock Dividend) | | |
| 45.3 | Transferred from capital | | |
| 46. | Dividends to stockholders | | |
| 47. | Aggregate write-ins for gains or (losses) in surplus | | |
| 48. | Net change in capital and surplus (Lines 34 to 47) | 239,213 | 2,936,245 |
| 49. | Capital and surplus end of reporting year (Line 33 plus 48) | 2,848,186 | 2,608,973 |
| DETAILS OF WRITE-INS | | | |
| 4701. | ..... |  |  |
| 4702. | ..... |  |  |
| 4703. | ..... |  |  |
| 4798. | Summary of remaining write-ins for Line 47 from overflow page | | |
| 4799. | TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) | | |

CASH FLOW

| | | 1 | 2 |
|---|---|--------------|-------------|
| | | Current Year | Prior Year |
| Cash from Operations | | | |
| 1. | Premiums collected net of reinsurance | 9,634,628 | |
| 2. | Net investment income | 650 | 325 |
| 3. | Miscellaneous income | | |
| 4. | TOTAL (Lines 1 through 3) | 9,635,278 | 325 |
| 5. | Benefit and loss related payments | 6,187,866 | |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 2,111,220 | 1,644,585 |
| 8. | Dividends paid to policyholders | | |
| 9. | Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) | 46,500 | |
| 10. | TOTAL (Lines 5 through 9) | 8,345,586 | 1,644,585 |
| 11. | Net cash from operations (Line 4 minus Line 10) | 1,289,692 | (1,644,260) |
| Cash from Investments | | | |
| 12. | Proceeds from investments sold, matured or repaid: | | |
| 12.1 | Bonds | | |
| 12.2 | Stocks | | |
| 12.3 | Mortgage loans | | |
| 12.4 | Real estate | | |
| 12.5 | Other invested assets | | |
| 12.6 | Net gains or (losses) on cash, cash equivalents and short-term investments | | |
| 12.7 | Miscellaneous proceeds | | |
| 12.8 | TOTAL Investment proceeds (Lines 12.1 to 12.7) | | |
| 13. | Cost of investments acquired (long-term only): | | |
| 13.1 | Bonds | | 260,000 |
| 13.2 | Stocks | | |
| 13.3 | Mortgage loans | | |
| 13.4 | Real estate | | |
| 13.5 | Other invested assets | | |
| 13.6 | Miscellaneous applications | | |
| 13.7 | TOTAL Investments acquired (Lines 13.1 to 13.6) | | 260,000 |
| 14. | Net increase (decrease) in contract loans and premium notes | | |
| 15. | Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | | (260,000) |
| Cash from Financing and Miscellaneous Sources | | | |
| 16. | Cash provided (applied): | | |
| 16.1 | Surplus notes, capital notes | | |
| 16.2 | Capital and paid in surplus, less treasury stock | | 4,331,129 |
| 16.3 | Borrowed funds | | |
| 16.4 | Net deposits on deposit-type contracts and other insurance liabilities | | |
| 16.5 | Dividends to stockholders | | |
| 16.6 | Other cash provided (applied) | | (4,979) |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | | 4,326,150 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | | |
| 18. | Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | 1,289,692 | 2,421,890 |
| 19. | Cash, cash equivalents and short-term investments: | | |
| 19.1 | Beginning of year | 2,421,890 | |
| 19.2 | End of year (Line 18 plus Line 19.1) | 3,711,582 | 2,421,890 |

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

| | | | |
|---------|--|--|--|
| 20.0001 | | | |
|---------|--|--|--|

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|----------------------|--|------------|---|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. | Net premium income | 11,247,626 | | | | | | 11,247,626 | | | |
| 2. | Change in unearned premium reserves and reserve for rate credit | | | | | | | | | | |
| 3. | Fee-for-service (net of \$.....0 medical expenses) | | | | | | | | | | X X X |
| 4. | Risk revenue | | | | | | | | | | X X X |
| 5. | Aggregate write-ins for other health care related revenues | | | | | | | | | | X X X |
| 6. | Aggregate write-ins for other non-health care related revenues | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 7. | TOTAL Revenues (Lines 1 to 6) | 11,247,626 | | | | | | 11,247,626 | | | |
| 8. | Hospital/medical benefits | 5,454,685 | | | | | | 5,454,685 | | | X X X |
| 9. | Other professional services | 2,127,761 | | | | | | 2,127,761 | | | X X X |
| 10. | Outside referrals | | | | | | | | | | X X X |
| 11. | Emergency room and out-of-area | 112,327 | | | | | | 112,327 | | | X X X |
| 12. | Prescription drugs | 891,551 | | | | | | 891,551 | | | X X X |
| 13. | Aggregate write-ins for other hospital and medical | 83,111 | | | | | | 83,111 | | | X X X |
| 14. | Incentive pool, withhold adjustments and bonus amounts | 47,420 | | | | | | 47,420 | | | X X X |
| 15. | Subtotal (Lines 8 to 14) | 8,716,855 | | | | | | 8,716,855 | | | X X X |
| 16. | Net reinsurance recoveries | | | | | | | | | | X X X |
| 17. | TOTAL Hospital and Medical (Lines 15 minus 16) | 8,716,855 | | | | | | 8,716,855 | | | X X X |
| 18. | Non-health claims (net) | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 19. | Claims adjustment expenses including \$.....320,276 cost containment expenses | 881,692 | | | | | | 881,692 | | | |
| 20. | General administrative expenses | 1,274,667 | | | | | | 1,274,667 | | | |
| 21. | Increase in reserves for accident and health contracts | | | | | | | | | | X X X |
| 22. | Increase in reserves for life contracts | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 23. | TOTAL Underwriting Deductions (Lines 17 to 22) | 10,873,214 | | | | | | 10,873,214 | | | |
| 24. | Net underwriting gain or (loss) (Line 7 minus Line 23) | 374,412 | | | | | | 374,412 | | | |
| DETAILS OF WRITE-INS | | | | | | | | | | | |
| 0501. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 0502. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 0503. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 0598. | Summary of remaining write-ins for Line 5 from overflow page | | | | | | | | | | X X X |
| 0599. | TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) | | | | | | | | | | X X X |
| 0601. | ..... |  | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0602. | ..... |  | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0603. | ..... |  | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0698. | Summary of remaining write-ins for Line 6 from overflow page | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0699. | TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 1301. | Durable Medical Equipment | 83,111 | | | | | | 83,111 | | | X X X |
| 1302. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 1303. | ..... |  |  |  |  |  |  |  |  |  | X X X |
| 1398. | Summary of remaining write-ins for Line 13 from overflow page | | | | | | | | | | X X X |
| 1399. | TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) | 83,111 | | | | | | 83,111 | | | X X X |

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

| | | 1 | 2 | 3 | 4 |
|------------------|--|--------------------|------------------------|----------------------|---|
| | | Direct Business | Reinsurance Assumed | Reinsurance Ceded | Net Premium Income (Columns 1 + 2 - 3) |
| Line of Business | | | | | |
| 1. | Comprehensive (hospital and medical) ..... | ..... | ..... | ..... | ..... |
| 2. | Medicare Supplement ..... | ..... | ..... | ..... | ..... |
| 3. | Dental only ..... | ..... | ..... | ..... | ..... |
| 4. | Vision only ..... | ..... | ..... | ..... | ..... |
| 5. | Federal Employees Health Benefits Plan ..... | ..... | ..... | ..... | ..... |
| 6. | Title XVIII - Medicare | 11,310,056 | ..... | 62,430 | 11,247,626 |
| 7. | Title XIX - Medicaid ..... | ..... | ..... | ..... | ..... |
| 8. | Other health ..... | ..... | ..... | ..... | ..... |
| 9. | Health subtotal (Lines 1 through 8) | 11,310,056 | ..... | 62,430 | 11,247,626 |
| 10. | Life ..... | ..... | ..... | ..... | ..... |
| 11. | Property/casualty ..... | ..... | ..... | ..... | ..... |
| 12. | TOTALS (Lines 9 to 11) | 11,310,056 | ..... | 62,430 | 11,247,626 |

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

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|-----------|--|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Payments during the year: | | | | | | | | | | |
| 1.1 Direct | 6,166,579 | | | | | | 6,166,579 | | | |
| 1.2 Reinsurance assumed | | | | | | | | | | |
| 1.3 Reinsurance ceded | | | | | | | | | | |
| 1.4 Net | 6,166,579 | | | | | | 6,166,579 | | | |
| 2. Paid medical incentive pools and bonuses | 21,287 | | | | | | 21,287 | | | |
| 3. Claim liability December 31, current year from Part 2A: | | | | | | | | | | |
| 3.1 Direct | 2,793,730 | | | | | | 2,793,730 | | | |
| 3.2 Reinsurance assumed | | | | | | | | | | |
| 3.3 Reinsurance ceded | | | | | | | | | | |
| 3.4 Net | 2,793,730 | | | | | | 2,793,730 | | | |
| 4. Claim reserve December 31, current year from Part 2D: | | | | | | | | | | |
| 4.1 Direct | | | | | | | | | | |
| 4.2 Reinsurance assumed | | | | | | | | | | |
| 4.3 Reinsurance ceded | | | | | | | | | | |
| 4.4 Net | | | | | | | | | | |
| 5. Accrued medical incentive pools and bonuses, current year | 26,133 | | | | | | 26,133 | | | |
| 6. Net healthcare receivables (a) | 290,874 | | | | | | 290,874 | | | |
| 7. Amounts recoverable from reinsurers December 31, current year .. | | | | | | | | | | |
| 8. Claim liability December 31, prior year from Part 2A: | | | | | | | | | | |
| 8.1 Direct | | | | | | | | | | |
| 8.2 Reinsurance assumed | | | | | | | | | | |
| 8.3 Reinsurance ceded | | | | | | | | | | |
| 8.4 Net | | | | | | | | | | |
| 9. Claim reserve December 31, prior year from Part 2D: | | | | | | | | | | |
| 9.1 Direct | | | | | | | | | | |
| 9.2 Reinsurance assumed | | | | | | | | | | |
| 9.3 Reinsurance ceded | | | | | | | | | | |
| 9.4 Net | | | | | | | | | | |
| 10. Accrued medical incentive pools and bonuses, prior year | | | | | | | | | | |
| 11. Amounts recoverable from reinsurers December 31, prior year | | | | | | | | | | |
| 12. Incurred benefits: | | | | | | | | | | |
| 12.1 Direct | 8,669,435 | | | | | | 8,669,435 | | | |
| 12.2 Reinsurance assumed | | | | | | | | | | |
| 12.3 Reinsurance ceded | | | | | | | | | | |
| 12.4 Net | 8,669,435 | | | | | | 8,669,435 | | | |
| 13. Incurred medical incentive pools and bonuses | 47,420 | | | | | | 47,420 | | | |

(a) Excludes \$.00 loans or advances to providers not yet expensed.

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

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|-----------|---|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | Total | Compre- hensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Reported in Process of Adjustment: | | | | | | | | | | |
| 1.1 Direct | 13,613 | | | | | | 13,613 | | | |
| 1.2 Reinsurance assumed | | | | | | | | | | |
| 1.3 Reinsurance ceded | | | | | | | | | | |
| 1.4 Net | 13,613 | | | | | | 13,613 | | | |
| 2. Incurred but Unreported: | | | | | | | | | | |
| 2.1 Direct | 2,780,117 | | | | | | 2,780,117 | | | |
| 2.2 Reinsurance assumed | | | | | | | | | | |
| 2.3 Reinsurance ceded | | | | | | | | | | |
| 2.4 Net | 2,780,117 | | | | | | 2,780,117 | | | |
| 3. Amounts Withheld from Paid Claims and Capitations: | | | | | | | | | | |
| 3.1 Direct | | | | | | | | | | |
| 3.2 Reinsurance assumed | | | | | | | | | | |
| 3.3 Reinsurance ceded | | | | | | | | | | |
| 3.4 Net | | | | | | | | | | |
| 4. TOTALS | | | | | | | | | | |
| 4.1 Direct | 2,793,730 | | | | | | 2,793,730 | | | |
| 4.2 Reinsurance assumed | | | | | | | | | | |
| 4.3 Reinsurance ceded | | | | | | | | | | |
| 4.4 Net | 2,793,730 | | | | | | 2,793,730 | | | |

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

| | | Claims Paid During the Year | | Claim Reserve and Claim Liability December 31 of Current Year | | 5 | 6 |
|------------------------|--|---|--|---|--|--|---|
| | | 1 On Claims Incurred Prior to January 1 of Current Year | 2 On Claims Incurred During the Year | 3 On Claims Unpaid December 31 of Prior Year | 4 On Claims Incurred During the Year | Claims Incurred in Prior Years (Columns 1 + 3) | Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
| Line of Business | | | | | | | |
| 1. | Comprehensive (hospital and medical) ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 2. | Medicare Supplement ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 3. | Dental only ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 4. | Vision only ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 5. | Federal Employees Health Benefits Plan ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 6. | Title XVIII - Medicare ..... | ..... | 6,166,579 | ..... | 2,793,730 | ..... | ..... |
| 7. | Title XIX - Medicaid ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 8. | Other health ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 9. | Health subtotal (Lines 1 to 8) ..... | ..... | 6,166,579 | ..... | 2,793,730 | ..... | ..... |
| 10. | Healthcare receivables (a) ..... | ..... | 290,874 | ..... | ..... | ..... | ..... |
| 11. | Other non-health ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 12. | Medical incentive pool and bonus amounts ..... | ..... | 21,287 | ..... | 26,133 | ..... | ..... |
| 13. | TOTALS (Lines 9 - 10 + 11 + 12) ..... | ..... | 5,896,992 | ..... | 2,819,863 | ..... | ..... |

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Grand Total

Section A - Paid Health Claims

| Year in Which Losses Were Incurred | | Cumulative Net Amounts Paid | | | | |
|---------------------------------------|-------------|-----------------------------|-------------|-------------|-------------|-----------|
| | | 1 2017 | 2 2018 | 3 2019 | 4 2020 | 5 2021 |
| 1. | Prior ..... | ..... | ..... | ..... | ..... | ..... |
| 2. | 2017 ..... | ..... | ..... | ..... | ..... | ..... |
| 3. | 2018 | X X X ..... | ..... | ..... | ..... | ..... |
| 4. | 2019 | X X X | X X X ..... | ..... | ..... | ..... |
| 5. | 2020 | X X X | X X X | X X X ..... | ..... | ..... |
| 6. | 2021 | X X X | X X X | X X X | X X X | 5,897 |

Section B - Incurred Health Claims

| Year in Which Losses Were Incurred | | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---------------------------------------|-------------|---|-------------|-------------|-------------|-----------|
| | | 1 2017 | 2 2018 | 3 2019 | 4 2020 | 5 2021 |
| 1. | Prior ..... | ..... | ..... | ..... | ..... | ..... |
| 2. | 2017 ..... | ..... | ..... | ..... | ..... | ..... |
| 3. | 2018 | X X X ..... | ..... | ..... | ..... | ..... |
| 4. | 2019 | X X X | X X X ..... | ..... | ..... | ..... |
| 5. | 2020 | X X X | X X X | X X X ..... | ..... | ..... |
| 6. | 2021 | X X X | X X X | X X X | X X X | 8,717 |

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

| Years in Which Premiums were Earned and Claims were Incurred | | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10 (Col. 9/1) Percent |
|---|------------|-----------------------------|-----------------------------|---|--------------------------------|---|--------------------------------|---------------------------|--|---|---------------------------------|
| 1. | 2017 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 2. | 2018 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 3. | 2019 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 4. | 2020 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 5. | 2021 | 11,248 | 5,897 | 781 | 13.244 | 6,678 | 59.371 | 2,820 | 101 | 9,599 | 85.340 |

12 Grand Total

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

| Year in Which Losses Were Incurred | | Cumulative Net Amounts Paid | | | | |
|---------------------------------------|-------------|-----------------------------|-------------|-------------|-------------|-----------|
| | | 1 2017 | 2 2018 | 3 2019 | 4 2020 | 5 2021 |
| 1. | Prior ..... | ..... | ..... | ..... | ..... | ..... |
| 2. | 2017 ..... | ..... | ..... | ..... | ..... | ..... |
| 3. | 2018 | X X X ..... | ..... | ..... | ..... | ..... |
| 4. | 2019 | X X X | X X X ..... | ..... | ..... | ..... |
| 5. | 2020 | X X X | X X X | X X X ..... | ..... | ..... |
| 6. | 2021 | X X X | X X X | X X X | X X X | 5,897 |

Section B - Incurred Health Claims

| Year in Which Losses Were Incurred | | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---------------------------------------|-------------|---|-------------|-------------|-------------|-----------|
| | | 1 2017 | 2 2018 | 3 2019 | 4 2020 | 5 2021 |
| 1. | Prior ..... | ..... | ..... | ..... | ..... | ..... |
| 2. | 2017 ..... | ..... | ..... | ..... | ..... | ..... |
| 3. | 2018 | X X X ..... | ..... | ..... | ..... | ..... |
| 4. | 2019 | X X X | X X X ..... | ..... | ..... | ..... |
| 5. | 2020 | X X X | X X X | X X X ..... | ..... | ..... |
| 6. | 2021 | X X X | X X X | X X X | X X X | 8,717 |

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

| Years in Which Premiums were Earned and Claims were Incurred | | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10 (Col. 9/1) Percent |
|---|------------|-----------------------------|-----------------------------|---|--------------------------------|---|--------------------------------|---------------------------|--|---|---------------------------------|
| 1. | 2017 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 2. | 2018 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 3. | 2019 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 4. | 2020 ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 5. | 2021 | 11,248 | 5,897 | 781 | 13.244 | 6,678 | 59.371 | 2,820 | 101 | 9,599 | 85.340 |

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

| | | Claim Adjustment Expenses | | 3 | 4 | 5 |
|----------------------|--|---------------------------|---------------------------------|---------------------------------|---------------------|--------------------|
| | | 1 | 2 | | | |
| | | Cost Containment Expenses | Other Claim Adjustment Expenses | General Administrative Expenses | Investment Expenses | Total |
| 1. | Rent (\$.....0 for occupancy of own building) | | | | | |
| 2. | Salaries, wages and other benefits | | | | | |
| 3. | Commissions (less \$.....0 ceded plus \$.....0 assumed) | | | | | |
| 4. | Legal fees and expenses | | | 1,773 | | 1,773 |
| 5. | Certifications and accreditation fees | | | 495 | | 495 |
| 6. | Auditing, actuarial and other consulting services | | | 132,544 | | 132,544 |
| 7. | Traveling expenses | | | 408 | | 408 |
| 8. | Marketing and advertising | | | 141,458 | | 141,458 |
| 9. | Postage, express and telephone | | | | | |
| 10. | Printing and office supplies | | | 38,101 | | 38,101 |
| 11. | Occupancy, depreciation and amortization | | | | | |
| 12. | Equipment | | | | | |
| 13. | Cost or depreciation of EDP equipment and software | | | | | |
| 14. | Outsourced services including EDP, claims, and other services | | 80,150 | 384,610 | | 464,760 |
| 15. | Boards, bureaus and association fees | | | | | |
| 16. | Insurance, except on real estate | | | 37,344 | | 37,344 |
| 17. | Collection and bank service charges | | | 2,783 | | 2,783 |
| 18. | Group service and administration fees | 320,276 | 481,266 | 374,447 | | 1,175,989 |
| 19. | Reimbursements by uninsured plans | | | | | |
| 20. | Reimbursements from fiscal intermediaries | | | | | |
| 21. | Real estate expenses | | | | | |
| 22. | Real estate taxes | | | | | |
| 23. | Taxes, licenses and fees: | | | | | |
| 23.1 | State and local insurance taxes | | | | | |
| 23.2 | State premium taxes | | | | | |
| 23.3 | Regulatory authority licenses and fees | | | 160,705 | | 160,705 |
| 23.4 | Payroll taxes | | | | | |
| 23.5 | Other (excluding federal income and real estate taxes) | | | | | |
| 24. | Investment expenses not included elsewhere | | | | | |
| 25. | Aggregate write-ins for expenses | | | | | |
| 26. | TOTAL Expenses Incurred (Lines 1 to 25) | 320,276 | 561,416 | 1,274,668 | | (a)..... 2,156,360 |
| 27. | Less expenses unpaid December 31, current year | | 101,095 | 2,459 | | 103,554 |
| 28. | Add expenses unpaid December 31, prior year | | | 77,896 | | 77,896 |
| 29. | Amounts receivable relating to uninsured plans, prior year | | | | | |
| 30. | Amounts receivable relating to uninsured plans, current year | | | | | |
| 31. | TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) | 320,276 | 460,321 | 1,350,105 | | 2,130,702 |
| DETAILS OF WRITE-INS | | | | | | |
| 2501. | ..... |  |  |  |  |  |
| 2502. | ..... |  |  |  |  |  |
| 2503. | ..... |  |  |  |  |  |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | | | | | |
| 2599. | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | | | | | |

(a) Includes management fees of \$.....1,519,513 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

| | | 1 | 2 |
|---|---|--------------------------|-----------------------|
| | | Collected During Year | Earned During Year |
| 1. | U.S. Government bonds | (a)..... 650 | 650 |
| 1.1 | Bonds exempt from U.S. tax | (a)..... | ..... |
| 1.2 | Other bonds (unaffiliated) | (a)..... | ..... |
| 1.3 | Bonds of affiliates | (a)..... | ..... |
| 2.1 | Preferred stocks (unaffiliated) | (b)..... | ..... |
| 2.11 | Preferred stocks of affiliates | (b)..... | ..... |
| 2.2 | Common stocks (unaffiliated) | | |
| 2.21 | Common stocks of affiliates | | |
| 3. | Mortgage loans | (c)..... | |
| 4. | Real estate | (d)..... | |
| 5. | Contract loans | | |
| 6. | Cash, cash equivalents and short-term investments | (e)..... | |
| 7. | Derivative instruments | (f)..... | |
| 8. | Other invested assets | | |
| 9. | Aggregate write-ins for investment income | | |
| 10. | TOTAL gross investment income | 650 | 650 |
| 11. | Investment expenses | | (g)..... |
| 12. | Investment taxes, licenses and fees, excluding federal income taxes | | (g)..... |
| 13. | Interest expense | | (h)..... |
| 14. | Depreciation on real estate and other invested assets | | (i)..... |
| 15. | Aggregate write-ins for deductions from investment income | | |
| 16. | TOTAL Deductions (Lines 11 through 15) | | |
| 17. | Net Investment income (Line 10 minus Line 16) | | 650 |
| DETAILS OF WRITE-INS | | | |
| 0901. | ..... | ..... | ..... |
| 0902. | ..... | ..... | ..... |
| 0903. | ..... | ..... | ..... |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | | |
| 0999. | TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) | | |
| 1501. | ..... |  |  |
| 1502. | ..... |  |  |
| 1503. | ..... |  |  |
| 1598. | Summary of remaining write-ins for Line 15 from overflow page | | |
| 1599. | TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) | | |
| (a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases. (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances. (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium. (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts. (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes. (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets. | | | |

EXHIBIT OF CAPITAL GAINS (LOSSES)

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

EXHIBIT OF NONADMITTED ASSETS

| | | 1 | 2 | 3 |
|----------------------|--|--|--|--|
| | | Current Year Total Nonadmitted Assets | Prior Year Total Nonadmitted Assets | Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
| 1. | Bonds (Schedule D) | | | |
| 2. | Stocks (Schedule D): | | | |
| 2.1 | Preferred stocks | | | |
| 2.2 | Common stocks | | | |
| 3. | Mortgage loans on real estate (Schedule B): | | | |
| 3.1 | First liens | | | |
| 3.2 | Other than first liens | | | |
| 4. | Real estate (Schedule A): | | | |
| 4.1 | Properties occupied by the company | | | |
| 4.2 | Properties held for the production of income | | | |
| 4.3 | Properties held for sale | | | |
| 5. | Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) | | | |
| 6. | Contract loans | | | |
| 7. | Derivatives (Schedule DB) | | | |
| 8. | Other invested assets (Schedule BA) | | | |
| 9. | Receivables for securities | | | |
| 10. | Securities lending reinvested collateral assets (Schedule DL) | | | |
| 11. | Aggregate write-ins for invested assets | | | |
| 12. | Subtotals, cash and invested assets (Lines 1 to 11) | | | |
| 13. | Title plants (for Title insurers only) | | | |
| 14. | Investment income due and accrued | | | |
| 15. | Premiums and considerations: | | | |
| 15.1 | Uncollected premiums and agents' balances in the course of collection | | | |
| 15.2 | Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | |
| 15.3 | Accrued retrospective premiums and contracts subject to redetermination | | | |
| 16. | Reinsurance: | | | |
| 16.1 | Amounts recoverable from reinsurers | | | |
| 16.2 | Funds held by or deposited with reinsured companies | | | |
| 16.3 | Other amounts receivable under reinsurance contracts | | | |
| 17. | Amounts receivable relating to uninsured plans | | | |
| 18.1 | Current federal and foreign income tax recoverable and interest thereon | | | |
| 18.2 | Net deferred tax asset | | | |
| 19. | Guaranty funds receivable or on deposit | | | |
| 20. | Electronic data processing equipment and software | | | |
| 21. | Furniture and equipment, including health care delivery assets | | | |
| 22. | Net adjustment in assets and liabilities due to foreign exchange rates | | | |
| 23. | Receivables from parent, subsidiaries and affiliates | | | |
| 24. | Health care and other amounts receivable | 68,755 | | (68,755) |
| 25. | Aggregate write-ins for other than invested assets | 9,391 | 9,172 | (219) |
| 26. | TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 78,146 | 9,172 | (68,974) |
| 27. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 28. | TOTAL (Lines 26 and 27) | 78,146 | 9,172 | (68,974) |
| DETAILS OF WRITE-INS | | | | |
| 1101. | ..... |  |  |  |
| 1102. | ..... |  |  |  |
| 1103. | ..... |  |  |  |
| 1198. | Summary of remaining write-ins for Line 11 from overflow page | | | |
| 1199. | TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | |
| 2501. | Prepaid expenses | 9,391 | 9,172 | (219) |
| 2502. | ..... |  |  |  |
| 2503. | ..... |  |  |  |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | | | |
| 2599. | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | 9,391 | 9,172 | (219) |

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment | | Total Members at End of | | | | | 6 |
|----------------------|--|-------------------------|-----------------------|------------------------|-----------------------|----------------------|----------------------------------|
| | | 1 Prior Year | 2 First Quarter | 3 Second Quarter | 4 Third Quarter | 5 Current Year | Current Year Member Months |
| 1. | Health Maintenance Organizations ..... | ..... | 400 | 409 | 388 | 387 | 4,690 |
| 2. | Provider Service Organizations ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 3. | Preferred Provider Organizations ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 4. | Point of Service ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 5. | Indemnity Only ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 6. | Aggregate write-ins for other lines of business ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 7. | TOTAL ..... | ..... | 400 | 409 | 388 | 387 | 4,690 |
| DETAILS OF WRITE-INS | | | | | | | |
| 0601. | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 0602. | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 0603. | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 0698. | Summary of remaining write-ins for Line 6 from overflow page ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| 0699. | TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) ..... | ..... | ..... | ..... | ..... | ..... | ..... |

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

A. Accounting Practices

The financial Statements of Perennial Advantage of Ohio, Inc. (the Company), are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (the Department).

The Department recognizes Statutory Accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of the operation of the insurance company, for determining its solvency under the Ohio Law. The Department has adopted the National Association of Insurance Commissioners’ (NAIC) Accounting Practices and Procedures Manual as its statutory accounting principle (SAP) basis. Prescribed accounting practices are those practices which are incorporated directly or by reference to state laws, regulations and general administrative rules applicable to all insurance enterprises domiciled in a particular state. Permitted accounting practices include deviation from NAIC SAP and state prescribed accounting practices specifically requested by an insurer and granted by the Insurance Division.

The Company is a Ohio-based Medicare Advantage Organization operating a full-service I-SNP in a limited geographic region in Ohio. The Company’s service area includes participating LTC facilities located in those specific geographic regions. The Company’s target population are institutionalized Medicare beneficiaries who reside or are expected to reside in a contracted LTC facility for 90 days or longer. This plan is offered in the following Ohio counties: Butler, Clinton, Cuyahoga, Delaware, Erie, Franklin, Geauga, Hamilton, Lake, Lucas, Mahoning, Montgomery, Shelby, Summit, Trumbull, and Warren.

The Department has approved no permitted practices for the Company that differ from NAIC SAP or state prescribed accounting practices. A reconciliation of the Company’s net income and capital surplus between NAIC SAP and practices prescribed and permitted by the department are shown below:

| Net Income | SSAP # | F/S Page | F/S Line | December 31, 2021 | December 31, 2020 |
|---|--------|-------------|-------------|-------------------|-------------------|
| (1) Perennial Advantage of Ohio, Inc. state basis (Page 4, Line 32, Column 2 & 3) | | | | 308,187 | (1,385,712) |
| (2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP: | | | | - | - |
| (3) State Permitted Practices that are an increase/(decrease) from NAIC SAP: | | | | - | - |
| (4) NAIC SAP (1-2-3=4) | | | | 308,187 | (1,385,712) |
| Surplus | | | | | |
| (5) Perennial Advantage of Ohio, Inc. state basis (Page 3, Line 33, Column 3 & 4) | | | | 2,848,186 | 2,608,973 |
| (6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP: | | | | - | - |
| (7) State Permitted Practices that are an increase/(decrease) from NAIC SAP: | | | | - | - |
| (8) NAIC SAP (5-6-7=8) | | | | 2,848,186 | 2,608,973 |

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

The preparation of the financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policies

Perennial Advantage of Ohio, Inc. is a Medicare HMO that provides medical coverage to members who qualify under the Federal Medicare guidelines. Premiums collected are recognized as revenue during the months of coverage. Medical Loss Ratio (MLR) rebates are mandated by the Public Health Service Act. Rebates are issued to policyholders if the ratio of medical losses to premiums is below the specified minimum of 85% for large groups. Premiums are reported net of reinsurance and MLR rebates.

Net investment income earned consists primarily of interest less investment related expenses. Interest is recognized on an accrual basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Realized capital losses include write-downs for impairments considered to be other than temporary. Expenses for management and administration of the organization, including acquisition costs such as marketing, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

1. Short-Term Investments – not applicable.
2. Bonds are stated at amortized cost using the straight-line method.
3. Common Stocks – not applicable.
4. Preferred Stocks – not applicable.
5. Mortgage Loans – not applicable.
6. Loan-Backed Securities – not applicable.
7. Investments in Subsidiaries, Controlled and Affiliated Entities – not applicable.

Notes to Financial Statements

- 8. Joint Ventures, Partnerships and Limited Liability Companies – not applicable.
- 9. Derivatives – not applicable.
- 10. Premium Deficiency Reserve

Based upon guidance in SSAP No. 54, a premium deficiency reserve (PDR) is recorded when the expected claims payments, incurred claims costs, claims adjustment expense, and administrative expense will exceed premium.

- 11. Method of Establishing Claim and CAE Reserves

Claim reserves are estimated based on five key service categories (i.e., inpatient, SNF, outpatient, emergency room, and therapy). Inpatient estimates are based on a review of open authorizations priced at a reasonable cost per service. SNF, Therapy, Outpatient services and emergency room services IBNR estimates are established based on a run-rate historical cost per member for similar services at comparable plans. Management review is used to ensure the final incurred claims approximate a reasonable final incurred amount for each service. It is important to note that IBNR estimates are subject to favorable or unfavorable changes until sufficient claim experience is developed in the plan to minimize variations in estimation. Loss adjustment expense is typically estimated at 4% of total IBNR reserves and is generally reserved prior to year-end.

- 12. Capitalization Policy – no change.
- 13. The method used to estimate pharmaceutical rebate receivables

Navitus Health Solutions collects rebates pursuant to contracts with pharmaceutical manufacturers and that are directly attributable to the Formulary and Covered product utilization. The Company's share of rebates on covered products is in proportion to its pharmacy utilization. On a quarterly basis, Navitus pays the Company's rebates on a pass-through basis and includes 100% of rebates collected by Navitus. All rebates are paid to the Company within 30 business days following the end of each quarter in which the rebates are received.

D. Going Concern

After evaluating the entity's ability to continue as a going concern, management was not aware of any conditions or events which raised substantial doubts concerning the entity's ability to continue as a going concern as of the date of the filing of this statement.

Note 2 – Accounting Changes and Corrections of Errors

The Company does not have any accounting changes or corrections of errors.

Note 3 – Business Combinations and Goodwill

- A. Statutory Purchase Method – not applicable.
- B. Statutory Merger – not applicable.
- C. Assumption Reinsurance – not applicable.
- D. Impairment Loss – not applicable.

Note 4 – Discontinued Operations

- A. Identity of Segment Discontinued – not applicable.
- B. Expected Disposal Date – not applicable.
- C. Expected Manner of Disposal – not applicable.
- D. Description of Remaining Assets and Liabilities – not applicable.
- E. Amounts Related to Discontinued Operations – not applicable.

Note 5 – Investments

- A. Mortgage Loans, Including Mezzanine Real Estate Loans – not applicable.
- B. Debt Restructuring – not applicable.
- C. Reverse Mortgages – not applicable.
- D. Loan-Backed Securities – not applicable.
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions – not applicable.

Notes to Financial Statements

- 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 Sale – not applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as Sale – not applicable.
- J. Real Estate – not applicable.
- K. Low-Income Housing Tax Credits (LIHTC) – not applicable.
- L. Restricted Assets (including pledges):

| Restricted Asset Category | Gross Admitted & Nonadmitted Restricted | | | | | | | Current Year | | | |
|--|---|--|--|---|------------------|-----------------------|---------------------------------|------------------------------|---------------------------------------|---|--|
| | Current Year | | | | | 6 | 7 | 8 | 9 | Percentage | |
| | 1 | 2 | 3 | 4 | 5 | | | | | 10 | 11 |
| | Total General Account (G/A) | G/A Supporting Protected Cell Account Activity (a) | Total Protected Cell Account Restricted Assets | Protected Cell Account Assets 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 | | | | | - | | - | | - | 0.000% | 0.000% |
| b. Collateral held under security lending agreements | | | | | - | | - | | - | 0.000% | 0.000% |
| c. Subject to repurchase agreements | | | | | - | | - | | - | 0.000% | 0.000% |
| d. Subject to reverse repurchase agreements | | | | | - | | - | | - | 0.000% | 0.000% |
| e. Subject to dollar repurchase agreements | | | | | - | | - | | - | 0.000% | 0.000% |
| f. Subject to dollar reverse repurchase agreements | | | | | - | | - | | - | 0.000% | 0.000% |
| g. Placed under option contracts | | | | | - | | - | | - | 0.000% | 0.000% |
| h. Letter stock or securities restricted as to sale - excluding FHLB capital stock | | | | | - | | - | | - | 0.000% | 0.000% |
| i. FHLB capital stock | | | | | - | | - | | - | 0.000% | 0.000% |
| j. On deposit with states | 260,975 | | | | 260,975 | 260,325 | 650 | | 260,975 | 4.348% | 4.406% |
| k. On deposit with other regulatory bodies | | | | | - | | - | | - | 0.000% | 0.000% |
| l. Pledged as collateral to FHLB (including assets backing funding agreements) | | | | | - | | - | | - | 0.000% | 0.000% |
| m. Pledged as collateral not captured in other categories | | | | | - | | - | | - | 0.000% | 0.000% |
| n. Other restricted assets | | | | | - | | - | | - | 0.000% | 0.000% |
| o. Total Restricted Assets | 260,975 | - | - | - | 260,975 | 260,325 | 650 | - | 260,975 | 4.348% | 4.406% |

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

- M. Working Capital Finance Investments – not applicable.
- N. Offsetting and Netting of Assets and Liabilities – not applicable.
- O. 5GI Securities – not applicable.
- P. Short Sales – not applicable.
- Q. Prepayment Penalty and Acceleration Fees – not applicable.
- R. Reporting Entity's Share of Cash Pool by Asset type – not applicable.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

- A. Investments in Joint Ventures, Partnerships or Limited Liability Companies – not applicable.
- B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies – not applicable.

Note 7 – Investment Income

- A. Any investment income due and accrued with amounts that are over 90 days past due are nonadmitted and excluded from surplus.
- B. As of December 31, 2021 and December 31, 2020, the Company had no investment income due and accrued with any amounts that are over 90 days past due.

Note 8 – Derivative Instruments

- A. Market Risk, Credit Risk, and Cash Requirements for Derivatives – not applicable.
- B. Objectives for the Use of Derivatives – not applicable.
- C. Description of Accounting Policies for Derivatives – not applicable.
- D. Net Gain or Loss from Derivatives – not applicable.
- E. Net Gain or Loss from Derivatives – not applicable.
- F. Cash Flow Hedges – not applicable.

Notes to Financial Statements

Note 9 – Income Taxes

A. The components of the net deferred tax asset/ (liability) at December 31, 2021 and December 31, 2020 are as follows:

| | 12/31/2021 | | | 12/31/2020 | | | Change | | |
|--|------------|---------|--------------------|------------|---------|--------------------|-----------------------|----------------------|--------------------|
| | (1) | (2) | (3) | (1) | (2) | (3) | (7) | (8) | (9) |
| | Ordinary | Capital | (Col 1+2) Total | Ordinary | Capital | (Col 1+2) Total | (Col 1-4) Ordinary | (Col 2-5) Capital | (Col 7+8) Total |
| 1. (a) Gross Deferred Tax Assets | \$ 364,318 | \$ - | \$ 364,318 | \$ 361,653 | \$ - | \$ 361,653 | \$ 2,665 | \$ - | \$ 2,665 |
| (b) Statutory Valuation Allowance Adjustments | \$ 364,318 | \$ - | \$ 364,318 | \$ 361,653 | \$ - | \$ 361,653 | \$ 2,665 | \$ - | \$ 2,665 |
| (c) Adjusted Gross Deferred Tax Assets (1a-1b) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| (d) Deferred Tax Assets Nonadmitted | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| (e) Subtotal Net Admitted Deferred Tax Assets (1c-1d) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| (f) Deferred Tax Liabilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| (g) Net Admitted Deferred Tax Assets/ (Net Deferred Tax Liability) (1e-1f) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

| | 12/31/2021 | | | 12/31/2020 | | | Change | | |
|--|------------|---------|--------------------|------------|---------|--------------------|-----------------------|----------------------|--------------------|
| | (1) | (2) | (3) | (1) | (2) | (3) | (7) | (8) | (9) |
| | Ordinary | Capital | (Col 1+2) Total | Ordinary | Capital | (Col 1+2) Total | (Col 1-4) Ordinary | (Col 2-5) Capital | (Col 7+8) Total |

Admission Calculation Components SSAP No. 101

| | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|
| (a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks. | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| (b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above (After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date. | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold. | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| (c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities. | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| (d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c)) | - | - | - | - | - | - | - | - | - |

| | 2021 | 2020 |
|--|------|------|
| (a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount. | 0% | 0% |
| (b) Amount of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above | \$ - | \$ - |

| | 12/31/2021 | | | 12/31/2020 | | | Change | | |
|--|------------------|-----------------|----------------------------|------------------|-----------------|----------------------------|-------------------------------|------------------------------|----------------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | Ordinary Percent | Capital Percent | (Col 1+2) Total Percent | Ordinary Percent | Capital Percent | (Col 4+5) Total Percent | (Col 1-4) Ordinary Percent | (Col 2-5) Capital Percent | (Col 7+8) Total Percent |

Impact of Tax-Planning Strategies

| | | | | | | | | | |
|--|----|----|----|----|----|----|----|----|----|
| (a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs) | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| (b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs) | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| (c) Does the Company's tax-planning strategies include the use of reinsurance? Yes No <u>X</u> | | | | | | | | | |

*

As reported on the statutory balance sheet for the most recently filed statement with the domiciliary state commissioner adjusted in accordance with SSAP No. 10R, Paragraph 10bii

B. Deferred Tax Liabilities that are Not Recognized – not applicable.

Notes to Financial Statements

C. Current income taxes incurred consist of the following major components:

1. Current Income Tax

- (a) Federal
- (b) Foreign
- (c) Subtotal
- (d) Federal income tax on net capital gains
- (e) Utilization of capital loss carry-forwards
- (f) Other
- (g) Federal and foreign income taxes incurred

| (1) | (2) | (3) |
|------------|------------|---------------------|
| 12/31/2021 | 12/31/2020 | (Col 1-2) Change |
| \$ 66,875 | \$ - | \$ 66,875 |
| \$ - | \$ - | \$ - |
| \$ 66,875 | \$ - | \$ 66,875 |
| \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - |
| \$ 66,875 | \$ - | \$ 66,875 |

2. Deferred Tax Assets:

- (a) Ordinary
 - (1) Discounting of unpaid losses
 - (2) Unearned premium reserve
 - (3) Policyholder reserve
 - (4) Investments
 - (5) Deferred acquisition costs
 - (6) Policyholder dividends accrual
 - (7) Fixed assets
 - (8) Compensation and benefits accrual
 - (9) Pension accrual
 - (10) Receivables- nonadmitted
 - (11) Net operating loss carry-forward
 - (12) Tax credit carry-forward
 - (13) Other (including items <5% of total ordinary tax assets)
 - (99) Subtotal

| | | |
|------------|------------|-------------|
| \$ 8,511 | \$ - | \$ 8,511 |
| \$ 3,587 | \$ - | \$ 3,587 |
| \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - |
| \$ 16,411 | \$ 1,926 | \$ 14,485 |
| \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - |
| \$ 335,809 | \$ 359,727 | \$ (23,918) |
| \$ 364,318 | \$ 361,653 | \$ 2,665 |

- (b) Statutory valuation allowance adjustment
- (c) Nonadmitted

| | | |
|------------|------------|----------|
| \$ 364,318 | \$ 361,653 | \$ 2,665 |
| \$ - | \$ - | \$ - |

- (d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)

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

(e) Capital:

- (1) Investments
- (2) Net capital loss carry-forward
- (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)

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

3. Deferred Tax Liabilities:

- (a) Ordinary
 - (1) Investments
 - (2) Fixed assets
 - (3) Deferred and uncollected premium
 - (4) Policyholder reserve
 - (5) Other (including items <5% of total ordinary tax liabilities)
 - (99) Subtotal

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

- (b) Capital:
 - (1) Investments
 - (2) Real estate
 - (3) Other (including items <5% of total capital tax liabilities)
 - (99) Subtotal

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

- (c) Deferred tax liabilities (3a99 + 3b99)

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

4. Net deferred tax assets/ liabilities (2i - 3c)

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

D. Significant book to tax adjustments

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

| Description | 12/31/2021 | Effective Tax Rate |
|---|------------|--------------------|
| Statutory Income at Tax Rate | 78,763 | 21.00% |
| Change in non-admitted assets | (14,485) | -3.86% |
| Change in valuation allowance | 2,665 | 0.71% |
| Other | (68) | -0.02% |
| Total | 66,875 | 17.83% |
| Federal and foreign income taxes incurred | 66,875 | 17.83% |
| Change in net deferred income tax | - | 0.00% |
| Total statutory income taxes | 66,875 | 17.83% |

E. Operating Loss and Tax Credit Carryforwards – not applicable.

Notes to Financial Statements

- F. Consolidated Tax Return – not applicable.
- G. Federal or Foreign Tax Loss Contingencies – not applicable.
- H. Repatriation Transition Tax – not applicable.
- I. Alternative minimum tax (AMT) credit – not applicable.

Note 10 – Information Concerning Parent, Subsidiaries and Affiliates

- A. Nature of relationships:

In 2019, Perennial Consortium, LLC, its partners and additional minority partners formed a joint venture organization to develop an Institutional Special Needs Plan (I-SNP) in the state of Ohio. Perennial Advantage of Ohio, LLC is the parent organization and plan sponsor of the Company. In addition, the same principal owners of Perennial Advantage of Ohio, LLC are also the owners of the I-SNP participating Long-Term Care (LTC) facilities.

The Company has executed provider agreements with thirty-two (32) long-term care (LTC) nursing facilities participating with the HMO I-SNP Plan. The participating LTC nursing facilities are owned by the same principal owners of Perennial Advantage of Ohio, LLC. Each LTC nursing facility will be reimbursed for the provision of appropriate healthcare services and also will be compensated for meeting quality metrics that impact the quality of care provided to enrolled Medicare beneficiaries.

The Company’s I-SNP commenced operations on January 1, 2021.

- B. Significant Transactions and Changes in Terms of Intercompany Arrangements

The Company has entered into a management services agreement with AllyAlign and Perennial Consortium, LLC to provide management and administrative services. The amount charged to the Company was \$1,267,236 and \$1,072,727 by AllyAlign for periods ended December 31, 2021 and December 31, 2020, respectively. The amount charged to the Company was \$108,327 and \$67,358 by Perennial Consortium, LLC for periods ended December 31, 2021 and December 31, 2020, respectively.

- C. Transactions with related parties who are not reported on Schedule Y – not applicable.
- D. Amounts due to or from related parties

The Company had amounts due to AllyAlign in the amount of \$19,700 and \$0 as of December 31, 2021 and December 31, 2020, respectively.

- E. Management Services Agreement

See Note 10(B) above.

- F. Guarantees Resulting in a Material Contingent Exposure – not applicable.
- G. Ownership – not applicable.
- H. Upstream Intermediate Entity – not applicable.
- I. Investments in SCA Entity that Exceeds 10% of Admitted Assets – not applicable.
- J. Investments in Impaired SCA’s – not applicable.
- K. Investments in Foreign Insurance Subsidiaries – not applicable.
- L. Investment in Downstream Non-Insurance Holding Company – not applicable.
- M. SCA Investments – not applicable.
- N. Investment in Insurance SCA – not applicable.
- O. SCA Loss Tracking – not applicable.

Note 11 – Debt

- A. Debt and Holding Company Obligations – not applicable.

Notes to Financial Statements

B. Federal Home Loan Bank Agreements – not applicable.

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

- A. Defined Benefit Plans – not applicable.
- B. Defined Benefit Plans Investment Policies and Strategies – not applicable.
- C. Fair Value of Plan Assets – not applicable.
- D. Basis Used to Determine Long-Term Rate-of-Return – not applicable.
- E. Defined Contribution Plans – not applicable.
- F. Multiemployer Plan – not applicable.
- G. Consolidated/Holding Company Plans – not applicable.
- H. Postemployment Benefits and Compensated Absences – not applicable.
- I. Impact of Medicare Modernization Act on Postretirement Benefits – not applicable.

Note 13 – Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

The company received a surplus contribution of \$0 and \$4,331,119 and a capital contribution of \$0 and \$10 from Perennial Advantage of Ohio, LLC in 2021 and 2020, respectively.

A. Stock Shares Authorized, Issued and Outstanding Shares

The Company has 1,000 shares of common stock with a par value of \$0.01 authorized with 1,000 shares issued and outstanding.

- B. Dividend Rate of Preferred Stock – not applicable.
- C. Dividend Restrictions – not applicable.
- D. Dividends Paid – not applicable.
- E. Portion of Profits Paid as Ordinary Dividends – not applicable.
- F. Restrictions on Unassigned Funds:

There were no restrictions placed on the Company's surplus, other than imposed by statute, including for whom the surplus is being held.

- G. Mutual Surplus Advances – not applicable.
- H. Stock Held for Special Purposes – not applicable.
- I. Changes in Special Surplus Funds – not applicable.
- J. Changes in Unassigned Funds Reduced by Cumulative Unrealized Gains and Losses – not applicable.
- K. Surplus Notes – not applicable.
- L. Impact of Quasi-Reorganization – not applicable.
- M. Effective Date of Quasi-Reorganization – not applicable.

Note 14 – Contingencies

- A. Contingent Commitments – not applicable.
- B. Assessments – not applicable.
- C. Gain Contingencies – not applicable.
- D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits – not applicable.

Notes to Financial Statements

- E. Joint and Several Liabilities – not applicable.
- F. All Other Contingencies – not applicable.

Note 15 – Leases

- A. Lessee Operating Leases – not applicable.
- B. Lessor Leases – not applicable.

Note 16 – Information About Financial Instruments with Off-Balance Sheet Risk

- A. Financial Instruments with Off- Balance Sheet Risk – not applicable.
- B. Nature and Terms of Financial Instruments with Off- Balance Sheet Risk – not applicable.
- C. Amount of Loss – not applicable.
- D. Policy for Requiring Collateral – not applicable.

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

- A. Transfer of Receivables Reported as Sales – not applicable.
- B. Transfer and Servicing of Financial Assets – not applicable.
- C. Wash Sales – not applicable.

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured

- A. ASO Plans – not applicable.
- B. ASC Plans – not applicable.
- C. Medicare or Similarly Structured Cost Based Reimbursement Contract

The Medicare Part D program is a partially insured plan. The Company recorded a payable in liability for amounts held under uninsured plans of \$26,436 and \$0 as of December 31, 2021, and December 31, 2020, respectively, for the Medicare Part D coverage gap discount and for cost reimbursement under the Medicare Part D program for the catastrophic reinsurance. The Company recorded a receivable of \$1,299,992 and \$0 as of December 31, 2021, and December 31, 2020, respectively, for the Medicare Part D low-income member cost sharing subsidies and coverage gap discount.

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

The Company does not have any direct premium written or produced by managing general agents or third parties.

Note 20 – Fair Value Measurement

- A. Fair Value Measurements at Reporting Date – not applicable.
- B. Other Fair Value Disclosures – not applicable.
- C. Fair Value for all Financial Instruments

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Not Practicable (Carrying Value) | Net Asset Value (NAV) |
|------------------------------|----------------------|-----------------|------------|-----------|-----------|----------------------------------|-----------------------|
| Bond | \$ 259,106 | \$ 260,000 | \$ 259,106 | \$ - | \$ - | \$ - | \$ - |
| Money Market Mututal Fund | \$ 975 | \$ 975 | \$ 975 | \$ - | \$ - | \$ - | \$ - |

- D. Reasons Not Practical to Estimate Fair Value – not applicable.
- E. Investments measured using the NAV practical expedient – not applicable.

Note 21 – Other Items

- A. Extraordinary Items – not applicable.
- B. Troubled Debt Restructuring: Debtors – not applicable.

Notes to Financial Statements

- C. Other Disclosures and Unusual Items – not applicable.
- D. Business Interruption Insurance Recoveries – not applicable.
- E. State Transferable and Non-transferable Tax Credits – not applicable.
- F. Subprime-Mortgage-Related Risk Exposure:
 - 1. Direct Exposure Through Investments in Subprime Loans – not applicable.
 - 2. Direct Exposure Through Other Investments – not applicable.
 - 3. Underwriting Exposure to Subprime Mortgage Risk – not applicable.
- G. Retained Assets – not applicable.
- H. Insurance – Linked Securities Contracts – not applicable.
- I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy – not applicable.

Note 22 – Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through 2/28/22 for the statutory statement issued on 2/28/22.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through 2/28/22 for the statutory statement issued on 2/28/22.

Note 23 – Reinsurance

- A. Ceded Reinsurance Report – not applicable.

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) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured 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 credits? Yes () No (X)
- 2. Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, 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, not reflected in Section 2 above, of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
- 2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts which 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 – not applicable.
- C. Commutation of Ceded Reinsurance – not applicable.

Notes to Financial Statements

- D. Certified Reinsurer Downgraded or Status Subject to Revocation – not applicable.
- E. Reinsurance Credit – not applicable.

Note 24 – Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Retrospective Premium Adjustments Methodology

The Company estimates accrued retrospective premium adjustments for its Medicare health insurance business through a model using the CMS models for the Part D Risk Corridor and Risk Adjustment.

- B. Retrospective Premium Adjustments Calculation

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

- C. Retrospective Rating Features

All direct premiums written are relating to Medicare Advantage plans and therefore subject to retrospective adjustment based in the CMS programs. Premiums for Medicare Advantage plans are adjusted based on the risk score of the enrolled members. The plan accrues revenue for known changes to members risks scores using the model published by CMS.

- D. Medical Loss Ratio Rebates

The Company is subject to the minimum loss ratio rebate provisions of the Patient Protection and Affordable Care Act (PPACA). PPACA will require payments to customers covered under the Company’s comprehensive medical insurance if certain minimum medical loss ratios are met. Since the accrual reflects the amount of the rebate that would be payable based on year-to-date estimated medical loss ratios, the amount of the rebate will fluctuate as actual claim experience develops each calendar quarter. YTD the Company has 4,690 member months through December 31, 2021. The Company has not accrued an MLR rebate as of December 31, 2021.

- E. Risk-Sharing Provisions of the Affordable Care Act (ACA):

- 1. Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions? No

Notes to Financial Statements

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

| | 12/31/2021 |
|---|------------|
| <u>Permanent ACA Risk Adjustment Program</u> | |
| (1) b Premium adjustments receivable due to ACA Risk Adjustment..... | \$ - |
| (2) b Risk adjustment user fees payable for ACA Risk Adjustment..... | \$ - |
| (3) b Premium adjustments payable due to ACA Risk Adjustment..... | \$ - |
| (4) b Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment | \$ - |
| (5) b Reported in expenses as ACA risk adjustment user fees (incurred/paid)..... | \$ - |
| <u>Transitional ACA Reinsurance Program</u> | |
| (1) b Amounts recoverable for claims paid due to ACA Reinsurance..... | \$ - |
| (2) b Amounts recoverable for claims unpaid due to ACA Reinsurance..... | \$ - |
| (3) b Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance..... | \$ - |
| (4) b Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium..... | \$ - |
| (5) b Ceded reinsurance premiums payable due to ACA Reinsurance..... | \$ - |
| (6) b Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance..... | \$ - |
| (7) b Ceded reinsurance premiums due to ACA Reinsurance..... | \$ - |
| (8) b Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments..... | \$ - |
| (9) b ACA Reinsurance contributions - not reported as ceded premium..... | \$ - |
| <u>Temporary ACA Risk Corridors Program</u> | |
| (1) b Accrued retrospective premium due to ACA Risk Corridors..... | \$ - |
| (2) b Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors..... | \$ - |
| (3) b Effect of ACA Risk Corridors on net premium income (paid/received)..... | \$ - |
| (4) b Effect of ACA Risk Corridors on change in reserves for rate credits..... | \$ - |
| a Insufficient data to make an estimate. | |
| b Not applicable. | |
| c Non-admitted asset. | |

Note 25 – Change in Incurred Claims and Claim Adjustment Expenses

Activity in the liabilities for claims unpaid and unpaid claim adjustment expenses for the period ended December 31, 2021 is summarized as follows (000's omitted):

| | 12/31/2021 |
|--|------------|
| Net unpaid claims and CAE at January 1 | - |
| Incurred related to: | |
| Current year | 9,551 |
| Prior year | - |
| | 9,551 |
| Paid related to: | |
| Current year | 6,656 |
| Prior year | - |
| | 6,656 |
| Balance at period end | 2,895 |

Note 26 – Intercompany Pooling Arrangements

- A. Identification of Lead Entity – not applicable.
- B. Line and Types of Business Subject to the Pooling Agreement – not applicable.
- C. Description of Cession to Non-Affiliated Reinsurers – not applicable.
- D. Identification of all Pool Members – not applicable.
- E. Explanation of any Discrepancies Between Entries Regarding Pooled Business – not applicable.
- F. Description of Intercompany Sharing – not applicable.

Notes to Financial Statements

G. Amounts Due to/from the Lead Entity – not applicable.

Note 27 – Structured Settlements

The Company does not have any structured settlements.

Note 28 – Health Care Receivables

A. Pharmaceutical Rebate Receivables

| Quarter | Estimated Pharmacy Rebates as Reported on Financial Statements | Pharmacy Rebates as Billed or Otherwise Confirmed | Actual Rebates Received Within 90 Days of Billing | Actual Rebates Received Within 91 to 180 Days of Billing | Actual Rebates Received More Than 180 Days After Billing |
|------------|--|---|---|--|--|
| 12/31/2021 | \$ 97,285 | \$ 97,285 | \$ - | \$ - | \$ - |
| 9/30/2021 | \$ 124,835 | \$ 124,835 | \$ - | \$ - | \$ - |
| 6/30/2021 | \$ 125,176 | \$ 125,176 | \$ 56,422 | \$ - | \$ - |
| 3/31/2021 | \$ 97,539 | \$ 97,539 | \$ 71,318 | \$ 26,221 | \$ - |

B. Risk Sharing Receivables – not applicable.

Note 29 – Participating Policies

The Company does not have any participating policies.

Note 30 – Premium Deficiency Reserves

The Company has determined that no premium deficiency reserve is required. Premium deficiency reserve has been evaluated through December 31, 2021.

Note 31 – Anticipated Salvage and Subrogation

The Company does not anticipate any salvage and subrogation.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.

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

Yes[X] No[] N/A[]
Ohio
- 1.3 State Regulating?

Yes[] No[X]
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group?
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).
- 3.4 By what department or departments?
N/A
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

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

Yes[] No[] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

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

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

| 1 | 2 |
|-------------|----------------|
| Nationality | Type of Entity |
| | |

- 8.1 Is the company a subsidiary of a depository institution holding company (DIHC), or a DIHC itself, regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the DIHC.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

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

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the reporting entity such company?

Yes[] No[X]
- 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule?

Yes[] No[] N/A[X]
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
LBMC, PC 201 Franklin Road Brentwood, TN 37027
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:

GENERAL INTERROGATORIES (Continued)

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Drew McStanley, FSA, MAAA 650 W Courtney Campbell Causeway #1250, Tampa, FL 33607
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?
12.11 Name of real estate holding company
12.12 Number of parcels involved
12.13 Total book/adjusted carrying value
12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?
13.3 Have there been any changes made to any of the trust indentures during the year?
13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.
14.11 If the response to 14.1 is no, please explain:
14.2 Has the code of ethics for senior managers been amended?
14.21 If the response to 14.2 is yes, provide information related to amendment(s).
14.3 Have any provisions of the code of ethics been waived for any of the specified officers?
14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
20.11 To directors or other officers
20.12 To stockholders not officers
20.13 Trustees, supreme or grand (Fraternal only)
20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
20.21 To directors or other officers
20.22 To stockholders not officers
20.23 Trustees, supreme or grand (Fraternal only)
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
21.2 If yes, state the amount thereof at December 31 of the current year:
21.21 Rented from others
21.22 Borrowed from others
21.23 Leased from others
21.24 Other
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?
22.2 If answer is yes:
22.21 Amount paid as losses or risk adjustment
22.22 Amount paid as expenses
22.23 Other amounts paid
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days?
24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

GENERAL INTERROGATORIES (Continued)

| 1 | 2 |
|---------------------|--|
| Name of Third-Party | Is the Third-Party Agent a Related Party (Yes/No) |
| | |

INVESTMENT

- 25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03)

Yes[X] No[]
- 25.02 If no, give full and complete information, relating thereto
- 25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions.

\$ 0
- 25.05 For the reporting entity's securities lending program, report amount of collateral for other programs.

\$ 0
- 25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes[] No[] N/A[X]
Yes[] No[] N/A[X]
- 25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- 25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes[] No[] N/A[X]
- 25.09 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ 0

25.092 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ 0

25.093 Total payable for securities lending reported on the liability page.

\$ 0
- 26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 24.1 and 25.03).

Yes[X] No[]
- 26.2 If yes, state the amount thereof at December 31 of the current year:

26.21 Subject to repurchase agreements

\$ 0

26.22 Subject to reverse repurchase agreements

\$ 0

26.23 Subject to dollar repurchase agreements

\$ 0

26.24 Subject to reverse dollar repurchase agreements

\$ 0

26.25 Placed under option agreements

\$ 0

26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock

\$ 0

26.27 FHLB Capital Stock

\$ 0

26.28 On deposit with states

\$ 260,975

26.29 On deposit with other regulatory bodies

\$ 0

26.30 Pledged as collateral - excluding collateral pledged to an FHLB

\$ 0

26.31 Pledged as collateral to FHLB - including assets backing funding agreements

\$ 0

26.32 Other

\$ 0
- 26.3 For category (26.26) provide the following:

| 1 | 2 | 3 |
|-----------------------|-------------|--------|
| Nature of Restriction | Description | Amount |
| | | |

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

Yes[] No[X]
- 27.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[X] N/A[]
- If no, attach a description with this statement.
- LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:
- 27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity?

Yes[] No[X]
- 27.4 If the response to 27.3 is yes, does the reporting entity utilize:

27.41 Special Accounting Provision of SSAP No. 108

Yes[] No[X]

27.42 Permitted Accounting Practice

Yes[] No[X]

27.43 Other Accounting Guidance

Yes[] No[X]
- 27.5 By responding yes to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, does the reporting entity at tests to the following:

Yes[] No[X]
- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated with in the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts
- 28.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]
- 28.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0

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

Yes[] No[X]
- 29.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

| 1 | 2 |
|----------------------|---------------------|
| Name of Custodian(s) | Custodian's Address |
| | |

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

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

- 29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?

Yes[] No[X]
- 29.04 If yes, give full and complete information relating thereto:

GENERAL INTERROGATORIES (Continued)

| 1 | 2 | 3 | 4 |
|---------------|---------------|----------------|--------|
| Old Custodian | New Custodian | Date of Change | Reason |
| | | | |

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

| 1 | 2 |
|---|-------------|
| Name of Firm or Individual | Affiliation |
| Robert Ragland - investment decisions | I |

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?

Yes[] No[X]

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?

Yes[] No[X]

29.06 For those firms or individuals listed in the table for 29.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

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

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

Yes[] No[X]

30.2 If yes, complete the following schedule:

| 1 | 2 | 3 |
|---------------------|---------------------|---------------------------------|
| CUSIP # | Name of Mutual Fund | Book/Adjusted Carrying Value |
| 30.2999 Total | | |

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

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

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

| | 1 | 2 | 3 |
|-----------------------------|-------------------------------|---------------|---|
| | Statement (Admitted) Value | Fair Value | Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
| 31.1 Bonds | 265,000 | 259,106 | (5,894) |
| 31.2 Preferred stocks | | | |
| 31.3 Totals | 265,000 | 259,106 | (5,894) |

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

Custodial statement. The bond is a US treasury with readily available market values.

32.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[X] No[]

32.2 If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

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

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

33.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

Yes[X] No[]

33.2 If no, list exceptions:

34. By self-designation 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.

b. Issuer or obligor is current on all contracted interest and principal payments.

c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting-entity self-designated 5GI securities?

Yes[] No[X]

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

a. The security was purchased prior to January 1, 2018.

b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security

27.3

GENERAL INTERROGATORIES (Continued)

c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
Has the reporting entity self-designated PLGI securities? Yes[] No[X]

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

Yes[] No[X]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:
a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
b. If the investment is with a nonrelated party or nonaffiliate then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
c. If the investment is with a related party or affiliate then the reporting entity has complete robust reunderwriting of the transaction for which documentation is available for regulator review.
d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a-37.c are reported as long-term investments.
Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria?

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

OTHER

38.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$..... 0
38.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

| 1 | 2 |
|-------|-------------|
| Name | Amount Paid |
| | |

39.1 Amount of payments for legal expenses, if any? \$..... 1,773
39.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

| 1 | 2 |
|----------------------------|-------------|
| Name | Amount Paid |
| Hogan Lovells US LLP | 1,773 |

40.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$..... 0
40.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

| 1 | 2 |
|-------|-------------|
| Name | Amount Paid |
| | |

GENERAL INTERROGATORIES (Continued)

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

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

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

\$ 0
- 15.2 Total incurred claims

\$ 0
- 15.2 Number of covered lives

..... 0

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

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes[] No[X]
- 16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes[] No[X]

FIVE-YEAR HISTORICAL DATA

| | 1 2021 | 2 2020 | 3 2019 | 4 2018 | 5 2017 |
|--|------------|-------------|-----------|-----------|-----------|
| BALANCE SHEET (Pages 2 and 3) | | | | | |
| 1. TOTAL Admitted Assets (Page 2, Line 28) | 5,923,520 | 2,686,869 | | | |
| 2. TOTAL Liabilities (Page 3, Line 24) | 3,075,334 | 77,896 | | | |
| 3. Statutory minimum capital and surplus requirement | 2,000,000 | 2,000,000 | | | |
| 4. TOTAL Capital and Surplus (Page 3, Line 33) | 2,848,186 | 2,608,973 | | | |
| INCOME STATEMENT (Page 4) | | | | | |
| 5. TOTAL Revenues (Line 8) | 11,247,626 | | | | |
| 6. TOTAL Medical and Hospital Expenses (Line 18) | 8,716,855 | | | | |
| 7. Claims adjustment expenses (Line 20) | 881,692 | | | | |
| 8. TOTAL Administrative Expenses (Line 21) | 1,274,667 | 1,386,037 | | | |
| 9. Net underwriting gain (loss) (Line 24) | 374,412 | (1,386,037) | | | |
| 10. Net investment gain (loss) (Line 27) | 650 | 325 | | | |
| 11. TOTAL Other Income (Lines 28 plus 29) | | | | | |
| 12. Net income or (loss) (Line 32) | 308,187 | (1,385,712) | | | |
| Cash Flow (Page 6) | | | | | |
| 13. Net cash from operations (Line 11) | 1,289,692 | (1,644,260) | | | |
| RISK-BASED CAPITAL ANALYSIS | | | | | |
| 14. TOTAL Adjusted Capital | 2,848,186 | 2,608,973 | | | |
| 15. Authorized control level risk-based capital | 552,932 | 5,085 | | | |
| ENROLLMENT (Exhibit 1) | | | | | |
| 16. TOTAL Members at End of Period (Column 5, Line 7) | 387 | | | | |
| 17. TOTAL Members Months (Column 6, Line 7) | 4,690 | | | | |
| OPERATING PERCENTAGE (Page 4) | | | | | |
| (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0 | | | | | |
| 18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) | 77.5 | | | | |
| 20. Cost containment expenses | 2.8 | | | | |
| 21. Other claims adjustment expenses | 5.0 | | | | |
| 22. TOTAL Underwriting Deductions (Line 23) | 96.7 | | | | |
| 23. TOTAL Underwriting Gain (Loss) (Line 24) | 3.3 | | | | |
| UNPAID CLAIMS ANALYSIS | | | | | |
| (U&I Exhibit, Part 2B) | | | | | |
| 24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) | | | | | |
| 25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] | | | | | |
| INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES | | | | | |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) | | | | | |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) | | | | | |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) | | | | | |
| 29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) | | | | | |
| 30. Affiliated mortgage loans on real estate | | | | | |
| 31. All other affiliated | | | | | |
| 32. TOTAL of Above Lines 26 to 31 | | | | | |
| 33. TOTAL Investment in Parent Included in Lines 26 to 31 above | | | | | |

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

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

| | | 1 | Direct Business Only | | | | | | | | |
|-------------|---|-------------------|----------------------------|----------------------|--------------------|----------------|---|--|-----------------------------|---------------------------|--------------------------|
| | | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| State, Etc. | | Active Status (a) | Accident & Health Premiums | Medicare Title XVIII | Medicaid Title XIX | CHIP Title XXI | Federal Employees Health Benefits Plan Premiums | Life & Annuity Premiums & Other Considerations | Property/ Casualty Premiums | Total Columns 2 Through 8 | Deposit - Type Contracts |
| 1. | Alabama (AL) | N | | | | | | | | | |
| 2. | Alaska (AK) | N | | | | | | | | | |
| 3. | Arizona (AZ) | N | | | | | | | | | |
| 4. | Arkansas (AR) | N | | | | | | | | | |
| 5. | California (CA) | N | | | | | | | | | |
| 6. | Colorado (CO) | N | | | | | | | | | |
| 7. | Connecticut (CT) | N | | | | | | | | | |
| 8. | Delaware (DE) | N | | | | | | | | | |
| 9. | District of Columbia (DC) | N | | | | | | | | | |
| 10. | Florida (FL) | N | | | | | | | | | |
| 11. | Georgia (GA) | N | | | | | | | | | |
| 12. | Hawaii (HI) | N | | | | | | | | | |
| 13. | Idaho (ID) | N | | | | | | | | | |
| 14. | Illinois (IL) | N | | | | | | | | | |
| 15. | Indiana (IN) | N | | | | | | | | | |
| 16. | Iowa (IA) | N | | | | | | | | | |
| 17. | Kansas (KS) | N | | | | | | | | | |
| 18. | Kentucky (KY) | N | | | | | | | | | |
| 19. | Louisiana (LA) | N | | | | | | | | | |
| 20. | Maine (ME) | N | | | | | | | | | |
| 21. | Maryland (MD) | N | | | | | | | | | |
| 22. | Massachusetts (MA) | N | | | | | | | | | |
| 23. | Michigan (MI) | N | | | | | | | | | |
| 24. | Minnesota (MN) | N | | | | | | | | | |
| 25. | Mississippi (MS) | N | | | | | | | | | |
| 26. | Missouri (MO) | N | | | | | | | | | |
| 27. | Montana (MT) | N | | | | | | | | | |
| 28. | Nebraska (NE) | N | | | | | | | | | |
| 29. | Nevada (NV) | N | | | | | | | | | |
| 30. | New Hampshire (NH) | N | | | | | | | | | |
| 31. | New Jersey (NJ) | N | | | | | | | | | |
| 32. | New Mexico (NM) | N | | | | | | | | | |
| 33. | New York (NY) | N | | | | | | | | | |
| 34. | North Carolina (NC) | N | | | | | | | | | |
| 35. | North Dakota (ND) | N | | | | | | | | | |
| 36. | Ohio (OH) | L | | 11,310,056 | | | | | | 11,310,056 | |
| 37. | Oklahoma (OK) | N | | | | | | | | | |
| 38. | Oregon (OR) | N | | | | | | | | | |
| 39. | Pennsylvania (PA) | N | | | | | | | | | |
| 40. | Rhode Island (RI) | N | | | | | | | | | |
| 41. | South Carolina (SC) | N | | | | | | | | | |
| 42. | South Dakota (SD) | N | | | | | | | | | |
| 43. | Tennessee (TN) | N | | | | | | | | | |
| 44. | Texas (TX) | N | | | | | | | | | |
| 45. | Utah (UT) | N | | | | | | | | | |
| 46. | Vermont (VT) | N | | | | | | | | | |
| 47. | Virginia (VA) | N | | | | | | | | | |
| 48. | Washington (WA) | N | | | | | | | | | |
| 49. | West Virginia (WV) | N | | | | | | | | | |
| 50. | Wisconsin (WI) | N | | | | | | | | | |
| 51. | Wyoming (WY) | N | | | | | | | | | |
| 52. | American Samoa (AS) | N | | | | | | | | | |
| 53. | Guam (GU) | N | | | | | | | | | |
| 54. | Puerto Rico (PR) | N | | | | | | | | | |
| 55. | U.S. Virgin Islands (VI) | N | | | | | | | | | |
| 56. | Northern Mariana Islands (MP) | N | | | | | | | | | |
| 57. | Canada (CAN) | N | | | | | | | | | |
| 58. | Aggregate other alien (OT) | X X X | | | | | | | | | |
| 59. | Subtotal | X X X | | 11,310,056 | | | | | | 11,310,056 | |
| 60. | Reporting entity contributions for Employee Benefit Plans | X X X | | | | | | | | | |
| 61. | TOTAL (Direct Business) | X X X | | 11,310,056 | | | | | | 11,310,056 | |

DETAILS OF WRITE-INS

| | | | | | | | | | | |
|---|-------|--|--|--|--|--|--|--|--|--|
| 58001. | X X X | | | | | | | | | |
| 58002. | X X X | | | | | | | | | |
| 58003. | X X X | | | | | | | | | |
| 58998.Summary of remaining write-ins for Line 58 from overflow page | X X X | | | | | | | | | |
| 58999.TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) | X X X | | | | | | | | | |

(a) Active Status Counts:

- L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG
- E - Eligible - Reporting entities eligible or approved to write surplus lines in the state
- N - None of the above - Not allowed to write business in the state

1

56

- R - Registered - Non-domiciled RRGs
- Q - Qualified - Qualified or accredited reinsurer

(b) Explanation of basis of allocation by state, premiums by state, etc.: The Company is only licensed in the state of Ohio.

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

Perennial Advantage of Ohio, Inc.
(OH) FEIN 84-3881087; NAIC 16783

