



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
OF THE CONDITION AND AFFAIRS OF THE
AULTCARE HEALTH INSURING CORPORATION

| | | | | | |
|---------------------------------------|---------------------------------|------------------------------------|------------|----------------------|------------|
| NAIC Group Code | 4805, 4805 | NAIC Company Code | 15461 | Employer's ID Number | 46-3305099 |
| | (Current) (Prior) | | | | |
| Organized under the Laws of | OH | State of Domicile or Port of Entry | OH | | |
| Country of Domicile | US | | | | |
| Licensed as business type: | Health Maintenance Organization | Is HMO Federally Qualified? | NO | | |
| Incorporated/Organized | 07/11/2013 | Commenced Business | 01/01/2015 | | |
| Statutory Home Office | 2600 Sixth Street SW | Canton, OH, 44710 | | | |
| Main Administrative Office | 2600 Sixth Street SW | | | | |
| | Canton, OH, 44710 | 330-363-4057 | | | |
| | | (Telephone) | | | |
| Mail Address | 2600 Sixth Street SW | Canton, OH, 44710 | | | |
| Primary Location of Books and Records | 2600 Sixth Street SW | | | | |
| | Canton, OH, 44710 | 330-363-4057 | | | |
| | | (Telephone) | | | |
| Internet Website Address | www.aultcare.com | | | | |
| Statutory Statement Contact | Melissa Rapp | 330-363-4880 | | | |
| | | (Telephone) | | | |
| | melissa.rapp@aultman.com | 330-363-5012 | | | |
| | (E-Mail) | (Fax) | | | |

OFFICERS

| | |
|----------------------------|---|
| Mark D. Wright#, President | Barbara Hammontree-Bennett#, Secretary |
| Todd Hawke#, Treasurer | Robert Mullen J.D.#, Executive Vice President |

DIRECTORS OR TRUSTEES

| | |
|----------------------------|----------------------------|
| Michael E. Hanke | Nihad Boutros M.D. |
| Brian Belden# | Michael A. Rich M.D. |
| Mark D. Wright | John B. Humphrey Jr., M.D. |
| Darryl J. Dillenback | Joseph J. Feltes Esq. |
| Barbara Hammontree-Bennett | Todd Hawke |
| John Westerbeck M.D. | Richard V. Maggiore |
| Robert Mullen J.D. | |

State of Ohio
County of Stark 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.

| | | |
|-----------------------------|--|-------------------------|
| x | x | x |
| Mark D. Wright President | Melissa A. Rapp Chief Financial Officer | Todd Hawke Treasurer |

Subscribed and sworn to before me
this 14th day of
March, 2025

x

a. Is this an original filing? Yes
b. If no:
1. State the amendment number: _____
2. Date filed: _____
3. Number of pages attached: _____



Andrew Gerringer
Notary Public, State of Ohio
My Commission Expires:
July 11, 2026

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)..... | 29,329,556 | | 29,329,556 | 36,184,262 |
| 2. | Stocks (Schedule D): | | | | |
| | 2.1 Preferred stocks..... | | | | |
| | 2.2 Common stocks..... | 58,844,407 | | 58,844,407 | 62,653,954 |
| 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 \$..... encumbrances)..... | | | | |
| | 4.2 Properties held for the production of income (less \$..... encumbrances)..... | | | | |
| | 4.3 Properties held for sale (less \$..... encumbrances)..... | | | | |
| 5. | Cash (\$.....2,752,400, Schedule E - Part 1), cash equivalents (\$....., Schedule E - Part 2) and short-term investments (\$....., Schedule DA)..... | 2,752,400 | | 2,752,400 | 10,963,241 |
| 6. | Contract loans (including \$..... premium notes)..... | | | | |
| 7. | Derivatives (Schedule DB)..... | | | | |
| 8. | Other invested assets (Schedule BA)..... | 9,384,112 | | 9,384,112 | 8,589,343 |
| 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)..... | 100,310,475 | | 100,310,475 | 118,390,800 |
| 13. | Title plants less \$..... charged off (for Title insurers only)..... | | | | |
| 14. | Investment income due and accrued..... | 242,454 | | 242,454 | 249,473 |
| 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 (including \$..... earned but unbilled premiums)..... | | | | |
| | 15.3 Accrued retrospective premiums (\$.....328,279) and contracts subject to redetermination (\$.....)..... | 328,279 | | 328,279 | |
| 16. | Reinsurance: | | | | |
| | 16.1 Amounts recoverable from reinsurers..... | 856,439 | | 856,439 | 507,394 |
| | 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..... | 4,100,022 | | 4,100,022 | 2,565,637 |
| 18.1 | Current federal and foreign income tax recoverable and interest thereon..... | | | | 483,687 |
| 18.2 | Net deferred tax asset..... | 2,723,362 | | 2,723,362 | |
| 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 (\$.....7,711,597) and other amounts receivable..... | 11,830,670 | 4,119,073 | 7,711,597 | 7,987,683 |
| 25. | Aggregate write-ins for other-than-invested assets..... | | | | |
| 26. | Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)..... | 120,391,701 | 4,119,073 | 116,272,628 | 130,184,674 |
| 27. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | | | | |
| 28. | Total (Lines 26 and 27)..... | 120,391,701 | 4,119,073 | 116,272,628 | 130,184,674 |
| 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. | ..... |  |  |  |  |
| 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)..... | | | | |

LIABILITIES, CAPITAL AND SURPLUS

| | Current Year | | | Prior Year |
|--|--------------|-----------|-------------|-------------|
| | 1 | 2 | 3 | 4 |
| | Covered | Uncovered | Total | Total |
| 1. Claims unpaid (less \$..... reinsurance ceded) | 16,159,400 | | 16,159,400 | 17,002,638 |
| 2. Accrued medical incentive pool and bonus amounts | 722,484 | | 722,484 | 482,242 |
| 3. Unpaid claims adjustment expenses | 230,800 | | 230,800 | 146,600 |
| 4. Aggregate health policy reserves, including the liability of \$..... for medical loss ratio rebate per the Public Health Service Act | 1,820,402 | | 1,820,402 | 55,953 |
| 5. Aggregate life policy reserves | | | | |
| 6. Property/casualty unearned premium reserves | | | | |
| 7. Aggregate health claim reserves | | | | |
| 8. Premiums received in advance | 48,534 | | 48,534 | 108,739 |
| 9. General expenses due or accrued | 4,314,847 | | 4,314,847 | 3,008,750 |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses)) | | | | |
| 10.2 Net deferred tax liability | | | | 300,113 |
| 11. Ceded reinsurance premiums payable | 342,017 | | 342,017 | 101,613 |
| 12. Amounts withheld or retained for the account of others | | | | |
| 13. Remittances and items not allocated | | | | |
| 14. Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current) | | | | |
| 15. Amounts due to parent, subsidiaries and affiliates | 6,950,301 | | 6,950,301 | 311,750 |
| 16. Derivatives | | | | |
| 17. Payable for securities | | | | |
| 18. Payable for securities lending | | | | |
| 19. Funds held under reinsurance treaties (with \$..... authorized reinsurers, \$..... unauthorized reinsurers and \$..... certified reinsurers) | | | | |
| 20. Reinsurance in unauthorized and certified (\$.....) companies | | | | |
| 21. Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 22. Liability for amounts held under uninsured plans | | | | |
| 23. Aggregate write-ins for other liabilities (including \$..... current) | | | | |
| 24. Total liabilities (Lines 1 to 23) | 30,588,785 | | 30,588,785 | 21,518,398 |
| 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 | 68,069,349 | 68,069,349 |
| 29. Surplus notes | XXX | XXX | | |
| 30. Aggregate write-ins for other-than-special surplus funds | XXX | XXX | | |
| 31. Unassigned funds (surplus) | XXX | XXX | 17,614,494 | 40,596,927 |
| 32. Less treasury stock, at cost: | | | | |
| 32.1 shares common (value included in Line 26 \$.....) | XXX | XXX | | |
| 32.2 shares preferred (value included in Line 27 \$.....) | XXX | XXX | | |
| 33. Total capital and surplus (Lines 25 to 31 minus Line 32) | XXX | XXX | 85,683,843 | 108,666,276 |
| 34. Total liabilities, capital and surplus (Lines 24 and 33) | XXX | XXX | 116,272,628 | 130,184,674 |
| 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. | 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 | | |

STATEMENT OF REVENUE AND EXPENSES

| | | Current Year | | Prior Year |
|------------------------------|---|--------------|--------------|-------------|
| | | 1 | 2 | 3 |
| | | Uncovered | Total | Total |
| 1. | Member Months | XXX | 168,035 | 169,228 |
| 2. | Net premium income (including \$..... non-health premium income) | XXX | 210,588,936 | 196,180,778 |
| 3. | Change in unearned premium reserves and reserve for rate credits | XXX | | |
| 4. | Fee-for-service (net of \$..... medical expenses) | XXX | | |
| 5. | Risk revenue | XXX | | |
| 6. | Aggregate write-ins for other health care related revenues | XXX | | |
| 7. | Aggregate write-ins for other non-health revenues | XXX | | |
| 8. | Total revenues (Lines 2 to 7) | XXX | 210,588,936 | 196,180,778 |
| Hospital and Medical: | | | | |
| 9. | Hospital/medical benefits | | 148,201,111 | 139,200,238 |
| 10. | Other professional services | | | |
| 11. | Outside referrals | | 5,356,589 | 4,765,208 |
| 12. | Emergency room and out-of-area | | 2,644,988 | 849,464 |
| 13. | Prescription drugs | | 34,450,350 | 24,381,472 |
| 14. | Aggregate write-ins for other hospital and medical | | | |
| 15. | Incentive pool, withhold adjustments and bonus amounts | | 2,199,124 | 2,198,262 |
| 16. | Subtotal (Lines 9 to 15) | | 192,852,162 | 171,394,644 |
| Less: | | | | |
| 17. | Net reinsurance recoveries | | 349,045 | 507,394 |
| 18. | Total hospital and medical (Lines 16 minus 17) | | 192,503,117 | 170,887,250 |
| 19. | Non-health claims (net) | | | |
| 20. | Claims adjustment expenses, including \$.....3,359,595 cost containment expenses | | 4,284,620 | 2,781,367 |
| 21. | General administrative expenses | | 27,386,079 | 25,818,299 |
| 22. | Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only) | | 1,764,000 | |
| 23. | Total underwriting deductions (Lines 18 through 22) | | 225,937,816 | 199,486,916 |
| 24. | Net underwriting gain or (loss) (Lines 8 minus 23) | XXX | (15,348,880) | (3,306,138) |
| 25. | Net investment income earned (Exhibit of Net Investment Income, Line 17) | | 2,298,238 | 894,939 |
| 26. | Net realized capital gains (losses) less capital gains tax of \$.....264,677 | | 1,058,709 | 4,463,435 |
| 27. | Net investment gains (losses) (Lines 25 plus 26) | | 3,356,947 | 5,358,374 |
| 28. | Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)] | | | |
| 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) | XXX | (11,991,933) | 2,052,236 |
| 31. | Federal and foreign income taxes incurred | XXX | (111,837) | (850,576) |
| 32. | Net income (loss) (Lines 30 minus 31) | XXX | (11,880,096) | 2,902,812 |
| Details of Write-Ins | | | | |
| 0601. | ..... | XXX | | |
| 0602. | ..... | XXX | | |
| 0603. | ..... | XXX | | |
| 0698. | Summary of remaining write-ins for Line 6 from overflow page | XXX | | |
| 0699. | Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) | XXX | | |
| 0701. | ..... | XXX | | |
| 0702. | ..... | XXX | | |
| 0703. | ..... | XXX | | |
| 0798. | Summary of remaining write-ins for Line 7 from overflow page | XXX | | |
| 0799. | Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) | XXX | | |
| 1401. | ..... |  |  |  |
| 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) | | | |
| 2901. | ..... |  |  |  |
| 2902. | ..... |  |  |  |
| 2903. | ..... |  |  |  |
| 2998. | Summary of remaining write-ins for Line 29 from overflow page | | | |
| 2999. | Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) | | | |

STATEMENT OF REVENUE AND EXPENSES (CONTINUED)

| | | 1 | 2 |
|---------------------------|--|--------------|-------------|
| CAPITAL & SURPLUS ACCOUNT | | Current Year | Prior Year |
| 33. | Capital and surplus prior reporting year | 108,666,274 | 104,866,655 |
| 34. | Net income or (loss) from Line 32 | (11,880,096) | 2,902,812 |
| 35. | Change in valuation basis of aggregate policy and claim reserves | | |
| 36. | Change in net unrealized capital gains (losses) less capital gains tax of \$.....(1,483,506) | (5,934,025) | 6,812,450 |
| 37. | Change in net unrealized foreign exchange capital gain or (loss) | | |
| 38. | Change in net deferred income tax | 1,539,969 | 1,359,618 |
| 39. | Change in nonadmitted assets | (708,280) | (175,260) |
| 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 | | |
| 44.2 | Transferred from surplus (Stock Dividend) | | |
| 44.3 | Transferred to surplus | | |
| 45. | Surplus adjustments: | | |
| 45.1 | Paid in | — | (1) |
| 45.2 | Transferred to capital (Stock Dividend) | | |
| 45.3 | Transferred from capital | | |
| 46. | Dividends to stockholders | (6,000,000) | (7,100,000) |
| 47. | Aggregate write-ins for gains or (losses) in surplus | | |
| 48. | Net change in capital and surplus (Lines 34 to 47) | (22,982,432) | 3,799,619 |
| 49. | Capital and surplus end of reporting year (Line 33 plus 48) | 85,683,842 | 108,666,274 |
| Details of Write-Ins | | | |
| 4701. | Aggregate write-ins for gains or (losses) in surplus | | |
| 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 | 212,205,305 | 195,693,746 |
| 2. | Net investment income | 2,373,080 | 1,265,681 |
| 3. | Miscellaneous income | (432,194) | 124,667 |
| 4. | Total (Lines 1 to 3) | 214,146,191 | 197,084,094 |
| 5. | Benefit and loss related payments | 195,219,157 | 167,425,893 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 31,814,787 | 24,859,759 |
| 8. | Dividends paid to policyholders | | |
| 9. | Federal and foreign income taxes paid (recovered) net of \$..... tax on capital gains (losses) | (330,847) | 2,165,000 |
| 10. | Total (Lines 5 through 9) | 226,703,097 | 194,450,652 |
| 11. | Net cash from operations (Line 4 minus Line 10) | (12,556,906) | 2,633,443 |
| Cash from Investments | | | |
| 12. | Proceeds from investments sold, matured or repaid: | | |
| 12.1 | Bonds | 13,015,209 | 7,058,034 |
| 12.2 | Stocks | 4,917,609 | 18,695 |
| 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 | — | 9,527,102 |
| 12.8 | Total investment proceeds (Lines 12.1 to 12.7) | 17,932,818 | 16,603,831 |
| 13. | Cost of investments acquired (long-term only): | | |
| 13.1 | Bonds | 6,550,639 | 7,769,265 |
| 13.2 | Stocks | 6,951,835 | 338,219 |
| 13.3 | Mortgage loans | | |
| 13.4 | Real estate | | |
| 13.5 | Other invested assets | 794,769 | |
| 13.6 | Miscellaneous applications | — | |
| 13.7 | Total investments acquired (Lines 13.1 to 13.6) | 14,297,243 | 8,107,484 |
| 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) | 3,635,574 | 8,496,347 |
| Cash from Financing and Miscellaneous Sources | | | |
| 16. | Cash provided (applied): | | |
| 16.1 | Surplus notes, capital notes | | |
| 16.2 | Capital and paid in surplus, less treasury stock | — | |
| 16.3 | Borrowed funds | | |
| 16.4 | Net deposits on deposit-type contracts and other insurance liabilities | | |
| 16.5 | Dividends to stockholders | 6,000,000 | 7,100,000 |
| 16.6 | Other cash provided (applied) | 6,710,491 | (1,161,121) |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | 710,491 | (8,261,121) |
| 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) | (8,210,841) | 2,868,669 |
| 19. | Cash, cash equivalents and short-term investments: | | |
| 19.1 | Beginning of year | 10,963,241 | 8,094,573 |
| 19.2 | End of year (Line 18 plus Line 19.1) | 2,752,400 | 10,963,242 |

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

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | | 1 | Comprehensive (Hospital & Medical) | | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|----------------------|--|--------------|------------------------------------|-------|---------------------|-------------|-------------|--|----------------------|--------------------|------------|-------------------|----------------|--------------|------------------|
| | | | 2 | 3 | | | | | | | | | | | |
| | | Total | Individual | Group | Medicare Supplement | Vision Only | Dental Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Credit A&H | Disability Income | Long-Term Care | Other Health | Other Non-Health |
| 1. | Net premium income..... | 210,588,936 | | | | | | | 210,588,936 | | | | | | |
| 2. | Change in unearned premium reserves and reserve for rate credit..... | | | | | | | | | | | | | | |
| 3. | Fee-for-service (net of \$..... medical expenses)..... | | | | | | | | | | | | | | XXX |
| 4. | Risk revenue..... | | | | | | | | | | | | | | XXX |
| 5. | Aggregate write-ins for other health care related revenues..... | | | | | | | | | | | | | | XXX |
| 6. | Aggregate write-ins for other non-health care related revenues..... | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 7. | Total revenues (Lines 1 to 6)..... | 210,588,936 | | | | | | | 210,588,936 | | | | | | |
| 8. | Hospital/medical benefits..... | 148,201,111 | | | | | | | 148,201,111 | | | | | | XXX |
| 9. | Other professional services..... | | | | | | | | | | | | | | XXX |
| 10. | Outside referrals..... | 5,356,589 | | | | | | | 5,356,589 | | | | | | XXX |
| 11. | Emergency room and out-of-area..... | 2,644,988 | | | | | | | 2,644,988 | | | | | | XXX |
| 12. | Prescription drugs..... | 34,450,350 | | | | | | | 34,450,350 | | | | | | XXX |
| 13. | Aggregate write-ins for other hospital and medical..... | | | | | | | | | | | | | | XXX |
| 14. | Incentive pool, withhold adjustments and bonus amounts..... | 2,199,124 | | | | | | | 2,199,124 | | | | | | XXX |
| 15. | Subtotal (Lines 8 to 14)..... | 192,852,162 | | | | | | | 192,852,162 | | | | | | XXX |
| 16. | Net reinsurance recoveries..... | 349,045 | | | | | | | 349,045 | | | | | | XXX |
| 17. | Total hospital and medical (Lines 15 minus 16)..... | 192,503,117 | | | | | | | 192,503,117 | | | | | | XXX |
| 18. | Non-health claims (net)..... | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 19. | Claims adjustment expenses including \$.....3,359,595 cost containment expenses..... | 4,284,620 | | | | | | | 4,284,620 | | | | | | |
| 20. | General administrative expenses..... | 27,386,082 | | | | | | | 27,386,082 | | | | | | |
| 21. | Increase in reserves for accident and health contracts..... | 1,764,000 | | | | | | | 1,764,000 | | | | | | XXX |
| 22. | Increase in reserves for life contracts..... | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 23. | Total underwriting deductions (Lines 17 to 22)..... | 225,937,819 | | | | | | | 225,937,819 | | | | | | |
| 24. | Net underwriting gain or (loss) (Line 7 minus Line 23)..... | (15,348,883) | | | | | | | (15,348,883) | | | | | | |
| Details of Write-Ins | | | | | | | | | | | | | | | |
| 0501. | ..... |  |  |  |  |  |  |  |  |  |  |  |  |  | XXX |
| 0502. | ..... |  |  |  |  |  |  |  |  |  |  |  |  |  | XXX |
| 0503. | ..... |  |  |  |  |  |  |  |  |  |  |  |  |  | XXX |
| 0598. | Summary of remaining write-ins for Line 5 from overflow page..... | | | | | | | | | | | | | | XXX |
| 0599. | Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)..... | | | | | | | | | | | | | | XXX |
| 0601. | ..... |  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0602. | ..... |  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0603. | ..... |  | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0698. | Summary of remaining write-ins for Line 6 from overflow page..... | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0699. | Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)..... | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 1301. | ..... |  |  |  |  |  |  |  |  |  |  |  |  |  | XXX |
| 1302. | ..... |  |  |  |  |  |  |  |  |  |  |  |  |  | XXX |
| 1303. | ..... |  |  |  |  |  |  |  |  |  |  |  |  |  | XXX |
| 1398. | Summary of remaining write-ins for Line 13 from overflow page..... | | | | | | | | | | | | | | XXX |
| 1399. | Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)..... | | | | | | | | | | | | | | XXX |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 – PREMIUMS

| Line of Business | | 1 | 2 | 3 | 4 |
|------------------|---|-----------------|---------------------|-------------------|----------------------------------|
| | | Direct Business | Reinsurance Assumed | Reinsurance Ceded | Net Premium Income (Cols. 1+2-3) |
| 1. | Comprehensive (hospital and medical) individual | | | | |
| 2. | Comprehensive (hospital and medical) group | | | | |
| 3. | Medicare Supplement | | | | |
| 4. | Vision only | | | | |
| 5. | Dental only | | | | |
| 6. | Federal Employees Health Benefits Plan | | | | |
| 7. | Title XVIII – Medicare | 211,008,871 | | 419,935 | 210,588,936 |
| 8. | Title XIX – Medicaid | | | | |
| 9. | Credit A&H | | | | |
| 10. | Disability Income | | | | |
| 11. | Long-Term Care | | | | |
| 12. | Other health | | | | |
| 13. | Health subtotal (Lines 1 through 12) | 211,008,871 | | 419,935 | 210,588,936 |
| 14. | Life | | | | |
| 15. | Property/casualty | | | | |
| 16. | Totals (Lines 13 to 15) | 211,008,871 | | 419,935 | 210,588,936 |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

| | | 1 | Comprehensive (Hospital & Medical) | | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|-----|---|-------------|------------------------------------|-------|---------------------|-------------|-------------|--|----------------------|--------------------|------------|-------------------|----------------|--------------|------------------|
| | | | 2 | 3 | | | | | | | | | | | |
| | | Total | Individual | Group | Medicare Supplement | Vision Only | Dental Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Credit A&H | Disability Income | Long-Term Care | Other Health | Other Non-Health |
| 1 | Payments during the year: | | | | | | | | | | | | | | |
| | 1.1 Direct | 191,496,276 | | | | | | | 191,496,276 | | | | | | |
| | 1.2 Reinsurance assumed | | | | | | | | | | | | | | |
| | 1.3 Reinsurance ceded | 349,045 | | | | | | | 349,045 | | | | | | |
| | 1.4 Net | 191,147,231 | | | | | | | 191,147,231 | | | | | | |
| 2. | Paid medical incentive pools and bonuses | 1,958,882 | | | | | | | 1,958,882 | | | | | | |
| 3. | Claim liability December 31, current year from Part 2A: | | | | | | | | | | | | | | |
| | 3.1 Direct | 16,159,400 | | | | | | | 16,159,400 | | | | | | |
| | 3.2 Reinsurance assumed | | | | | | | | | | | | | | |
| | 3.3 Reinsurance ceded | | | | | | | | | | | | | | |
| | 3.4 Net | 16,159,400 | | | | | | | 16,159,400 | | | | | | |
| 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 | 722,484 | | | | | | | 722,484 | | | | | | |
| 6. | Net health care receivables (a) | | | | | | | | | | | | | | |
| 7. | Amounts recoverable from reinsurers December 31, current year | | | | | | | | | | | | | | |
| 8. | Claim liability December 31, prior year from Part 2A: | | | | | | | | | | | | | | |
| | 8.1 Direct | 17,002,638 | | | | | | | 17,002,638 | | | | | | |
| | 8.2 Reinsurance assumed | | | | | | | | | | | | | | |
| | 8.3 Reinsurance ceded | | | | | | | | | | | | | | |
| | 8.4 Net | 17,002,638 | | | | | | | 17,002,638 | | | | | | |
| 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 | 482,242 | | | | | | | 482,242 | | | | | | |
| 11. | Amounts recoverable from reinsurers December 31, prior year | | | | | | | | | | | | | | |
| 12. | Incurred benefits: | | | | | | | | | | | | | | |
| | 12.1 Direct | 190,653,038 | | | | | | | 190,653,038 | | | | | | |
| | 12.2 Reinsurance assumed | | | | | | | | | | | | | | |
| | 12.3 Reinsurance ceded | 349,045 | | | | | | | 349,045 | | | | | | |
| | 12.4 Net | 190,303,993 | | | | | | | 190,303,993 | | | | | | |
| 13. | Incurred medical incentive pools and bonuses | 2,199,124 | | | | | | | 2,199,124 | | | | | | |

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A – CLAIMS LIABILITY END OF CURRENT YEAR

| | 1 | Comprehensive (Hospital & Medical) | | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|---|------------|------------------------------------|-------|---------------------|-------------|-------------|--|----------------------|--------------------|------------|-------------------|----------------|--------------|------------------|
| | | 2 | 3 | | | | | | | | | | | |
| | Total | Individual | Group | Medicare Supplement | Vision Only | Dental Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Credit A&H | Disability Income | Long-Term Care | Other Health | Other Non-Health |
| 1. Reported in Process of Adjustment: | | | | | | | | | | | | | | |
| 1.1 Direct..... | | | | | | | | | | | | | | |
| 1.2 Reinsurance assumed..... | | | | | | | | | | | | | | |
| 1.3 Reinsurance ceded..... | | | | | | | | | | | | | | |
| 1.4 Net..... | | | | | | | | | | | | | | |
| 2. Incurred but Unreported: | | | | | | | | | | | | | | |
| 2.1 Direct..... | 16,159,400 | | | | | | | 16,159,400 | | | | | | |
| 2.2 Reinsurance assumed..... | | | | | | | | | | | | | | |
| 2.3 Reinsurance ceded..... | | | | | | | | | | | | | | |
| 2.4 Net..... | 16,159,400 | | | | | | | 16,159,400 | | | | | | |
| 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..... | 16,159,400 | | | | | | | 16,159,400 | | | | | | |
| 4.2 Reinsurance assumed..... | | | | | | | | | | | | | | |
| 4.3 Reinsurance ceded..... | | | | | | | | | | | | | | |
| 4.4 Net..... | 16,159,400 | | | | | | | 16,159,400 | | | | | | |

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

| | Line of Business | Claims Paid During the Year | | Claim Reserve and Claim Liability December 31 of Current Year | | 5 | 6 |
|-----|---|--|---|---|---|--|---|
| | | 1 On Claims Incurred Prior to January 1 of Current Year | 2 On Claims Incurred During the Year | 3 On Claims Unpaid December 31 of Prior Year | 4 On Claims Incurred During the Year | Claims Incurred in Prior Years (Columns 1 + 3) | Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
| 1. | Comprehensive (hospital and medical) individual | | | | | | |
| 2. | Comprehensive (hospital and medical) group | | | | | | |
| 3. | Medicare Supplement | | | | | | |
| 4. | Vision Only | | | | | | |
| 5. | Dental Only | | | | | | |
| 6. | Federal Employees Health Benefits Plan | | | | | | |
| 7. | Title XVIII – Medicare | 17,066,837 | 174,080,394 | | 16,159,400 | 17,066,837 | 17,002,638 |
| 8. | Title XIX – Medicaid | | | | | | |
| 9. | Credit A&H | | | | | | |
| 10. | Disability Income | | | | | | |
| 11. | Long-Term Care | | | | | | |
| 12. | Other health | | | | | | |
| 13. | Health subtotal (Lines 1 to 12) | 17,066,837 | 174,080,394 | | 16,159,400 | 17,066,837 | 17,002,638 |
| 14. | Health care receivables (a) | | | | | | |
| 15. | Other non-health | | | | | | |
| 16. | Medical incentive pools and bonus amounts | 242,000 | 1,716,882 | 240,242 | 482,242 | 482,242 | 482,242 |
| 17. | Totals (Lines 13 - 14 + 15 + 16) | 17,308,837 | 175,797,276 | 240,242 | 16,641,642 | 17,549,079 | 17,484,880 |

(a) Excludes \$ 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 | 2 | 3 | 4 | 5 |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| 1. Prior..... | – | – | – | – | – |
| 2. 2020..... | 163,120 | 163,120 | 163,120 | 163,120 | 163,120 |
| 3. 2021..... | XXX | 153,859 | 153,859 | 153,859 | 153,859 |
| 4. 2022..... | XXX | XXX | 150,111 | 150,111 | 150,111 |
| 5. 2023..... | XXX | XXX | XXX | 154,001 | 154,001 |
| 6. 2024..... | XXX | XXX | XXX | XXX | 177,284 |

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 | 2 | 3 | 4 | 5 |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| 1. Prior..... | – | – | – | – | – |
| 2. 2020..... | 175,409 | 163,120 | 163,120 | 163,120 | 163,120 |
| 3. 2021..... | XXX | 164,207 | 153,859 | 153,859 | 153,859 |
| 4. 2022..... | XXX | XXX | 163,627 | 150,111 | 150,111 |
| 5. 2023..... | XXX | XXX | XXX | 171,485 | 171,485 |
| 6. 2024..... | XXX | XXX | XXX | XXX | 176,684 |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|-----------------|-----------------|-----------------------------------|--------------------|--|--------------------|---------------|-----------------------------------|--|--------------------|
| | Premiums Earned | Claims Payments | Claim Adjustment Expense Payments | (Col. 3/2) Percent | Claim and Claim Adjustment Expense Payments (Col. 2+3) | (Col. 5/1) Percent | Claims Unpaid | Unpaid Claims Adjustment Expenses | Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | (Col. 9/1) Percent |
| 1. 2020..... | 218,372 | 163,120 | | | 163,120 | 74.698 | – | | 163,120 | 74.698 |
| 2. 2021..... | 194,357 | 153,859 | | | 153,859 | 79.163 | – | | 153,859 | 79.163 |
| 3. 2022..... | 191,280 | 150,111 | | | 150,111 | 78.477 | – | | 150,111 | 78.477 |
| 4. 2023..... | 196,181 | 154,001 | | | 154,001 | 78.499 | 17,484 | | 171,485 | 87.412 |
| 5. 2024..... | 421,178 | 177,284 | | | 177,284 | 42.092 | (600) | 231 | 176,915 | 42.005 |

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)
HOSPITAL & MEDICAL

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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. 2020..... | | | | | | | | | | |
| 2. 2021..... | | | | | | | | | | |
| 3. 2022..... | | | | | | | | | | |
| 4. 2023..... | | | | | | | | | | |
| 5. 2024..... | | | | | | | | | | |

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

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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. 2020..... | | | | | | | | | | |
| 2. 2021..... | | | | | | | | | | |
| 3. 2022..... | | | | | | | | | | |
| 4. 2023..... | | | | | | | | | | |
| 5. 2024..... | | | | | | | | | | |

12.MS

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

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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. 2020..... | | | | | | | | | | |
| 2. 2021..... | | | | | | | | | | |
| 3. 2022..... | | | | | | | | | | |
| 4. 2023..... | | | | | | | | | | |
| 5. 2024..... | | | | | | | | | | |

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

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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. 2020..... | | | | | | | | | | |
| 2. 2021..... | | | | | | | | | | |
| 3. 2022..... | | | | | | | | | | |
| 4. 2023..... | | | | | | | | | | |
| 5. 2024..... | | | | | | | | | | |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

FEDERAL EMPLOYEES HEALTH BENEFITS PLAN

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|------|------|------|------|
| | 1 | 2 | 3 | 4 | 5 |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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 | 2 | 3 | 4 | 5 |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|-----------------|-----------------|-----------------------------------|--------------------|--|--------------------|---------------|-----------------------------------|--|--------------------|
| | Premiums Earned | Claims Payments | Claim Adjustment Expense Payments | (Col. 3/2) Percent | Claim and Claim Adjustment Expense Payments (Col. 2+3) | (Col. 5/1) Percent | Claims Unpaid | Unpaid Claims Adjustment Expenses | Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | (Col. 9/1) Percent |
| 1. 2020..... | | | | | | | | | | |
| 2. 2021..... | | | | | | | | | | |
| 3. 2022..... | | | | | | | | | | |
| 4. 2023..... | | | | | | | | | | |
| 5. 2024..... | | | | | | | | | | |

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 | 2 | 3 | 4 | 5 |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| 1. Prior..... | – | – | – | – | |
| 2. 2020..... | 163,120 | 163,120 | 163,120 | 163,120 | |
| 3. 2021..... | XXX | 153,859 | 153,859 | 153,859 | |
| 4. 2022..... | XXX | XXX | 150,111 | 150,111 | |
| 5. 2023..... | XXX | XXX | XXX | 154,001 | |
| 6. 2024..... | XXX | XXX | XXX | XXX | 177,284 |

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 | 2 | 3 | 4 | 5 |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| 1. Prior..... | – | – | – | – | |
| 2. 2020..... | 175,409 | 163,120 | 163,120 | 163,120 | |
| 3. 2021..... | XXX | 164,207 | 153,859 | 153,859 | |
| 4. 2022..... | XXX | XXX | 163,627 | 150,111 | |
| 5. 2023..... | XXX | XXX | XXX | 171,485 | |
| 6. 2024..... | XXX | XXX | XXX | XXX | 176,684 |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|-----------------|-----------------|-----------------------------------|--------------------|--|--------------------|---------------|-----------------------------------|--|--------------------|
| | Premiums Earned | Claims Payments | Claim Adjustment Expense Payments | (Col. 3/2) Percent | Claim and Claim Adjustment Expense Payments (Col. 2+3) | (Col. 5/1) Percent | Claims Unpaid | Unpaid Claims Adjustment Expenses | Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | (Col. 9/1) Percent |
| 1. 2020..... | 218,372 | | | | | | | | | |
| 2. 2021..... | 194,357 | | | | | | | | | |
| 3. 2022..... | 191,280 | | | | | | | | | |
| 4. 2023..... | 196,181 | | | | | | | | | |
| 5. 2024..... | 210,589 | 177,284 | | | 177,284 | 84.185 | (600) | 231 | 176,915 | 84.010 |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

TITLE XIX MEDICAID

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|------|------|------|---------|
| | 1 | 2 | 3 | 4 | 5 |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | 163,120 |
| 3. 2021..... | XXX | | | | 153,859 |
| 4. 2022..... | XXX | XXX | | | 150,111 |
| 5. 2023..... | XXX | XXX | XXX | | 154,001 |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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 | 2 | 3 | 4 | 5 |
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | 163,120 |
| 3. 2021..... | XXX | | | | 153,859 |
| 4. 2022..... | XXX | XXX | | | 150,111 |
| 5. 2023..... | XXX | XXX | XXX | | 171,485 |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|-----------------|-----------------|-----------------------------------|--------------------|--|--------------------|---------------|-----------------------------------|--|--------------------|
| | Premiums Earned | Claims Payments | Claim Adjustment Expense Payments | (Col. 3/2) Percent | Claim and Claim Adjustment Expense Payments (Col. 2+3) | (Col. 5/1) Percent | Claims Unpaid | Unpaid Claims Adjustment Expenses | Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | (Col. 9/1) Percent |
| 1. 2020..... | | 163,120 | | | 163,120 | | – | | 163,120 | |
| 2. 2021..... | | 153,859 | | | 153,859 | | – | | 153,859 | |
| 3. 2022..... | | 150,111 | | | 150,111 | | – | | 150,111 | |
| 4. 2023..... | | 154,001 | | | 154,001 | | 17,484 | | 171,485 | |
| 5. 2024..... | 210,589 | | | | | | | | | |

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

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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. 2020..... | | | | | | | | | | |
| 2. 2021..... | | | | | | | | | | |
| 3. 2022..... | | | | | | | | | | |
| 4. 2023..... | | | | | | | | | | |
| 5. 2024..... | | | | | | | | | | |

UNDERWRITING AND INVESTMENT EXHIBIT

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

| | | 1 | Comprehensive (Hospital & Medical) | | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|----------------------|---|-----------|------------------------------------|-------|---------------------|-------------|-------------|--|----------------------|--------------------|------------|-------------------|----------------|-------|
| | | | 2 | 3 | | | | | | | | | | |
| | | Total | Individual | Group | Medicare Supplement | Vision Only | Dental Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Credit A&H | Disability Income | Long-Term Care | Other |
| 1. | Unearned premium reserves | 1,820,402 | | | | | | | 1,820,402 | | | | | |
| 2. | Additional policy reserves (a) | | | | | | | | | | | | | |
| 3. | Reserve for future contingent benefits | | | | | | | | | | | | | |
| 4. | Reserve for rate credits or experience rating refunds (including \$..... for investment income) | | | | | | | | | | | | | |
| 5. | Aggregate write-ins for other policy reserves | | | | | | | | | | | | | |
| 6. | Totals (gross) | 1,820,402 | | | | | | | 1,820,402 | | | | | |
| 7. | Reinsurance ceded | | | | | | | | | | | | | |
| 8. | Totals (Net) (Page 3, Line 4) | 1,820,402 | | | | | | | 1,820,402 | | | | | |
| 9. | Present value of amounts not yet due on claims | | | | | | | | | | | | | |
| 10. | Reserve for future contingent benefits | | | | | | | | | | | | | |
| 11. | Aggregate write-ins for other claim reserves | | | | | | | | | | | | | |
| 12. | Totals (gross) | | | | | | | | | | | | | |
| 13. | Reinsurance ceded | | | | | | | | | | | | | |
| 14. | Totals (Net) (Page 3, Line 7) | | | | | | | | | | | | | |
| Details of Write-Ins | | | | | | | | | | | | | | |
| 0501. | ..... |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 0502. | ..... |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 0503. | ..... |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 0598. | Summary of remaining write-ins for Line 5 from overflow page | | | | | | | | | | | | | |
| 0599. | Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) | | | | | | | | | | | | | |
| 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) | | | | | | | | | | | | | |

(a) Includes \$ 1,764,000 premium deficiency reserve.

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 (\$..... for occupancy of own building) | 4,672 | 4,672 | 190,678 | | 200,022 |
| 2. Salaries, wages and other benefits | 2,214,891 | 754,763 | 11,493,625 | | 14,463,279 |
| 3. Commissions (less \$..... ceded plus \$..... assumed) | | | 1,375,045 | | 1,375,045 |
| 4. Legal fees and expenses | 179,803 | | 150,213 | | 330,016 |
| 5. Certifications and accreditation fees | | | | | |
| 6. Auditing, actuarial and other consulting services | 200,645 | | 1,949,036 | | 2,149,681 |
| 7. Traveling expenses | 201,120 | | (89,444) | | 111,676 |
| 8. Marketing and advertising | 4,337 | | 2,286,219 | | 2,290,556 |
| 9. Postage, express and telephone | 7,686 | 5,876 | 212,163 | | 225,725 |
| 10. Printing and office supplies | 48,964 | 3,993 | 804,394 | | 857,351 |
| 11. Occupancy, depreciation and amortization | 12,951 | 12,951 | 528,607 | | 554,509 |
| 12. Equipment | 27,857 | | 589,414 | | 617,271 |
| 13. Cost or depreciation of EDP equipment and software | 400,351 | | 1,712,442 | | 2,112,793 |
| 14. Outsourced services including EDP, claims, and other services | 1,123 | | 2,847,682 | | 2,848,805 |
| 15. Boards, bureaus and association fees | 26,039 | | 2,873,775 | | 2,899,814 |
| 16. Insurance, except on real estate | | | | | |
| 17. Collection and bank service charges | | | 187,262 | | 187,262 |
| 18. Group service and administration fees | 29,156 | | 274,968 | | 304,124 |
| 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 | | | | | |
| 23.4 Payroll taxes | | 142,770 | | | 142,770 |
| 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) | 3,359,595 | 925,025 | 27,386,079 | | (a) 31,670,699 |
| 27. Less expenses unpaid December 31, current year | 109,978 | 36,622 | 4,314,847 | | 4,461,447 |
| 28. Add expenses unpaid December 31, prior year | 91,870 | 54,730 | 3,008,750 | | 3,155,350 |
| 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) | 3,341,487 | 943,133 | 26,079,982 | | 30,364,602 |
| 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 \$ 19,561,921 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

| | | 1 | 2 |
|----------------------|---|-----------------------|--------------------|
| | | Collected During Year | Earned During Year |
| 1. | U.S. Government bonds | (a) 432,883 | 402,164 |
| 1.1 | Bonds exempt from U.S. tax | (a) | |
| 1.2 | Other bonds (unaffiliated) | (a) 586,373 | 610,073 |
| 1.3 | Bonds of affiliates | (a) | |
| 2.1 | Preferred stocks (unaffiliated) | (b) | |
| 2.11 | Preferred stocks of affiliates | (b) | |
| 2.2 | Common stocks (unaffiliated) | 335,446 | 1,286,002 |
| 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 | 1,354,701 | 2,298,238 |
| 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) | | 2,298,238 |
| 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 \$112,332 accrual of discount less \$180,155 amortization of premium and less \$ paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ 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 | (182,580) | | (182,580) | | |
| 1.1 | Bonds exempt from U.S. tax | | | | | |
| 1.2 | Other bonds (unaffiliated) | (139,735) | | (139,735) | | |
| 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 | 1,645,700 | | 1,645,700 | (7,417,531) | |
| 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) | 1,323,386 | | 1,323,386 | (7,417,531) | |
| 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..... | 4,119,073 | 3,410,793 | (708,280) |
| 25. | Aggregate write-ins for other-than-invested assets..... | | | |
| 26. | Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)..... | 4,119,073 | 3,410,793 | (708,280) |
| 27. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | | | |
| 28. | Total (Lines 26 and 27)..... | 4,119,073 | 3,410,793 | (708,280) |
| 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. | ..... |  | — | — |
| 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)..... | | | |

EXHIBIT 1 – ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment | Total Members at End of | | | | | 6 Current Year Member Months |
|---|-------------------------|--------------------|---------------------|--------------------|-------------------|------------------------------------|
| | 1 Prior Year | 2 First Quarter | 3 Second Quarter | 4 Third Quarter | 5 Current Year | |
| 1. Health Maintenance Organizations..... | 13,957 | 13,102 | 13,086 | 14,961 | 15,135 | 168,035 |
| 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..... | 13,957 | 13,102 | 13,086 | 14,961 | 15,135 | 168,035 |
| 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 the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of AultCare Health Insuring Corporation are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under 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 or permitted practices by the state of Ohio.

| | SSAP # | F/S Page | F/S Line # | 2024 | 2023 |
|---|--------|----------|------------|------------------------|-----------------------|
| Net Income | | | | | |
| (1) State basis (Page 4, Line 32, Columns 2 & 3) | XXX | XXX | XXX | \$ (11,880,096) | \$ 2,902,812 |
| (2) State prescribed practices that are an increase / (decrease) from NAIC SAP: | | | | | |
| (3) State permitted practices that are an increase / (decrease) from NAIC SAP: | | | | | |
| (4) NAIC SAP (1-2-3=4) | XXX | XXX | XXX | <u>\$ (11,880,096)</u> | <u>\$ 2,902,812</u> |
| Surplus | | | | | |
| (5) State basis (Page 3, Line 33, Columns 3 & 4) | XXX | XXX | XXX | \$ 85,683,843 | \$ 108,666,276 |
| (6) State prescribed practices that are an increase / (decrease) from NAIC SAP: | | | | | |
| (7) State permitted practices that are an increase / (decrease) from NAIC SAP: | | | | | |
| (8) NAIC SAP (5-6-7=8) | XXX | XXX | XXX | <u>\$ 85,683,843</u> | <u>\$ 108,666,276</u> |

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

The preparation of financial statement 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

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds were stated at amortized cost using the straight-line method.
- (3) Common stock is stated at market value.
- (4) The Company had no preferred stock during the periods reported.
- (5) The Company had no mortgage loans during the periods reported.
- (6) The Company had no loan backed securities during the periods reported.
- (7) The Company has investments in subsidiaries and affiliates with a book adjusted carrying value totaling \$55,306,108. Of this amount, \$48,205,522, is invested in AultCare Insurance Company, this represents the statutory equity of AultCare Insurance Company. The Company also has an investment in West Tuscarawas Property Management in the amount of \$9,384,112, carried at GAAP equity.
- (8) The Company had no investments in joint ventures, partnerships, or limited liability companies during the periods reported.
- (9) The Company had no derivatives during the periods reported.
- (10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11) Claims unpaid and claim adjustment expenses include an amount based on individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported (IBNR). Such liabilities are necessarily based on assumptions and estimates. While management believes the amounts to be adequate, the ultimate liabilities may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined. The Company obtains an estimate of the liabilities for unpaid losses from its independent actuary calculations quarterly.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company's pharmacy rebates receivables are estimated based on pharmacy claims eligible for rebates reported during the period multiplied by agreed-upon rates in accordance with SSAP. 84.

D. Going Concern

Management has concluded that there is no substantial doubt of the Company's ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors

The Company had no change in accounting principles and/or correction of errors during the periods reported.

3. Business Combinations and Goodwill - None

4. Discontinued Operations

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

The Company did not discontinue any operations during the periods reported.

- (1) List of discontinued operations disposed of or classified as held for sale - Not Applicable

Notes to the Financial Statements

4. Discontinued Operations (Continued)

- (2) Facts and circumstances of disposal - Not Applicable
- (3) Loss recognized on discontinued operations - Not Applicable
- (4) Carrying amount and fair value of discontinued operations and the effect on assets, liabilities, surplus and income - Not Applicable

B. Change in Plan of Sale of Discontinued Operation

The Company did not discontinue any operations during the periods reported.

C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal

The Company did not discontinue any operations during the periods reported.

D. Equity Interest Retained in the Discontinued Operation After Disposal

The Company did not discontinue any operations during the periods reported.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company had no investment in Mortgage Loan during the periods reported.

- (1) Maximum and minimum lending rates for mortgage loans - Not Applicable
- (2) Maximum percentage of any one loan to the value of security - Not Applicable
- (3) Taxes, assessments and any amounts advanced and not included in mortgage loan total - Not Applicable
- (4) Age analysis of mortgage loans and identification of mortgage loans in which the insurer is a participant or co-lender in a mortgage loan agreement - Not Applicable
- (5) Investment in impaired loans with or without allowance for credit losses and impaired loans subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan - Not Applicable
- (6) Investment in impaired loans - average recorded investment, interest income recognized, recorded investment on nonaccrual status and amount of interest income recognized using a cash-basis method of accounting - Not Applicable
- (7) Allowance for credit losses - Not Applicable
- (8) Mortgage loans derecognized as a result of foreclosure - Not Applicable
- (9) Policy for recognizing interest income and impaired loans - Not Applicable

B. Debt Restructuring

The Company had no investments in Restructured Loans during the periods reported.

C. Reverse Mortgages

The Company had no investments in Reverse Mortgages during the periods reported.

- (1) Accounting policies and methods - Not Applicable
- (2) Commitment under agreement - Not Applicable
- (3) Reserve netted against reverse mortgage assets - Not Applicable
- (4) Investment income or loss recognized as a result of re-estimated cash flows - Not Applicable

D. Loan-Backed Securities

The Company had no investments in Loan-Backed Securities during the periods reported.

- (1) Prepayment assumptions - Not Applicable
- (2) Loan-backed and structured securities with a recognized other-than-temporary impairment (OTTI) - Not Applicable
- (3) Securities held that were other-than-temporarily impaired due to the present value of cash flows expected to be collected was less than the amortized cost of securities - Not Applicable
- (4) All impaired securities for which an OTTI has not been recognized in earnings as a realized loss - Not Applicable
- (5) Support for concluding impairments are not other-than-temporary - Not Applicable

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

The Company had no investments in Repurchase Agreements during the periods reported.

- (1) Policy for requiring collateral or security - Not Applicable
- (2) Carrying amount and classification of assets pledged as collateral and not reclassified and separately reported - Not Applicable
- (3) Collateral received - Not Applicable
- (4) Securities lending transactions administered by an affiliated agent - Not Applicable
- (5) Collateral reinvestment - Not Applicable
- (6) Collateral not permitted by contract or custom to sell or repledge - Not Applicable
- (7) Collateral for securities lending transactions that extend beyond one year from the reporting date - Not Applicable

Notes to the Financial Statements

5. Investments (Continued)

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Repurchase Transaction - Cash Taker - Overview of Secured Borrowing Transactions

The Company had no repurchase agreements accounted for a secured borrowing.

- (1) Information regarding the company policy or strategies for engaging in repo programs, policy for requiring collateral - Not Applicable
- (2) Type of repo trades used - Not Applicable
- (3) Original (flow) & residual maturity - Not Applicable
- (4) Fair value of securities sold and/or acquired that resulted in default - Not Applicable
- (5) Securities "sold" under repo - secured borrowing - Not Applicable
- (6) Securities sold under repo - secured borrowing by NAIC designation - Not Applicable
- (7) Collateral received - secured borrowing - Not Applicable
- (8) Cash & non-cash collateral received - secured borrowing by NAIC designation - Not Applicable
- (9) Allocation of aggregate collateral by remaining contractual maturity - Not Applicable
- (10) Allocation of aggregate collateral reinvested by remaining contractual maturity - Not Applicable
- (11) Liability to return collateral - secured borrowing (total) - Not Applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Repurchase Transaction - Cash Provider - Overview of Secured Borrowing Transactions

The Company had no reverse repurchase agreements accounted for a secured borrowing.

- (1) Information regarding the company policy or strategies for engaging in repo programs, policy for requiring collateral - Not Applicable
- (2) Type of repo trades used - Not Applicable
- (3) Original (flow) & residual maturity - Not Applicable
- (4) Fair value of securities sold and/or acquired that resulted in default - Not Applicable
- (5) Fair value of securities acquired under repo - secured borrowing - Not Applicable
- (6) Securities acquired under repo - secured borrowing by NAIC designation - Not Applicable
- (7) Collateral provided - secured borrowing - Not Applicable
- (8) Allocation of aggregate collateral pledged by remaining contractual maturity - Not Applicable
- (9) Recognized receivable for return of collateral - secured borrowing - Not Applicable
- (10) Recognized liability to return collateral - secured borrowing (total) - Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

Repurchase Transaction - Cash Taker - Overview of Sale Transactions

The Company had no repurchase agreements accounted for as sales.

- (1) Information regarding the company policy or strategies for engaging in repo programs and policy for requiring collateral - Not Applicable
- (2) Type of repo trades used - Not Applicable
- (3) Original (flow) & residual maturity - Not Applicable
- (4) Fair value of securities sold and/or acquired that resulted in default - Not Applicable
- (5) Securities "sold" under repo - sale - Not Applicable
- (6) Securities sold under repo - sale by NAIC designation - Not Applicable
- (7) Proceeds received - sale - Not Applicable
- (8) Cash & non-cash collateral received - sale by NAIC designation - Not Applicable
- (9) Recognized forward resale commitment - Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Repurchase Transaction - Cash Provider - Overview of Sale Transactions

The Company had no reverse repurchase agreements accounted for as sales.

- (1) Information regarding the company policy or strategies for engaging in repo programs, policy for requiring collateral - Not Applicable
- (2) Type of repo trades used - Not Applicable
- (3) Original (flow) & residual maturity - Not Applicable
- (4) Fair value of securities sold and/or acquired that resulted in default - Not Applicable
- (5) Securities acquired under repo - sale - Not Applicable

Notes to the Financial Statements

5. Investments (Continued)

- (6) Securities acquired under repo - sale by NAIC designation - Not Applicable
- (7) Proceeds provided - sale - Not Applicable
- (8) Recognized forward resale commitment - Not Applicable

J. Real Estate

The Company owns \$9,384,112 worth of shares in West Tuscarawas Property Management, an affiliate company that holds certain real estate properties for the production of income.

- (1) Impairment loss - Not Applicable
- (2) Real estate sold or classified held for sale - Not Applicable
- (3) Changes to a plan of sale for an investment in real estate - Not Applicable
- (4) Retail land sales operations - Not Applicable
- (5) Participating mortgage loan features - Not Applicable

K. Low-Income Housing Tax Credits (LIHTC)

The Company has no investments in Low-Income Housing Tax Credits.

- (1) Remaining years of unexpired tax credits - Not Applicable
- (2) Amount of LIHTC and other tax benefits - Not Applicable
- (3) Balance of investment recognized - Not Applicable
- (4) Regulatory reviews - Not Applicable
- (5) Significance of an investment - Not Applicable
- (6) Impaired assets - Not Applicable
- (7) Write-downs and reclassifications - Not Applicable

L. Restricted Assets

- (1) Restricted assets (including pledged)

The Company has a deposit with a fair market value of \$456,358 with Ohio.

| Restricted Asset Category | (1) Total Gross (Admitted & Nonadmitted) Restricted from Current Year | (2) Total Gross (Admitted & Nonadmitted) Restricted From Prior Year | (3) Increase / (Decrease) (1 - 2) | (4) Total Current Year Nonadmitted Restricted | (5) Total Current Year Admitted Restricted (1 - 4) | (6) Gross (Admitted & Nonadmitted) Restricted to Total Assets | (7) Admitted Restricted to Total Admitted Assets |
|--|---|---|--|---|--|---|---|
| a. Subject to contractual obligation for which liability is not shown | \$ | \$ | \$ | \$ | \$ | % | % |
| b. Collateral held under security lending agreements | | | | | | | |
| c. Subject to repurchase agreements | | | | | | | |
| d. Subject to reverse repurchase agreements | | | | | | | |
| e. Subject to dollar repurchase agreements | | | | | | | |
| f. Subject to dollar reverse repurchase agreements | | | | | | | |
| g. Placed under option contracts | | | | | | | |
| h. Letter stock or securities restricted as to sale - excluding FHLB capital stock | | | | | | | |
| i. FHLB capital stock | | | | | | | |
| j. On deposit with states | 456,358 | | 456,358 | | 456,358 | 0.379 | 0.392 |
| k. On deposit with other regulatory bodies | | | | | | | |
| l. Pledged as collateral to FHLB (including assets backing funding agreements) | | | | | | | |
| m. Pledged as collateral not captured in other categories | | | | | | | |
| n. Other restricted assets | | | | | | | |
| o. Total restricted assets (Sum of a through n) | \$ 456,358 | \$ | \$ 456,358 | \$ | \$ 456,358 | 0.379 % | 0.392 % |

- (2) Detail of assets pledged as collateral not captured in other categories (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - Not Applicable
- (3) Detail of other restricted assets (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - Not Applicable
- (4) Collateral received and reflected as assets within the reporting entity's financial statements - Not Applicable

M. Working Capital Finance Investments

The Company had no Working Capital Finance Investments during the periods reported.

- (1) Aggregate working capital finance investments (WCFI) book/adjusted carrying value by NAIC designation - Not Applicable
- (2) Aggregate maturity distribution on the underlying working capital finance programs - Not Applicable
- (3) Events of default of working capital finance investments during the reporting period - Not Applicable

N. Offsetting and Netting of Assets and Liabilities

The Company was not involved in any Offsetting and Netting of Assets and Liabilities during the periods reported.

Notes to the Financial Statements

5. Investments (Continued)

O. 5GI Securities

The Company had no 5* Securities during the periods reported.

P. Short Sales

The Company had no short sale securities.

(1) Unsettled short sale transactions (outstanding as of reporting date) - Not Applicable

(2) Settled short sale transactions - Not Applicable

Q. Prepayment Penalty and Acceleration Fees

The Company had \$17,048 in penalties and/or acceleration fees.

| | General Account |
|--|-----------------|
| (1) Number of CUSIPs..... | |
| (2) Aggregate amount of investment income..... | \$..... 17,048 |

R. Reporting Entity's Share of Cash Pool by Asset Type - Not Applicable

S. Aggregate Collateral Loans by Qualifying Investment Collateral - None

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in Joint Ventures, Partnerships or Limited Liability Companies that Exceed 10% of Admitted Assets

The Company had no investments in joint ventures, partnerships or limited liability companies during the periods reported.

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

The Company had no impaired investments in joint ventures, partnerships or limited liability companies during the periods reported.

7. Investment Income

A. Due and Accrued Income Excluded from Surplus

The Company did not exclude any investment income due and accrued during the periods reported.

B. Total Amount Excluded

The Company did not exclude any investment income due and accrued during the periods reported.

C. The gross, nonadmitted and admitted amounts for interest income due and accrued

| Interest Income Due and Accrued | Amount |
|---------------------------------|-----------------|
| 1. Gross..... | \$..... 242,454 |
| 2. Nonadmitted..... | \$..... |
| 3. Admitted..... | \$..... 242,454 |

D. The aggregate deferred interest - Not Applicable

E. The cumulative amounts of paid-in-kind (PIK) interest included in the current principal balance - Not Applicable

8. Derivative Instruments

A. Derivatives under SSAP No. 86 - Derivatives

(1) The Company did not own derivative financial instruments during the periods reported.

(2) Description of objectives - Not Applicable

(3) Description of accounting policies - Not Applicable

(4) Derivative contracts with financing premiums - Not Applicable

(5) Net gain or loss recognized - Not Applicable

(6) Net gain or loss recognized from derivatives no longer qualifying for hedge accounting - Not Applicable

(7) Derivatives accounted for as cash flow hedges of a forecasted transaction - Not Applicable

(8) Premium Cost for Derivative Contracts - Not Applicable

(9) Derivative Component Values - Not Applicable

B. Derivatives under SSAP No. 108 - Derivative Hedging Variable Annuity Guarantees (Life/Fraternal Only) - Not Applicable

Notes to the Financial Statements

9. Income Taxes

A. Components of the Net Deferred Tax Asset/(Liability)

(1) Change between years by tax character

| | 2024 | | | 2023 | | | Change | | |
|--|--------------|------------|--------------------|-----------|--------------|--------------------|-----------------------|----------------------|--------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | Ordinary | Capital | Total (Col 1+2) | Ordinary | Capital | Total (Col 4+5) | Ordinary (Col 1-4) | Capital (Col 2-5) | Total (Col 7+8) |
| (a) Gross deferred tax assets | \$ 2,651,604 | \$ 196,639 | \$ 2,848,243 | \$ 55,651 | \$ (355,764) | \$ (300,113) | \$ 2,595,953 | \$ 552,403 | \$ 3,148,356 |
| (b) Statutory valuation allowance adjustments | | | | | | | | | |
| (c) Adjusted gross deferred tax assets (1a - 1b) | 2,651,604 | 196,639 | 2,848,243 | 55,651 | (355,764) | (300,113) | 2,595,953 | 552,403 | 3,148,356 |
| (d) Deferred tax assets nonadmitted | | | | | | | | | |
| (e) Subtotal net admitted deferred tax asset (1c - 1d) | \$ 2,651,604 | \$ 196,639 | \$ 2,848,243 | \$ 55,651 | \$ (355,764) | \$ (300,113) | \$ 2,595,953 | \$ 552,403 | \$ 3,148,356 |
| (f) Deferred tax liabilities | 49,297 | 75,584 | 124,881 | | | | 49,297 | 75,584 | 124,881 |
| (g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f) | \$ 2,602,307 | \$ 121,055 | \$ 2,723,362 | \$ 55,651 | \$ (355,764) | \$ (300,113) | \$ 2,546,656 | \$ 476,819 | \$ 3,023,475 |

(2) Admission calculation components SSAP No. 101

| | 2024 | | | 2023 | | | Change | | |
|--|--------------|------------|--------------------|----------|---------|--------------------|-----------------------|----------------------|--------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | Ordinary | Capital | Total (Col 1+2) | Ordinary | Capital | Total (Col 4+5) | Ordinary (Col 1-4) | Capital (Col 2-5) | Total (Col 7+8) |
| (a) Federal income taxes paid in prior years recoverable through loss carrybacks | \$ 2,651,604 | \$ 196,639 | \$ 2,848,243 | | | | \$ 2,651,604 | \$ 196,639 | \$ 2,848,243 |
| (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 (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 | XXX | XXX | | XXX | XXX | | XXX | XXX | |
| (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 | (49,297) | (75,584) | (124,881) | | | | (49,297) | (75,584) | (124,881) |
| (d) Deferred tax assets admitted as the result of application of SSAP No. 101. | | | | | | | | | |
| Total 2(a) + 2(b) + 2(c)) | \$ 2,602,307 | \$ 121,055 | \$ 2,723,362 | | | | \$ 2,602,307 | \$ 121,055 | \$ 2,723,362 |

(3) Ratio used as basis of admissibility

| | 2024 | 2023 |
|--|---------------|----------------|
| (a) Ratio percentage used to determine recovery period and threshold limitation amount | 412.000 % | 631.000 % |
| (b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above | \$ 85,683,483 | \$ 116,337,110 |

(4) Impact of tax-planning strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage

| | 2024 | | 2023 | | Change | |
|--|--------------|------------|-----------|--------------|------------------------|-----------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | Ordinary | Capital | Ordinary | Capital | Ordinary (Col. 1-3) | Capital (Col. 2-4) |
| 1. Adjusted gross DTAs amount from Note 9A1(c) | \$ 2,651,604 | \$ 196,639 | \$ 55,651 | \$ (355,764) | \$ 2,595,953 | \$ 552,403 |
| 2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies | % | % | % | % | % | % |
| 3. Net admitted adjusted gross DTAs amount from Note 9A1(e) | \$ 2,651,604 | \$ 196,639 | \$ 55,651 | \$ (355,764) | \$ 2,595,953 | \$ 552,403 |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | % | % | % | % | % | % |

(b) Use of reinsurance-related tax-planning strategies

Does the company's tax-planning strategies include the use of reinsurance? NO

B. Regarding Deferred Tax Liabilities That Are Not Recognized - Not Applicable

Notes to the Financial Statements

9. Income Taxes (Continued)

C. Major Components of Current Income Taxes Incurred

| Current income taxes incurred consist of the following major components: | | | |
|--|--------------|--------------|---------------------|
| | (1) 2024 | (2) 2023 | (3) Change (1-2) |
| 1. Current Income Tax | | | |
| (a) Federal | \$ 152,840 | \$ (346,197) | \$ 499,037 |
| (b) Foreign | | | |
| (c) Subtotal (1a+1b) | \$ 152,840 | \$ (346,197) | \$ 499,037 |
| (d) Federal income tax on net capital gains | 330,847 | | 330,847 |
| (e) Utilization of capital loss carry-forwards | | | |
| (f) Other | | | |
| (g) Federal and foreign income taxes incurred (1c+1d+1e+1f) | \$ 483,687 | \$ (346,197) | \$ 829,884 |
| | (1) 2024 | (2) 2023 | (3) Change (1-2) |
| 2. Deferred Tax Assets | | | |
| (a) Ordinary | | | |
| (1) Discounting of unpaid losses | \$ 61,458 | \$ 17,850 | \$ 43,608 |
| (2) Unearned premium reserve | 2,222 | 1,389 | 833 |
| (3) Policyholder reserves | 19,453 | 35,733 | (16,280) |
| (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 | 2,558,321 | 501,633 | 2,056,688 |
| (12) Tax credit carry-forward | | | |
| (13) Other | 10,150 | | 10,150 |
| (99) Subtotal (Sum of 2a1 through 2a13) | \$ 2,651,604 | \$ 556,605 | \$ 2,094,999 |
| (b) Statutory valuation allowance adjustment | | | |
| (c) Nonadmitted | | | |
| (d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c) | \$ 2,651,604 | \$ 556,605 | \$ 2,094,999 |
| (e) Capital | | | |
| (1) Investments | \$ 173,966 | \$ 145,145 | \$ 28,821 |
| (2) Net capital loss carry-forward | 22,673 | 11,878 | 10,795 |
| (3) Real estate | | | |
| (4) Other | | | |
| (99) Subtotal (2e1+2e2+2e3+2e4) | \$ 196,639 | \$ 157,023 | \$ 39,616 |
| (f) Statutory valuation allowance adjustment | | | |
| (g) Nonadmitted | | | |
| (h) Admitted capital deferred tax assets (2e99 - 2f - 2g) | 196,639 | 157,023 | 39,616 |
| (i) Admitted deferred tax assets (2d + 2h) | \$ 2,848,243 | \$ 713,628 | \$ 2,134,615 |
| | (1) 2024 | (2) 2023 | (3) Change (1-2) |
| 3. Deferred Tax Liabilities | | | |
| (a) Ordinary | | | |
| (1) Investments | \$ | \$ | \$ |
| (2) Fixed assets | - | | - |
| (3) Deferred and uncollected premium | - | | - |
| (4) Policyholder reserves | - | | - |
| (5) Other | 49,297 | | 49,297 |
| (99) Subtotal (3a1+3a2+3a3+3a4+3a5) | \$ 49,297 | \$ | \$ 49,297 |
| (b) Capital | | | |
| (1) Investments | \$ 75,584 | \$ | \$ 75,584 |
| (2) Real estate | - | | - |
| (3) Other | - | | - |
| (99) Subtotal (3b1+3b2+3b3) | \$ 75,584 | \$ | \$ 75,584 |
| (c) Deferred tax liabilities (3a99 + 3b99) | \$ 124,881 | \$ | \$ 124,881 |
| 4. Net deferred tax assets/liabilities (2i - 3c) | \$ 2,723,362 | \$ 713,628 | \$ 2,009,734 |

Notes to the Financial Statements

9. Income Taxes (Continued)

The change in deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

| | Current Period | Prior Year | Change (Col. 1 - Col. 2) |
|---|----------------|------------|--------------------------|
| Adjusted gross deferred tax assets | \$ | \$ | \$ |
| Total deferred tax liabilities | | | |
| Net deferred tax assets (liabilities) | | | |
| Statutory valuation allowance adjustment | | | |
| Net deferred tax assets (liabilities) after statutory valuation allowance | | | |
| Tax effect of unrealized gains (losses) | | | |
| Change in net deferred income tax | | | \$ |

D. Among the More Significant Book to Tax Adjustments

| | 2024 | Effective Tax Rate |
|--|----------------|--------------------|
| Provision computed at statutory rate | \$ (2,391,021) | 21.000 % |
| Prior year under (over) accrual | (130,497) | 1.146 % |
| Other | 472,201 | -4.147 % |
| Total | \$ (2,049,317) | 17.999 % |
| | 2024 | Effective Tax Rate |
| Federal and foreign income taxes incurred | \$ 152,840 | -1.342 % |
| Realized capital gains (losses) tax | 330,847 | -2.906 % |
| Change in net deferred income taxes | (2,533,004) | 22.247 % |
| Total statutory income taxes | \$ (2,049,317) | 17.999 % |
| | 2023 | Effective Tax Rate |
| Provision computed at statutory rate | \$ 265,283 | 21.000 % |
| Change in nonadmitted assets | | |
| Tax exempt income, net of proration | | |
| Dividends received deduction, net of proration | | |
| Nondeductible expenses | 3,818 | 0.302 % |
| Elimination of IMR Amortization | | |
| Small Life Insurance Company Deduction | | |
| Prior year under (over) accrual | 112,279 | 8.888 % |
| Other | 14,436 | 1.143 % |
| Total | \$ 395,816 | 31.333 % |
| | 2023 | Effective Tax Rate |
| Federal and foreign income taxes incurred | \$ 2,136,614 | 169.136 % |
| Realized capital gains (losses) tax | | |
| Change in net deferred income taxes | (300,608) | -23.796 % |
| Total statutory income taxes | \$ 1,836,006 | 145.340 % |

E. Operating Loss and Tax Credit Carryforwards

- (1) At December 31, 2024, the Company had had \$0 net operating loss carry forwards available to offset against future taxable income.
- (2) Income tax expense available for recoupment
- The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

| | Total |
|------|-------|
| 2022 | \$ - |
| 2023 | - |
| 2024 | - |

- (3) The Company did not have any deposits admitted under Section 6603 of the Internal Revenue Service Code.

F. Consolidated Federal Income Tax Return

- (1) The Company is included in a consolidated federal income tax return with the following affiliates: AultCare Insurance Company; Aultra Administrative Group; North Central Medical Resources; Aultman Medical Group, Inc.; and MainSite Solutions ASO, LLC.

Notes to the Financial Statements

9. Income Taxes (Continued)

(2) The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity in which is a party to the consolidation. In the event any federal Tax Benefit Item of the AultCare Companies for any taxable period after they cease being Members of the Consolidated Group is eligible to be carried back to a taxable period while the AultCare Companies were Members of the Consolidated Group, the AultCare Companies shall, where possible, elect to carry such amounts forward to subsequent taxable periods. If the AultCare Companies are required by law to carry back any such federal Tax Benefit Item, the AultCare Companies shall be entitled to a payment at the time and to the extent that such Tax Benefit Item reduces the federal income Tax liability of the Consolidated Group. For purposes of computing the amount of the payment described in this section, one or more federal Tax Benefit Items shall be considered to have reduced the Consolidated Group's federal income Tax liability in a given taxable period by an amount equal to the difference, if any, between (i) the amount of the Consolidated Group's federal income Tax liability for the taxable period computed without regard to such federal Tax Benefit Item or Items and (ii) the amount of the Consolidated Group's federal income Tax liability for the taxable period computed with regard to such federal Tax Benefit Item or Items. For the avoidance of doubt, if the AultCare Companies are required to carry back a federal Tax Benefit Item, such federal Tax Benefit Item shall reduce the Consolidated Group's federal income Tax liability only after all federal Tax Benefit Items of AultCare Holdings have been applied to reduce the Consolidated Group's federal income Tax liability in such taxable period. Appropriate reconciliation payments shall be made in the event that it is subsequently determined that a Tax Benefit Item did not reduce the Consolidated Group's federal income Tax liabilities, including by reason of any such Tax Benefit Item being subsequently disallowed in whole or in part or by reason of other Tax benefits becoming available.

- G. Federal or Foreign Income Tax Loss Contingencies - Not Applicable
- H. Repatriation Transition Tax (RTT) - Not Applicable
- I. Alternative Minimum Tax (AMT) Credit - Not Applicable

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. A , B., C. The Company had the following transactions with affiliates.

The Company is a party to a Master Services Agreement with Aultman Health Foundation, the ultimate controlling person, under which AHF provides the Company with certain professional management, administration, billing, purchasing, physical plant, and staffing services and support. The Company paid Aultman Health Foundation \$1,488,510 and \$1,367,398, respectively, for services provided under the Master Services Agreement as of December 31, 2024, and 2023, respectively.

The Company has a capitation arrangement with Aultman Hospital and has paid \$47,841,546 and \$44,874,620 in capitated claims for its commercial enrollees as of December 31, 2024 and 2023, respectively. The company paid claims to affiliated companies in the amount of \$14,277,707 and \$12,657,924 as of December 31, 2024 and 2023, respectively.

The Company also is a party to a Management and Administrative Services Agreement with AultCare Corporation under which AultCare Corporation provides the Company with certain specified services, including (among others) management and administrative services, provider networking services, marketing and sales services, and office facilities. The Company paid AultCare Corporation \$18,073,411 and \$14,422,288, respectively, for services provided under the Management and Administrative Services Agreement thru December 31, 2024 and 2023, respectively.

- D. The Company has an intercompany revolving credit facility in place with AultCare Corporation, an affiliate that allows AultCare to borrow and repay operating funds. AultCare Corporation is owed \$727,567 and \$49,616 as of December 31, 2024 and December 31, 2023, respectively.

The Company also has a capitation arrangement with Aultman Hospital for anticipation of future services. As of December 31, 2024, the Company has paid Aultman Hospital \$4,228,475 for these future services.

The Company received approval from ODI to record a capital contribution of \$6,000,000 due to its affiliate, AultCare Insurance Company (AIC), on February 28, 2025, and approval was given by ODI to include this amount in the financial statements as of December 31, 2024.

- E. The Company did not make any guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party which resulted in a material contingent exposure of the Company's assets to any liabilities during the periods reported.
- F. Both Aultman Health Foundation, the ultimate controlling entity, and AultCare Corporation, an affiliate, provided various strategic administrative, marketing, and claims processing services for the Company.
- G. All outstanding shares of the Company were owned by the Company's parent, AultCare Holding Company, a not-for-profit corporation domiciled in the State of Ohio.
- H. The Company did not own any shares, directly or indirectly, of an upstream intermediate entity or ultimate parent during the periods reported.
- I. The Company owns 100% of SCA entity AultCare Insurance Company which is carried at statutory equity as presented in AultCare Insurance Company's Quarterly statement. AultCare Insurance Company has assets valued at \$96,580,086, liabilities valued at \$50,374,565 and statutory surplus of \$48,205,521. The Company invested \$6,000,000 in Aultcare Insurance Company as of December 31, 2024 as approved by the ODI on February 28, 2025 through a capital infusion.
- J. The Company did not realize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.
- K. The Company does not have an investment in a foreign insurance subsidiary.
- L. The Company did not hold an investment in a downstream non insurance holding company during the periods reported.
- M. All SCA Investments

The Company did not hold any other SCA Investments.

- (1) Balance sheet value (admitted and nonadmitted) all SCAs (except 8b(i) entities) - Not Applicable
- (2) NAIC filing response information - Not Applicable

- N. Investment in Insurance SCAs

The Company did not hold any insurance SCA investments that departed from NAIC statutory accounting practices and procedures during the periods reported.

- (1) Not Applicable
- (2) The monetary effect on net income and surplus - Not Applicable

Notes to the Financial Statements

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties (Continued)

- (3) Not Applicable
- O. SCA and SSAP No. 48 Entity Loss Tracking
Per the instructions, the company's losses did not exceed the investment in AultCare Insurance Company.

11. Debt

- A. The Company did not have any debt including capital notes.
- B. FHLB (Federal Home Loan Bank) Agreements
The Company did not have any debt including capital notes.
 - (1) FHLB agreements - Not Applicable
 - (2) FHLB capital stock - Not Applicable
 - (3) Collateral pledged to FHLB - Not Applicable
 - (4) Borrowing from FHLB - Not Applicable

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

- A. Defined Benefit Plan
The Company had no defined benefit plans.
 - (1) Change in benefit obligation - Not Applicable
 - (2) Change in plan assets - Not Applicable
 - (3) Funded status - Not Applicable
 - (4) Components of net periodic benefit cost - Not Applicable
 - (5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost - Not Applicable
 - (6) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost - Not Applicable
 - (7) Weighted-average assumptions used to determine net periodic benefit cost - Not Applicable
 - (8) Accumulated benefit obligation - Not Applicable
 - (9) Multiple non-pension postretirement benefit plans - Not Applicable
 - (10) Estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated - Not Applicable
 - (11) Contributions expected to be paid to the plan during the next fiscal year - Not Applicable
 - (12) Amounts and types of securities of the reporting entity and related parties included in plan assets - Not Applicable
 - (13) Alternative method used to amortize prior service amounts or net gains and losses - Not Applicable
 - (14) Substantive commitments used as the basis for accounting for the benefit obligation - Not Applicable
 - (15) Special or contractual termination benefits recognized during the period - Not Applicable
 - (16) Significant changes in the benefit obligation or plan assets not otherwise disclosed - Not Applicable
 - (17) Funded status of the plan and surplus impact - Not Applicable
- B. Investment Policies and Strategies of Plan Assets
The Company had no defined benefit plans.
- C. Fair Value of Each Class of Plan Assets
The Company had no defined benefit plans.
 - (1) Fair value measurements of plan assets at reporting date - Not Applicable
 - (2) Valuation technique(s) and inputs to measure fair value - Not Applicable
- D. Expected Long-Term Rate of Return for the Plan Assets
The Company had no defined benefit plans.
- E. Defined Contribution Plans
The Company participates in a defined contribution plan sponsored by Aultman Health Foundation. Contributions of 3% of each employee's compensation are made each year to the plan. The Company's contributions for the defined contribution plan were \$335,676 and \$308,826 as of December 31, 2024 and 2023 respectively.
- F. Multiemployer Plans
The Company had no multiemployer plans, consolidated company plans, post-employment plans, compensated absences, or postretirement benefit plans during the periods reported.
- G. Consolidated/Holding Company Plans
The Company had no multiemployer plans, consolidated company plans, post-employment plans, compensated absences, or postretirement benefit plans during the periods reported.

Notes to the Financial Statements

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans (Continued)

- H. Postemployment Benefits and Compensated Absences
- The Company had no multiemployer plans, consolidated company plans, post-employment plans, compensated absences, or postretirement benefit plans during the periods reported.
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)
- The Company had no multiemployer plans, consolidated company plans, post-employment plans, compensated absences, or postretirement benefit plans during the periods reported.
- (1) Recognition of the existence of the Act - Not Applicable
- (2) Effects of the subsidy in measuring the net postretirement benefit cost - Not Applicable
- (3) Disclosure of gross benefit payments - Not Applicable

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

- A. The Company has no common stock outstanding.
- B. The Company had no preferred stock outstanding.
- C. Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Ohio, to an amount that is based on restrictions relating to statutory surplus and net income.
- D. The Company paid \$6,000,000 in dividends as of December 31, 2024 to AultCare Holding Company.
- E. There were no restrictions placed on the Company's profits that may be paid as ordinary dividends to stock holders.
- F. There were no restrictions placed on the Company's surplus.
- G. The Total Amount of advances to surplus not repaid is \$0.
- H. Stock Held for Special Purposes
- The Amounts of stock held by the Company, including stock of affiliated companies, for special purposes was
- (a) For conversion of preferred stock: 0 shares
- (b) For employee stock options: 0 shares
- (c) For stock purchase warrants: 0 shares
- I. The Company did not have changes in the balances of any special surplus funds.
- J. Unassigned Funds (Surplus)
- The Company did not have any surplus funds represented that were reduced.
- K. Company-Issued Surplus Debentures or Similar Obligations
- The Company had no outstanding surplus debentures or similar obligations during the periods reported.
- L. Impact of Any Restatement Due to Prior Quasi-Reorganizations
- The Company had no restatements due to quasi-reorganizations during the periods reported.
- M. The Company was not involved in a quasi-reorganization during the periods reported.

14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments
- The Company is not aware of any material contingent commitments.
- (1) Commitments or contingent commitment(s) to an SCA entity, joint venture, partnership, or limited liability company - Not Applicable
- (2) Nature and circumstances of guarantee - Not Applicable
- (3) Aggregate compilation of guarantee obligations - Not Applicable
- B. Assessments
- The Company is subject to the Ohio Life and Health Insurance Guaranty and do not know of any assessments that could have a material financial effect.
- (1) Not Applicable
- (2) Assets (Liabilities) recognized from paid and accrued premium tax offsets and policy surcharges - Not Applicable
- (3) Guaranty fund liabilities and assets related to long-term care insolvencies - Not Applicable
- C. Gain Contingencies
- The Company had no Gain Contingencies.
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits
- Contingent liabilities arising from litigation, income taxes and other matters were not considered material in relation to the financial position of the Company.

Notes to the Financial Statements

14. Liabilities, Contingencies and Assessments (Continued)

E. Joint and Several Liabilities

Contingent liabilities arising from litigation, income taxes and other matters were not considered material in relation to the financial position of the Company.

F. All Other Contingencies

Contingent liabilities arising from litigation, income taxes and other matters were not considered material in relation to the financial position of the Company.

15. Leases

A. Lessee Operating Lease

(1) Leasing arrangements

The Company has no operating leases. Corporate office facilities expense is covered through the management service agreement with AultCare Corporation in Note 10 above.

(2) For leases having initial or remaining noncancelable lease terms in excess of one year

(a) Minimum aggregate rental commitments at year end

| | Year Ending December 31 | Operating Leases |
|----|---------------------------------|-----------------------|
| 1. | 2025..... | \$..... 31,448 |
| 2. | 2026..... | ..... |
| 3. | 2027..... | ..... |
| 4. | 2028..... | ..... |
| 5. | 2029..... | ..... |
| 6. | Thereafter..... | ..... |
| 7. | Total (sum of 1 through 6)..... | <u>\$..... 31,448</u> |

(b) Sublease minimum rentals to be received - Not Applicable

(3) For sale-leaseback transactions - Not Applicable

B. Lessor Leases

Leasing is not a significant part of the lessor’s business activities in terms of revenue, net income, or assets.

(1) Operating leases - Not Applicable

(2) Leveraged leases - Not Applicable

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

1. Face Amount of the Company's Financial Instruments with Off-Balance-Sheet Risk

The Company had no financial instruments with off-balance sheet risk during the periods reported.

2. Nature of Terms - Not Applicable

3. Exposure to Credit Related Losses - Not Applicable

4. Collateral Policy - Not Applicable

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

A. Transfers of Receivables Reported as Sales

The Company had no transfers of receivables reported as sales.

(1) Proceeds to the transferor - Not Applicable

(2) Gain or loss recorded on the sale - Not Applicable

B. Transfer and Servicing of Financial Assets

The Company had no transfers of financial assets.

(1) Not Applicable

(2) Servicing assets and servicing liabilities - Not Applicable

(3) Not Applicable

(4) Securitizations, asset-backed financing arrangements and similar transfers accounted for as sales when the transferor has continued involvement with the transferred financial assets - Not Applicable

(5) Not Applicable

(6) Not Applicable

(7) Not Applicable

C. Wash Sales

The Company had no wash sales.

(1) Objectives - Not Applicable

Notes to the Financial Statements

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

- (2) Details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 2024 and reacquired within 30 days of the sale date - Not Applicable

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

A. ASO Plans

The Company had no Uninsured A&H Plans or Uninsured Portion of Partially Insured Plans during the periods reported.

B. ASC Plans

The Company had no Uninsured A&H Plans or Uninsured Portion of Partially Insured Plans during the periods reported.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

The Company had no Uninsured A&H Plans or Uninsured Portion of Partially Insured Plans during the periods reported.

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

The Company had no direct premium written or produced by managing general agents or third party administrators during the periods reported.

20. Fair Value Measurements

The fair value of financial instruments represents estimates of fair values at a specific point in time determined by the Company using available market information and appropriate valuation methodologies. These estimates are subjective in nature and involve uncertainties and significant judgement in the interpretation of current market data. Therefore, the fair values presented are not necessarily indicative of amounts the Company could realize or settle currently.

The level in the fair value hierarchy within which fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the hierarchy are as follows:

Level 1: Inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date.

Level 2: Inputs (other than quoted prices included in Level 1 are either directly or indirectly observable for the asset through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability at the measurement date.

A. Fair Value Measurement

- (1) Fair value at reporting date

| | Description for each class of asset or liability | Level 1 | Level 2 | Level 3 | Net Asset Value (NAV) | Total |
|----|--|---------------------------|------------------|------------------|-----------------------|---------------------------|
| a. | Assets at fair value | | | | | |
| | Common Stock..... | \$..... 10,638,886 | \$..... – | \$..... – | \$..... | \$..... 10,638,886 |
| | Total assets at fair value/NAV..... | <u>\$..... 10,638,886</u> | <u>\$..... –</u> | <u>\$..... –</u> | <u>\$.....</u> | <u>\$..... 10,638,886</u> |
| b. | Liabilities at fair value | | | | | |
| | Total liabilities at fair value..... | <u>\$.....</u> | <u>\$.....</u> | <u>\$.....</u> | <u>\$.....</u> | <u>\$.....</u> |

- (2) Fair value measurements in Level 3 of the fair value hierarchy

The Company had no assets with fair value measurements using significant unobservable inputs.

- (3) The Company uses the valuation technique that is based on the quoted prices in the active markets.
(4) The Company has no Level 2 or Level 3 assets.
(5) The Company does not have any derivative assets or liabilities.

B. Other Fair Value Disclosures

The Company does not have any other fair value assets to disclose.

C. Fair Values for All Financial Instruments by Level 1, 2 and 3

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | Level 1 | Level 2 | Level 3 | Net Asset Value (NAV) | Not Practicable (Carrying Value) |
|------------------------------|----------------------|--------------------|--------------------|-----------|---------|-----------------------|----------------------------------|
| Bonds..... | \$..... 12,961,997 | \$..... 12,961,996 | \$..... 12,961,997 | \$..... | \$..... | \$..... | \$..... |
| Industrial and Misc..... | 13,016,789 | 13,106,790 | 6,753,478 | 6,263,311 | | | |
| Common Stock..... | 10,638,886 | 10,638,886 | 10,638,886 | | | | |

D. Not Practicable to Estimate Fair Value

The Company had no fair value instruments or classes of financial instruments where it was not practical to estimate the fair value at either December 31, 2024, or 2023.

E. Nature and Risk of Investments Reported at NAV

The Company had no fair value instruments or classes of financial instruments where it was not practical to estimate the fair value at either December 31, 2024, or 2023.

21. Other Items

A. Unusual or Infrequent Items

The Company did not experience an unusual or infrequent items that resulted in a gain or loss.

Notes to the Financial Statements

21. Other Items (Continued)

- B. Troubled Debt Restructuring
- The Company had no troubled debt to restructure.
- C. Other Disclosures
- There are no other applicable disclosures.
- D. Business Interruption Insurance Recoveries
- The Company did not have any Business Interruption Insurance Recoveries.
- E. State Transferable and Non-Transferable Tax Credits
- The Company did not have any State Transferable Tax Credits.
- (1) Carrying value of transferable and non-transferable state tax credits gross of any related tax liabilities and total unused transferable and non-transferable state tax credits by state and in total - Not Applicable
- (2) Method of estimating utilization of remaining transferable and non-transferable state tax credits - Not Applicable
- (3) Impairment loss - Not Applicable
- (4) State tax credits admitted and nonadmitted - Not Applicable
- F. Subprime-Mortgage-Related Risk Exposure
- The Company had no Subprime Mortgage Related Risk Exposure.
- (1) Subprime mortgage exposure - Not Applicable
- (2) Direct exposure through investments in subprime mortgage loans - Not Applicable
- (3) Direct exposure through other investments - Not Applicable
- (4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage - Not Applicable
- G. Retained Assets
- The Company had no retained assets.
- H. Insurance-Linked Securities (ILS) Contracts
- The Company has no Insurance Linked Securities.
- I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy - Not Applicable

22. Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through the filing date for the statutory statement as of December 31, 2024. The Company received approval from ODI to record a capital contribution of \$6,000,000 to its affiliate, AIC, on February 28, 2025, and approval was given by ODI to include this amount in the financial statements as of December 31, 2024. Besides this capital contribution, the Company is not aware of any other events or transactions that provide evidence with respect to conditions that did not exist at December 31, 2024, but arose after that date, which would have a material effect on its financial condition.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through the filing date for the statutory statement as of December 31, 2024. The Company is not aware of any events or transactions that provide evidence with respect to conditions that did not exist at December 31, 2024, but arose after that date, which would have a material effect on its financial condition.

23. Reinsurance

- A. Ceded Reinsurance Report
- Section 1 – General Interrogatories
- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
- Yes () No (X)
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?
- Yes () No (X)

Notes to the Financial Statements

23. Reinsurance (Continued)

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

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1)

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

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

Yes () No (X)

B. Uncollectible Reinsurance

The Company did not write off any uncollectible reinsurance during the periods reported.

C. Commutation of Reinsurance Reflected in Income and Expenses

The Company did not have any commutation of ceded reinsurance during the periods reported.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

The Company did not have a Reinsurer Rating Downgrade or Status Subject to Revocation during the periods reported.

- (1) Reporting entity ceding to certified reinsurer whose rating was downgraded or status subject to revocation - Not Applicable
- (2) Reporting entity's certified reinsurer rating downgraded or status subject to revocation - Not Applicable

E. Reinsurance Credit - Not Applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate

The Company's participation in the Medicare Advantage program involves a risk-sharing provision with CMS. CMS adjusts its payments to the Company based on how actual benefit cost varied from estimated benefit costs included in the Company Medicare Advantage bid.

B. Method Used to Record

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

C. Amount and Percent of Net Retrospective Premiums

The Company has no group health plans as of December 31, 2024. No other net premiums written by the Company are subject to retrospective rating features.

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

| | (1) | (2) | (3) | (4) | (5) |
|---|------------|----------------------|----------------------|-------------------------------|-------|
| | Individual | Small Group Employer | Large Group Employer | Other Categories with Rebates | Total |
| Prior Reporting Year | | | | | |
| (1) Medical loss ratio rebates incurred | \$ | \$ | \$ | \$ | \$ |
| (2) Medical loss ratio rebates paid | | | | | |
| (3) Medical loss ratio rebates unpaid | | | | | |
| (4) Plus reinsurance assumed amounts | XXX | XXX | XXX | XXX | |
| (5) Less reinsurance ceded amounts | XXX | XXX | XXX | XXX | |
| (6) Rebates unpaid net of reinsurance | XXX | XXX | XXX | XXX | \$ |
| Current Reporting Year-to-Date | | | | | |
| (7) Medical loss ratio rebates incurred | \$ | \$ | \$ | \$ | \$ |
| (8) Medical loss ratio rebates paid | | | | | |
| (9) Medical loss ratio rebates unpaid | | | | | |
| (10) Plus reinsurance assumed amounts | XXX | XXX | XXX | XXX | |
| (11) Less reinsurance ceded amounts | XXX | XXX | XXX | XXX | |
| (12) Rebates unpaid net of reinsurance | XXX | XXX | XXX | XXX | \$ |

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

The Company writes no business subject to the risk-sharing provisions of the Affordable Care Act.

Notes to the Financial Statements

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination (Continued)

- (1) Accident and health insurance premium subject to the Affordable Care Act risk-sharing provisions

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

- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year - Not Applicable

- (3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance - Not Applicable

25. Change in Incurred Claims and Claim Adjustment Expenses

- A. Reasons for Changes in the Provision for Incurred Claim and Claim Adjustment Expenses Attributable to Insured Events of Prior Years

Reserves as of December 31, 2023, were \$17,002,638. As of December 31, 2024, \$16,159,400 had been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$0. Therefore, there has been \$843,238 in unfavorable prior-year development since December 31, 2023. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

- B. Significant Changes in Methodologies and Assumptions Used in Calculating the Liability for Unpaid Claims and Claim Adjustment Expenses

There have been no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses for the current reporting period. The Company utilizes an independent actuary who performs these calculations on an annual basis for year-end reporting.

26. Intercompany Pooling Arrangements

The Company had no intercompany pooling arrangements.

27. Structured Settlements

Note 27 is Not Applicable for Health Entities

The Company had no structured settlements.

28. Health Care Receivables

- A. Pharmaceutical Rebate Receivables

The Company follows the guidance of Statement of Statutory Accounting Principles (SSAP) No. 84 for its pharmacy rebates receivable. Pharmacy rebates receivables consist of estimated amounts and billed amounts. Estimated amounts are related to prescriptions filled during the three months immediately following year-end. Billed amounts represent those that have been accepted in writing, but not collected at the time of the reporting date. Being that the Company does not confirm billed amounts within two months of the reporting date, only estimated amounts are admitted at the time of year-end.

Pharmacy rebates receivables are estimated based on pharmacy claims eligible for rebates reported during the period multiplied by agreed-upon rates. Pharmacy rebates as of the end of each quarter for the years of 2024, 2023 and 2022 are as follows:

| 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 |
|------------|--|---|---|--|--|
| 12/31/2024 | \$ 2,350,787 | \$ 2,461,356 | \$ | \$ | \$ |
| 09/30/2024 | 3,596,164 | 3,992,146 | 1,114,425 | | |
| 06/30/2024 | 2,915,428 | 3,239,363 | 1,026,661 | 2,055,924 | |
| 03/31/2024 | 2,845,858 | 3,160,512 | 1,510,862 | 1,350,682 | 265,478 |
| 12/31/2023 | 2,625,745 | 2,917,295 | 2,620,366 | 208,682 | |
| 09/30/2023 | 2,535,265 | 2,831,851 | 805,051 | 1,746,905 | 269,013 |
| 06/30/2023 | 2,605,021 | 2,762,437 | 873,536 | 1,855,796 | 1,716,167 |
| 03/31/2023 | 2,618,236 | 3,070,411 | 787,011 | 1,925,049 | 14,603 |
| 12/31/2022 | 2,287,703 | 2,614,944 | 2,285,593 | | |
| 09/30/2022 | 2,382,889 | 2,606,832 | 683,505 | 1,686,771 | |
| 06/30/2022 | 2,372,432 | 2,873,195 | 693,744 | 1,646,870 | 23,226 |
| 03/31/2022 | 2,118,429 | 702,992 | 727,613 | 1,520,154 | 120,939 |

- B. Risk-Sharing Receivables

The Company did not have any risk sharing receivables during the periods reported.

29. Participating Policies

The Company does not have participating policies or policyholder dividends.

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves:.....\$1,764,000.....
2. Date of the most recent evaluation of this liability:.....12/31/2024.....
3. Was anticipated investment income utilized in the calculation?.....NO.....

31. Anticipated Salvage and Subrogation

The Company did not have anticipated salvage and subrogation included as a reduction of loss reserves.

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

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

1.3.

State Regulating?

Ohio

1.4.

Is the reporting entity publicly traded or a member of a publicly traded group?

NO

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?

NO

2.2.

If yes, date of change:

3.1.

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

12/31/2023

3.2.

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2020

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).

06/09/2022

3.4.

By what department or departments?
Ohio Department of Insurance

3.5.

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

N/A

3.6.

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

N/A

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?

NO

4.12.

renewals?

NO

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?

NO

4.22.

renewals?

NO

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.

NO

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?

NO

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?

NO

7.2.

If yes,

7.21.

State the percentage of foreign control

%

7.22.

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

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

8.1.

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

NO

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?

NO

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.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

| 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 depository institution holding company?.....NO
- 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?.....N/A
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
CliftonLarsonAllen, LLP, 4505 Stephen Circle NW, Suite 200, Canton, OH 44718
- 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?.....NO
- 10.2. If the response to 10.1 is yes, provide information related to this exemption:
- 10.3. Has the insurer been granted any exemptions related to 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?.....NO
- 10.4. If the 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
- 10.6. If the response to 10.5 is no or n/a, please explain.
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Lee Benefits Consulting, 702 Saxony Drive, Seven Fields, PA 16046 - Actuary - Mr. Duane P. Lee
- 12.1. Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?.....YES
- 12.11 Name of real estate holding company
West Tuscarawas Property Management
- 12.12 Number of parcels involved.....6
- 12.13 Total book / adjusted carrying value.....\$ 9,384,112
- 12.2. If yes, provide explanation
AultCare Health Insuring Corporation owns \$9,384,112 worth of shares of West Tusc Property Mgmt, which is a for profit real estate holding company located in Canton, OH.
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?.....NO
- 13.3. Have there been any changes made to any of the trust indentures during the year?.....NO
- 13.4. If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?.....N/A
- 14.1. Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?.....YES
- 14.11. If the response to 14.1 is no, please explain:
- 14.2. Has the code of ethics for senior managers been amended?.....NO
- 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?.....NO
- 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?.....NO
- 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.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

25.09. For the reporting entity's securities 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.....\$
25.092. Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.....\$
25.093. Total payable for securities lending reported on the liability page.....\$

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 21.1 and 25.03).....NO

26.2. If yes, state the amount thereof at December 31 of the current year:
26.21. Subject to repurchase agreements.....\$
26.22. Subject to reverse repurchase agreements.....\$
26.23. Subject to dollar repurchase agreements.....\$
26.24. Subject to reverse dollar repurchase agreements.....\$
26.25. Placed under option agreements.....\$
26.26. Letter stock or securities restricted as to sale - excluding FHLB Capital Stock.....\$
26.27. FHLB Capital Stock.....\$
26.28. On deposit with states.....\$
26.29. On deposit with other regulatory bodies.....\$
26.30. Pledged as collateral - excluding collateral pledged to an FHLB.....\$
26.31. Pledged as collateral to FHLB - including assets backing funding agreements.....\$
26.32. Other.....\$

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?.....NO

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

27.4. If the response to 27.3 is YES, does the reporting entity utilize:
27.41 Special accounting provision of SSAP No. 108.....
27.42 Permitted accounting practice.....
27.43 Other accounting guidance.....

27.5. By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:.....
• The reporting entity has obtained explicit approval from the domiciliary state.
• Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
• Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial 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?.....NO

28.2. If yes, state the amount thereof at December 31 of the current year.....\$

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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the *NAIC Financial Condition Examiners Handbook*?.....YES

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 |
| Huntington National Bank..... | 220 Market Avenue South, Canton, Oh 44702..... |
| The Vanguard Group..... | P.O. Box 2600 Valley Forge, PA 19482..... |
| Richmond Capital..... | 10800 Midlothian Turnpike, Suite 217, Richmond, VA 23235..... |

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?.....NO

29.04. If yes, give full and complete information relating thereto:

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

| 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. This includes both primary and sub-advisors. 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 |
| Clearstead Advisors LLC- Investment Advisor..... | U..... |
| Huntington Bank - Custodial..... | U..... |
| AultCare Investment Committee..... | A..... |
| Richmond Capital..... | U..... |

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?.....NO.....

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?.....NO.....

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 |
| 105674..... | Clearstead Advisors LLC..... | 549300CYW1YPZG7GYG08..... | SEC-801-33554..... | NO..... |
| 104636..... | Richmond Capital..... | 2549000Y1PM6HPB5PO60..... | 801-17534..... | DS..... |

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.....

30.2. If yes, complete the following schedule:

| 1 | 2 | 3 |
|----------------|--|------------------------------|
| CUSIP # | Name of Mutual Fund | Book/Adjusted Carrying Value |
| 60934N708..... | William Blair Int Equity Fund..... | \$..... 603,279 |
| 89354D338..... | Transamerica Int Equity Fund..... | 597,023 |
| 922908801..... | Vanguard Total Mkt IDX Admiral Fund..... | 4,791,917 |
| 31428Q739..... | Federated Total Bond Return..... | 4,646,667 |
| 30.2999 TOTAL | | \$..... 10,638,886 |

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 |
| WILLIAM BLAIR INT EQUITY FUND..... | Reliance Industries LTD..... | \$..... 34,689 | 12/31/2024 |
| TRANSAMERICA INT EQUITY FUND..... | Nestle SA..... | 14,567 | 12/31/2024 |
| VANGUARD TOTAL MKT IDX ADMIRAL FUND..... | Apple Inc..... | 292,307 | 12/31/2024 |
| Federated Total Return Bond - R6..... | Federated Mortgage Core Portfolio..... | 972,083 | 12/31/2024 |

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..... | \$..... 29,329,556 | \$..... 28,395,138 | \$..... (934,418) |
| 31.2. Preferred Stocks..... | | | |
| 31.3. Totals..... | \$..... 29,329,556 | \$..... 28,395,138 | \$..... (934,418) |

31.4. Describe the sources or methods utilized in determining the fair values:
The market value of the bonds reported on the Huntington Investment statements are used to report Fair Value.

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.....

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?.....NO.....

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.....

33.2. If no, list exceptions:

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

34. By self-designating 5GI securities, the reporting entity is certifying the following elements of 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?.....NO.....
35. By self-designating PLGI securities, the reporting entity is certifying its compliance with the requirements as specified in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) for private letter rating (PLR) securities and the following elements of each self-designated PLGI security:.....

a. The security was either:

i. issued prior to January 1, 2018 (which is exempt from PLR filing requirements pursuant to the P&P Manual), or

ii. issued from January 1, 2018 to December 31, 2021 and subject to a confidentiality agreement executed prior to January 1, 2022 which confidentiality agreement remains in force, for which an insurance company cannot provide a copy of a private letter rating rationale report to the SVO due to confidentiality or other contractual reasons ("waived submission PLR securities").

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

c. The NAIC Designation and NAIC Designation Category were 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, dated during the financial statement year, held by the insurer and available for examination by state insurance regulators.

d. Other than for waived submission PLR securities, defined above, on or after January 1, 2024 for any PLR securities issued on or after January 1, 2022, if the reporting entity is not permitted to share this private credit rating or the private rating letter rationale report of the PL security with the SVO, it certifies that it is reporting it as an NAIC 5.B GI and may not assign any other self-designation.

Has the reporting entity self-designated PLGI to securities, all of which meet the above requirement and as specified in the P&P Manual?.....NO.....
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?.....NO.....
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 completed robust re-underwriting of the transaction for which documentation is available for regulator review.

d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 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?.....N/A.....
- 38.1. Does the reporting entity directly hold cryptocurrencies?.....NO.....
- 38.2. If the response to 38.1 is yes, on what schedule are they reported?.....
- 39.1. Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies?.....NO.....
- 39.2. If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?

39.21 Held directly.....NO.....

39.22 Immediately converted to U.S. dollars.....NO.....
- 39.3. If the response to 38.1 or 39.1 is yes, list all cryptocurrencies accepted for payments of premiums or that are held directly.

| 1 | 2 | 3 |
|------------------------|--|----------------------------------|
| Name of Cryptocurrency | Immediately Converted to USD, Directly Held, or Both | Accepted for Payment of Premiums |
| | | N..... |

OTHER

- 40.1. Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?.....\$..... 1,378,701 ..
- 40.2. 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 |
| | \$..... |
- 41.1. Amount of payments for legal expenses, if any?.....\$..... 330,016 ..
- 41.2. List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

| 1 | 2 |
|-----------------------------|--------------------|
| Name | Amount Paid |
| Squire Patton Bogs LLP..... | \$..... 330,016 .. |

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

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

| 1 | 2 |
|------|-------------|
| Name | Amount Paid |
| | \$..... |

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?..... NO.....
- 1.2 If yes, indicate premium earned on U.S. business only..... \$.....
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?..... \$.....

1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above..... \$.....
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance..... \$.....
- 1.6 Individual policies:

Most current three years:

1.61 Total premium earned..... \$.....

1.62 Total incurred claims..... \$.....

1.63 Number of covered lives.....

All years prior to most current three years:

1.64 Total premium earned..... \$.....

1.65 Total incurred claims..... \$.....

1.66 Number of covered lives.....
- 1.7 Group policies:

Most current three years:

1.71 Total premium earned..... \$.....

1.72 Total incurred claims..... \$.....

1.73 Number of covered lives.....

All years prior to most current three years:

1.74 Total premium earned..... \$.....

1.75 Total incurred claims..... \$.....

1.76 Number of covered lives.....

2. Health Test:

| | | 1 | 2 |
|-----|------------------------------|---------------------|---------------------|
| | | Current Year | Prior Year |
| 2.1 | Premium Numerator..... | \$..... 210,588,936 | \$..... 196,180,778 |
| 2.2 | Premium Denominator..... | \$..... 210,588,936 | \$..... 196,180,778 |
| 2.3 | Premium Ratio (2.1/2.2)..... | 100.000 % | 100.000 % |
| 2.4 | Reserve Numerator..... | \$..... 16,243,600 | \$..... 12,495,032 |
| 2.5 | Reserve Denominator..... | \$..... 18,702,286 | \$..... 17,540,833 |
| 2.6 | Reserve Ratio (2.4/2.5)..... | 86.854 % | 71.234 % |

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?..... NO.....
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?..... YES.....
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?..... NO.....
- 5.1 Does the reporting entity have stop-loss reinsurance?..... YES.....
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical..... \$..... 400,000

5.32 Medical Only..... \$.....

5.33 Medicare Supplement..... \$.....

5.34 Dental and Vision..... \$.....

5.35 Other Limited Benefit Plan..... \$.....

5.36 Other..... \$.....
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
N/A
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?..... YES.....
- 7.2 If no, give details
8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year..... 4,258

8.2 Number of providers at end of reporting year.....
- 9.1 Does the reporting entity have business subject to premium rate guarantees?..... NO.....
- 9.2 If yes, direct premium earned:

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

- 9.21 Business with rate guarantees between 15-36 months.....\$
- 9.22 Business with rate guarantees over 36 months.....\$
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?.....YES
- 10.2 If yes:

10.21 Maximum amount payable bonuses\$ 1,716,882

10.22 Amount actually paid for year bonuses\$ 482,242

10.23 Maximum amount payable withholds\$

10.24 Amount actually paid for year withholds\$
- 11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,.....NO

11.13 An Individual Practice Association (IPA), or,.....NO

11.14 A Mixed Model (combination of above)?.....NO
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?.....YES
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus.....Ohio
- 11.4 If yes, show the amount required.....\$ 1,500,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity?.....NO
- 11.6 If the amount is calculated, show the calculation

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

| |
|----------------------|
| 1 |
| Name of Service Area |
| Ohio..... |

- 13.1 Do you act as a custodian for health savings accounts?.....NO
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date.....\$
- 13.3 Do you act as an administrator for health savings accounts?.....NO
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date.....\$
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?.....N/A
- 14.2. If the answer to 14.1 is yes, please provide the following:

| 1 | 2 | 3 | 4 | Assets Supporting Reserve Credit | | |
|--------------|-------------------------|-----------------------------|----------------|----------------------------------|---------------------|-------|
| | | | | 5 | 6 | 7 |
| Company Name | NAIC Company Code | Domiciliary Jurisdiction | Reserve Credit | Letters of Credit | Trust Agreements | 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.....\$
- 15.2 Total Incurred Claims.....\$
- 15.3 Number of Covered Lives.....

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

FIVE-YEAR HISTORICAL DATA

| | 1 | 2 | 3 | 4 | 5 |
|---|--------------|-------------|-------------|-------------|-------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Balance Sheet (Pages 2 and 3) | | | | | |
| 1. Total admitted assets (Page 2, Line 28) | 116,272,628 | 130,184,674 | 122,249,110 | 127,149,924 | 130,328,813 |
| 2. Total liabilities (Page 3, Line 24) | 30,588,785 | 21,518,398 | 17,382,456 | 13,620,813 | 19,651,783 |
| 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) | 85,683,843 | 108,666,276 | 104,866,655 | 113,529,111 | 110,677,029 |
| Income Statement (Page 4) | | | | | |
| 5. Total revenues (Line 8) | 210,588,936 | 196,180,778 | 191,279,713 | 194,356,560 | 218,371,746 |
| 6. Total medical and hospital expenses (Line 18) | 192,503,117 | 170,887,250 | 164,787,780 | 160,962,516 | 175,538,249 |
| 7. Claims adjustment expenses (Line 20) | 4,284,620 | 2,781,367 | 4,276,190 | 7,556,710 | 7,225,908 |
| 8. Total administrative expenses (Line 21) | 27,386,079 | 25,818,299 | 25,756,176 | 23,661,894 | 24,349,049 |
| 9. Net underwriting gain (loss) (Line 24) | (15,348,880) | (3,306,138) | (3,540,433) | 2,175,440 | 11,258,540 |
| 10. Net investment gain (loss) (Line 27) | 3,356,947 | 5,358,374 | 932,502 | 2,205,039 | 2,347,486 |
| 11. Total other income (Lines 28 plus 29) | | | | | |
| 12. Net income or (loss) (Line 32) | (11,880,096) | 2,902,812 | (2,273,046) | 4,323,659 | 10,864,734 |
| Cash Flow (Page 6) | | | | | |
| 13. Net cash from operations (Line 11) | (12,556,906) | 2,633,443 | 3,968,416 | (5,431,203) | 8,195,622 |
| Risk-Based Capital Analysis | | | | | |
| 14. Total adjusted capital | 85,683,843 | 108,666,276 | 104,866,654 | 113,529,111 | 110,677,028 |
| 15. Authorized control level risk-based capital | 20,757,972 | 17,993,493 | 19,175,778 | 18,233,443 | 20,537,206 |
| Enrollment (Exhibit 1) | | | | | |
| 16. Total members at end of period (Column 5, Line 7) | 15,135 | 13,957 | 14,507 | 15,241 | 16,951 |
| 17. Total members months (Column 6, Line 7) | 168,035 | 169,228 | 175,698 | 185,790 | 206,248 |
| 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) | 91.4 | 87.1 | 86.2 | 82.8 | 80.4 |
| 20. Cost containment expenses | 1.6 | 0.9 | 1.6 | 3.4 | 2.8 |
| 21. Other claims adjustment expenses | 0.4 | 0.5 | 0.6 | 0.5 | 0.5 |
| 22. Total underwriting deductions (Line 23) | 107.3 | 101.7 | 101.9 | 98.9 | 94.8 |
| 23. Total underwriting gain (loss) (Line 24) | (7.3) | (1.7) | (1.9) | 1.1 | 5.2 |
| Unpaid Claims Analysis (U&I Exhibit, Part 2B) | | | | | |
| 24. Total claims incurred for prior years (Line 17, Col. 5) | 17,549,079 | 12,917,785 | 11,508,819 | 9,516,982 | 12,978,886 |
| 25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)] | 17,484,880 | 13,516,128 | 10,347,717 | 12,289,347 | 13,191,215 |
| Investments in Parent, Subsidiaries and Affiliates | | | | | |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) | | | | | |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) | | | | | |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) | 48,205,522 | 49,476,600 | 42,537,404 | 49,727,627 | 50,794,491 |
| 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 | | | 10,495,478 | 10,297,954 | 10,167,579 |
| 32. Total of above Lines 26 to 31 | 48,205,522 | 49,476,600 | 53,032,882 | 60,025,581 | 60,962,070 |
| 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?
If no, please explain

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
Allocated by States and Territories

| | | | 1 | Direct Business Only | | | | | | | | |
|----------------------|--|-----|-------------------|----------------------------|----------------------|--------------------|----------------|---|--|------------------------------|---------------------------|------------------------|
| | | | Active Status (a) | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| States, Etc. | | | | 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 | | 211,008,871 | | | | | | 211,008,871 | |
| 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 | XXX | | | | | | | | | |
| 59. | Subtotal | | XXX | | 211,008,871 | | | | | | 211,008,871 | |
| 60. | Reporting entity contributions for Employee Benefit Plans | | XXX | | | | | | | | | |
| 61. | Total (Direct Business) | | XXX | | 211,008,871 | | | | | | 211,008,871 | |
| Details of Write-Ins | | | | | | | | | | | | |
| 58001. | | | XXX | | | | | | | | | |
| 58002. | | | XXX | | | | | | | | | |
| 58003. | | | XXX | | | | | | | | | |
| 58998. | Summary of remaining write-ins for Line 58 from overflow page. | | XXX | | | | | | | | | |
| 58999. | Totals (Lines 58001 through 58003 plus 58998) (Line 58 above) | | XXX | | | | | | | | | |

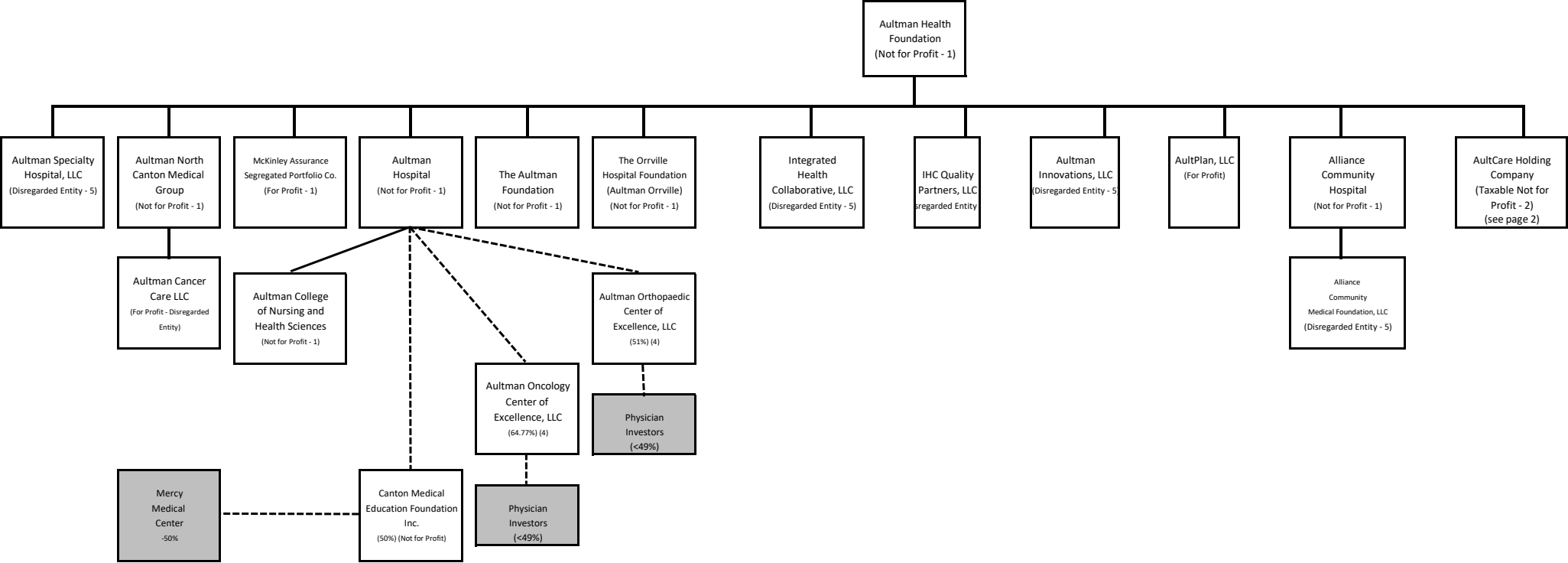
(a) Active Status Counts
1. L – Licensed or Chartered - Licensed insurance carrier or domiciled RRG 1 4. Q – Qualified - Qualified or accredited reinsurer —
2. R – Registered – Non-domiciled RRGs — 5. N – None of the above - Not allowed to write business in the state 56
3. E – Eligible - Reporting entities eligible or approved to write surplus lines in the state —

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Aultman Health Foundation Organization Chart



| Tax Return Key | |
|----------------|--|
| 1 - | 501 (C)(3) - Form 990 |
| 2 - | Taxable - Form 1120 |
| 3 - | Taxable - Consolidated with Parent |
| 4 - | Taxable - Form 1065 |
| 5 - | Single Member LLC (disregarded entity) |

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

