



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2023  
OF THE CONDITION AND AFFAIRS OF THE

## APC Passe, LLC

NAIC Group Code 0671 0671 NAIC Company Code 16298 Employer's ID Number 82-3062789  
(Current) (Prior)

Organized under the Laws of Arkansas, State of Domicile or Port of Entry AR

Country of Domicile United States of America

Licensed as business type: Other

Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized 06/28/2017 Commenced Business 03/01/2018

Statutory Home Office 650 S. Shackleford Road, Suite 440, Little Rock, AR, US 72211  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 5800 Northampton Blvd  
(Street and Number)  
Norfolk, VA, US 23502, 800-331-1476  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 5800 Northampton Blvd, Norfolk, VA, US 23502  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 5800 Northampton Blvd  
(Street and Number)  
Norfolk, VA, US 23502, 800-331-1476  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.elevancehealth.com

Statutory Statement Contact Bette Lou Gronseth, 800-331-1476  
(Name) (Area Code) (Telephone Number)  
bette.gronseth@elevancehealth.com,  
(E-mail Address) (FAX Number)

### OFFICERS

President Jason Christopher Miller Treasurer Vincent Edward Scher  
Secretary Kathleen Susan Kiefer Assistant Treasurer Eric (Rick) Kenneth Noble

### OTHER

Charles Corey Scott, Medical Director (APC)

### DIRECTORS OR TRUSTEES

State of Indiana SS  
County of Marion

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.

DocuSigned by:

*Jason C. Miller*

D2E3B696A75840C...  
JASON CHRISTOPHER MILLER  
President

DocuSigned by:

*Vincent E. Scher*

A85A33722D4143E...  
VINCENT EDWARD SCHER  
Treasurer

DocuSigned by:

*Kathleen Kiefer*

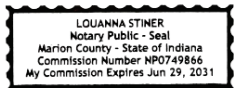
D85175EE05784B1...  
Kathleen Susan Kiefer  
Secretary

Subscribed and sworn to before me this  
25th day of January 2024

*Louanna Stiner*

Louanna Stiner  
Executive Admin Assistant  
06/29/31

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



ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....		0	0	0
2. Stocks (Schedule D):				
2.1 Preferred stocks .....		0	0	0
2.2 Common stocks .....		0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	0		0	0
3.2 Other than first liens.....		0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....	0		0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....		0	0	0
5. Cash (\$ ..... 16,549,701 , Schedule E - Part 1), cash equivalents (\$ ..... 6,000,000 , Schedule E - Part 2) and short-term investments (\$ ..... , Schedule DA) .....	22,549,701	0	22,549,701	50,905,946
6. Contract loans, (including \$ ..... premium notes) .....	0	0	0	0
7. Derivatives (Schedule DB) .....		0	0	0
8. Other invested assets (Schedule BA) .....			0	0
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....		0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	22,549,701	0	22,549,701	50,905,946
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	0	0	0	0
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	0	0	0	0
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	49,735,999	0	49,735,999	98,148,171
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	540,786	0	540,786	1,122,815
17. Amounts receivable relating to uninsured plans .....	0	0	0	516,745
18.1 Current federal and foreign income tax recoverable and interest thereon ....	50,610	0	50,610	87,017
18.2 Net deferred tax asset .....	45,444	0	45,444	157,106
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	638,346	0	638,346	0
24. Health care (\$ ..... ) and other amounts receivable .....	378,196	378,196	0	0
25. Aggregate write-ins for other than invested assets .....	803	803	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	73,939,886	378,999	73,560,887	150,937,800
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27)	73,939,886	378,999	73,560,887	150,937,800
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Prepaid expenses .....	803	803	0	0
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	803	803	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... 33,555,776 reinsurance ceded) .....		0	0	0
2. Accrued medical incentive pool and bonus amounts .....		0	0	0
3. Unpaid claims adjustment expenses.....		0	0	0
4. Aggregate health policy reserves, including the liability of \$ .....0 for medical loss ratio rebate per the Public Health Service Act .....	36,088,677	0	36,088,677	66,594,698
5. Aggregate life policy reserves.....		0	0	0
6. Property/casualty unearned premium reserves.....		0	0	0
7. Aggregate health claim reserves.....		0	0	0
8. Premiums received in advance.....		0	0	0
9. General expenses due or accrued.....	3,608,127	0	3,608,127	7,798,668
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....		0	0	0
10.2 Net deferred tax liability.....		0	0	0
11. Ceded reinsurance premiums payable.....	21,635,271	0	21,635,271	44,912,615
12. Amounts withheld or retained for the account of others.....	148,975	0	148,975	100,917
13. Remittances and items not allocated.....		0	0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ .....0 (including \$ .....0 current).....		0	0	0
15. Amounts due to parent, subsidiaries and affiliates.....		0	0	21,261,030
16. Derivatives.....		0	0	0
17. Payable for securities.....		0	0	0
18. Payable for securities lending .....		0	0	0
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers).....		0	0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....		0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....		0	0	0
22. Liability for amounts held under uninsured plans.....		0	0	0
23. Aggregate write-ins for other liabilities (including \$ ..... 90,326 current).....	773,427	0	773,427	714,839
24. Total liabilities (Lines 1 to 23).....	62,254,477	0	62,254,477	141,382,767
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX	0	0
27. Preferred capital stock.....	XXX	XXX	0	0
28. Gross paid in and contributed surplus.....	XXX	XXX	6,863,745	6,863,745
29. Surplus notes.....	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	4,442,665	2,691,288
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ).....	XXX	XXX	0	0
32.2 ..... shares preferred (value included in Line 27 \$ ..... ).....	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	11,306,410	9,555,033
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	73,560,887	150,937,800
<b>DETAILS OF WRITE-INS</b>				
2301. Escheat Liability .....	773,427		773,427	714,839
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	773,427	0	773,427	714,839
2501. ....	XXX	XXX	0	0
2502. ....	XXX	XXX	0	0
2503. ....	XXX	XXX	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001. ....	XXX	XXX	0	0
3002. ....	XXX	XXX	0	0
3003. ....	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	191,484	213,378
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	0	
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	0	
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX	0	
5. Risk revenue .....	XXX	0	
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	0	0
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		310,344,420	322,963,135
10. Other professional services .....		25,420,292	25,501,225
11. Outside referrals .....		0	
12. Emergency room and out-of-area .....		22,321,804	24,766,960
13. Prescription drugs .....		40,275,185	41,430,751
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		481,725	99,955
16. Subtotal (Lines 9 to 15) .....	0	398,843,426	414,762,026
<b>Less:</b>			
17. Net reinsurance recoveries .....		398,843,426	414,762,026
18. Total hospital and medical (Lines 16 minus 17) .....	0	0	0
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ .....0 cost containment expenses ....		0	0
21. General administrative expenses .....		0	
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	0	0
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	0	0
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		2,410,631	671,217
26. Net realized capital gains (losses) less capital gains tax of \$ .....0 .....		0	
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	2,410,631	671,217
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ .....0 )] .....		0	
29. Aggregate write-ins for other income or expenses .....	0	0	0
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	2,410,631	671,217
31. Federal and foreign income taxes incurred .....	XXX	1,000,844	162,592
32. Net income (loss) (Lines 30 minus 31) .....	XXX	1,409,787	508,625
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX	0	0
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....	0	0	0
2901. Miscellaneous income (expense) .....		0	0
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	0	0

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year.....	9,555,033	8,710,028
34. Net income or (loss) from Line 32 .....	1,409,787	508,625
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	0	
37. Change in net unrealized foreign exchange capital gain or (loss) .....	0	
38. Change in net deferred income tax .....	(119,647)	119,756
39. Change in nonadmitted assets .....	461,237	216,624
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in .....	0	0
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0
48. Net change in capital and surplus (Lines 34 to 47) .....	1,751,377	845,005
49. Capital and surplus end of reporting period (Line 33 plus 48)	11,306,410	9,555,033
<b>DETAILS OF WRITE-INS</b>		
4701. ....		0
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	(53,201,336)	(12,253,977)
2. Net investment income .....	2,411,073	668,979
3. Miscellaneous income .....	0	0
4. Total (Lines 1 through 3) .....	(50,790,263)	(11,584,998)
5. Benefit and loss related payments .....	(48,752,528)	(11,678,094)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	3,674,238	(883,919)
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ .....0 tax on capital gains (losses) .....	964,438	0
10. Total (Lines 5 through 9) .....	(44,113,853)	(12,562,013)
11. Net cash from operations (Line 4 minus Line 10) .....	(6,676,410)	977,015
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	0	0
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	0	0
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	0	0
14. Net increase/(decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	0	0
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	(21,679,835)	30,845,565
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(21,679,835)	30,845,565
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(28,356,245)	31,822,580
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	50,905,946	19,083,366
19.2 End of year (Line 18 plus Line 19.1) .....	22,549,701	50,905,946

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

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ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC  
**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Net premium income .....	0													
2. Change in unearned premium reserves and reserve for rate credit .....	0													
3. Fee-for-service (net of \$ medical expenses) .....	0													XXX
4. Risk revenue .....	0													XXX
5. Aggregate write-ins for other health care related revenues .....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6) .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8. Hospital/medical benefits .....	310,344,420								310,344,420					XXX
9. Other professional services .....	25,420,292								25,420,292					XXX
10. Outside referrals .....	0													XXX
11. Emergency room and out-of-area .....	22,321,804								22,321,804					XXX
12. Prescription drugs .....	40,275,185								40,275,185					XXX
13. Aggregate write-ins for other hospital and medical incentive pool, withhold adjustments and bonus amounts .....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts .....	481,725								481,725					XXX
15. Subtotal (Lines 8 to 14) .....	398,843,426	0	0	0	0	0	0	0	398,843,426	0	0	0	0	XXX
16. Net reinsurance recoveries .....	398,843,426								398,843,426					XXX
17. Total medical and hospital (Lines 15 minus 16) .....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
18. Non-health claims (net) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ cost containment expenses .....	0													
20. General administrative expenses .....	0													
21. Increase in reserves for accident and health contracts .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
22. Increase in reserves for life contracts .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22) .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>														
0501. ....														XXX
0502. ....														XXX
0503. ....														XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	0	0	0	0	0	0	0	0	0	0	0	0	0	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 .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. ....														XXX
1302. ....														XXX
1303. ....														XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) individual .....				0
2. Comprehensive (hospital and medical) group .....				0
3. Medicare Supplement .....				0
4. Vision only .....				0
5. Dental only .....				0
6. Federal Employees Health Benefits Plan .....	0			0
7. Title XVIII - Medicare .....	0			0
8. Title XIX - Medicaid .....	450,969,302		450,969,302	0
9. Credit A&H .....				0
10. Disability Income .....				0
11. Long-Term Care .....				0
12. Other health .....				0
13. Health subtotal (Lines 1 through 12) .....	450,969,302	0	450,969,302	0
14. Life .....	0			0
15. Property/casualty .....	0			0
16. Totals (Lines 13 to 15)	450,969,302	0	450,969,302	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - CLAIMS INCURRED DURING THE YEAR**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Payments during the year:														
1.1 Direct .....	405,457,534								405,457,534					
1.2 Reinsurance assumed .....	0													
1.3 Reinsurance ceded .....	454,691,787								454,691,787					
1.4 Net .....	(49,234,253)	0	0	0	0	0	0	0	(49,234,253)	0	0	0	0	0
2. Paid medical incentive pools and bonuses .....	481,725								481,725					
3. Claim liability December 31, current year from Part 2A:														
3.1 Direct .....	33,555,776	0	0	0	0	0	0	0	33,555,776	0	0	0	0	0
3.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded .....	33,555,776	0	0	0	0	0	0	0	33,555,776	0	0	0	0	0
3.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:														
4.1 Direct .....	0													
4.2 Reinsurance assumed .....	0													
4.3 Reinsurance ceded .....	0													
4.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year .....	0													
6. Net health care receivables (a) .....	(340,356)								(340,356)					
7. Amounts recoverable from reinsurers December 31, current year .....	49,735,999								49,735,999					
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct .....	40,991,964	0	0	0	0	0	0	0	40,991,964	0	0	0	0	0
8.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded .....	40,991,964	0	0	0	0	0	0	0	40,991,964	0	0	0	0	0
8.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:														
9.1 Direct .....	0													
9.2 Reinsurance assumed .....	0													
9.3 Reinsurance ceded .....	0													
9.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year .....	0													
11. Amounts recoverable from reinsurers December 31, prior year .....	98,148,171								98,148,171					
12. Incurred Benefits:														
12.1 Direct .....	398,361,702	0	0	0	0	0	0	0	398,361,702	0	0	0	0	0
12.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded .....	398,843,427	0	0	0	0	0	0	0	398,843,427	0	0	0	0	0
12.4 Net .....	(481,725)	0	0	0	0	0	0	0	(481,725)	0	0	0	0	0
13. Incurred medical incentive pools and bonuses .....	481,725	0	0	0	0	0	0	0	481,725	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Reported in Process of Adjustment:														
1.1 Direct .....	9,261,331								9,261,331					
1.2 Reinsurance assumed .....	0													
1.3 Reinsurance ceded .....	9,261,331								9,261,331					
1.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Incurred but Unreported:														
2.1 Direct .....	24,294,445								24,294,445					
2.2 Reinsurance assumed .....	0													
2.3 Reinsurance ceded .....	24,294,445								24,294,445					
2.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:														
3.1 Direct .....	0													
3.2 Reinsurance assumed .....	0													
3.3 Reinsurance ceded .....	0													
3.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. TOTALS:														
4.1 Direct .....	33,555,776	0	0	0	0	0	0	0	33,555,776	0	0	0	0	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	33,555,776	0	0	0	0	0	0	0	33,555,776	0	0	0	0	0
4.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**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 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) individual .....					0	0
2. Comprehensive (hospital and medical) group .....					0	0
3. Medicare Supplement .....					0	0
4. Vision Only .....					0	0
5. Dental Only .....					0	0
6. Federal Employees Health Benefits Plan .....					0	0
7. Title XVIII - Medicare .....					0	0
8. Title XIX - Medicaid .....	(976,671)	154,590	0	0	(976,671)	0
9. Credit A&H .....					0	0
10. Disability Income .....					0	0
11. Long-Term Care .....					0	0
12. Other health .....					0	0
13. Health subtotal (Lines 1 to 12) .....	(976,671)	154,590	0	0	(976,671)	0
14. Health care receivables (a) .....	51,433	326,763			51,433	718,552
15. Other non-health .....					0	0
16. Medical incentive pools and bonus amounts .....	309,552	172,173			309,552	0
17. Totals (Lines 13 - 14 + 15 + 16)	(718,552)	0	0	0	(718,552)	(718,552)

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

**Section A - Paid Health Claims - Title XIX**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	0	0	0	0	0
2. 2019 .....					0
3. 2020 .....	XXX				0
4. 2021 .....	XXX	XXX			0
5. 2022 .....	XXX	XXX	XXX		(719)
6. 2023 .....	XXX	XXX	XXX	XXX	0

**Section B - Incurred Health Claims - Title XIX**

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 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	0	0	0	0	0
2. 2019 .....					0
3. 2020 .....	XXX				0
4. 2021 .....	XXX	XXX			0
5. 2022 .....	XXX	XXX	XXX		(719)
6. 2023 .....	XXX	XXX	XXX	XXX	0

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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. 2019 .....				0.0	0	0.0			0	0.0
2. 2020 .....	6,821			0.0	0	0.0			0	0.0
3. 2021 .....				0.0	0	0.0			0	0.0
4. 2022 .....		(719)		0.0	(719)	0.0			(719)	0.0
5. 2023 .....				0.0	0	0.0			0	0.0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

**Section A - Paid Health Claims - Grand Total**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	0	0	0	0	0
2. 2019 .....	0	0	0	0	0
3. 2020 .....	XXX	0	0	0	0
4. 2021 .....	XXX	XXX	0	0	0
5. 2022 .....	XXX	XXX	XXX	0	(719)
6. 2023 .....	XXX	XXX	XXX	XXX	0

**Section B - Incurred Health Claims - Grand Total**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	0	0	0	0	0
2. 2019 .....	0	0	0	0	0
3. 2020 .....	XXX	0	0	0	0
4. 2021 .....	XXX	XXX	0	0	0
5. 2022 .....	XXX	XXX	XXX	0	(719)
6. 2023 .....	XXX	XXX	XXX	XXX	0

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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. 2019 .....	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2020 .....	6,821	0	0	0.0	0	0.0	0	0	0	0.0
3. 2021 .....	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2022 .....	0	(719)	0	0.0	(719)	0.0	0	0	(719)	0.0
5. 2023 .....	0	0	0	0.0	0	0.0	0	0	0	0.0

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ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
1. Unearned premium reserves .....	0												
2. Additional policy reserves (a) .....	0												
3. Reserve for future contingent benefits .....	0												
4. Reserve for rate credits or experience rating refunds (including \$ ..... for investment income) .....	36,088,677								36,088,677				
5. Aggregate write-ins for other policy reserves .....	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Totals (gross) .....	36,088,677	0	0	0	0	0	0	0	36,088,677	0	0	0	0
7. Reinsurance ceded .....	0												
8. Totals (Net)(Page 3, Line 4) .....	36,088,677	0	0	0	0	0	0	0	36,088,677	0	0	0	0
9. Present value of amounts not yet due on claims .....	0												
10. Reserve for future contingent benefits .....	0												
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Totals (gross) .....	0	0	0	0	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded .....	0												
14. Totals (Net)(Page 3, Line 7) .....	0	0	0	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS													
0501. ....													
0502. ....													
0503. ....													
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	0	0	0	0	0	0	0	0	0	0	0	0	0
1101. ....													
1102. ....													
1103. ....													
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above) .....	0	0	0	0	0	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ ..... for occupancy of own building) .....					0
2. Salary, wages and other benefits .....					0
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....					0
4. Legal fees and expenses .....					0
5. Certifications and accreditation fees .....					0
6. Auditing, actuarial and other consulting services ...					0
7. Traveling expenses .....					0
8. Marketing and advertising .....					0
9. Postage, express and telephone .....					0
10. Printing and office supplies .....					0
11. Occupancy, depreciation and amortization .....					0
12. Equipment .....					0
13. Cost or depreciation of EDP equipment and software .....					0
14. Outsourced services including EDP, claims, and other services .....					0
15. Boards, bureaus and association fees .....					0
16. Insurance, except on real estate .....					0
17. Collection and bank service charges .....					0
18. Group service and administration fees .....					0
19. Reimbursements by uninsured plans .....					0
20. Reimbursements from fiscal intermediaries .....					0
21. Real estate expenses .....					0
22. Real estate taxes .....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....					0
23.2 State premium taxes .....					0
23.3 Regulatory authority licenses and fees .....					0
23.4 Payroll taxes .....					0
23.5 Other (excluding federal income and real estate taxes) .....					0
24. Investment expenses not included elsewhere .....				6,367	6,367
25. Aggregate write-ins for expenses .....	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25) .....	0	0	0	6,367	(a) 6,367
27. Less expenses unpaid December 31, current year .....			3,608,127		3,608,127
28. Add expenses unpaid December 31, prior year .....			7,798,668		7,798,668
29. Amounts receivable relating to uninsured plans, prior year .....					0
30. Amounts receivable relating to uninsured plans, current year .....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	0	0	4,190,541	6,367	4,196,908
<b>DETAILS OF WRITE-INS</b>					
2501. ....					
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0	0	0

(a) Includes management fees of \$ 18,361,449 to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 0	0
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 0	0
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	0	0
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract Loans	0	0
6. Cash, cash equivalents and short-term investments	(e) 2,416,998	2,416,998
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	0
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	2,416,998	2,416,998
11. Investment expenses		(g) 6,367
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		6,367
17. Net investment income (Line 10 minus Line 16)		2,410,631
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 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 \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 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 \$ 0 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					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)					
<b>NONE</b>					
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)					

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**EXHIBIT OF NON-ADMITTED 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) .....	0		0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0		0
2.2 Common stocks .....	0		0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens.....	0		0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0		0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale .....	0		0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....	0		0
6. Contract loans .....	0		0
7. Derivatives (Schedule DB) .....	0		0
8. Other invested assets (Schedule BA) .....			0
9. Receivables for securities .....	0		0
10. Securities lending reinvested collateral assets (Schedule DL) .....	0		0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....	0		0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	0		0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due ..	0		0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	0		0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	0		0
16.2 Funds held by or deposited with reinsured companies .....	0		0
16.3 Other amounts receivable under reinsurance contracts .....	0		0
17. Amounts receivable relating to uninsured plans .....	0		0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0		0
18.2 Net deferred tax asset .....	0	7,985	7,985
19. Guaranty funds receivable or on deposit .....	0		0
20. Electronic data processing equipment and software .....	0		0
21. Furniture and equipment, including health care delivery assets .....	0	112,640	112,640
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....	0		0
24. Health care and other amounts receivable .....	378,196	718,552	340,356
25. Aggregate write-ins for other than invested assets .....	803	1,059	256
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	378,999	840,236	461,237
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27)	378,999	840,236	461,237
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Prepaids .....	803	1,059	256
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	803	1,059	256

**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 .....	16,785	16,983	15,495	15,044	12,780	191,484
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	16,785	16,983	15,495	15,044	12,780	191,484
<b>DETAILS OF WRITE-INS</b>						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

## NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

The accompanying financial statements of APC Passe, LLC (the “Company”) have been prepared in conformity with the National Association of Insurance Commissioners’ (“NAIC”) *Annual Statement Instructions* and in accordance with accounting practices prescribed by the NAIC *Accounting Practices and Procedures Manual* (“NAIC SAP”), subject to any deviations prescribed or permitted by the State Department of Insurance (the “AID”). The Company employed no permitted practices in preparing the accompanying statutory financial statements.

A reconciliation of the Company’s net income (loss) and capital and surplus between NAIC SAP and practices prescribed and permitted by the AID is shown below:

	<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>2023</u>	<u>2022</u>
<b><u>Net Income</u></b>					
(1) APC Passe, LLC state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 1,409,787	\$ 508,625
(2) State Prescribed Practices that is an increase/(decrease) from NAIC SAP:				—	—
(3) State Permitted Practices that is an increase/(decrease) from NAIC SAP:				—	—
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 1,409,787	\$ 508,625
<b><u>Surplus</u></b>					
(5) APC Passe, LLC state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 11,306,410	\$ 9,555,033
(6) State Prescribed Practices that is an increase/(decrease) from NAIC SAP:				—	—
(7) State Permitted Practices that is an increase/(decrease) from NAIC SAP:				—	—
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 11,306,410	\$ 9,555,033

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

Preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**C. Accounting Policies**

Health premiums are earned over the term of the related insurance policies and reinsurance contracts. Premiums written are reported net of excess loss reinsurance ceded and experience rating refunds. Premiums paid prior to the effective date are recorded on

## NOTES TO FINANCIAL STATEMENTS

the balance sheet as premiums received in advance and are subsequently credited to income as earned during the coverage period. Premium rates are subject to approval by the Centers for Medicare and Medicaid Services. Expenses are charged to operations as incurred.

The Company provides administrative services to various customers on an uninsured basis. Under these arrangements, the customer retains the risk of funding payments for health benefits provided, and the Company may be subject to credit risk of the customer from the time of the Company's claim payment until the Company receives the claim reimbursement. In accordance with SSAP No. 47, *Uninsured Plans*, these claims payments and subsequent reimbursements are excluded from the Company's statutory statement of revenue and expenses. Administrative fees for administering these arrangements are recognized as administrative services are performed and recorded as a reduction to operating expenses.

In addition, the Company uses the following accounting policies:

- (1) The Company has no short-term investments.
- (2) The Company has no bonds.
- (3) The Company has no investments in common stocks of unaffiliated companies.
- (4) The Company has no investments in preferred stocks.
- (5) The Company has no mortgage loans - real estate.
- (6) The Company has no loan-backed securities.
- (7) The Company has no investments in subsidiaries, controlled and affiliated companies.
- (8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) The Company has no derivative instruments.
- (10) The Company recognizes losses from other-than-temporary impairments ("OTTI") of investments in accordance with Statements of Standard Accounting Practice ("SSAP") No. 26R, *Bonds*; and SSAP No. 30, *Common Stock*; and SSAP No. 32R, *Preferred Stock*.
- (11) The Company does not anticipate investment income as a factor in premium deficiency calculations.
- (12) Unpaid claims and claims adjustment expenses include management's best estimate of amounts based on historical claim development patterns and certain individual case estimates. The established liability considers health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Liabilities for unpaid claims and claim adjustment expenses are based on assumptions and estimates, and while management believes such estimates are reasonable, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and changes in estimates are incorporated into current period estimates.
- (13) The Company has not modified its capitalization policy from the prior period.
- (14) Pharmacy rebate receivables are recorded when earned based upon actual rebate receivables billed and an estimate of receivables based upon current utilization of specific pharmaceuticals and provider contract terms.
- (15) The Company sells policies where premiums vary based on loss experience or premium stabilization programs. Retrospectively rated refunds include minimum medical loss ratio ("MLR") rebates. Risk adjustment programs transfer premiums from insurers that enroll members with relatively lower health risks to insurers that enroll members with relatively higher health risks. Reserves for rate credits, risk adjustment programs or policy rating refunds are reported in aggregate policy reserves. Accrued retrospective premiums are reported in premiums receivable.

#### D. Going Concern

Management has assessed the Company's ability to continue as a going concern and noted no issues.

NOTES TO FINANCIAL STATEMENTS

**2. Accounting Changes and Corrections of Errors**

There were no accounting changes or corrections of errors during the years ended December 31, 2023 and 2022.

**3. Business Combinations and Goodwill**

**A. Statutory Purchase Method**

Not applicable.

**B. Statutory Merger**

Not applicable.

**C. Assumption Reinsurance**

Not applicable.

**D. Impairment Loss**

Not applicable.

**E. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill**

Not applicable.

**4. Discontinued Operations**

The Company had no operations that were discontinued during 2023 or 2022.

**5. Investments**

**A. Mortgage Loans, including Mezzanine Real Estate Loans**

The Company did not have investments in mortgage loans at December 31, 2023 or 2022.

**B. Debt Restructuring**

The Company did not have invested assets that were restructured debt at December 31, 2023 or 2022.

**C. Reverse Mortgages**

The Company did not have investments in reverse mortgages at December 31, 2023 or 2022.

**D. Loan-Backed Securities**

- (1) The Company did not have loan-backed securities at December 31, 2023 and 2022.
- (2) The Company did not recognize OTTI on its loan-backed securities during the years ended December 31, 2023 and 2022.
- (3) The Company did not hold OTTI on its loan-backed securities at December 31, 2023 and 2022.
- (4) The Company had no impaired loan-backed securities for which an OTTI had not been recognized in earnings at December 31, 2023 and 2022.
- (5) The Company had no impaired loan-backed securities at December 31, 2023 and 2022.

NOTES TO FINANCIAL STATEMENTS

**E. Dollar Repurchase Agreements and/or Securities Lending Transactions**

The Company did not enter into repurchase agreements or securities lending transactions at December 31, 2023 or 2022.

**F. Repurchase Agreements Transactions Accounted for as Secured Borrowing**

The Company did not enter into repurchase agreement transactions accounted for as secured borrowing at December 31, 2023 or 2022.

**G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing**

The Company did not enter into reverse repurchase agreement transactions accounted for as a secured borrowing at December 31, 2023 or 2022.

**H. Repurchase Agreements Transactions Accounted for as a Sale**

The Company did not enter into repurchase agreement transactions accounted for as a sale at December 31, 2023 or 2022.

**I. Reverse Repurchase Agreements Transactions Accounted for as a Sale**

The Company did not enter into reverse repurchase agreement transactions accounted for as a sale at December 31, 2023 or 2022.

**J. Real Estate**

The Company did not have investments in real estate and did not engage in retail land sales operations during 2023 or 2022.

**K. Investments in Low-Income Housing Tax Credits**

The Company did not invest in properties generating low-income housing tax credits during 2023 or 2022.

NOTES TO FINANCIAL STATEMENTS

**L. Restricted Assets**

(1) Restricted assets (including pledged)

Restricted Asset Category	1	2	3	4	5	6	7
	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross Admitted and Nonadmitted Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown						0.00 %	0.00 %
b. Collateral held under security lending agreements						0.00 %	0.00 %
c. Subject to repurchase agreements						0.00 %	0.00 %
d. Subject to reverse repurchase agreements						0.00 %	0.00 %
e. Subject to dollar repurchase agreements						0.00 %	0.00 %
f. Subject to dollar reverse repurchase agreements						0.00 %	0.00 %
g. Placed under option contracts						0.00 %	0.00 %
h. Letter stock or securities restricted as to sale-excluding FHLB capital stock						0.00 %	0.00 %
i. FHLB capital stock						0.00 %	0.00 %
j. On deposit with states						0.00 %	0.00 %
k. On deposit with other regulatory bodies						0.00 %	0.00 %
l. Pledged as collateral to FHLB (including assets backing funding agreements)						0.00 %	0.00 %
m. Pledged as collateral not captured in other categories						0.00 %	0.00 %
n. Other restricted assets						0.00 %	0.00 %
o. Total Restricted Assets	\$ —	\$ —	\$ —	\$ —	\$ —	0.00 %	0.00 %

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

(b) Column 5 divided by Asset Page, Column 3, Line 28

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

**M. Working Capital Finance Investments**

The Company did not have any working capital finance investments at December 31, 2023 and 2022.

**N. Offsetting and Netting of Assets and Liabilities**

The Company did not have any offsetting or netting of assets and liabilities at December 31, 2023 and 2022.

**O. 5GI Securities**

The Company has no 5GI Securities as of December 31, 2023 and 2022.

**P. Short Sales**

The Company did not have any short sales at December 31, 2023 and 2022.

NOTES TO FINANCIAL STATEMENTS

**Q. Prepayment Penalty and Acceleration Fees**

The Company did not have any prepayment penalty or acceleration fees at December 31, 2023 and 2022.

**R. Reporting Entity's Share of Cash Pool by Asset Type**

The Company did not participate in a cash pool at December 31, 2023 or 2022.

**6. Joint Ventures, Partnerships and Limited Liability Companies**

**A.** The Company has no investments in joint ventures, partnerships, or LLCs.

**B.** Not applicable.

**7. Investment Income**

**A.** All investment income due and accrued with amounts that are over 90 days past due is non-admitted.

**B.** At December 31, 2023 and 2022 there was no nonadmitted accrued investment income.

**C.** At December 31, 2023 and 2022 there was no gross, nonadmitted and admitted amounts for interest income due and accrued.

**D.** At December 31, 2023 and 2022 the Company had no aggregate deferred interest.

**E.** At December 31, 2023 and 2022, the Company had no cumulative amounts of paid-in-kind ("PIK") interest included in the current principal balance.

**8. Derivative Instruments**

The Company has no derivative instruments.

## NOTES TO FINANCIAL STATEMENTS

## 9. Income Taxes

## A. The components of net deferred tax assets (liabilities):

(1) The components of net deferred tax asset (liabilities) are as follows:

	12/31/2023		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 81,298	\$ —	\$ 81,298
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	81,298	—	81,298
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	81,298	—	81,298
(f) Deferred Tax Liabilities	35,854	—	35,854
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 45,444	\$ —	\$ 45,444

	12/31/2022		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 165,091	\$ —	\$ 165,091
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	165,091	—	165,091
(d) Deferred Tax Assets Nonadmitted	7,985	—	7,985
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	157,106	—	157,106
(f) Deferred Tax Liabilities	—	—	—
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 157,106	\$ —	\$ 157,106

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ (83,793)	\$ —	\$ (83,793)
(b) Statutory Valuation Allowance Adjustments	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	(83,793)	—	(83,793)
(d) Deferred Tax Assets Nonadmitted	(7,985)	—	(7,985)
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	(75,808)	—	(75,808)
(f) Deferred Tax Liabilities	35,854	—	35,854
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ (111,662)	\$ —	\$ (111,662)

NOTES TO FINANCIAL STATEMENTS

(2) The amount of admitted adjusted gross deferred tax assets under each component of SSAP No. 101, *Income Taxes* (“SSAP No. 101”) are as follows:

12/31/2023			
(1)	(2)	(3)	
Ordinary	Capital	(Col 1+2)	Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$ 81,298	\$ —	\$ 81,298
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	—	—	—
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.	—	—	—
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	1,409,689
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	—	—	—
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 81,298	\$ —	\$ 81,298

12/31/2022			
(4)	(5)	(6)	
Ordinary	Capital	(Col 4+5)	Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$ 155,110	\$ —	\$ 155,110
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	1,996	—	1,996
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.	1,996	—	1,996
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	1,409,689
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	—	—	—
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 157,106	\$ —	\$ 157,106

Change			
(7)	(8)	(9)	
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total	
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$ (73,812)	\$ —	\$ (73,812)
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	(1,996)	—	(1,996)
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.	(1,996)	—	(1,996)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	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.	—	—	—
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ (75,808)	\$ —	\$ (75,808)

NOTES TO FINANCIAL STATEMENTS

(3)	2023	2022
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	28,915,792 %	18,195.758 %
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 11,260,966	\$ 9,397,927

(4)	12/31/2023		12/31/2022		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital

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.						
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 81,298	\$ —	\$ 165,091	\$ —	\$ (83,793)	\$ —
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	\$ 81,298	\$ —	\$ 157,106	\$ —	\$ (75,808)	\$ —
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes \_\_\_\_\_ No X

**B. The Company has no unrecognized deferred tax liabilities at December 31,2023 and 2022.**

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

(1)	(1) 12/31/2023	(2) 12/31/2022	(3) (Col 1-2) Change
(1) Current Income Tax			
(a) Federal	\$ 1,000,844	\$ 162,592	\$ 838,252
(b) Foreign	—	—	—
(c) Subtotal	1,000,844	162,592	838,252
(d) Federal income tax expense on net capital gains	—	—	—
(e) Utilization of capital loss carry-forwards	—	—	—
(f) Other	—	—	—
(g) Federal and foreign income taxes incurred	\$ 1,000,844	\$ 162,592	\$ 838,252

(2)	(1) 12/31/2023	(2) 12/31/2022	(3) (Col 1-2) Change
(2) Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 1,708	\$ —	\$ 1,708
(2) Unearned premium reserve	—	—	—
(3) Policyholder reserves	—	—	—
(4) Investments	—	—	—

## NOTES TO FINANCIAL STATEMENTS

(5) Deferred acquisition costs	—	—	—
(6) Policyholder dividends accrual	—	—	—
(7) Fixed assets	—	—	—
(8) Compensation and benefits accrual	—	—	—
(9) Pension accrual	—	—	—
(10) Receivables - nonadmitted	79,421	150,896	(71,475)
(11) Net operating loss carry-forward	—	—	—
(12) Tax credit carry-forward	—	—	—
(13) Other	169	14,195	(14,026)
(99) Subtotal	81,298	165,091	(83,793)
(b) Statutory valuation allowance adjustment	—	—	—
(c) Nonadmitted	—	7,985	(7,985)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	81,298	157,106	(75,808)
(e) Capital			
(1) Investments	—	—	—
(2) Net capital loss carry-forward	—	—	—
(3) Real estate	—	—	—
(4) Other	—	—	—
(99) Subtotal	—	—	—
(f) Statutory valuation allowance adjustment	—	—	—
(g) Nonadmitted	—	—	—
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	—	—	—
(i) Admitted deferred tax assets (2d + 2h)	\$ 81,298	\$ 157,106	\$ (75,808)

(1)	(2)	(3)
12/31/2023	12/31/2022	(Col 1-2) Change

(3) Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ —	\$ —	\$ —
(2) Fixed assets	—	—	—
(3) Deferred and uncollected premium	—	—	—
(4) Policyholder reserves	—	—	—
(5) Other	35,854	—	35,854
(99) Subtotal	35,854	—	35,854
(b) Capital			
(1) Investments	—	—	—
(2) Real estate	—	—	—
(3) Other	—	—	—
(99) Subtotal	—	—	—
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 35,854	\$ —	\$ 35,854
(4) Net deferred tax assets/liabilities (2i - 3c)	\$ 45,444	\$ 157,106	\$ (111,662)

## NOTES TO FINANCIAL STATEMENTS

- D.** The Company's income tax expense and change in deferred income taxes differs from the amount obtained by applying the federal statutory income tax rate of 21% for the year ended December 31 as follows:

	<u>2023</u>	<u>2022</u>
Tax expense computed using federal statutory rate	\$ 506,233	\$ 140,956
Change in nonadmitted assets	95,183	44,052
Prior year true-up and adjustments	—	(154,151)
Interest (FIT and SIT)	25,545	—
Other, net	493,530	11,979
Total	<u>\$ 1,120,491</u>	<u>\$ 54,815</u>
Federal income taxes incurred	\$ 1,000,844	\$ 162,592
Change in net deferred income taxes	119,647	(119,756)
Total statutory income taxes	<u>\$ 1,120,491</u>	<u>\$ 42,836</u>

**E. Operating loss carryforwards:**

- (1) The Company has no operating loss carryforwards and no corporate alternative minimum tax ("AMT") credit carryforwards as of December 31, 2023 or 2022.
- (2) The following are income taxes incurred in the current and prior year(s) that will be available for recoupment in the event of future net losses:

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
<b>2023</b>	509,527	—	\$ 509,527
<b>2022</b>	155,940	—	155,940
<b>2021</b>	N/A	—	—

- (3) The Company has no protective tax deposits reported as admitted assets under Section 6603 of the Internal Revenue Service Code as of December 31, 2023 and 2022.

- F.** The Company's Federal Income Tax return is a separate filing. The Company is owned 49% and 51% by two unrelated entities and is not included in either consolidated return. Thus, no tax sharing agreement is in place for federal income taxes.

**G.** Not applicable.

**H. Repatriation Transition Tax (RTT)**

Not applicable.

**I. Alternative Minimum Tax (AMT) Credit**

- (1) On August 16, 2022, the U.S. government enacted the Inflation Reduction Act which includes a new corporate AMT of 15% on the adjusted financial statement of income ("AFSI") of corporations with average AFSI exceeding \$1.0 billion over a three-year period. The corporate AMT is effective beginning after December 31, 2022. The Company has determined that it is not an applicable corporation, therefore it does not expect to be subject to the corporate AMT in 2023.
- (2) Does the Company's tax-planning strategies include the use of corporate AMT?  
Yes \_\_\_\_\_ No   X

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Nature of the Relationship

The Company is an Arkansas domiciled joint venture company and is a wholly-owned subsidiary of 49% Anthem Partnership Holding Company, LLC. (“APHC”) and 51% Arkansas Provider Coalition, LLC. (“APC”). The Company was granted authority by the AID to conduct business in Arkansas as a Risk-Based Provider Organization (“RBPO”), limited to plans established under the Medicaid Provider-Led Organized Care System.

#### B. Significant Transactions for Each Period

There were no significant transactions during the years ended December 31, 2023 and 2022.

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

The Company has no transactions with related parties who are not reported on Schedule Y.

#### D. Amounts Due to or from Related Parties

At December 31, 2023, the Company reported \$638,346 due from affiliates. At December 31, 2023, the Company reported no amounts due to affiliates. At December 31, 2022, the Company reported no amounts due from affiliates. At December 31, 2022, the Company reported \$21,261,030 due to affiliates. The receivable and payable balances represent intercompany transactions that will be settled in accordance with the settlement terms of the intercompany agreement.

#### E. Management and Service Contracts and Cost Sharing Arrangements

The Company has entered into administrative services agreements with its affiliated companies. Pursuant to these agreements, various administrative, management and support services are provided to or provided by the Company. The costs and expenses related to these administrative management and support services are allocated to or allocated by the Company in an amount equal to the direct and indirect costs and expenses incurred in providing these services. Costs include expenses such as salaries, employee benefits, information technology, pharmacy benefits administration, communications, advertising, consulting services, rent, utilities, billing, accounting, underwriting, and product development, which support the Company’s operations. These costs are allocated based on various utilization statistics.

#### F. Guarantees or Contingencies for Related Parties

The Company did not enter into guarantees or undertakings for the benefit of an affiliate which would result in a material contingent exposure of the Company’s or any affiliated insurer’s assets or liabilities.

#### G. Nature of Control Relationships that Could Affect Operations or Financial Position

The Company is a 51/49 joint venture partnership between APC and APHC.

#### H. Amount Deducted for Investment in Upstream Company

The Company does not own shares of upstream intermediate entities or Elevance Health.

NOTES TO FINANCIAL STATEMENTS

**I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets**

The Company does not have investments in affiliates greater than 10% of admitted assets.

**J. Write-down for Impairments of Investments in Subsidiaries, Controlled or Affiliated (“SCA”) Companies**

Not applicable.

**K. Investment in a Foreign Insurance Subsidiary**

The Company does not have investments in foreign insurance subsidiaries.

**L. Investment in Downstream Non-insurance Holding Companies**

The Company does not have investments in downstream non-insurance holding companies.

**M. All SCA Investments**

The Company has no SCA Investments.

**N. Investment in Insurance SCAs**

The Company does not have investments in Insurance SCAs.

**O. SCA or SSAP 48 Entity Loss Tracking**

The Company does not have losses on investments in Insurance SCAs and/or joint ventures, partnerships or LLCs.

**11. Debt**

**A. Capital Notes and Other Debt**

The Company had no capital notes or other debt outstanding at December 31, 2023 and 2022.

**B. FHLB (Federal Home Loan Bank) Agreements**

The Company had no FHLB agreements outstanding at December 31, 2023 and 2022.

**C. All Other Debt**

The Company had no other debt outstanding at December 31, 2023 and 2022.

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

**A. Defined Benefit Plan**

Not applicable.

**B.** Not applicable.

**C.** Not applicable.

NOTES TO FINANCIAL STATEMENTS

**D.** Not applicable.

**E. Defined Contribution Plans**

Not applicable.

**F. Multiemployer Plans**

The Company does not participate in a multiemployer plan.

**G. Consolidated/Holding Company Plans**

Not applicable.

**H. Post Employment Benefits and Compensated Absences**

Not applicable.

**I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)**

Not applicable.

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

**A. Outstanding Shares**

The Company has no outstanding shares.

**B. Preferred Stock**

The Company has no preferred stock outstanding.

**C. Dividend Restrictions**

In accordance with the AID statues, the maximum amount which can be paid by the Company to shareholders without prior approval by the AID is the greater of 10% of total surplus, net gain from operations, or net gain from operations from the 3 calendar years preceding the dividend less dividends paid for those 3 years.

**D. Dividends Paid**

See Footnote 10B.

**E. Maximum Ordinary Dividend During 2023**

Within the limitations of (C) above, the Company may pay \$1,130,641 in ordinary dividends during 2024 without restrictions, other than state notification requirements.

**F. Unassigned Surplus Restrictions**

Unassigned surplus funds are not restricted at December 31, 2023.

**G. Mutual Surplus Advances**

Not applicable.

NOTES TO FINANCIAL STATEMENTS

**H. Company Stock Held for Special Purpose**

There are no shares of stock held for special purposes at December 31, 2023.

**I. Changes in Special Surplus Funds**

There are no special surplus funds at December 31, 2023.

**J. Changes in Unassigned Funds**

There was no portion of unassigned funds represented by cumulative unrealized investment gains and losses at December 31, 2023.

**K. Surplus Notes**

The Company has not issued any surplus notes or debentures or similar obligations.

**L. Restatement due to Prior Quasi-reorganizations**

The Company had no restatements due to prior quasi-reorganizations.

**M. Quasi-reorganizations over Prior 10 Years**

The Company has not been involved in a quasi-reorganization during the past 10 years.

**14. Liabilities, Contingencies and Assessments**

**A. Contingent Commitments**

The Company had no contingent commitments at December 31, 2023 or 2022.

**B. Assessments**

(1) The Company is subject to guaranty fund and other assessments by the state(s) in which it writes business. Guaranty fund assessments are accrued at the time of covered insurer insolvencies. Other assessments are accrued at the time the assessment obligation is incurred.

(2) Not applicable.

(3) Not applicable.

**C. Gain Contingencies**

The Company has no gain contingencies at December 31, 2023 or 2022.

**D. Claims-Related Extra Contractual Obligation and the Bad Faith Losses Stemming From Lawsuits**

Not applicable.

**E. Joint and Several Liabilities**

Not applicable.

## NOTES TO FINANCIAL STATEMENTS

**F. All Other Contingencies***Other Contingencies*

From time to time, the Company and certain of its subsidiaries are parties to various legal proceedings, many of which involve claims for coverage encountered in the ordinary course of business. The Company, like Health Maintenance Organizations (“HMOs”) and health insurers generally, exclude certain healthcare and other services from coverage under their HMO, Preferred Provider Organizations and other plans. The Company is, in the ordinary course of business, subject to the claims of their enrollees arising out of decisions to restrict or deny reimbursement for uncovered services. The loss of even one such claim, if it results in a significant punitive damage award, could have a material adverse effect on the Company. In addition, the risk of potential liability under punitive damage theories may increase significantly the difficulty of obtaining reasonable reimbursement of coverage claims.

The Company is involved in pending and threatened litigation of the character incidental to the business transacted, arising out of its operations and is from time to time involved as a party in various governmental investigations, audits, reviews and administrative proceedings. These investigations, audits and reviews and administrative proceedings include routine and special investigations by state insurance departments, state attorneys general, the U.S. Attorney General and subcommittees of the U.S. Congress. Such investigations, audits, reviews and administrative proceedings could result in the imposition of civil or criminal fines, penalties, other sanctions and additional rules, regulations or other restrictions on the Company’s business operations. Any liability that may result from any one of these actions, or in the aggregate, could have a material adverse effect on the Company’s financial position or results of operations.

The Company has no other known material contingencies.

*Provisions for uncollectible amounts*

At December 31, 2023 and 2022, the Company reported no admitted assets in premium receivables.

**15. Leases****A. Lessee Operating Lease**

(1) The Company leases office space under various noncancelable operating leases. Certain leases have the right to renew. There are no escalation clauses for any lease. Related lease expense for 2023 and 2022 was \$0 and \$201,650, respectively.

(2) At December 31, 2023, the minimum aggregate rental commitments are as follows:

	<u>Year Ending December 31</u>	<u>Operating Leases</u>
1	2024	\$ —
2	2025	—
3	2026	—
4	2027	—
5	2028	—
7	Total (sum of 1 through 6)	<u>\$ —</u>

(3) The Company has not entered into any material sale-leaseback transactions.

**B. Lessor Leases**

(1) The Company has not entered into any operating leases as a lessor.

## NOTES TO FINANCIAL STATEMENTS

(2) The Company has not entered into any leveraged leases.

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

The Company has no significant financial instruments with off-balance sheet risk.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of investment securities. All investment securities are managed by professional investment managers within policies authorized by the board of directors. Such policies limit the amounts that may be invested in any one issuer and prescribe certain investee company criteria. As of December 31, 2023, there were no significant concentrations.

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

#### A. Transfers of Receivables Reported as Sales

Not applicable at December 31, 2023 and 2022.

#### B. Transfer and Servicing of Financial Assets

Not applicable at December 31, 2023 and 2022.

#### C. Wash Sales

(1) In the course of the Company's asset management, securities may be sold and reacquired within 30 days of the sale date to enhance the yield on the investments.

(2) At December 31, 2023 and 2022, there were no wash sales involving securities with an NAIC designation of 3 or below or unrated.

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

#### A. Administrative Services Only ("ASO") Plans

The gain or (loss) from operations from ASO uninsured plans and the uninsured portion of partially insured plans during 2023 was:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of (less than) actual expenses	\$ (41,563)	\$ —	\$ (41,563)
b. Total net other income or expenses (including interest paid to or received from plans)	—	—	—
c. Net gain or (loss) from operations	\$ (41,563)	\$ —	\$ (41,563)
d. Total claim payment volume	\$ 2,007,872	\$ —	\$ 2,007,872

#### B. Administrative Services Contract ("ASC") Plans

Not applicable at December 31, 2023.

#### C. Medicare or Other Similarly Structured Cost-Based Reimbursement Contract

(1) The Company does not record revenue explicitly attributable to the cost share and reinsurance components of administered Medicare products.

## NOTES TO FINANCIAL STATEMENTS

(2)	Receivable from	Related to	2023	2022
	Federal government	ACA and Medicare cost sharing and reinsurance programs	\$ —	\$ —
	State government	ACA cost sharing and reinsurance programs, including Section 1332	\$ —	\$ 516,745
	Uninsured plans	Uninsured business, not including pharmaceutical rebate receivables	\$ —	\$ —

(3) As no revenue is recorded in connection with the cost share and reinsurance components of the Company's Medicare and ACA products, the Company has recorded no allowances and reserves for the adjustment of recorded revenues and receivables.

(4) The Company has made no adjustment to revenue resulting from the audit of cost-reimbursement receivables related to revenues recorded in the prior period.

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

No premiums were written by managing general agents or third party administrators during the years ended December 31, 2023 and 2022.

### 20. Fair Value Measurements

#### A.

#### (1) Fair Value Measurements 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					
Cash equivalents					
Industrial and miscellaneous money market funds	\$ 6,000,000	\$ —	\$ —	\$ —	\$ 6,000,000
Total cash equivalents	\$ 6,000,000	\$ —	\$ —	\$ —	\$ 6,000,000
Total assets at fair value/NAV	\$ 6,000,000	\$ —	\$ —	\$ —	\$ 6,000,000

#### (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

There are no investments in Level 3 as of December 31, 2023 and 2022.

(3) The Company's policy is to recognize transfers between Levels, if any, as of the beginning of the reporting period.

(4) Cash equivalents primarily consist of highly rated money market funds or bonds with original maturities of three months or less. Due to the high ratings and short-term nature, these investments are designated as Level 1. The Company also holds bonds purchased with less than three months to maturity. Fair value of these bonds are based on quoted market prices obtained from third party pricing services which generally use Level 1 or Level 2 inputs.

There have been no significant changes in the valuation techniques during the current period.

## NOTES TO FINANCIAL STATEMENTS

**B. Fair Value Measurements Under Other Accounting Pronouncements**

Not applicable at December 31, 2023 and 2022.

**C. Financial Instruments**

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Cash equivalents	6,000,000	6,000,000	6,000,000	—	—	—	—

**D. Not Practicable to Estimate Fair Value**

There are no financial instruments that were not practicable to estimate fair value.

**E. Investments Measured at Net Asset Value**

The Company has no investments measured at net asset value.

**21. Other Items****A. Unusual or Infrequent Items**

Not applicable at December 31, 2023 and 2022.

**B. Troubled Debt Restructuring: Debtors**

Not applicable at December 31, 2023 and 2022.

**C. Other Disclosures**

Not applicable at December 31, 2023 and 2022.

**D. Business Interruption Insurance Recoveries**

The Company has reported no recoveries for business interruption for the years ended December 31, 2023 and 2022.

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

The Company did not have state transferable or non-transferable tax credits at December 31, 2023 and 2022.

**F. Subprime Mortgage-Related Risk Exposure**

(1) The Company did not hold investments in mortgage-backed securities as of December 31, 2023.

(2) The Company did not carry investments in subprime mortgage loans in its portfolio at December 31, 2023 or 2022.

(3) The Company did not have subprime mortgage-related risk exposure at December 31, 2023 or 2022.

(4) The Company did not underwrite Mortgage Guaranty or Financial Guaranty insurance coverage at December 31, 2023 or 2022.

**G. Retained Assets**

The Company does not have retained assets at December 31, 2023 and 2022.

NOTES TO FINANCIAL STATEMENTS

**H. Insurance-Linked Securities Contracts**

Not applicable.

**I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy**

Not applicable.

**22. Events Subsequent**

Subsequent events have been considered through February 28, 2024 for the statutory statement issued on February 29, 2024, There were no events occurring subsequent to December 31, 2023 requiring recognition or disclosure.

**23. Reinsurance**

**A. Ceded Reinsurance Report**

**Section 1 - General Interrogatories**

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

Yes ( ) No (X)

If yes, give full details.

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

Yes ( ) No (X)

If yes, give full details.

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

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

Yes ( ) No (X)

If yes, give full details.

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

Yes ( ) No (X)

If yes, give full details.

NOTES TO FINANCIAL STATEMENTS

**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.

Not applicable.

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

Yes ( ) No (X)

If yes, give full details.

**B. Uncollectible Reinsurance**

The Company has no uncollectible reinsurance at December 31, 2023 and 2022.

**C. Commutation of Ceded Reinsurance**

The Company has not commuted ceded reinsurance during 2023 and 2022.

**D. Certified Reinsurer Rating Downgraded or Status Subject Revocation**

The Company has no downgraded certified reinsurer ratings or status subject to revocations during 2023 and 2022.

**E. Reinsurance Credit**

- (1) Not applicable.  
(2) Not applicable.  
(3) Not applicable.  
(4) Not applicable.  
(5) Not applicable.

**24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

- A.** The Company sells accident and health policies for which the premiums vary based on loss experience. The Company estimates retrospective premium adjustments through the review of each retrospectively rated account, comparing the claim development with that anticipated in the policy contracts.
- B.** The Company records accrued retrospective premium as an adjustment to earned premium.
- C.** 100% of the net premium written is subject to retrospective rating features.
- D.** Not applicable.

NOTES TO FINANCIAL STATEMENTS

**E. Risk-Sharing Provisions of the ACA**

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? 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.

(4) Roll-forward of Risk Corridors Asset and Liability Balances by Program Benefit Year.

Not applicable.

(5) ACA Risk Corridors Receivable as of Reporting Date.

Not applicable.

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

**A.** Not applicable.

**B.** There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses.

**26. Intercompany Pooling Arrangements**

Not applicable at December 31, 2023 and 2022.

**27. Structured Settlements**

Not applicable at December 31, 2023 and 2022.

NOTES TO FINANCIAL STATEMENTS

**28. Health Care Receivables**

**A. Pharmaceutical Rebate Receivables**

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2023	—	\$ —	\$ —	\$ —	\$ —
9/30/2023	—	—	—	—	—
6/30/2023	1,368	21,057	21,057	—	—
3/31/2023	—	—	—	—	—
12/31/2022	\$ —	\$ —	\$ —	\$ —	—
9/30/2022	—	—	—	—	—
6/30/2022	—	—	—	—	—
3/31/2022	—	—	—	—	—
12/31/2021	\$ —	\$ —	\$ —	\$ —	—
9/30/2021	—	—	—	—	—
6/30/2021	—	—	—	—	—
3/31/2021	—	—	—	—	—

**Note:** Amounts within column "Estimated pharmacy rebates as reported on financial statements" include \$— of uninsured admitted pharmacy rebate receivables at December 31, 2023 that are reported within Pg 2, Ln 17 "Amounts receivable relating to uninsured plans."

**B. Risk Sharing Receivables**

Not applicable at December 31, 2023 and 2022.

**29. Participating Policies**

Not applicable at December 31, 2023 and 2022.

**30. Premium Deficiency Reserves**

1. Liability carried for premium deficiency reserves	\$ —
2. Date of the most recent evaluation of this liability	<u>December 31, 2022</u>
3. Was anticipated investment income utilized in the calculation?	Yes <u>      </u> No <u>  X  </u>

The Company had no liabilities related to premium deficiency reserves as of December 31, 2023 and 2022.

**31. Anticipated Salvage and Subrogation**

The Company took into account estimated anticipated subrogation and other recoveries in its determination of the liability for unpaid claims and reduced the liability by \$157,000 and \$569 at December 31, 2023 and 2022, respectively.

**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? ..... Yes [  ] No [  ]  
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.
  
- 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 [  ] No [  ] N/A [  ]
  
- 1.3 State Regulating? ..... Arkansas
  
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? ..... Yes [  ] 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. .... 0001156039
  
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [  ] No [  ]
  
- 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. .... 12/31/2022
  
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2019
  
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 07/01/2021
  
- 3.4 By what department or departments?  
Arkansas Insurance Department .....
  
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [  ] No [  ] N/A [  ]
  
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [  ] No [  ] 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? ..... Yes [  ] No [  ]  
4.12 renewals? ..... Yes [  ] 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? ..... Yes [  ] No [  ]  
4.22 renewals? ..... Yes [  ] No [  ]
  
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [  ] No [  ]  
If yes, complete and file the merger history data file with the NAIC.
  
- 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 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [  ] No [  ]
  
- 6.2 If yes, give full information:  
.....
  
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [  ] No [  ]
  
- 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 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If the response to 8.1 is yes, please identify the name of the DIHC.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 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? ..... Yes [ ] No [ X ]
- 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? ..... Yes [ ] No [ X ] N/A [ ]
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Ernst & Young LLP, 111 Monument Circle, Suit 4000, Indianapolis, IN 46204 .....
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If 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 [ ] No [ X ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain.  
Risk Based Provider Organization (RBPO) are not considered to be under the requirements of AID Rule 25 and as such as, not required to establish and maintain an audit committee. ....
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?  
Barney Hamann, FSA, MAAA, Director & Actuary III (employee); 5164 Barn Owl Ct., Morrison, CO 80465 .....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [ X ]
- 12.11 Name of real estate holding company ...
- 12.12 Number of parcels involved .....
- 12.13 Total book/adjusted carrying value ..... \$ .....
- 12.2 If yes, provide explanation  
.....
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:  
.....
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC  
**GENERAL INTERROGATORIES**

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? ..... Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

**BOARD OF DIRECTORS**

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? ..... Yes [ X ] No [ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? ..... Yes [ X ] No [ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? ..... Yes [ X ] No [ ]

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |          |   |
|---|----------|---|
| 20.11 To directors or other officers.....               | \$ ..... | 0 |
| 20.12 To stockholders not officers.....                 | \$ ..... | 0 |
| 20.13 Trustees, supreme or grand (Fraternal Only) ..... | \$ ..... | 0 |
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- |   |          |   |
|---|----------|---|
| 20.21 To directors or other officers.....               | \$ ..... | 0 |
| 20.22 To stockholders not officers.....                 | \$ ..... | 0 |
| 20.23 Trustees, supreme or grand (Fraternal Only) ..... | \$ ..... | 0 |
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? ..... Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- |                                 |          |
|---------------------------------|----------|
| 21.21 Rented from others.....   | \$ ..... |
| 21.22 Borrowed from others..... | \$ ..... |
| 21.23 Leased from others .....  | \$ ..... |
| 21.24 Other .....               | \$ ..... |
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? ..... Yes [ ] No [ X ]
- 22.2 If answer is yes:
- |   |          |
|---|----------|
| 22.21 Amount paid as losses or risk adjustment \$ ..... |          |
| 22.22 Amount paid as expenses .....                     | \$ ..... |
| 22.23 Other amounts paid .....                          | \$ ..... |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ ] No [ X ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....636,346
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? ..... Yes [ ] No [ X ]
- 24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

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

**INVESTMENT**

- 25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03)..... Yes [ X ] No [ ]

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC**  
**GENERAL INTERROGATORIES**

- 25.02 If no, give full and complete information, relating thereto  
 .....
- 25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
 .....
- 25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. .... \$ .....
- 25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. .... \$ .....
- 25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? ..... Yes [ ] No [ ] N/A [ X ]
- 25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? ..... Yes [ ] No [ ] N/A [ X ]
- 25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? ..... Yes [ ] No [ ] N/A [ X ]
- 25.09 For the reporting entity's 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. .... \$ ..... 0
- 25.092 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 ..... \$ ..... 0
- 25.093 Total payable for securities lending reported on the liability page. .... \$ ..... 0

- 26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). .... Yes [ ] No [ X ]
- 26.2 If yes, state the amount thereof at December 31 of the current year:
- 26.21 Subject to repurchase agreements ..... \$ ..... 0
- 26.22 Subject to reverse repurchase agreements ..... \$ ..... 0
- 26.23 Subject to dollar repurchase agreements ..... \$ ..... 0
- 26.24 Subject to reverse dollar repurchase agreements ..... \$ ..... 0
- 26.25 Placed under option agreements ..... \$ ..... 0
- 26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock ..... \$ ..... 0
- 26.27 FHLB Capital Stock ..... \$ ..... 0
- 26.28 On deposit with states ..... \$ ..... 0
- 26.29 On deposit with other regulatory bodies ..... \$ ..... 0
- 26.30 Pledged as collateral - excluding collateral pledged to an FHLB ..... \$ ..... 0
- 26.31 Pledged as collateral to FHLB - including assets backing funding agreements ..... \$ ..... 0
- 26.32 Other ..... \$ ..... 0

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 27.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes [ ] No [ X ]
- 27.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ] N/A [ X ]  
 If no, attach a description with this statement.

**LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:**

- 27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? ..... Yes [ ] No [ X ]
- 27.4 If the response to 27.3 is YES, does the reporting entity utilize:
- 27.41 Special accounting provision of SSAP No. 108 ..... Yes [ ] No [ ]
- 27.42 Permitted accounting practice ..... Yes [ ] No [ ]
- 27.43 Other accounting guidance ..... Yes [ ] No [ ]
- 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: ..... Yes [ ] No [ ]
- The reporting entity has obtained explicit approval from the domiciliary state.
  - Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
  - Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
  - Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.
- 28.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? ..... Yes [ ] No [ X ]
- 28.2 If yes, state the amount thereof at December 31 of the current year. .... \$ .....
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 [ X ] No [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase Bank, N.A .....	383 Madison Ave, New York, NY 10179 .....

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC**  
**GENERAL INTERROGATORIES**

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 Name(s)	2 Location(s)	3 Complete Explanation(s)

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?..... Yes [ ] No [ X ]

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

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

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

1 Name of Firm or Individual	2 Affiliation
Elevance Health, Inc. ....	I.....

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [ ] No [ X ]

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

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

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

30.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
30.2999 - Total		0

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

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC  
**GENERAL INTERROGATORIES**

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 .....			0
31.2 Preferred stocks .....	0		0
31.3 Totals	0	0	0

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

Fair values were obtained from third-party pricing sources. If a security was not priced by a third-party pricing source, internal analytical systems or broker quotes were utilized. ....

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 [ ] No [ X ]

32.2 If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ ] 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 [ X ] No [ ]

33.2 If no, list exceptions:  
 .....

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? ..... Yes [ ] No [ X ]

35. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:  
 a. The security was purchased prior to January 1, 2018.  
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
 c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
 d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
 Has the reporting entity self-designated PLGI securities? ..... Yes [ ] No [ X ]

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:  
 a. The shares were purchased prior to January 1, 2019.  
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
 c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.  
 d. The fund only or predominantly holds bonds in its portfolio.  
 e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.  
 f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.  
 Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? ..... Yes [ ] No [ X ]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:  
 a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.  
 b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.  
 c. If the investment is with a related party or affiliate, then the reporting entity has 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? ..... Yes [ ] No [ X ] N/A [ ]

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC  
**GENERAL INTERROGATORIES**

38.1 Does the reporting entity directly hold cryptocurrencies? ..... Yes [ ] No [ X ]

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? ..... Yes [ ] No [ X ]

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 ..... Yes [ ] No [ ]  
 39.22 Immediately converted to U.S. dollars ..... Yes [ ] 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

**OTHER**

40.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? ..... \$ .....

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? ..... \$ ..... 11,493,669

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

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? ..... Yes [ ] No [ X ]

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. .... \$ \_\_\_\_\_ 0

1.6 Individual policies: Most current three years:

1.61 Total premium earned ..... \$ ..... 0

1.62 Total incurred claims ..... \$ ..... 0

1.63 Number of covered lives ..... 0

All years prior to most current three years:

1.64 Total premium earned ..... \$ ..... 0

1.65 Total incurred claims ..... \$ ..... 0

1.66 Number of covered lives ..... 0

1.7 Group policies: Most current three years:

1.71 Total premium earned ..... \$ ..... 0

1.72 Total incurred claims ..... \$ ..... 0

1.73 Number of covered lives ..... 0

All years prior to most current three years:

1.74 Total premium earned ..... \$ ..... 0

1.75 Total incurred claims ..... \$ ..... 0

1.76 Number of covered lives ..... 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	0	0
2.2 Premium Denominator .....	0	0
2.3 Premium Ratio (2.1/2.2) .....	0.000	0.000
2.4 Reserve Numerator .....	36,088,677	66,594,698
2.5 Reserve Denominator .....	36,088,677	66,594,698
2.6 Reserve Ratio (2.4/2.5) .....	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? ..... Yes [ ] No [ X ]

3.2 If yes, give particulars:  
.....

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? ..... Yes [ X ] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? ..... Yes [ ] No [ ]

5.1 Does the reporting entity have stop-loss reinsurance? ..... Yes [ ] No [ X ]

5.2 If no, explain:  
The Company cedes 100% per a quota share reinsurance contract .....

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical ..... \$ .....

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

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

5.34 Dental & 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:  
Physician and hospital contracts contain provisions, including hold harmless agreements, to protect members and dependents against insolvency. ....

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?..... Yes [ X ] No [ ]

7.2 If no, give details  
The Company has no claims liability. ....

8. Provide the following information regarding participating providers: 8.1 Number of providers at start of reporting year ..... 21,622

8.2 Number of providers at end of reporting year ..... 20,825

9.1 Does the reporting entity have business subject to premium rate guarantees? ..... Yes [ ] No [ X ]

9.2 If yes, direct premium earned: 9.21 Business with rate guarantees between 15-36 months.. \$.....

9.22 Business with rate guarantees over 36 months ..... \$.....

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC  
**GENERAL INTERROGATORIES**

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes [ ] No [ X ]

10.2 If yes:

10.21 Maximum amount payable bonuses.....\$ .....

10.22 Amount actually paid for year bonuses.....\$ .....

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, ..... Yes [ ] No [ X ]

11.13 An Individual Practice Association (IPA), or, ..... Yes [ ] No [ X ]

11.14 A Mixed Model (combination of above)? .... Yes [ ] No [ X ]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? ..... Yes [ X ] No [ ]

11.3 If yes, show the name of the state requiring such minimum capital and surplus. .... Arkansas

11.4 If yes, show the amount required. .... \$ 6,000,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes [ ] No [ X ]

11.6 If the amount is calculated, show the calculation  
 Per Rule 117 Section 7 and Ark. Code Ann. § 20-77-2706(f)(4); minimum net worth requirement \$6,000,000 .....

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

1 Name of Service Area
State-wide .....
.....

13.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. .... \$ .....

13.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]

13.4 If yes, please provide the balance of funds administered as of the reporting date. .... \$ .....

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? ..... Yes [ ] No [ X ] N/A [ ]

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

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

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written ..... \$ .....

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 gurantee)
Universal Life (with or without secondary gurantee)
Variable Universal Life (with or without secondary gurantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? ..... Yes [ ] No [ X ]

16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? ..... Yes [ ] No [ X ]

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC

**FIVE-YEAR HISTORICAL DATA**

	1 2023	2 2022	3 2021	4 2020	5 2019
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	73,560,887	150,937,800	139,421,017	98,444,542	154,568,115
2. Total liabilities (Page 3, Line 24) .....	62,254,477	141,382,767	130,710,989	90,642,813	147,947,797
3. Statutory minimum capital and surplus requirement .....	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
4. Total capital and surplus (Page 3, Line 33) .....	11,306,410	9,555,033	8,710,028	7,801,729	6,620,318
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	0	0	0	6,821,136	0
6. Total medical and hospital expenses (Line 18) .....	0	0	0	0	0
7. Claims adjustment expenses (Line 20) .....	0	0	0	0	0
8. Total administrative expenses (Line 21) .....	0	0	0	5,424,510	(1,092,461)
9. Net underwriting gain (loss) (Line 24) .....	0	0	0	1,396,626	1,092,461
10. Net investment gain (loss) (Line 27) .....	2,410,631	671,217	225,078	176,877	1,027,312
11. Total other income (Lines 28 plus 29) .....	0	0	0	0	0
12. Net income or (loss) (Line 32) .....	1,409,787	508,625	566,869	262,879	1,662,558
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	(6,676,410)	977,015	30,431,222	(15,821,915)	3,909,816
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	11,306,410	9,555,033	8,710,028	7,801,729	6,620,318
15. Authorized control level risk-based capital .....	38,944	51,649	228,239	968,627	156,902
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	12,780	16,785	17,001	15,547	14,996
17. Total members months (Column 6, Line 7) .....	191,484	213,378	197,324	172,813	150,137
<b>Operating Percentage</b> (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) .....	0.0	0.0	0.0	0.0	0.0
20. Cost containment expenses .....	0.0	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses .....	0.0	0.0	0.0	0.0	0.0
22. Total underwriting deductions (Line 23) .....	0.0	0.0	0.0	79.5	0.0
23. Total underwriting gain (loss) (Line 24) .....	0.0	0.0	0.0	20.5	0.0
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5) .....	(718,552)	0	0	0	0
25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)] .....	(718,552)	0	0	0	0
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
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) .....					
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. Total of above Lines 26 to 31 .....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.					

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

# SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

## Allocated by States and Territories

States, etc.	1 Active Status (a)	Direct Business Only									
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums & Other Considerations	8 Property/Casualty Premiums	9 Total Columns 2 Through 8	10 Deposit-Type Contracts	
1. Alabama	AL	N								0	
2. Alaska	AK	N								0	
3. Arizona	AZ	N								0	
4. Arkansas	AR	L		450,969,302						450,969,302	
5. California	CA	N								0	
6. Colorado	CO	N								0	
7. Connecticut	CT	N								0	
8. Delaware	DE	N								0	
9. District of Columbia	DC	N								0	
10. Florida	FL	N								0	
11. Georgia	GA	N								0	
12. Hawaii	HI	N								0	
13. Idaho	ID	N								0	
14. Illinois	IL	N								0	
15. Indiana	IN	N								0	
16. Iowa	IA	N								0	
17. Kansas	KS	N								0	
18. Kentucky	KY	N								0	
19. Louisiana	LA	N								0	
20. Maine	ME	N								0	
21. Maryland	MD	N								0	
22. Massachusetts	MA	N								0	
23. Michigan	MI	N								0	
24. Minnesota	MN	N								0	
25. Mississippi	MS	N								0	
26. Missouri	MO	N								0	
27. Montana	MT	N								0	
28. Nebraska	NE	N								0	
29. Nevada	NV	N								0	
30. New Hampshire	NH	N								0	
31. New Jersey	NJ	N								0	
32. New Mexico	NM	N								0	
33. New York	NY	N								0	
34. North Carolina	NC	N								0	
35. North Dakota	ND	N								0	
36. Ohio	OH	N								0	
37. Oklahoma	OK	N								0	
38. Oregon	OR	N								0	
39. Pennsylvania	PA	N								0	
40. Rhode Island	RI	N								0	
41. South Carolina	SC	N								0	
42. South Dakota	SD	N								0	
43. Tennessee	TN	N								0	
44. Texas	TX	N								0	
45. Utah	UT	N								0	
46. Vermont	VT	N								0	
47. Virginia	VA	N								0	
48. Washington	WA	N								0	
49. West Virginia	WV	N								0	
50. Wisconsin	WI	N								0	
51. Wyoming	WY	N								0	
52. American Samoa	AS	N								0	
53. Guam	GU	N								0	
54. Puerto Rico	PR	N								0	
55. U.S. Virgin Islands	VI	N								0	
56. Northern Mariana Islands	MP	N								0	
57. Canada	CAN	N								0	
58. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	0	450,969,302	0	0	0	0	0	450,969,302	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX									0	
61. Totals (Direct Business)	XXX	0	0	450,969,302	0	0	0	0	0	450,969,302	0
DETAILS OF WRITE-INS											
58001.	XXX										
58002.	XXX										
58003.	XXX										
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0	0

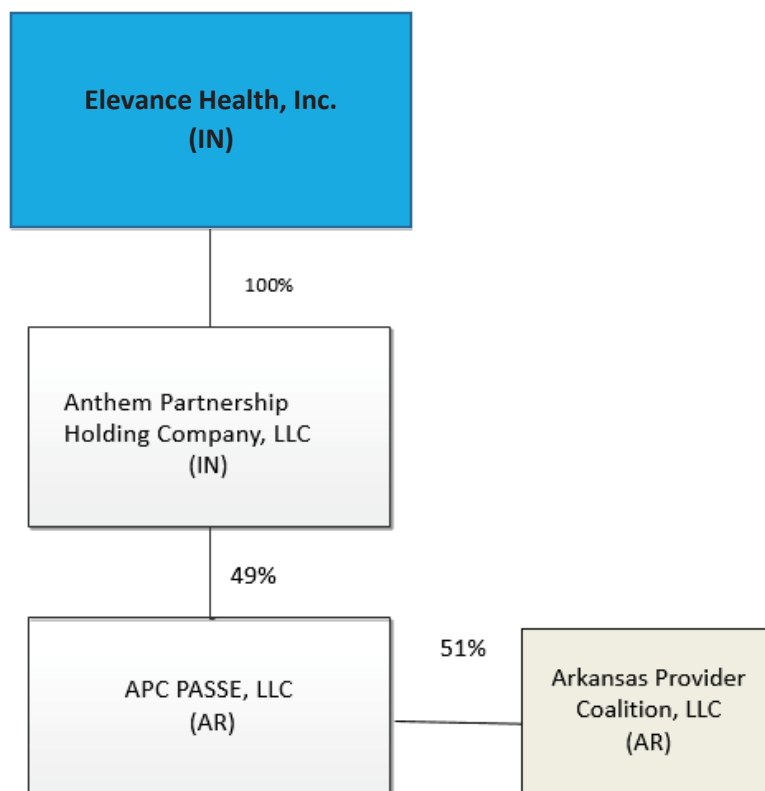
(a) Active Status Counts:

- 1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 1
- 2. R - Registered - Non-domiciled RRGs..... 0
- 3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state. .... 0
- 4. Q - Qualified - Qualified or accredited reinsurer..... 0
- 5. N - None of the above - Not allowed to write business in the state..... 56

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

N/A

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



ANNUAL STATEMENT FOR THE YEAR 2023 OF THE APC Passe, LLC  
**OVERFLOW PAGE FOR WRITE-INS**

**NONE**