

## Amended Explanation Page

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#### RBC

Reclass between cash and due to intercompany



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2021

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# **ANNUAL STATEMENT**

**For the Year Ending DECEMBER 31, 2021**

**OF THE CONDITION AND AFFAIRS OF THE**

## **Paramount Care Inc.**

NAIC Group Code	1212 (Current Period)	1212 (Prior Period)	NAIC Company Code	95189	Employer's ID Number	341549926
Organized under the Laws of		Ohio	State of Domicile or Port of Entry		OH	
Country of Domicile		United States of America				
Licensed as business type:	Life, Accident & Health <input type="checkbox"/>	Property/Casualty <input type="checkbox"/>	Hospital, Medical & Dental Service or Indemnity <input type="checkbox"/>			
	Dental Service Corporation <input type="checkbox"/>	Vision Service Corporation <input type="checkbox"/>	Health Maintenance Organization <input checked="" type="checkbox"/>			
	Other <input type="checkbox"/>	Is HMO Federally Qualified? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>				
Incorporated/Organized	04/22/1987		Commenced Business	01/01/1988		
Statutory Home Office	1901 Indian Wood Circle (Street and Number)		Maumee, OH, US 43537 (City or Town, State, Country and Zip Code)			
Main Administrative Office	1901 Indian Wood Circle (Street and Number)		Maumee, OH, US 43537 (Area Code) (Telephone Number)			
Mail Address	1901 Indian Wood Circle (Street and Number or P.O. Box)		Maumee, OH, US 43537 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	1901 Indian Wood Circle (Street and Number)		Maumee, OH, US 43537 (Area Code) (Telephone Number)			
Internet Website Address	www.paramounthealthcare.com		(419)887-2500			
Statutory Statement Contact	Rich Potter, Mr. (Name) rich.potter@promedica.org (E-Mail Address)		(419)887-2006 (Area Code)(Telephone Number)(Extension) (419)887-2020 (Fax Number)			

## OFFICERS

Name	Title
James Frederick White Mr.	Chairman
Lori Ann Johnston Mrs.	President
Steven Michael Cavanaugh Mr.	Treasurer
Jeffrey Craig Kuhn Mr.	Secretary

## OTHERS

Jeffrey William Martin Mr., Chief Financial Officer  
Jered Joseph Wilson Mr., Chief Operating Officer  
Terry Lynn Bawel Ms., President Health Resources Services, Inc.  
Alan Michael Sattler Mr., Vice President Business Development

Dee Ann Bialecki-Haase M.D., Chief Medical Officer  
David Roger Brackett Mr., Chief Information Officer  
Tod L Phillips Mr., Vice President Paramount Preferred Options

## **DIRECTORS OR TRUSTEES**

David Frantz Waterman Mr.  
Andrea Marie Gibbons Ms.  
John Paul Imm M.D.  
Douglas J Welch Mr.  
Elaine Marie Canning Ms.  
Stephanie Michelle Cole M.D.  
Larry Carl Peterson Mr.  
Joseph James Sferra M.D. #

Lori Ann Johnston Mrs.  
Traci Nicole Watkins M.D.  
Lynn Azar Isaac Mr.  
Joseph Alphonse Assenmacher M.D.  
Tammy Lou Claus Ms.  
Zak Jon Vassar Mr.  
Shraddha Gupta Ms. #

State of Ohio  
County of Lucas 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.

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(Signature)  
Lori Ann Johnston  
(Printed Name)  
1.  
President  
(Title)

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(Signature)  
**Jeffrey William Martin**  
(Printed Name)  
2.  
**CFO**  
(Title)

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(Signature)  
Jeffrey Craig Kuhn  
(Printed Name)  
3.  
Secretary  
(Title)

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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 [ ] No [X]  
1

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(Notary Public Signature)

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	4,040,658		4,040,658	4,082,348
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 (\$.....45,013,904, Schedule E Part 1), cash equivalents (\$.....126,266, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA) .....	45,140,170		45,140,170	22,785,877
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....	439,738	439,738		
9. Receivables for securities .....	1,719		1,719	1,137
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) .....	49,622,285	439,738	49,182,547	26,869,362
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	11,288		11,288	14,293
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	214,721	21,217	193,504	180,504
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 (\$.....0) and contracts subject to redetermination (\$.....0) .....	6,275,679		6,275,679	3,130,813
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 .....	2,436,576		2,436,576	2,594,728
18.1 Current federal and foreign income tax recoverable and interest thereon .....	13,828		13,828	2,316,246
18.2 Net deferred tax asset .....	1,127,236		1,127,236	679,291
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	86,409		86,409	329,889
21. Furniture and equipment, including health care delivery assets (\$.....0) .....	930,882	930,882		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	9,127,520		9,127,520	17,125,723
24. Health care (\$.....3,706,282) and other amounts receivable .....	3,706,282		3,706,282	2,551,657
25. Aggregate write-ins for other than invested assets .....	588,643	540,620	48,023	
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	74,141,349	1,932,457	72,208,892	55,792,506
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	74,141,349	1,932,457	72,208,892	55,792,506
<b>DETAILS OF WRITE-INS</b>				
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. AR .....	66,248	66,248		
2502. Prepaid .....	474,372	474,372		
2503. State income tax recoverable .....	48,023		48,023	
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	588,643	540,620	48,023	

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	16,683,397		16,683,397	14,572,692
2. Accrued medical incentive pool and bonus amounts .....	1,303,013		1,303,013	1,314,780
3. Unpaid claims adjustment expenses .....	327,000		327,000	362,000
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....	832,760		832,760	917,408
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	207,689		207,689	95,626
9. General expenses due or accrued .....	12,008,428		12,008,428	12,111,641
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....	1,736,989		1,736,989	2,532,107
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 .....	15,318,310		15,318,310	3,292,081
16. Derivatives .....				
17. Payable for securities .....	116,223		116,223	70,996
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 .....	30,004		30,004	36,813
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....				
24. TOTAL Liabilities (Lines 1 to 23) .....	48,563,813		48,563,813	35,306,144
25. Aggregate write-ins for special surplus funds .....	XXX	XXX		
26. Common capital stock .....	XXX	XXX		
27. Preferred capital stock .....	XXX	XXX		
28. Gross paid in and contributed surplus .....	XXX	XXX	20,486,362	20,486,362
29. Surplus notes .....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX		
31. Unassigned funds (surplus) .....	XXX	XXX	3,158,717	
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0) .....	XXX	XXX		
32.2 .....0 shares preferred (value included in Line 27 \$.....0) .....	XXX	XXX		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	23,645,079	20,486,362
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	XXX	XXX	72,208,892	55,792,506
<b>DETAILS OF WRITE-INS</b>				
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. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	XXX	XXX		
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	XXX	XXX		

**CASH FLOW**

		1 Current Year	2 Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	173,314,238	184,096,487
2.	Net investment income .....	(27,967)	401,728
3.	Miscellaneous income .....		
4.	TOTAL (Lines 1 through 3) .....	173,286,271	184,498,215
5.	Benefit and loss related payments .....	156,876,922	156,187,831
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	16,053,216	16,389,889
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	(1,527,772)	3,233,671
10.	TOTAL (Lines 5 through 9) .....	171,402,366	175,811,391
11.	Net cash from operations (Line 4 minus Line 10) .....	1,883,905	8,686,824
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	3,078,308	3,049,638
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....	8,885	5,769
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		(2)
12.7	Miscellaneous proceeds .....	97,004	110,295
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7) .....	3,184,197	3,165,700
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	3,048,608	3,017,526
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....	61,368	61,001
13.6	Miscellaneous applications .....		0
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6) .....	3,109,976	3,078,527
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) .....	74,221	87,173
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....		
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....		
16.6	Other cash provided (applied) .....	20,396,167	(13,197,147)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	20,396,167	(13,197,147)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	22,354,293	(4,423,150)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	22,785,877	27,209,027
19.2	End of year (Line 18 plus Line 19.1) .....	45,140,170	22,785,877

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

20.0001	.....	.....	.....
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## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

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

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

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

	State of Domicile	2021	2020
	Ohio		
<b>NET INCOME</b>			
Paramount Health Care state basis		1,760,717	5,835,190
State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
State Permitted Practices that increase/(decrease) NAIC SAP		-	-
NAIC SAP		1,760,717	5,835,190
<b>SURPLUS</b>			
Paramount Health Care state basis		23,645,079	20,486,362
State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
State Permitted Practices that increase/(decrease) NAIC SAP		-	-
NAIC SAP		23,645,079	20,486,362

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

The preparation of 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 Policy

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds are stated at amortized cost.
3. Common stock investments are stated at Fair Market Value.
4. The Company does not have any preferred stock investments.
5. The Company does not invest in mortgage loans.
6. The Company has no investments in loan-backed securities.
7. The Company has no investments in subsidiaries.
8. The Company has no investments in joint ventures.
9. The Company does not invest in derivatives.

## Notes to Financial Statements

10. The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts.
11. Unpaid losses and loss adjustment expenses include an amount from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
12. The Company has not modified its capitalization policy from the prior period.
13. The Company estimates its pharmaceutical rebate receivables based on historical cash payment and prescriptions filled.

2. Accounting Changes and Corrections of Errors

**-NOT APPLICABLE**

3. Business Combinations and Goodwill

**-NOT APPLICABLE**

4. Discontinued Operations

**-NOT APPLICABLE**

5. Investments

- A. The company does not have any Mortgage Loan investments.
- B. The company is not a creditor for any Restructured Debt.
- C. The company does not have any reverse mortgages.
- D.
  1. When necessary the Company uses internal estimates in determining prepayment assumptions and whether an other-than-temporary impairment has occurred.
  2. None
  3. None
  4. None
  5. None
- E. The company does not have any repurchase agreements or security lending transactions.
- F. The company does not have any repurchase agreements.
- G. The company does not have any reverse repurchase agreements.
- H. The company does not have repurchase agreements accounted for as a sale.
- I. The company does not have reverse repurchase agreements accounted for as a sale.
- J. The company does not have any real estate investments
- K. The company does not have any low-income housing tax credits.
- L. Restricted Assets

## Notes to Financial Statements

Retricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/ (Decrease)	Total Current year nonadmitted Restricted	Total Current year admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which the liability is not shown							
b. collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale-excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states							
k. On deposit with other regulatory bodies	400,000	399,778	222	-	400,000	0.5%	0.5%
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total Restricted Assets	400,000	399,778	222		400,000	0.5%	0.5%

- M. The company does not have any working capital financing investments.
- N. The company does not have any netting of assets and liabilities relating to derivatives, repurchase and reverse repurchase and securities borrowing and lending.
- O. The company does not have any 5\* securities.
- P. The company does not have any short sales.
- Q. Prepayment Penalty and Acceleration Fees
  - 1. Number of Cusips 11
  - 2. Aggregate Amount of Investment Income \$9,421

### 6. Joint ventures, Partnerships and Limited Liability Companies

#### -NOT APPLICABLE

### 7. Investment Income

# Notes to Financial Statements

The Company does not have any non-admitted accrued investment income.

## 8. Derivative Instruments

### **-NOT APPLICABLE**

## 9. Income Taxes

The application of SSAP No. 101 requires a company to evaluate the recoverability of deferred tax assets and to establish a valuation allowance if necessary to reduce the deferred tax asset to an amount which is more likely than not to be realized.

Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance the Company considers many factors, including: (1) the nature of the deferred tax assets and liabilities; (2) whether they are ordinary or capital; (3) the timing of reversal; (4) taxable income in prior carry back years as well as projected taxable earnings exclusive of reversing temporary differences and carry forwards; (5) the length of time that carryovers can be used; (6) unique tax rules that would impact the utilization of the deferred tax assets; and (7) any tax planning strategies that the Company would employ to avoid a tax benefit expiring unused. Although the realization is not assured, the Company believes it is more likely than not that the deferred tax assets, net of valuation allowances, will be realized. The Company has not recorded a valuation allowance as of December 31, 2021 or 2020.

### A. The components of DTAs and DTLs as of December 31 are as follows:

	December 31, 2021			December 31, 2020			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	\$ 1,273,178	\$	\$ 1,273,178	\$ 1,475,412	\$	\$ 1,475,412	\$ (202,234)	\$ -	\$ (202,234)
(b) Statutory valuation allowance	_____	_____	_____	_____	_____	_____	_____	_____	_____
(c) Adjusted gross deferred tax assets	<u>1,273,178</u>	_____	<u>1,273,178</u>	<u>1,475,412</u>	_____	<u>1,475,412</u>	<u>(202,234)</u>	_____	<u>(202,234)</u>
(d) Deferred tax assets nonadmitted	_____	_____	_____	<u>431,625</u>	_____	<u>431,625</u>	<u>(431,625)</u>	_____	<u>(431,625)</u>
(e) Subtotal net admitted deferred tax assets	<u>1,273,178</u>	_____	<u>1,273,178</u>	<u>1,043,787</u>	_____	<u>1,043,787</u>	<u>229,391</u>	_____	<u>229,391</u>
(f) Deferred tax liabilities	<u>102,175</u>	<u>43,767</u>	<u>145,942</u>	<u>339,042</u>	<u>25,454</u>	<u>364,496</u>	<u>(236,867)</u>	<u>18,313</u>	<u>(218,554)</u>
(g) Net admitted deferred tax asset	<u>\$ 1,171,003</u>	<u>\$ (43,767)</u>	<u>\$ 1,127,236</u>	<u>\$ 704,745</u>	<u>\$ (25,454)</u>	<u>\$ 679,291</u>	<u>\$ 466,258</u>	<u>\$ (18,313)</u>	<u>\$ 447,945</u>

	12/31/2021			12/31/2020			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission Calculation Components SSSAP No. 101									
(a) Federal Income Taxes Paid in Prior Years									
Recoverable Through Loss Carrybacks	<u>\$ 1,033,844</u>	<u>\$ -</u>	<u>\$ 1,033,844</u>	<u>\$ 679,291</u>	<u>\$ -</u>	<u>\$ 679,291</u>	<u>\$ 354,553</u>	<u>\$ -</u>	<u>\$ 354,553</u>
(b) Adjusted Gross Deferred Tax Assets									
Expected To Be Realized (Excluding The									
Amount of Deferred Tax Assets from 2(a)	<u>96,986</u>	<u>-</u>	<u>96,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 96,986</u>	<u>\$ -</u>	<u>\$ 96,986</u>
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.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
2. Adjusted Gross Deferred Tax Assets									
Allowed per Limitation Threshold.				<u>3,364,715</u>			<u>1,947,718</u>		<u>\$ 1,416,997</u>
(c) Adjusted Gross Deferred Tax Assets									
(Excluding The Amount of Deferred Tax	<u>142,348</u>	<u>-</u>	<u>142,348</u>	<u>364,496</u>	<u>-</u>	<u>364,496</u>	<u>\$ (222,148)</u>	<u>\$ -</u>	<u>\$ (222,148)</u>
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	<u>\$ 1,273,178</u>	<u>\$ -</u>	<u>\$ 1,273,178</u>	<u>\$ 1,043,787</u>	<u>\$ -</u>	<u>\$ 1,043,787</u>	<u>\$ 229,391</u>	<u>\$ -</u>	<u>\$ 229,391</u>

## Notes to Financial Statements

	2021	2020
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation		
Amount	322%	283%
(b) Amount of Adjusted Capital and Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 above	22,517,843	19,807,071

	2021		2020		Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
Impact of tax planning strategies						
Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, by Tax Character as a Percentage						
(1) Adjusted gross DTAs from 9A1c	1,273,178		1,475,412		(202,234)	
(2) % total adjusted gross DTAs	-	-	-	-	-	-
(3) Net admitted adjusted gross DTAs from 9A1e	1,273,178		1,043,788		229,390	
(4) % of total net admitted adjusted gross DTAs	-	-	-	-	-	-

**B.** -There are no temporary differences for deferred tax liabilities that are not recognized at December 31, 2021 and 2020.

**C.** -Current income taxes incurred consisted of the following major components:

# Notes to Financial Statements

			<u>12/31/2021</u>	<u>12/31/2020</u>	<u>Change</u>
1. Current Income Tax					
	(a) Federal		\$ 659,203	\$ 2,160,357	\$ (1,501,154)
	(b) Federal income tax on capital gains		204	7,890	(7,686)
	(c) Other		<u>115,239</u>	<u>(289,075)</u>	404,314
	(d) Federal income taxes incurred		\$ 774,646	\$ 1,879,172	\$ (1,104,526)
2. Deferred tax assets:					
	(a) Ordinary				
	(1) Discounting on claims payable		\$ 53,845	\$ 51,752	\$ 2,093
	(2) Unearned premiums		8,723	4,016	4,707
	(3) Accrued Vacation		453,380	335,527	117,853
	(4) Other accruals		290,962	293,062	(2,100)
	(5) Depreciation		50,002	11,597	38,405
	(6) Non admitted other aggregate write ins		205,875	401,642	(195,767)
	(7) Other		<u>210,391</u>	<u>377,816</u>	(167,425)
	Subtotal		1,273,178	1,475,412	(202,234)
	(b) Statutory valuation allowance adjustment		-	-	-
	(c) Nonadmitted		<u>-</u>	<u>431,625</u>	<u>(431,625)</u>
	(d) Admitted ordinary deferred tax assets		<u>1,273,178</u>	<u>1,043,787</u>	<u>229,391</u>
	(e) Capital				
	(1) Impairment of securities		-	-	-
	(2) Other		<u>-</u>	<u>-</u>	<u>-</u>
	Subtotal		<u>-</u>	<u>-</u>	<u>-</u>
	(f) Statutory valuation allowance adjustment		-	-	-
	(g) Nonadmitted		<u>-</u>	<u>-</u>	<u>-</u>
	(h) Admitted capital deferred tax assets		<u>-</u>	<u>-</u>	<u>-</u>
	(i) Admitted deferred tax assets		<u>1,273,178</u>	<u>1,043,787</u>	<u>229,391</u>
3. Deferred tax liabilities:					
	(a) Ordinary				
	(1) Deferred rent incentive		23,603	33,296	(9,693)
	(2) CIP		67,461	291,858	(224,397)
	(3) Other		<u>11,110</u>	<u>13,888</u>	<u>(2,778)</u>
	Subtotal		102,174	339,042	(236,868)
	(b) Capital				
	(1) Unrealized gain		19,264	8,268	10,996
	(2) Other		<u>24,504</u>	<u>17,186</u>	<u>7,318</u>
	Subtotal		43,768	25,454	18,314
	(c) Deferred tax liabilities		<u>\$ 145,942</u>	<u>\$ 364,496</u>	<u>\$ (218,554)</u>
4. Net deferred tax assets/liabilities			<u>\$ 1,127,236</u>	<u>\$ 679,291</u>	<u>\$ 447,945</u>

The change in net deferred income taxes is composed of the following:

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>Change</u>
Total deferred tax assets	\$ 1,273,178	\$ 1,475,412	\$ (202,234)
Total deferred tax liabilities	(145,942)	(364,496)	218,554
Net deferred tax assets/liabilities	1,127,236	1,110,916	16,320
Tax effect of unrealized gains/(losses)			10,996
Change in net deferred income tax			\$ 27,316

## Notes to Financial Statements

### D.-Analysis of Actual Income Tax Expense

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:

	2021	%	2020	%
Provision computed at statutory rate	\$ 532,426	21 %	\$ 1,620,016	21 %
Commuter benefits	271		13,374	
Executive compensation	11,151		5,768	
Change in non-admitted assets	188,516	7	326,507	4
Other	<u>14,966</u>	<u>1</u>	<u>6,539</u>	<u> </u>
<b>Total</b>	<b><u>\$ 747,330</u></b>	<b><u>29 %</u></b>	<b><u>\$ 1,972,204</u></b>	<b><u>25 %</u></b>
 Federal income taxes incurred	 \$ 659,203	 26 %	 \$ 2,160,357	 28 %
Change in net deferred income taxes	(27,316)	(1)	93,032	1
Tax on capital gains/(losses)	204		7,890	
Other	<u>115,239</u>	<u>4</u>	<u>(289,075)</u>	<u>(4)</u>
<b>Total statutory income taxes</b>	<b><u>\$ 747,330</u></b>	<b><u>29 %</u></b>	<b><u>\$ 1,972,204</u></b>	<b><u>25 %</u></b>

**E.-**At December 31, 2021 and 2020, the Company had no operating loss carryforwards to utilize in future years. The Company did not have any deposits admitted under Internal Revenue Code (IRC) 6603.

The following is income tax incurred for 2019, 2020 and 2021 that is available for recoupment in the event of future net losses:

<b>Year</b>	<b>Ordinary</b>	<b>Capital</b>	<b>Total</b>
2019	-	108,864	108,864
2020	2,274,368	9,117	2,283,485
2021	659,203	204	659,407

**F.-**The Company is a party to a tax sharing agreement with the parent company, PIC, and the affiliated entities as follows: Paramount Preferred Options (PPO), Paramount Care of Michigan, Inc. (PCM), Paramount Care, Inc. (PCI), Paramount Benefits Agency (PBA), Paramount Insurance Company (PICO) Health Management Solutions, Inc. (HMS), Paramount Care of Indiana (PCIN) Health Resources Inc. (HRI) and Paramount Preferred Services (PPS). Tax returns are completed on a consolidated basis. However, allocation is based upon separate return calculations with current credit for net losses. The method of allocation between the companies is subject to a written agreement approved by the Board of Directors. Intercompany tax balances are settled through the holding company, PIC.

### G-Accounting for tax contingencies

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within 12 months of the reporting date.

For the years ended December 31, 2021 and 2020, the Company did not have tax contingencies under the principles of SSAP No. 5, *Liabilities, Contingencies and Impairment of Assets*. This is subject to change but it is not expected to significantly increase in the 12 month period following the balance sheet date. The Company is primarily subject to U.S. federal and various U.S. state and local tax authorities. Tax years subsequent to 2017 remain open to examination by the Internal Revenue Service, and 2016 remains open to other state and local tax authorities. As of December 31, 2021, there are no U.S. federal or state returns under examination.

### 10. Information Concerning Parent, Subsidiaries and Affiliates

## Notes to Financial Statements

The Company is ultimately controlled by ProMedica Health System, Inc. (“ProMedica”), a nonprofit holding company exempt from federal taxation under Section 501(c)(3) and 509(a)(3) of the Internal Revenue Code. The Company’s affiliates include PCM, PPO, PICO, PBA, HRI, PCIN and PA. The Company also has many area hospitals as affiliates such as Toledo Hospital, Toledo Children’s Hospital, Bay Park Hospital, Emma L. Bixby Hospital, Defiance Hospital, Fostoria Hospital and Herrick Memorial Hospital. ProMedica Physician Group, a group of physicians owned by ProMedica, is also an affiliate of the Company.

Through management service agreements the company provides administrative support to four of its affiliated entities, PCM, PBA, PICO, PCIN and PA. The following table shows the amounts allocated to the companies. These amounts were to compensate the Company for administrative support staff in all functional areas. The cost of shared services is allocated between the Company and affiliates based upon the percentage of subscribers at the end of each month.

	<b>2021</b>	<b>2020</b>
PCM	1,209,843	1,041,889
PICO	13,873,860	12,368,577
PA	64,210,380	59,303,238
PCIN	5,706	-
PBA	1,098,502	-

ProMedica allocates corporate overhead to all ProMedica entities pursuant to a Cost Allocation Agreement. The Company was allocated \$1,660,728 and \$1,848,638 of overhead expense in 2021 and 2020, respectively. The amount is to compensate ProMedica for the services provided to the Company for corporate staff primarily in management, legal services, information services and investment management.

The Company pays HRI to process dental claims on its behalf. During 2021 and 2020, the Company paid \$2,292,281 and \$2,020,249, respectively, for dental claims and administrative fee to HRI.

### Balances outstanding with affiliated entities at December 31, 2021 and 2020

	<b>2021</b>		<b>2020</b>	
	Due from	Due to	Due from	Due to
Bay Park Community Hospital		399,864		121,805
Defiance Hospital		89,996		28,340
Fostoria Hospital		88,281		25,884
Health Management Solutions	195,223		391,286	
Health Resources Inc.	201,380			
Memorial Hospital		165,114		53,008
Monroe Regional Hospital		293,952		
Paramount Insurance Co.		3,117,848	274,312	
Paramount Advantage	7,773,722		1,821,308	
Paramount Care of Michigan		1,445,519		1,959,114
Paramount Preferred Solutions	12,178		277,490	
Paramount Preferred Options	97,146			
Paramount Benefits Agency		167,140		
Paramount Care of Indiana	20,660			
ProMedica Continuing Care Services		380,456		93,400
ProMedica Health System		8,458,446	3,596,487	
ProMedica Insurance Corp	602,005		10,741,850	
ProMedica Central Physicians LLC		1,054,041		289,412
ProMedica North Region		162,473		38,483
ProMedica Physicians Group	84,208		4,380	
The Toledo Hospital		1,999,579		593,748
Other affiliated entities	140,998	51,601	18,610	88,887
	<b>\$ 9,127,520</b>	<b>\$ 17,874,310</b>	<b>\$ 17,125,723</b>	<b>\$ 3,292,081</b>

## Notes to Financial Statements

### Claims paid to affiliated entities during fiscal year 2021 and 2020

	<b>2021</b>	<b>2020</b>
	<b>Paid</b>	<b>Paid</b>
Bay Park Community Hospital	\$ 5,092,576	\$ 4,048,078
ProMedica North Region	14,495	7,268
Defiance Hospital	542,358	697,860
Fostoria Hospital	254,627	183,988
Memorial Hospital	721,818	529,394
Mercy Memorial Hospital	15,733	22,372
ProMedica Physicians Group	10,385,572	8,927,300
ProMedica Continuing Care Services	188,606	1,545,429
The Toledo Hospital	40,006,561	39,958,650
	<b>\$ 57,222,346</b>	<b>\$ 59,884,093</b>

The Company is a party to a tax sharing agreement with the parent company, PIC, and the affiliated entities as follows: Paramount Preferred Options (PPO), Paramount Care of Michigan, Inc. (PCM), Paramount Care, Inc. (PCI), Paramount Benefits Agency (PBA), Paramount Insurance Company (PICO) Health Management Solutions, Inc. (HMS), Health Resources Inc. (HRI), Paramount Care of Indiana (PCIN) and Paramount Preferred Services (PPS). Tax returns are completed on a consolidated basis. However, allocation is based upon separate return calculations with current credit for net losses. The method of allocation between the companies is subject to a written agreement approved by the Board of Directors. Intercompany tax balances are settled through the holding company, PIC.

### Tax payable/receivable amounts to affiliated entities as of 2021 and 2020:

	<b>2021</b>	<b>2020</b>
Paramount Care Inc	\$ 13,828	\$ 2,316,246
Paramount Care of Michigan	(454,066)	(338,029)
Paramount Benefits Agency	(174,259)	12,183
Paramount Preferred Options	135,364	(30,899)
Paramount Insurance Company	410,811	(1,000,019)
Health Management Solutions	(643,503)	763,979
Paramount Preferred Solutions	54,980	295,500
Health Resources Inc.	(1,246,498)	(3,415,595)
Paramount Care of Indiana	(865)	
ProMedica Insurance Corp	1,904,208	1,396,634

11. Debt

**-NOT APPLICABLE**

12. Retirement Plans, Deferred Compensation, Postemployment Benefits

- A. The company does not participate in defined benefit plans.
- B. Effective July 1, 2002, the System extended the ProMedica pension plan to the eligible employees of Paramount. The pension costs for Paramount are based on a direct calculation of certain cost components and the application of reasonable methodology for other cost components. In 2007, the pension asset was transferred to ProMedica Health System. The company did not contribute anything for the year ended December 31, 2021 and 2020.

ProMedica Health System sponsors a 401 (k) savings plan for certain eligible employees and may voluntarily contribute a percentage of their annual

## Notes to Financial Statements

compensation. Under the provisions of the plan, the Company annually matches employees' contributions of up to 3% of compensation. All employees with at least one year of service are eligible for the plan match. For the years ended December 31, 2021 and 2020, contributions by the Company amounted to \$1,841,478 and \$1,615,932 respectively.

- C. The company does not participate in a multi-employer plan.
- D. The company participates in a Consolidated/Holding Company Plan. See description at [B] above.

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

- A. The Company is a non-profit entity and does not issue stock.
- B. The Company has no preferred stock.
- C. As the Company is a non-profit organization, distributions are allowed to a non-profit member.
- D. During 2020, the Company made a \$10,000,000 distribution to its parent company, ProMedica Insurance Corp. No contributions were made during 2021.
- E. Within the limitations of [C] above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- F. There were no restrictions placed on the Company's surplus.
- G. There were no advances to surplus.
- H. There is no stock being held by the Company.
- I. The Company has no special surplus funds.
- J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is:

Unrealized gains, net of tax \$41,363

- K. The Company has no surplus debentures or other outstanding obligations.
- L. The Company was not involved in a quasi-reorganization during the year.

14. Contingencies

The Company has been and is currently involved in various governmental investigations, audits, and reviews. These include routine, regular and special investigations, audits and reviews by CMS, state insurance and health and welfare departments, state attorneys general, the Office of Inspector General ("OIG"), the Office of Personnel Management, the Office of Civil Rights, U.S. Congressional committees, the U.S. Department of Justice, U.S. Attorneys, the SEC, the IRS, the U.S. Department of Labor ("DOL"), the Federal Deposit Insurance Corporation, and other governmental authorities. Examples of audits include the risk adjustment data validation ("RADV") audits discussed below and a review by the DOL of the Company's administration of applicable customer employee benefit plans with respect to Employee Retirement Income Security Act of 1974 compliance.

Government actions can result in assessment of damages, civil or criminal fines or penalties, or other sanctions, including loss of licensure or exclusion from participation in government programs and could have a material adverse impact on

## Notes to Financial Statements

the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

**Risk Adjustment Data Validation Audits (“RADV audits”)** — CMS adjusts capitation payments to Medicare Advantage and Medicare Part D plans according to the predicted health status of each beneficiary, as supported by data provided by health care providers. The Company collects claim and encounter data from providers, who the Company generally relies on to appropriately code their claim submissions and document their medical records. CMS then determines the risk score and payment amount for each enrolled member based on the health care data submitted and member demographic information.

In February 2012, CMS announced a final RADV audit and payment adjustment methodology and that it will conduct RADV audits beginning with the 2011 payment year. These audits involve a review of medical records maintained by care providers and may result in retrospective adjustments to payments made to health plans. CMS has not communicated how the final payment adjustment under its methodology will be implemented. PIC has been selected for audit by CMS for the 2011 and 2015 payment years. The 2011 audit began in 2014 while the 2015 audit began in 2019. The impact of potential payment adjustments on the Company’s statutory basis financial statement is unknown.

15. Leases

Rental expense charged to operations amounted to \$1,190,902 and \$1,239,422 in 2021 and 2020, respectively.

The Company is not party to any capital or leveraged lease agreements, nor is it a lessor.

16. Off-Balance Sheet Risk

**-NOT APPLICABLE**

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

**-NOT APPLICABLE**

18. Gain or loss to the Reporting Entity from Uninsured A&H Plans and the uninsured Portion of partially Insured Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans was as follows during 2021:

	Uninsured Portion		
	ASO		Total ASO
	Uninsured Plans	of Partially Insured Plans	
Net reimbursement for administrative Expenses (including admin fees) in excess of actual expenses	\$ 90,688		\$ 90,688
Total net other income or expenses including interest paid to or received from plans	13,289		13,289
Total gain or (loss) from operations	103,976		103,976
Claim payments	\$ 35,561,687		\$ 35,561,687

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

**-NOT APPLICABLE**

20. Fair Value Measurements

A. NA

## Notes to Financial Statements

B. NA

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Cash equivalents	126,266	126,266	126,266			
Bonds	4,038,934	4,040,658		4,038,934		

D. NA

## 21. Other Items

The Company has no extraordinary items, troubled debt restructuring or other unusual disclosures to make.

## 22. Subsequent Events

There were no Type I or Type II subsequent events at the time of this filing that would materially alter the financial position of the Company.

## 23. Reinsurance

## A. Ceded Reinsurance Report

## Section 1

1. None of the reinsurers listed in Schedule S as non-affiliated, are 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.
2. None of the polices issued by the company have been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business.

## Section 2

1. The company does not have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit.
2. The company does not have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies.

## Section 3

1. The aggregate reduction in surplus for termination of all reinsurance agreements, by either party, as of the date of this statement is \$0.
2. No new agreements have been executed or existing agreements amended since January 1, 2021 to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement.

## B. The Company does not have any uncollectible reinsurance recorded on its books.

## C. The company had no commutation of reinsurance.

## 24. Retrospectively Rated Contracts

**-NOT APPLICABLE**

## Notes to Financial Statements

### 25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2020 were \$14,934,692. As of December 31, 2021, \$10,415,878 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$587,059 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Commercial and Medicare lines of insurance. Therefore, there has been a \$3,931,755 favorable prior-year development since December 31, 2020 to December 31, 2021. The increase is generally a result of ongoing analysis of recent development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

### 26. Intercompany Pooling Arrangements

**-NOT APPLICABLE**

### 27. Structured Settlements

**-NOT APPLICABLE**

### 28. Health Care Receivables

The Company estimates its pharmaceutical rebate receivables based on historical cash payments.

Quarter	Estimated	Pharmacy	Actual Rebates	Actual Rebates	Actual Rebates
	Pharmacy Rebates	Rebates as Billed	Received within 90 days of billing	Received within 91-180 days of billing	Received More than 180 days after billing
12/31/2021	2,373,280	2,373,280	-	-	-
9/30/2021	2,231,544	1,877,932	-	1,877,932	-
6/30/2021	2,231,544	2,366,103	-	1,937,817	428,286
3/31/2021	1,868,165	2,376,756	-	2,018,949	357,807
12/31/2020	2,551,657	2,130,235	-	1,875,256	254,979
9/30/2020	2,791,257	2,187,268	-	1,890,597	296,671
6/30/2020	1,527,811	2,278,123	-	2,071,681	206,442
3/31/2020	1,526,421	2,329,494	-	2,312,514	16,980
12/31/2019	1,627,673	1,791,682	-	1,795,051	(3,369)
9/30/2019	1,627,674	1,898,182	-	1,283,411	614,771
6/30/2019	1,704,425	1,965,807	-	1,331,916	633,891
3/31/2019	1,786,158	1,959,364	-	1,812,043	147,321

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Billed	Actual Risk Sharing Amounts Received Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received All Other
2021	2021	-	1,333,002	-	1,333,002	-	-	-	-	-

### 29. Participating Policies

**-NOT APPLICABLE**

### 30. Premium Deficiency Reserves

Liability carried for premium deficiency reserve :	\$0
Date of most recent evaluation of this liability:	02/08/2022
Was anticipated investment income utilized in the calculation?	Yes

### 31. Anticipated Salvage and Subrogation

## **Notes to Financial Statements**

The Company did not have any estimated anticipated salvage and subrogation to reduce the liability.

## FIVE-YEAR HISTORICAL DATA

	1 2021	2 2020	3 2019	4 2018	5 2017
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	72,208,892	55,792,506	54,776,650	92,356,179	106,251,075
2. TOTAL Liabilities (Page 3, Line 24) .....	48,563,813	35,306,144	31,904,511	29,450,129	35,596,711
3. Statutory minimum capital and surplus requirement .....	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	23,645,079	20,486,362	22,872,139	62,906,050	70,654,364
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	176,465,906	183,058,338	182,644,419	170,850,104	169,871,422
6. TOTAL Medical and Hospital Expenses (Line 18) .....	157,821,235	156,777,254	167,871,054	153,494,647	147,301,110
7. Claims adjustment expenses (Line 20) .....	2,643,969	2,191,257	2,906,552	2,614,679	2,906,874
8. TOTAL Administrative Expenses (Line 21) .....	13,422,377	16,797,217	13,265,998	11,577,575	10,987,674
9. Net underwriting gain (loss) (Line 24) .....	2,578,325	7,292,610	(1,399,185)	3,163,203	8,675,764
10. Net investment gain (loss) (Line 27) .....	(43,166)	413,862	2,554,889	2,056,603	1,190,280
11. TOTAL Other Income (Lines 28 plus 29) .....				917	
12. Net income or (loss) (Line 32) .....	1,760,717	5,835,190	680,258	468,411	12,624,396
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	1,883,905	8,686,824	(5,388,800)	5,355,482	8,314,044
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	23,645,079	20,486,362	22,872,139	62,906,050	70,654,364
15. Authorized control level risk-based capital .....	6,993,446	7,004,330	7,510,751	6,825,553	6,422,945
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	13,109	14,112	14,238	13,742	13,796
17. TOTAL Members Months (Column 6, Line 7) .....	159,214	170,770	171,824	166,685	167,953
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) .....	89.4	85.6	91.9	89.8	86.7
20. Cost containment expenses .....	1.3	1.0	1.4	1.3	1.4
21. Other claims adjustment expenses .....	0.2	0.2	0.2	0.2	0.3
22. TOTAL Underwriting Deductions (Line 23) .....	98.5	96.0	100.8	98.1	94.9
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	1.5	4.0	(0.8)	1.9	5.1
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	11,651,607	10,008,513	9,232,658	12,267,454	13,789,241
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	13,335,815	12,746,392	11,406,895	12,606,112	15,285,418
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
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: