



ANNUAL STATEMENT

For the Year Ending DECEMBER 31, 2020

OF THE CONDITION AND AFFAIRS OF THE

Arkansas Superior Select, Inc.

NAIC Group Code 0000 , 0000 NAIC Company Code 15135 Employer's ID Number 800875493
(Current Period) (Prior Period)

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: Life, Accident & Health[] Property/Casualty[] Hospital, Medical & Dental Service or Indemnity[]
 Dental Service Corporation[] Vision Service Corporation[] Health Maintenance Organization[X]
 Other[] Is HMO Federally Qualified? Yes[] No[X] N/A[]

Incorporated/Organized 11/13/2012 Commenced Business 01/01/2015

Statutory Home Office 1 Riverfront Place, Suite 600 , North Little Rock, AR, US 72114
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1 Riverfront Place, Suite 600
(Street and Number)
North Little Rock, AR, US 72114 (501)372-1922
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1 Riverfront Place, Suite 600 , North Little Rock, AR, US 72114
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1 Riverfront Place, Suite 600
(Street and Number)
North Little Rock, AR, US 72114 (501)372-1922
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.superiorselectinc.com

Statutory Statement Contact Alan Gable (501)372-1922
(Name) (Area Code)(Telephone Number)(Extension)
agable@superiorselectinc.com (501)372-1932
(E-Mail Address) (Fax Number)

OFFICERS

| Name | Title |
|------------------------|---------------------|
| David Lamar Norsworthy | President |
| James Bennett Cooper | Vice President |
| John Ponthie | Secretary |
| Alan Matthew Gable | Treasurer / CFO |
| Jason Wayne Lee | Assistant Secretary |

OTHERS

DIRECTORS OR TRUSTEES

| | |
|--|---|
| David Lamar Norsworthy James Bennett Cooper John Ellis | Jerry Don Sams John Ponthie Tobey Koehler |
|--|---|

State of Arkansas
 County of _____ ss

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

(Signature)
 David Lamar Norsworthy
(Printed Name)
 1.
 President
(Title)

(Signature)
 Jason Wayne Lee
(Printed Name)
 2.
 Assistant Secretary
(Title)

(Signature)
 Alan Matthew Gable
(Printed Name)
 3.
 Treasurer / CFO
(Title)

Subscribed and sworn to before me this _____ day of _____, 2021

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

Yes[X] No[]

(Notary Public Signature)

ASSETS

| | Current Year | | | Prior Year |
|---|--------------|----------------------------|---|-----------------------------|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols.1-2) | 4 Net Admitted Assets |
| 1. Bonds (Schedule D) | | | | |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | | | | |
| 2.2 Common Stocks | | | | |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | | | | |
| 3.2 Other than first liens | | | | |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$.....0 encumbrances) | | | | |
| 4.2 Properties held for the production of income (less \$.....0 encumbrances) | | | | |
| 4.3 Properties held for sale (less \$.....0 encumbrances) | | | | |
| 5. Cash (\$.....11,516,473, Schedule E Part 1), cash equivalents (\$.....315,913, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA) | 11,832,386 | | 11,832,386 | 7,028,396 |
| 6. Contract loans (including \$.....0 premium notes) | | | | |
| 7. Derivatives (Schedule DB) | | | | |
| 8. Other invested assets (Schedule BA) | | | | |
| 9. Receivables for securities | | | | |
| 10. Securities Lending Reinvested Collateral Assets (Schedule DL) | | | | |
| 11. Aggregate write-ins for invested assets | | | | |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 11,832,386 | | 11,832,386 | 7,028,396 |
| 13. Title plants less \$.....0 charged off (for Title insurers only) | | | | |
| 14. Investment income due and accrued | | | | |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 13,455 | 33,236 | (19,781) | 306,974 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) | | | | |
| 15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0) | 54,124 | | 54,124 | 1,844,536 |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | | | | |
| 16.2 Funds held by or deposited with reinsured companies | | | | |
| 16.3 Other amounts receivable under reinsurance contracts | | | | |
| 17. Amounts receivable relating to uninsured plans | 3,490 | 3,383 | 107 | 470,266 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | | |
| 18.2 Net deferred tax asset | | | | |
| 19. Guaranty funds receivable or on deposit | | | | |
| 20. Electronic data processing equipment and software | | | | |
| 21. Furniture and equipment, including health care delivery assets (\$.....0) | | | | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 23. Receivables from parent, subsidiaries and affiliates | | | | |
| 24. Health care (\$.....151,313) and other amounts receivable | 259,292 | 107,979 | 151,313 | 152,799 |
| 25. Aggregate write-ins for other than invested assets | | | | |
| 26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 12,162,747 | 144,598 | 12,018,149 | 9,802,971 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. TOTAL (Lines 26 and 27) | 12,162,747 | 144,598 | 12,018,149 | 9,802,971 |
| DETAILS OF WRITE-INS | | | | |
| 1101. | | | | |
| 1102. | | | | |
| 1103. | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | | |
| 1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | | |
| 2501. Rounding | | | | |
| 2502. | | | | |
| 2503. | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | | |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | | | | |

LIABILITIES, CAPITAL AND SURPLUS

| | Current Year | | | Prior Year |
|--|--------------|----------------|--------------|--------------|
| | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. Claims unpaid (less \$.....0 reinsurance ceded) | 3,578,001 | | 3,578,001 | 5,257,742 |
| 2. Accrued medical incentive pool and bonus amounts | 144,760 | | 144,760 | |
| 3. Unpaid claims adjustment expenses | 86,573 | | 86,573 | 74,664 |
| 4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act | | | | |
| 5. Aggregate life policy reserves | | | | |
| 6. Property/casualty unearned premium reserves | | | | |
| 7. Aggregate health claim reserves | | | | |
| 8. Premiums received in advance | | | | |
| 9. General expenses due or accrued | 335,030 | | 335,030 | 355,086 |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) | | | | |
| 10.2 Net deferred tax liability | | | | |
| 11. Ceded reinsurance premiums payable | | | | |
| 12. Amounts withheld or retained for the account of others | | | | |
| 13. Remittances and items not allocated | | | | |
| 14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) | | | | |
| 15. Amounts due to parent, subsidiaries and affiliates | | | | |
| 16. Derivatives | | | | |
| 17. Payable for securities | | | | |
| 18. Payable for securities lending | | | | |
| 19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) | | | | |
| 20. Reinsurance in unauthorized and certified (\$.....0) companies | | | | |
| 21. Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 22. Liability for amounts held under uninsured plans | | | | |
| 23. Aggregate write-ins for other liabilities (including \$.....0 current) | | | | |
| 24. TOTAL Liabilities (Lines 1 to 23) | 4,144,364 | | 4,144,364 | 5,687,492 |
| 25. Aggregate write-ins for special surplus funds | X X X | X X X | | |
| 26. Common capital stock | X X X | X X X | 300,000 | 300,000 |
| 27. Preferred capital stock | X X X | X X X | | |
| 28. Gross paid in and contributed surplus | X X X | X X X | 23,544,643 | 23,544,643 |
| 29. Surplus notes | X X X | X X X | | |
| 30. Aggregate write-ins for other than special surplus funds | X X X | X X X | | |
| 31. Unassigned funds (surplus) | X X X | X X X | (15,970,857) | (19,729,164) |
| 32. Less treasury stock, at cost: | | | | |
| 32.10 shares common (value included in Line 26 \$.....0) | X X X | X X X | | |
| 32.20 shares preferred (value included in Line 27 \$.....0) | X X X | X X X | | |
| 33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) | X X X | X X X | 7,873,786 | 4,115,479 |
| 34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) | X X X | X X X | 12,018,150 | 9,802,971 |
| DETAILS OF WRITE-INS | | | | |
| 2301. | | | | |
| 2302. | | | | |
| 2303. | | | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | | | | |
| 2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) | | | | |
| 2501. | X X X | X X X | | |
| 2502. | X X X | X X X | | |
| 2503. | X X X | X X X | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | X X X | X X X | | |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | X X X | X X X | | |
| 3001. | X X X | X X X | | |
| 3002. | X X X | X X X | | |
| 3003. | X X X | X X X | | |
| 3098. Summary of remaining write-ins for Line 30 from overflow page | X X X | X X X | | |
| 3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) | X X X | X X X | | |

STATEMENT OF REVENUE AND EXPENSES

| | Current Year | | Prior Year |
|---|----------------|------------|-------------|
| | 1 Uncovered | 2 Total | 3 Total |
| 1. Member Months | X X X | 36,843 | 35,022 |
| 2. Net premium income (including \$.....0 non-health premium income) | X X X | 32,526,261 | 29,601,879 |
| 3. Change in unearned premium reserves and reserve for rate credits | X X X | | |
| 4. Fee-for-service (net of \$.....0 medical expenses) | X X X | | |
| 5. Risk revenue | X X X | | |
| 6. Aggregate write-ins for other health care related revenues | X X X | | |
| 7. Aggregate write-ins for other non-health revenues | X X X | | |
| 8. TOTAL Revenues (Lines 2 to 7) | X X X | 32,526,261 | 29,601,879 |
| Hospital and Medical: | | | |
| 9. Hospital/medical benefits | | 20,127,037 | 21,513,450 |
| 10. Other professional services | | | |
| 11. Outside referrals | | | |
| 12. Emergency room and out-of-area | | | |
| 13. Prescription drugs | | 1,888,856 | 1,830,299 |
| 14. Aggregate write-ins for other hospital and medical | | | |
| 15. Incentive pool, withhold adjustments and bonus amounts | | 1,079,038 | |
| 16. Subtotal (Lines 9 to 15) | | 23,094,931 | 23,343,749 |
| Less: | | | |
| 17. Net reinsurance recoveries | | | (13,928) |
| 18. TOTAL Hospital and Medical (Lines 16 minus 17) | | 23,094,931 | 23,357,677 |
| 19. Non-health claims (net) | | | |
| 20. Claims adjustment expenses, including \$.....2,015,565 cost containment expenses | | 2,656,657 | 1,161,003 |
| 21. General administrative expenses | | 6,327,053 | 6,268,914 |
| 22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) | | | |
| 23. TOTAL Underwriting Deductions (Lines 18 through 22) | | 32,078,641 | 30,787,594 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | X X X | 447,620 | (1,185,715) |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17) | | 2,651,754 | 358,050 |
| 26. Net realized capital gains (losses) less capital gains tax of \$.....0 | | | |
| 27. Net investment gains (losses) (Lines 25 plus 26) | | 2,651,754 | 358,050 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] | | | |
| 29. Aggregate write-ins for other income or expenses | | | (19,980) |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) | X X X | 3,099,374 | (847,645) |
| 31. Federal and foreign income taxes incurred | X X X | | |
| 32. Net income (loss) (Lines 30 minus 31) | X X X | 3,099,374 | (847,645) |
| DETAILS OF WRITE-INS | | | |
| 0601. | X X X | | |
| 0602. | X X X | | |
| 0603. | X X X | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | X X X | | |
| 0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | X X X | | |
| 0701. | X X X | | |
| 0702. | X X X | | |
| 0703. Proceeds from Sale of Fixed Assets | X X X | | |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | X X X | | |
| 0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) | X X X | | |
| 1401. | | | |
| 1402. | | | |
| 1403. | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | | | |
| 1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) | | | |
| 2901. Penalties | | | (19,980) |
| 2902. | | | |
| 2903. | | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | | | |
| 2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) | | | (19,980) |

STATEMENT OF REVENUE AND EXPENSES (Continued)

| | | 1 | 2 |
|--------------------------------------|--|--------------|------------|
| | | Current Year | Prior Year |
| CAPITAL & SURPLUS ACCOUNT | | | |
| 33. | Capital and surplus prior reporting year | 4,115,479 | 5,012,159 |
| 34. | Net income or (loss) from Line 32 | 3,099,374 | (847,645) |
| 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 | | 637,802 |
| 37. | Change in net unrealized foreign exchange capital gain or (loss) | | |
| 38. | Change in net deferred income tax | | |
| 39. | Change in nonadmitted assets | 658,932 | (686,835) |
| 40. | Change in unauthorized and certified reinsurance | | |
| 41. | Change in treasury stock | | |
| 42. | Change in surplus notes | | |
| 43. | Cumulative effect of changes in accounting principles | | |
| 44. | Capital Changes: | | |
| 44.1 | Paid in | | |
| 44.2 | Transferred from surplus (Stock Dividend) | | |
| 44.3 | Transferred to surplus | | |
| 45. | Surplus adjustments: | | |
| 45.1 | Paid in | | |
| 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 | 2 | (2) |
| 48. | Net change in capital and surplus (Lines 34 to 47) | 3,758,308 | (896,680) |
| 49. | Capital and surplus end of reporting year (Line 33 plus 48) | 7,873,787 | 4,115,479 |
| DETAILS OF WRITE-INS | | | |
| 4701. | Rounding | 2 | (2) |
| 4702. | | | |
| 4703. | | | |
| 4798. | Summary of remaining write-ins for Line 47 from overflow page | | |
| 4799. | TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) | 2 | (2) |

CASH FLOW

| | | 1 | 2 |
|--|---|--------------|-------------|
| | | Current Year | Prior Year |
| Cash from Operations | | | |
| 1. | Premiums collected net of reinsurance | 34,685,039 | 27,702,799 |
| 2. | Net investment income | 2,651,754 | (176,214) |
| 3. | Miscellaneous income | 90,760 | 305,689 |
| 4. | TOTAL (Lines 1 through 3) | 37,427,553 | 27,832,274 |
| 5. | Benefit and loss related payments | 24,629,912 | 26,959,388 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 8,495,998 | 6,819,631 |
| 8. | Dividends paid to policyholders | | |
| 9. | Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) | | |
| 10. | TOTAL (Lines 5 through 9) | 33,125,910 | 33,779,019 |
| 11. | Net cash from operations (Line 4 minus Line 10) | 4,301,643 | (5,946,745) |
| Cash from Investments | | | |
| 12. | Proceeds from investments sold, matured or repaid: | | |
| 12.1 | Bonds | | |
| 12.2 | Stocks | | |
| 12.3 | Mortgage loans | | |
| 12.4 | Real estate | | |
| 12.5 | Other invested assets | 3,823,960 | 909,000 |
| 12.6 | Net gains or (losses) on cash, cash equivalents and short-term investments | | |
| 12.7 | Miscellaneous proceeds | | 290,652 |
| 12.8 | TOTAL Investment proceeds (Lines 12.1 to 12.7) | 3,823,960 | 1,199,652 |
| 13. | Cost of investments acquired (long-term only): | | |
| 13.1 | Bonds | | |
| 13.2 | Stocks | | |
| 13.3 | Mortgage loans | | |
| 13.4 | Real estate | | |
| 13.5 | Other invested assets | 700,000 | |
| 13.6 | Miscellaneous applications | 2,621,613 | |
| 13.7 | TOTAL Investments acquired (Lines 13.1 to 13.6) | 3,321,613 | |
| 14. | Net increase (decrease) in contract loans and premium notes | | |
| 15. | Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | 502,347 | 1,199,652 |
| Cash from Financing and Miscellaneous Sources | | | |
| 16. | Cash provided (applied): | | |
| 16.1 | Surplus notes, capital notes | | |
| 16.2 | Capital and paid in surplus, less treasury stock | | |
| 16.3 | Borrowed funds | | |
| 16.4 | Net deposits on deposit-type contracts and other insurance liabilities | | |
| 16.5 | Dividends to stockholders | | |
| 16.6 | Other cash provided (applied) | | 2,249,999 |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | | 2,249,999 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | | |
| 18. | Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | 4,803,990 | (2,497,094) |
| 19. | Cash, cash equivalents and short-term investments: | | |
| 19.1 | Beginning of year | 7,028,396 | 9,525,490 |
| 19.2 | End of year (Line 18 plus Line 19.1) | 11,832,386 | 7,028,396 |

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

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|------------|---|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Net premium income | 32,526,261 | | | 2,306,983 | | | 30,219,278 | | | |
| 2. Change in unearned premium reserves and reserve for rate credit | | | | | | | | | | |
| 3. Fee-for-service (net of \$.....0 medical expenses) | | | | | | | | | | X X X |
| 4. Risk revenue | | | | | | | | | | X X X |
| 5. Aggregate write-ins for other health care related revenues | | | | | | | | | | X X X |
| 6. Aggregate write-ins for other non-health care related revenues | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 7. TOTAL Revenues (Lines 1 to 6) | 32,526,261 | | | 2,306,983 | | | 30,219,278 | | | |
| 8. Hospital/medical benefits | 20,127,037 | | | 1,749,945 | | | 18,377,092 | | | X X X |
| 9. Other professional services | | | | | | | | | | X X X |
| 10. Outside referrals | | | | | | | | | | X X X |
| 11. Emergency room and out-of-area | | | | | | | | | | X X X |
| 12. Prescription drugs | 1,888,856 | | | | | | 1,888,856 | | | X X X |
| 13. Aggregate write-ins for other hospital and medical | | | | | | | | | | X X X |
| 14. Incentive pool, withhold adjustments and bonus amounts | 1,079,038 | | | | | | 1,079,038 | | | X X X |
| 15. Subtotal (Lines 8 to 14) | 23,094,931 | | | 1,749,945 | | | 21,344,986 | | | X X X |
| 16. Net reinsurance recoveries | | | | | | | | | | X X X |
| 17. TOTAL Hospital and Medical (Lines 15 minus 16) | 23,094,931 | | | 1,749,945 | | | 21,344,986 | | | X X X |
| 18. Non-health claims (net) | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 19. Claims adjustment expenses including \$.....2,015,565 cost containment expenses | 2,656,657 | | | | | | 2,656,657 | | | |
| 20. General administrative expenses | 6,327,053 | | | 347,002 | | | 5,980,051 | | | |
| 21. Increase in reserves for accident and health contracts | | | | | | | | | | X X X |
| 22. Increase in reserves for life contracts | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 23. TOTAL Underwriting Deductions (Lines 17 to 22) | 32,078,641 | | | 2,096,947 | | | 29,981,694 | | | |
| 24. Net underwriting gain or (loss) (Line 7 minus Line 23) | 447,620 | | | 210,036 | | | 237,584 | | | |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 0501. | | | | | | | | | | X X X |
| 0502. | | | | | | | | | | X X X |
| 0503. | | | | | | | | | | X X X |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | | | | | | | | | | X X X |
| 0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) | | | | | | | | | | X X X |
| 0601. | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0602. | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0603. | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | |
| 1301. | | | | | | | | | | X X X |
| 1302. | | | | | | | | | | X X X |
| 1303. | | | | | | | | | | X X X |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | | | | | | | | | | X X X |
| 1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) | | | | | | | | | | X X X |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

| | 1 | 2 | 3 | 4 |
|---|--------------------|------------------------|----------------------|---|
| Line of Business | Direct Business | Reinsurance Assumed | Reinsurance Ceded | Net Premium Income (Columns 1 + 2 - 3) |
| 1. Comprehensive (hospital and medical) | | | | |
| 2. Medicare Supplement | | | | |
| 3. Dental only | 2,306,983 | | | 2,306,983 |
| 4. Vision only | | | | |
| 5. Federal Employees Health Benefits Plan | | | | |
| 6. Title XVIII - Medicare | 30,274,182 | | 54,904 | 30,219,278 |
| 7. Title XIX - Medicaid | | | | |
| 8. Other health | | | | |
| 9. Health subtotal (Lines 1 through 8) | 32,581,165 | | 54,904 | 32,526,261 |
| 10. Life | | | | |
| 11. Property/casualty | | | | |
| 12. TOTALS (Lines 9 to 11) | 32,581,165 | | 54,904 | 32,526,261 |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|------------|--|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Payments during the year: | | | | | | | | | | |
| 1.1 Direct | 23,695,634 | | | 1,749,945 | | | 21,945,689 | | | |
| 1.2 Reinsurance assumed | | | | | | | | | | |
| 1.3 Reinsurance ceded | | | | | | | | | | |
| 1.4 Net | 23,695,634 | | | 1,749,945 | | | 21,945,689 | | | |
| 2. Paid medical incentive pools and bonuses | 934,278 | | | | | | 934,278 | | | |
| 3. Claim liability December 31, current year from Part 2A: | | | | | | | | | | |
| 3.1 Direct | 3,578,001 | | | | | | 3,578,001 | | | |
| 3.2 Reinsurance assumed | | | | | | | | | | |
| 3.3 Reinsurance ceded | | | | | | | | | | |
| 3.4 Net | 3,578,001 | | | | | | 3,578,001 | | | |
| 4. Claim reserve December 31, current year from Part 2D: | | | | | | | | | | |
| 4.1 Direct | | | | | | | | | | |
| 4.2 Reinsurance assumed | | | | | | | | | | |
| 4.3 Reinsurance ceded | | | | | | | | | | |
| 4.4 Net | | | | | | | | | | |
| 5. Accrued medical incentive pools and bonuses, current year | 144,760 | | | | | | 144,760 | | | |
| 6. Net healthcare receivables (a) | | | | | | | | | | |
| 7. Amounts recoverable from reinsurers December 31, current year | | | | | | | | | | |
| 8. Claim liability December 31, prior year from Part 2A: | | | | | | | | | | |
| 8.1 Direct | 5,257,742 | | | | | | 5,257,742 | | | |
| 8.2 Reinsurance assumed | | | | | | | | | | |
| 8.3 Reinsurance ceded | | | | | | | | | | |
| 8.4 Net | 5,257,742 | | | | | | 5,257,742 | | | |
| 9. Claim reserve December 31, prior year from Part 2D: | | | | | | | | | | |
| 9.1 Direct | | | | | | | | | | |
| 9.2 Reinsurance assumed | | | | | | | | | | |
| 9.3 Reinsurance ceded | | | | | | | | | | |
| 9.4 Net | | | | | | | | | | |
| 10. Accrued medical incentive pools and bonuses, prior year | | | | | | | | | | |
| 11. Amounts recoverable from reinsurers December 31, prior year | | | | | | | | | | |
| 12. Incurred benefits: | | | | | | | | | | |
| 12.1 Direct | 22,015,893 | | | 1,749,945 | | | 20,265,948 | | | |
| 12.2 Reinsurance assumed | | | | | | | | | | |
| 12.3 Reinsurance ceded | | | | | | | | | | |
| 12.4 Net | 22,015,893 | | | 1,749,945 | | | 20,265,948 | | | |
| 13. Incurred medical incentive pools and bonuses | 1,079,038 | | | | | | 1,079,038 | | | |

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|-----------|---|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | Total | Compre- hensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Reported in Process of Adjustment: | | | | | | | | | | |
| 1.1 Direct | 1,001,840 | | | | | | 1,001,840 | | | |
| 1.2 Reinsurance assumed | | | | | | | | | | |
| 1.3 Reinsurance ceded | | | | | | | | | | |
| 1.4 Net | 1,001,840 | | | | | | 1,001,840 | | | |
| 2. Incurred but Unreported: | | | | | | | | | | |
| 2.1 Direct | 2,576,161 | | | | | | 2,576,161 | | | |
| 2.2 Reinsurance assumed | | | | | | | | | | |
| 2.3 Reinsurance ceded | | | | | | | | | | |
| 2.4 Net | 2,576,161 | | | | | | 2,576,161 | | | |
| 3. Amounts Withheld from Paid Claims and Capitations: | | | | | | | | | | |
| 3.1 Direct | | | | | | | | | | |
| 3.2 Reinsurance assumed | | | | | | | | | | |
| 3.3 Reinsurance ceded | | | | | | | | | | |
| 3.4 Net | | | | | | | | | | |
| 4. TOTALS | | | | | | | | | | |
| 4.1 Direct | 3,578,001 | | | | | | 3,578,001 | | | |
| 4.2 Reinsurance assumed | | | | | | | | | | |
| 4.3 Reinsurance ceded | | | | | | | | | | |
| 4.4 Net | 3,578,001 | | | | | | 3,578,001 | | | |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

| | Claims Paid During the Year | | Claim Reserve and Claim Liability December 31 of Current Year | | 5 | 6 |
|--|---|--|---|--|--|---|
| | 1 On Claims Incurred Prior to January 1 of Current Year | 2 On Claims Incurred During the Year | 3 On Claims Unpaid December 31 of Prior Year | 4 On Claims Incurred During the Year | Claims Incurred in Prior Years (Columns 1 + 3) | Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
| 1. Comprehensive (hospital and medical) | | | | | | |
| 2. Medicare Supplement | | | | | | |
| 3. Dental only | | 1,749,945 | | | | |
| 4. Vision only | | | | | | |
| 5. Federal Employees Health Benefits Plan | | | | | | |
| 6. Title XVIII - Medicare | 4,329,727 | 17,863,345 | 15,497 | 3,562,504 | 4,345,224 | 5,257,742 |
| 7. Title XIX - Medicaid | | | | | | |
| 8. Other health | | | | | | |
| 9. Health subtotal (Lines 1 to 8) | 4,329,727 | 19,613,290 | 15,497 | 3,562,504 | 4,345,224 | 5,257,742 |
| 10. Healthcare receivables (a) | | 259,292 | | | | |
| 11. Other non-health | | | | 11,909 | | |
| 12. Medical incentive pool and bonus amounts | | 934,278 | | 144,760 | | |
| 13. TOTALS (Lines 9 - 10 + 11 + 12) | 4,329,727 | 20,288,276 | 15,497 | 3,719,173 | 4,345,224 | 5,257,742 |

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

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

Grand Total

Section A - Paid Health Claims

| Year in Which Losses Were Incurred | | Cumulative Net Amounts Paid | | | | |
|---------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
| | | 1 2016 | 2 2017 | 3 2018 | 4 2019 | 5 2020 |
| 1. | Prior | 572 | 572 | 572 | 572 | 572 |
| 2. | 2016 | 3,581 | 5,155 | 5,155 | 5,155 | 5,155 |
| 3. | 2017 | X X X | 8,034 | 11,780 | 11,780 | 11,780 |
| 4. | 2018 | X X X | X X X | 16,962 | 26,218 | 26,218 |
| 5. | 2019 | X X X | X X X | X X X | 17,794 | 22,123 |
| 6. | 2020 | X X X | X X X | X X X | X X X | 20,546 |

Section B - Incurred Health Claims

| Year in Which Losses Were Incurred | | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---------------------------------------|-------------|---|-----------|-----------|-----------|-----------|
| | | 1 2016 | 2 2017 | 3 2018 | 4 2019 | 5 2020 |
| 1. | Prior | 578 | 572 | 572 | 572 | 572 |
| 2. | 2016 | 5,330 | 5,176 | 5,155 | 5,155 | 5,155 |
| 3. | 2017 | X X X | 11,492 | 11,780 | 11,780 | 11,780 |
| 4. | 2018 | X X X | X X X | 25,970 | 25,654 | 26,218 |
| 5. | 2019 | X X X | X X X | X X X | 23,627 | 22,138 |
| 6. | 2020 | X X X | X X X | X X X | X X X | 24,253 |

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

| Years in Which Premiums were Earned and Claims were Incurred | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|--------------------|--------------------|--|-----------------------|--|-----------------------|------------------|---|--|-----------------------|
| | Premiums Earned | Claims Payments | Claim Adjustment Expense Payments | (Col. 3/2) Percent | Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | (Col. 5/1) Percent | Claims Unpaid | Unpaid Claims Adjustment Expenses | Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | (Col. 9/1) Percent |
| 1. 2016 | 5,053 | 5,155 | | | 5,155 | 102.019 | | | 5,155 | 102.019 |
| 2. 2017 | 11,536 | 11,780 | 13 | 0.108 | 11,793 | 102.226 | | | 11,793 | 102.226 |
| 3. 2018 | 27,979 | 26,218 | 61 | 0.234 | 26,279 | 93.925 | | | 26,279 | 93.925 |
| 4. 2019 | 29,601 | 22,123 | | | 22,123 | 74.737 | 15 | | 22,138 | 74.788 |
| 5. 2020 | 32,526 | 20,546 | | | 20,546 | 63.168 | 3,707 | 86 | 24,339 | 74.829 |

12 Grand Total

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

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

Dental Only

Section A - Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|---------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2016 | 2 2017 | 3 2018 | 4 2019 | 5 2020 |
| 1. Prior | | | | | |
| 2. 2016 | | | | | |
| 3. 2017 | X X X | | | | |
| 4. 2018 | X X X | X X X | 58 | 58 | 58 |
| 5. 2019 | X X X | X X X | X X X | 1,418 | 1,418 |
| 6. 2020 | X X X | X X X | X X X | X X X | 1,749 |

Section B - Incurred Health Claims

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2016 | 2 2017 | 3 2018 | 4 2019 | 5 2020 |
| 1. Prior | | | | | |
| 2. 2016 | | | | | |
| 3. 2017 | X X X | | | | |
| 4. 2018 | X X X | X X X | 69 | 69 | 58 |
| 5. 2019 | X X X | X X X | X X X | 1,418 | 1,418 |
| 6. 2020 | X X X | X X X | X X X | X X X | 1,749 |

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

| Years in Which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10 (Col. 9/1) Percent |
|---|-------------------------|-------------------------|---|----------------------------|---|----------------------------|-----------------------|--|---|-----------------------------|
| 1. 2016 | | | | | | | | | | |
| 2. 2017 | | | | | | | | | | |
| 3. 2018 | 182 | 58 | | | 58 | 31.868 | | | 58 | 31.868 |
| 4. 2019 | 2,096 | 1,418 | | | 1,418 | 67.653 | | | 1,418 | 67.653 |
| 5. 2020 | 2,307 | 1,749 | | | 1,749 | 75.813 | | | 1,749 | 75.813 |

12 Dental Only

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

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE

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

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

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

Title XVIII - Medicare

Section A - Paid Health Claims

| Year in Which Losses Were Incurred | | Cumulative Net Amounts Paid | | | | |
|---------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
| | | 1 2016 | 2 2017 | 3 2018 | 4 2019 | 5 2020 |
| 1. | Prior | 572 | 572 | 572 | 572 | 572 |
| 2. | 2016 | 3,581 | 5,155 | 5,155 | 5,155 | 5,155 |
| 3. | 2017 | X X X | 8,034 | 11,780 | 11,780 | 11,780 |
| 4. | 2018 | X X X | X X X | 16,904 | 26,160 | 26,160 |
| 5. | 2019 | X X X | X X X | X X X | 16,376 | 20,705 |
| 6. | 2020 | X X X | X X X | X X X | X X X | 18,797 |

Section B - Incurred Health Claims

| Year in Which Losses Were Incurred | | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---------------------------------------|-------------|---|-----------|-----------|-----------|-----------|
| | | 1 2016 | 2 2017 | 3 2018 | 4 2019 | 5 2020 |
| 1. | Prior | 578 | 572 | 572 | 572 | 572 |
| 2. | 2016 | 5,330 | 5,176 | 5,155 | 5,155 | 5,155 |
| 3. | 2017 | X X X | 11,492 | 11,780 | 11,780 | 11,780 |
| 4. | 2018 | X X X | X X X | 25,901 | 25,585 | 26,160 |
| 5. | 2019 | X X X | X X X | X X X | 22,209 | 20,720 |
| 6. | 2020 | X X X | X X X | X X X | X X X | 22,504 |

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

| Years in Which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10 (Col. 9/1) Percent |
|---|-------------------------|-------------------------|---|----------------------------|---|----------------------------|-----------------------|--|---|-----------------------------|
| 1. 2016 | 5,053 | 5,155 | | | 5,155 | 102.019 | | | 5,155 | 102.019 |
| 2. 2017 | 11,536 | 11,780 | 13 | 0.108 | 11,793 | 102.226 | | | 11,793 | 102.226 |
| 3. 2018 | 27,797 | 26,160 | 61 | 0.234 | 26,221 | 94.331 | | | 26,221 | 94.331 |
| 4. 2019 | 27,505 | 20,705 | | | 20,705 | 75.277 | 15 | | 20,720 | 75.332 |
| 5. 2020 | 30,219 | 18,797 | | | 18,797 | 62.203 | 3,707 | 86 | 22,590 | 74.754 |

12 Title XVIII-Medicare

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

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

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

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

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

| | Claim Adjustment Expenses | | 3 General Administrative Expenses | 4 Investment Expenses | 5 Total |
|--|--------------------------------------|--|--|-----------------------------|---------------|
| | 1 Cost Containment Expenses | 2 Other Claim Adjustment Expenses | | | |
| 1. Rent (\$.....0 for occupancy of own building) | | 21,000 | 189,000 | | 210,000 |
| 2. Salaries, wages and other benefits | 162,343 | 443,101 | 3,643,203 | | 4,248,647 |
| 3. Commissions (less \$.....0 ceded plus \$.....0 assumed) | | | 63,861 | | 63,861 |
| 4. Legal fees and expenses | | 6,000 | 66,587 | | 72,587 |
| 5. Certifications and accreditation fees | | | | | |
| 6. Auditing, actuarial and other consulting services | | 15,250 | 538,656 | | 553,906 |
| 7. Traveling expenses | 451 | 451 | 75,236 | | 76,138 |
| 8. Marketing and advertising | | | 37,570 | | 37,570 |
| 9. Postage, express and telephone | | 6,000 | 81,542 | | 87,542 |
| 10. Printing and office supplies | | 6,000 | 97,636 | | 103,636 |
| 11. Occupancy, depreciation and amortization | | | 6,195 | | 6,195 |
| 12. Equipment | | 15,000 | 135,000 | | 150,000 |
| 13. Cost or depreciation of EDP equipment and software | | | | | |
| 14. Outsourced services including EDP, claims, and other services | 1,851,203 | 120,722 | 1,153,628 | | 3,125,553 |
| 15. Boards, bureaus and association fees | | | 2,500 | | 2,500 |
| 16. Insurance, except on real estate | | | 9,743 | | 9,743 |
| 17. Collection and bank service charges | | | 10,789 | | 10,789 |
| 18. Group service and administration fees | | | | | |
| 19. Reimbursements by uninsured plans | | | | | |
| 20. Reimbursements from fiscal intermediaries | | | | | |
| 21. Real estate expenses | | | | | |
| 22. Real estate taxes | | | | | |
| 23. Taxes, licenses and fees: | | | | | |
| 23.1 State and local insurance taxes | | | 300 | | 300 |
| 23.2 State premium taxes | | | | | |
| 23.3 Regulatory authority licenses and fees | | | 93,522 | | 93,522 |
| 23.4 Payroll taxes | | 6,000 | 54,000 | | 60,000 |
| 23.5 Other (excluding federal income and real estate taxes) | | | | | |
| 24. Investment expenses not included elsewhere | | | | | |
| 25. Aggregate write-ins for expenses | 1,568 | 1,568 | 68,085 | | 71,221 |
| 26. TOTAL Expenses Incurred (Lines 1 to 25) | 2,015,565 | 641,092 | 6,327,053 | | (a) 8,983,710 |
| 27. Less expenses unpaid December 31, current year | | 86,573 | 335,030 | | 421,603 |
| 28. Add expenses unpaid December 31, prior year | | 74,664 | 355,086 | | 429,750 |
| 29. Amounts receivable relating to uninsured plans, prior year | | | | | |
| 30. Amounts receivable relating to uninsured plans, current year | | | | | |
| 31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) | 2,015,565 | 629,183 | 6,347,109 | | 8,991,857 |
| DETAILS OF WRITE-INS | | | | | |
| 2501. Meals and Entertainment | 613 | 613 | 20,032 | | 21,258 |
| 2502. Continuing Education | 747 | 747 | 6,731 | | 8,225 |
| 2503. Dues and Subscriptions | 208 | 208 | 41,322 | | 41,738 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | | | |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | 1,568 | 1,568 | 68,085 | | 71,221 |

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

EXHIBIT OF NET INVESTMENT INCOME

| | 1 Collected During Year | 2 Earned During Year |
|---|-------------------------------|----------------------------|
| 1. U.S. Government bonds | (a) | |
| 1.1 Bonds exempt from U.S. tax | (a) | |
| 1.2 Other bonds (unaffiliated) | (a) | |
| 1.3 Bonds of affiliates | (a) | |
| 2.1 Preferred stocks (unaffiliated) | (b) | |
| 2.11 Preferred stocks of affiliates | (b) | |
| 2.2 Common stocks (unaffiliated) | | |
| 2.21 Common stocks of affiliates | | |
| 3. Mortgage loans | (c) | |
| 4. Real estate | (d) | |
| 5. Contract loans | | |
| 6. Cash, cash equivalents and short-term investments | (e) 30,142 | 30,142 |
| 7. Derivative instruments | (f) | |
| 8. Other invested assets | 2,621,612 | 2,621,612 |
| 9. Aggregate write-ins for investment income | | |
| 10. TOTAL gross investment income | 2,651,754 | 2,651,754 |
| 11. Investment expenses | | (g) |
| 12. Investment taxes, licenses and fees, excluding federal income taxes | | (g) |
| 13. Interest expense | | (h) |
| 14. Depreciation on real estate and other invested assets | | (i) |
| 15. Aggregate write-ins for deductions from investment income | | |
| 16. TOTAL Deductions (Lines 11 through 15) | | |
| 17. Net Investment income (Line 10 minus Line 16) | | 2,651,754 |
| DETAILS OF WRITE-INS | | |
| 0901. | | |
| 0902. | | |
| 0903. | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | | |
| 0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) | | |
| 1501. | | |
| 1502. | | |
| 1503. | | |
| 1598. Summary of remaining write-ins for Line 15 from overflow page | | |
| 1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) | | |

- (a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

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

EXHIBIT OF NONADMITTED ASSETS

| | 1 | 2 | 3 |
|--|--|--|--|
| | Current Year Total Nonadmitted Assets | Prior Year Total Nonadmitted Assets | Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
| 1. Bonds (Schedule D) | | | |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | | | |
| 2.2 Common stocks | | | |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | | | |
| 3.2 Other than first liens | | | |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | | | |
| 4.2 Properties held for the production of income | | | |
| 4.3 Properties held for sale | | | |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) | | | |
| 6. Contract loans | | | |
| 7. Derivatives (Schedule DB) | | | |
| 8. Other invested assets (Schedule BA) | | 502,347 | 502,347 |
| 9. Receivables for securities | | | |
| 10. Securities lending reinvested collateral assets (Schedule DL) | | | |
| 11. Aggregate write-ins for invested assets | | | |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | | 502,347 | 502,347 |
| 13. Title plants (for Title insurers only) | | | |
| 14. Investment income due and accrued | | | |
| 15. Premiums and considerations: | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 33,236 | 74,847 | 41,611 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination | | | |
| 16. Reinsurance: | | | |
| 16.1 Amounts recoverable from reinsurers | | | |
| 16.2 Funds held by or deposited with reinsured companies | | | |
| 16.3 Other amounts receivable under reinsurance contracts | | | |
| 17. Amounts receivable relating to uninsured plans | 3,383 | 29,083 | 25,700 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | |
| 18.2 Net deferred tax asset | | | |
| 19. Guaranty funds receivable or on deposit | | | |
| 20. Electronic data processing equipment and software | | | |
| 21. Furniture and equipment, including health care delivery assets | | | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | |
| 23. Receivables from parent, subsidiaries and affiliates | | | |
| 24. Health care and other amounts receivable | 107,979 | 197,253 | 89,274 |
| 25. Aggregate write-ins for other than invested assets | | | |
| 26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 144,598 | 803,530 | 658,932 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 28. TOTAL (Lines 26 and 27) | 144,598 | 803,530 | 658,932 |
| DETAILS OF WRITE-INS | | | |
| 1101. | | | |
| 1102. | | | |
| 1103. | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | |
| 1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | |
| 2501. Other Receivables | | | |
| 2502. Deposits | | | |
| 2503. Prepaid Expenses | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | | | |

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment | Total Members at End of | | | | | 6 Current Year Member Months |
|--|-------------------------|-----------------------|------------------------|-----------------------|----------------------|---------------------------------------|
| | 1 Prior Year | 2 First Quarter | 3 Second Quarter | 4 Third Quarter | 5 Current Year | |
| 1. Health Maintenance Organizations | 3,063 | 3,146 | 3,115 | 3,033 | 2,971 | 36,843 |
| 2. Provider Service Organizations | | | | | | |
| 3. Preferred Provider Organizations | | | | | | |
| 4. Point of Service | | | | | | |
| 5. Indemnity Only | | | | | | |
| 6. Aggregate write-ins for other lines of business | | | | | | |
| 7. TOTAL | 3,063 | 3,146 | 3,115 | 3,033 | 2,971 | 36,843 |
| DETAILS OF WRITE-INS | | | | | | |
| 0601. | | | | | | |
| 0602. | | | | | | |
| 0603. | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | | | | | | |
| 0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | | | | | | |

Notes to Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of Arkansas Superior Select, Inc. ("ASSI" or the "Company") have been prepared in conformity with accounting practices prescribed or permitted by the state of Arkansas for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Arkansas Insurance law. The National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual, ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the state of Arkansas.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Arkansas is shown below:

| | SSAP # | F/S Page | F/S Line # | 2020 | 2019 |
|---|--------|----------|------------|---------------------|---------------------|
| Net Income | | | | | |
| (1) State basis (Page 4, Line 32, Columns 2 & 3) | XXX | XXX | XXX | \$ 3,099,374 | \$ (847,646) |
| (2) State prescribed practices that are an increase / (decrease) from NAIC SAP: | | | | | |
| (3) State permitted practices that are an increase / (decrease) from NAIC SAP: | | | | | |
| (4) NAIC SAP (1-2-3=4) | XXX | XXX | XXX | <u>\$ 3,099,374</u> | <u>\$ (847,646)</u> |
| Surplus | | | | | |
| (5) State basis (Page 3, Line 33, Columns 3 & 4) | XXX | XXX | XXX | \$ 7,873,786 | \$ 4,115,478 |
| (6) State prescribed practices that are an increase / (decrease) from NAIC SAP: | | | | | |
| (7) State permitted practices that are an increase / (decrease) from NAIC SAP: | | | | | |
| (8) NAIC SAP (5-6-7=8) | XXX | XXX | XXX | <u>\$ 7,873,786</u> | <u>\$ 4,115,478</u> |

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

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

C. Accounting Policy

- (1) Short-term investments are stated at amortized cost.
- (2) The Company had no bonds, mandatory convertible securities and SVO-Identified investments.
- (3) The Company had no common stock.
- (4) The Company had no preferred stock.
- (5) The Company had no mortgage loans.
- (6) The Company had no loan-backed securities.
- (7) The Company had 1 affiliated investment in Access Medical Clinic Arkansas reported using the GAAP equity method. However, the Company chose to non-admit the asset value of this investment.
- (8) The Company had no investments in joint ventures, partnership, or limited liability companies.
- (9) The Company had no derivatives.
- (10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability, are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company capitalizes, depreciates or amortizes, and admits EDP equipment and operating software in accordance with SSAP No. 16R. The Company also capitalizes furniture, fixtures and equipment, and leasehold improvements, and nonadmits them in accordance with SSAP No. 19.
- (13) Pharmacy rebates are recorded based on the estimate letter provided by the pharmacy benefit manager, Elixir.

D. Going Concern

While administrative expenses remain high, organizational changes continue to be put into place that have shown to be more efficient and cost-effective. The Owners of ASSI continue to be committed to maintaining adequate capital and surplus as the organization grows and captures a larger segment of the market.

2. Accounting Changes and Corrections of Errors - None

3. Business Combinations and Goodwill - None

4. Discontinued Operations - None

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - None
- B. Debt Restructuring - None

Notes to Financial Statements

5. Investments (Continued)

- C. Reverse Mortgages - None
- D. Loan-Backed Securities - None
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
- H. Repurchase Agreements Transactions Accounted for as a Sale - None
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None
- J. Real Estate - None
- K. Low-Income Housing Tax Credits (LIHTC) - None
- L. Restricted Assets

As of December 31, 2020, the Company maintained on deposit with the Arkansas Insurance Department \$315,913 in the Invesco Treasury Portfolio Short-term Investments Trust fund.

(1) Restricted assets (including pledged)

| Restricted Asset Category | (1) Total Gross (Admitted & Nonadmitted) Restricted from Current Year | (2) Total Gross (Admitted & Nonadmitted) Restricted From Prior Year | (3) Increase / (Decrease) (1 - 2) | (4) Total Current Year Nonadmitted Restricted | (5) Total Current Year Admitted Restricted (1 - 4) | (6) Gross (Admitted & Nonadmitted) Restricted to Total Assets | (7) Admitted to Total Admitted Assets |
|--|---|---|--|---|--|---|---|
| a. Subject to contractual obligation for which liability is not shown | \$ | \$ | \$ | \$ | \$ | % | % |
| b. Collateral held under security lending agreements | | | | | | | |
| c. Subject to repurchase agreements | | | | | | | |
| d. Subject to reverse repurchase agreements | | | | | | | |
| e. Subject to dollar repurchase agreements | | | | | | | |
| f. Subject to dollar reverse repurchase agreements | | | | | | | |
| g. Placed under option contracts | | | | | | | |
| h. Letter stock or securities restricted as to sale - excluding FHLB capital stock | | | | | | | |
| i. FHLB capital stock | | | | | | | |
| j. On deposit with states | 315,913 | 314,796 | 1,117 | - | 315,913 | 2.597 | 2.629 |
| k. On deposit with other regulatory bodies | | | | | | | |
| l. Pledged as collateral to FHLB (including assets backing funding agreements) | | | | | | | |
| m. Pledged as collateral not captured in other categories | | | | | | | |
| n. Other restricted assets | | | | | | | |
| o. Total restricted assets | \$ 315,913 | \$ 314,796 | \$ 1,117 | \$ - | \$ 315,913 | 2.597 % | 2.629 % |

(2) Detail of assets pledged as collateral not captured in other categories (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - None

(3) Detail of other restricted assets (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - None

(4) Collateral received and reflected as assets within the reporting entity's financial statements - None

- M. Working Capital Finance Investments - None
- N. Offsetting and Netting of Assets and Liabilities - None
- O. 5GI Securities - None
- P. Short Sales - None
- Q. Prepayment Penalty and Acceleration Fees - None

6. Joint Ventures, Partnerships and Limited Liability Companies

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

In the fourth quarter of 2016, ASSI invested \$50,000 for a 49% member ownership of Access Medical Clinic Arkansas, LLC. ASSI contributed additional amounts throughout 2017 through 2020. The principal purpose of the LLC is to develop and manage medical clinics, primarily in rural areas of Arkansas.

The Company accounts for the investment under the equity method. The non-admitted carrying value at December 31, 2020 is reported at \$0, which is 49% of the LLC's equity at December 31, 2020. The Company chose to non-admit the asset value of this investment in 2020.

- B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies - None

7. Investment Income

- A. Due and Accrued Income Excluded from Surplus

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default are excluded from surplus.

- B. Total Amount Excluded - None

8. Derivative Instruments - None

Notes to Financial Statements

9. Income Taxes

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

(1) Change between years by tax character

| | 2020 | | | 2019 | | | Change | | |
|--|--------------|-------------|--------------------|--------------|--------------|--------------------|-----------------------|----------------------|--------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | Ordinary | Capital | Total (Col 1+2) | Ordinary | Capital | Total (Col 4+5) | Ordinary (Col 1-4) | Capital (Col 2-5) | Total (Col 7+8) |
| (a) Gross deferred tax assets | \$ 3,031,893 | \$ | \$ 3,031,893 | \$ 4,079,401 | \$ | \$ 4,079,401 | \$ (1,047,508) | \$ | \$ (1,047,508) |
| (b) Statutory valuation allowance adjustments | 2,964,712 | | 2,964,712 | 3,880,973 | | 3,880,973 | (916,261) | | (916,261) |
| (c) Adjusted gross deferred tax assets (1a - 1b) | 67,181 | | 67,181 | 198,428 | | 198,428 | (131,247) | | (131,247) |
| (d) Deferred tax assets nonadmitted | | | | | | | | | |
| (e) Subtotal net admitted deferred tax asset (1c - 1d) | \$ 67,181 | \$ | \$ 67,181 | \$ 198,428 | \$ | \$ 198,428 | \$ (131,247) | \$ | \$ (131,247) |
| (f) Deferred tax liabilities | | 67,181 | 67,181 | | 198,428 | 198,428 | | (131,247) | (131,247) |
| (g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f) | \$ 67,181 | \$ (67,181) | \$ | \$ 198,428 | \$ (198,428) | \$ | \$ (131,247) | \$ 131,247 | \$ |

(2) Admission calculation components SSAP No. 101

| | 2020 | | | 2019 | | | Change | | |
|--|-----------|---------|--------------------|------------|---------|--------------------|-----------------------|----------------------|--------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | Ordinary | Capital | Total (Col 1+2) | Ordinary | Capital | Total (Col 4+5) | Ordinary (Col 1-4) | Capital (Col 2-5) | Total (Col 7+8) |
| (a) Federal income taxes paid in prior years recoverable through loss carrybacks | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| (b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (lesser of 2(b)1 and 2(b)2 below) | | | | | | | | | |
| 1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date | | | | | | | | | |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold | XXX | XXX | 1,181,068 | XXX | XXX | 444,676 | XXX | XXX | 736,392 |
| (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 | 70,593 | | 70,593 | 202,523 | | 202,523 | (131,930) | | (131,930) |
| (d) Deferred tax assets admitted as the result of application of SSAP No. 101 | | | | | | | | | |
| Total (2(a) + 2(b) + 2(c)) | \$ 70,593 | \$ | \$ 70,593 | \$ 202,523 | \$ | \$ 202,523 | \$ (131,930) | \$ | \$ (131,930) |

(3) Ratio used as basis of admissibility

| | 2020 | 2019 |
|--|--------------|--------------|
| (a) Ratio percentage used to determine recovery period and threshold limitation amount | 550.000 % | 306.000 % |
| (b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above | \$ 7,873,786 | \$ 4,115,478 |

(4) Impact of tax-planning strategies

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

| | 2020 | | 2019 | | Change | |
|--|-----------|---------|------------|---------|------------------------|-----------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | Ordinary | Capital | Ordinary | Capital | Ordinary (Col. 1-3) | Capital (Col. 2-4) |
| 1. Adjusted gross DTAs amount from Note 9A1(c) | \$ 67,181 | \$ | \$ 198,428 | \$ | \$ (131,247) | \$ |
| 2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies | % | % | % | % | % | % |
| 3. Net admitted adjusted gross DTAs amount from Note 9A1(e) | \$ 67,181 | \$ | \$ 198,428 | \$ | \$ (131,247) | \$ |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies | % | % | % | % | % | % |

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

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

B. Regarding Deferred Tax Liabilities That Are Not Recognized - None

Notes to Financial Statements

9. Income Taxes (Continued)

C. Major Components of Current Income Taxes Incurred

| | (1) 2020 | (2) 2019 | (3) Change (1-2) |
|--|--------------|--------------|---------------------|
| Current income taxes incurred consist of the following major components: | | | |
| 1. Current Income Tax | | | |
| (a) Federal | \$ | \$ | \$ |
| (b) Foreign | | | |
| (c) Subtotal | \$ | \$ | \$ |
| (d) Federal income tax on net capital gains | | | |
| (e) Utilization of capital loss carry-forwards | | | |
| (f) Other | | | |
| (g) Federal and foreign income taxes incurred | \$ | \$ | \$ |
| | (1) 2020 | (2) 2019 | (3) Change (1-2) |
| 2. Deferred Tax Assets | | | |
| (a) Ordinary | | | |
| (1) Discounting of unpaid losses | \$ 8,720 | \$ 13,083 | \$ (4,363) |
| (2) Unearned premium reserve | | | |
| (3) Policyholder reserves | | | |
| (4) Investments | | | |
| (5) Deferred acquisition costs | | | |
| (6) Policyholder dividends accrual | | | |
| (7) Fixed assets | | | |
| (8) Compensation and benefits accrual | | | |
| (9) Pension accrual | | | |
| (10) Receivables - nonadmitted | 30,366 | 87,518 | (57,152) |
| (11) Net operating loss carry-forward | 2,992,807 | 3,976,316 | (983,509) |
| (12) Tax credit carry-forward | | | |
| (13) Other (including items less than 5% of total ordinary tax assets) | | 2,484 | (2,484) |
| (99) Subtotal | \$ 3,031,893 | \$ 4,079,401 | \$ (1,047,508) |
| (b) Statutory valuation allowance adjustment | 2,964,712 | 3,880,973 | (916,261) |
| (c) Nonadmitted | | | |
| (d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c) | \$ 67,181 | \$ 198,428 | \$ (131,247) |
| (e) Capital | | | |
| (1) Investments | \$ | \$ | \$ |
| (2) Net capital loss carry-forward | | | |
| (3) Real estate | | | |
| (4) Other (including items <5% of total capital tax assets) | | | |
| (99) Subtotal | \$ | \$ | \$ |
| (f) Statutory valuation allowance adjustment | | | |
| (g) Nonadmitted | | | |
| (h) Admitted capital deferred tax assets (2e99 - 2f - 2g) | | | |
| (i) Admitted deferred tax assets (2d + 2h) | \$ 67,181 | \$ 198,428 | \$ (131,247) |
| | (1) 2020 | (2) 2019 | (3) Change (1-2) |
| 3. Deferred Tax Liabilities | | | |
| (a) Ordinary | | | |
| (1) Investments | \$ | \$ | \$ |
| (2) Fixed assets | | | |
| (3) Deferred and uncollected premium | | | |
| (4) Policyholder reserves | | | |
| (5) Other (including items <5% of total ordinary tax liabilities) | | | |
| (99) Subtotal | \$ | \$ | \$ |
| (b) Capital | | | |
| (1) Investments | \$ 67,181 | \$ 198,428 | \$ (131,247) |
| (2) Real estate | | | |
| (3) Other (including items <5% of total capital tax liabilities) | | | |
| (99) Subtotal | \$ 67,181 | \$ 198,428 | \$ (131,247) |
| (c) Deferred tax liabilities (3a99 + 3b99) | \$ 67,181 | \$ 198,428 | \$ (131,247) |
| 4. Net deferred tax assets/liabilities (2i - 3c) | \$ - | \$ - | \$ - |

Notes to Financial Statements

9. Income Taxes (Continued)

D. Among the More Significant Book to Tax Adjustments

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

| | 2020 | Effective Tax Rate |
|--|------------|--------------------|
| Provision computed at statutory rate..... | \$ 650,869 | 21.000 % |
| Tax-Exempt Interest..... | | |
| Dividends Received Deductions..... | | |
| Proration..... | | |
| Meals & Entertainment, Lobbying Expenses, Etc..... | 7,658 | 0.247 |
| Statutory Valuation Allowance Adjustment..... | (880,337) | -28.404 |
| Deferred Taxes on Nonadmitted Assets..... | 32,883 | 1.061 |
| Change in Enacted Tax Rates..... | | |
| Other, Including Prior Year True-Up..... | 188,927 | 6.096 |
| Total..... | \$ — | — % |

| | 2020 | Effective Tax Rate |
|---|------|--------------------|
| Federal income taxes expense/(benefit)..... | \$ | % |
| Tax on Capital gains/(losses)..... | | |
| Change in net deferred income tax..... | | |
| Total statutory income taxes..... | \$ | % |

E. Operating Loss and Tax Credit Carryforwards

- (1) As of December 31, 2020, the Company had net operating loss carryforwards expiring through the year 2040 of \$14,251,464.
- (2) Income tax expense available for recoupment - None
- (3) Deposits admitted under IRC Section 6603 - None

F. Consolidated Federal Income Tax Return - None

G. Federal or Foreign Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date. The Company is no longer subject to Federal or state examination prior to 2017.

H. Repatriation Transition Tax (RTT) - None

I. Alternative Minimum Tax (AMT) Credit - None

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

- A. B. - The Company is 100% owned by Select Founders, LLC. During 2020, the Company received no additional contributed surplus from parent Select Founders, LLC.
- C. Transactions With Related Party Who Are Not Reported on Schedule Y - None
- D. Amounts Due To or From Related Parties - None
- E. Management Service Contracts and Cost Sharing Arrangements - None
- F. Guarantees - As disclosed in Note 14A, for its investment in Access Medical Clinic Arkansas, LLC, the Company has agreed to contribute additional capital of \$100,000 to the LLC for each new clinic opened by the LLC. Also, in the event it is determined that additional capital is necessary for other reasons, the Company may contribute their proportionate share, but is not required to do so. The Company's share of ownership may increase or decrease over time based on proportionate share of contributions made by all member owners.
- G. The Company is a wholly-owned subsidiary of Select Founders, LLC.
- H. Amount Deducted for Investment in Upstream Company - None
- I. The Company owns 49% of Access Medical Clinic Arkansas, LLC. See Note 6.
- J. Write-Down for Impairments of Investments in Subsidiary Controlled or Affiliated Companies - None
- K. Foreign Subsidiary Value Using CARVM - None
- L. Downstream Holding Company Value Using Look-Through Method - None
- M. All SCA Investments - None
- N. Investment in Insurance SCAs - None
- O. SCA and SSAP No. 48 Entity Loss Tracking - None

11. Debt - None

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans - None

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

- A. The Company has 500,000 shares authorized, 300,000 shares issued and outstanding.
- B. Dividend Rate of Preferred Stock - None

Notes to Financial Statements

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations (Continued)

- C. Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Arkansas. These limitations are the greater of ten percent of capital or surplus as of the December 31 preceding year or the net income not including realized capital gains for the twelve month period ending on the preceding December 31.
- D. Ordinary Dividends - None
- E. Company Profits Paid as Ordinary Dividends - None
- F. Surplus Restrictions - None
- G. Surplus Advances - None
- H. Stock Held for Special Purposes - None
- I. Changes in Special Surplus Funds - None
- J. Unassigned Funds (Surplus) - None
- K. Company-Issued Surplus Debentures or Similar Obligations - None
- L. Impact of Any Restatement Due to Prior Quasi-Reorganizations - None
- M. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - None

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

- (1) Commitments or contingent commitment(s) to an SCA entity, joint venture, partnership, or limited liability company

As disclosed in Note 10E, the Company has an agreement with Access Medical Clinic Arkansas, LLC to contribute additional capital of to the LLC for each new clinic opened. If additional capital is necessary for other reasons, the Company may or may not contribute their proportionate share, but their ownership share may change based on additional contributions relative to those made by all member owners.

- (2) Nature and circumstances of guarantee

| (1) | (2) | (3) | (4) | (5) |
|--|------------------------------------|---|--|---|
| Nature and Circumstances of Guarantee and Key Attributes | Liability Recognition of Guarantee | Ultimate Financial Statement Impact if Action Under the Guarantee is Required | Maximum Potential Amount of Future Payments (Undiscounted) the Guarantor Could be Required to Make Under the Guarantee | Current Status of Payment or Performance Risk of Guarantees |
| Agreement to contribute additional capital to LLC for each new clinic they open..... | \$ | Unknown. As of December 2020, the LLC estimates all further capital needs can be met by earnings..... | \$ | LLC is currently operating clinics already opened. Additional clinic openings will be covered by the earnings of the LLC..... |
| Total..... | <u>\$</u> | | <u>\$</u> | |

As of December 31, 2020, the LLC estimates all further capital needs can be met by earnings.

- (3) Aggregate compilation of guarantee obligations - None

- B. Assessments - None
- C. Gain Contingencies - None
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - None
- E. Joint and Several Liabilities - None
- F. All Other Contingencies - None

15. Leases

A. Lessee Operating Lease

- (1) Leasing arrangements - None
- (2) For leases having initial or remaining noncancelable lease terms in excess of one year
 - (a) Minimum aggregate rental commitments at year end - None
 - (b) Sublease minimum rentals to be received - None
- (3) For sale-leaseback transactions - None

B. Lessor Leases - None

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk - None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities - None

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

- A. ASO Plans - None
- B. ASC Plans - None

Notes to Financial Statements

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

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

- (1) Reimbursements from the Centers for Medicare and Medicaid Services (CMS) for the Company's participation in the Medicare Part D program for the period ended December 31, 2020 were \$2,240,451. This amount represents pharmacy benefit cost reimbursements for the Reinsurance Subsidy and the Low-Income Cost Sharing Subsidy elements of the Medicare Part D program.
- (2) As of December 31, 2020 the Company had recorded receivables from the following payor whose account balances are greater than 10% of the Company's amounts receivable from uninsured accident and health plans or \$10,000 - None
- (3) In connection with the Company's Medicare Part D cost based reimbursement portion of the contract, the Company has recorded allowances and reserves for adjustment of recorded revenues in the amount of \$0 at December 31, 2020.
- (4) The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators - None

20. Fair Value Measurements

A. Fair Value Measurement

The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The hierarchy gives the highest priority to fair values determined using unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to fair values determined using unobservable inputs (Level 3). An asset's or liability's classification is determined based on the lowest level input that is significant to its measurement.

For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

- Level 1: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2: Inputs are other than quoted prices included in level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.
- Level 3: Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Fair value of actively traded fixed-income and equity securities is based on quoted market prices. Fair value of inactive traded fixed-income securities is based on quoted market prices of identical or similar securities based on observable inputs like interest rates using a market valuation approach is generally classified as Level 2. Investments measured based on the practical expedient being net asset value (NAV), based on the NAV of the fund as provided for in the audited financial statements and other fund reporting, are generally classified as Level 3.

- (1) Fair value measurements at reporting date - None
- (2) Fair value measurements in Level 3 of the fair value hierarchy - None
- (3) Policy on transfers into and out of Level 3 - None
- (4) Inputs and techniques used for Level 2 and Level 3 fair values - None
- (5) Derivatives - None

B. Other Fair Value Disclosures - None

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

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | Level 1 | Level 2 | Level 3 | Net Asset Value (NAV) | Not Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|------------|---------|---------|-----------------------|----------------------------------|
| Cash Equivalents | \$ 315,913 | \$ 315,913 | \$ 315,913 | | | | |
| Other Invested Assets | | | | | | | |

D. Not Practicable to Estimate Fair Value - None

E. Nature and Risk of Investments Reported at NAV - None

21. Other Items - None

22. Events Subsequent

Type I. – Recognized Subsequent Events:

None

Type II. – Nonrecognized Subsequent Events:

None.

| | Current Year | Prior Year |
|---|--------------|------------|
| A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act? | NO | |
| B. ACA fee assessment payable for the upcoming year | \$ | \$ |
| C. ACA fee assessment paid | \$ | \$ |
| D. Premium written subject to ACA 9010 assessment | \$ | \$ |
| E. Total adjusted capital before surplus adjustment | \$ | |
| F. Total adjusted capital after surplus adjustment | \$ | |
| G. Authorized control level | \$ | |
| H. Would reporting the ACA assessment as of Dec 31 have triggered an RBC action level? | | |

Notes to Financial Statements

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

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

Yes () No (X)

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

Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

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

Yes () No (X)

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

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

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

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

Yes () No (X)

B. Uncollectible Reinsurance - None

C. Commutation of Reinsurance Reflected in Income and Expenses - None

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None

E. Reinsurance Credit - None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate - None

B. Method Used to Record - None

C. Amount and Percent of Net Retrospective Premiums - None

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act - None

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

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

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

- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year - None

- (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 - None

- (4) Roll-forward of risk corridors asset and liability balances by program benefit year - None

- (5) ACA risk corridors receivable as of reporting date - None

25. Change in Incurred Claims and Claim Adjustment Expenses

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

Reserves as of December 31, 2020 were \$3,578,001. As of December 31, 2020, \$5,309,054 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$15,497 as a result of re-estimation of unpaid claims and claim adjustment expenses.

B. Significant Changes in Methodologies and Assumptions Used in Calculating the Liability for Unpaid Claims and Claim Adjustment Expenses - None

26. Intercompany Pooling Arrangements - None

27. Structured Settlements - None

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 |
|------------|--|---|---|--|--|
| 12/31/2020 | \$ 259,292 | \$ 259,292 | \$ | \$ | \$ |
| 09/30/2020 | 453,200 | 453,200 | 453,200 | | |
| 06/30/2020 | 414,568 | 414,568 | 414,568 | | |
| 03/31/2020 | 379,733 | 379,733 | 379,733 | | |
| 12/31/2019 | 350,052 | 350,052 | 350,052 | | |
| 09/30/2019 | 442,693 | 442,693 | 442,693 | | |
| 06/30/2019 | 403,060 | 403,060 | 403,060 | | |
| 03/31/2019 | 437,338 | 437,338 | 437,338 | | |
| 12/31/2018 | 373,307 | 373,307 | 373,307 | | |
| 09/30/2018 | 282,358 | 282,358 | 282,358 | | |
| 06/30/2018 | 237,707 | 237,707 | 237,707 | | |
| 03/31/2018 | 118,242 | 118,242 | 118,242 | | |

B. Risk-Sharing Receivables - None

29. Participating Policies - None

30. Premium Deficiency Reserves - None

31. Anticipated Salvage and Subrogation - None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
- 1.3 State Regulating? Arkansas
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes[] No[X]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
- 2.2 If yes, date of change:

- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2018.....
- 3.2 State 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.12/31/2018.....
- 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).04/28/2020.....

- 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[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] 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[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]

- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If yes, complete and file the merger history data file with the NAIC. Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1 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[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes,0.000%
- 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 |
|------------------|---------------------|
| | |

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

| 1 Affiliate Name | 2 Location (City, State) | 3 FRB | 4 OCC | 5 FDIC | 6 SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| | | No | No | No | No |

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BKD, LLP 400 W Capitol Ave #2500, Little Rock, AR 72203
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:
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?
Cheiron, 8300 Greensboro Drive, Ste. 800, McLean, VA 22102

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No
 12.11 Name of real estate holding company
 12.12 Number of parcels involved
 12.13 Total book/adjusted carrying value \$ 0
 12.2 If yes, provide explanation \$ 0
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 N/A
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes No N/A
 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 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
 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
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes No
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

| 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 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 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 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
- 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 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
 21.2 If yes, state the amount thereof at December 31 of the current year:
 21.21 Rented from others \$ 0
 21.22 Borrowed from others \$ 0
 21.23 Leased from others \$ 0
 21.24 Other \$ 0
- 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
 22.2 If answer is yes:
 22.21 Amount paid as losses or risk adjustment \$ 0
 22.22 Amount paid as expenses \$ 0
 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 24.01 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 24.03) Yes No
 24.02 If no, give full and complete information, relating thereto
 24.03 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)
 24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$ 0
 24.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$ 0
 24.06 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
 24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A
 24.08 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
 24.09 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
 24.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0

GENERAL INTERROGATORIES (Continued)

24.092 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 24.093 Total payable for securities lending reported on the liability page. \$ 0

25.1 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 24.03). Yes [] No [X]

25.2 If yes, state the amount thereof at December 31 of the current year:

| | | |
|---|----|---|
| 25.21 Subject to repurchase agreements | \$ | 0 |
| 25.22 Subject to reverse repurchase agreements | \$ | 0 |
| 25.23 Subject to dollar repurchase agreements | \$ | 0 |
| 25.24 Subject to reverse dollar repurchase agreements | \$ | 0 |
| 25.25 Placed under option agreements | \$ | 0 |
| 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock | \$ | 0 |
| 25.27 FHLB Capital Stock | \$ | 0 |
| 25.28 On deposit with states | \$ | 0 |
| 25.29 On deposit with other regulatory bodies | \$ | 0 |
| 25.30 Pledged as collateral - excluding collateral pledged to an FHLB | \$ | 0 |
| 25.31 Pledged as collateral to FHLB - including assets backing funding agreements | \$ | 0 |
| 25.32 Other | \$ | 0 |

25.3 For category (25.26) provide the following:

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

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
 26.2 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 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

26.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [] No [X]

26.4 If the response to 26.3 is yes, does the reporting entity utilize:

| | |
|--|----------------|
| 26.41 Special Accounting Provision of SSAP No. 108 | Yes [] No [X] |
| 26.42 Permitted Accounting Practice | Yes [] No [X] |
| 26.43 Other Accounting Guidance | Yes [] No [X] |

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

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated with in the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts

27.1 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]

27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [] No [X]

28.01 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 |
|---------------------------|--------------------------|
| | |

28.02 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) |
|-------------------------------|------------------|----------------------------------|
| Arvest Asset Management | Arkansas | Cash and Statutory Deposit |

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

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

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

28.05 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 |
|---------------------------------|------------------|
| | |

28.0597 For those firms/individuals listed in the table for Question 28.05, 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]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes [] No [X]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

GENERAL INTERROGATORIES (Continued)

| 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 |
|--|---------------------------------|---|-------------------------|---|
| | | | | |

29.1 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

29.2 If yes, complete the following schedule:

| 1 CUSIP # | 2 Name of Mutual Fund | 3 Book/Adjusted Carrying Value |
|---------------|--------------------------|--------------------------------------|
| 29.2999 Total | | |

29.3 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 |
|--|--|--|---------------------------|
| | | | |

30. 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 Statement (Admitted) Value | 2 Fair Value | 3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
|-----------------------|------------------------------------|--------------------|--|
| 30.1 Bonds | | | |
| 30.2 Preferred stocks | | | |
| 30.3 Totals | | | |

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

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes No

31.2 If the answer to 31.1 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 N/A

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes No

32.2 If no, list exceptions:

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

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting-entity self-designated 5GI securities? Yes No

34. 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 an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes No

35. 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

36. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliate then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate then the reporting entity has complete robust reunderwriting of the transaction for which documentation is available for regulator review.
- d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a-36.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 N/A

GENERAL INTERROGATORIES (Continued)

OTHER

37.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 0

37.2 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 Name | 2 Amount Paid |
|-----------|------------------|
| | |

38.1 Amount of payments for legal expenses, if any? \$ 0

38.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

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

39.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 0

39.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

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

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes No
- 1.2 If yes, indicate premium earned on U.S. business only: \$ 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
 - 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. \$ 0
- 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 | 32,526,261 | 29,601,879 |
| 2.2 Premium Denominator | 32,526,261 | 29,601,879 |
| 2.3 Premium Ratio (2.1 / 2.2) | 100.000 | 100.000 |
| 2.4 Reserve Numerator | 3,722,761 | 5,257,742 |
| 2.5 Reserve Denominator | 3,722,761 | 5,257,742 |
| 2.6 Reserve Ratio (2.4 / 2.5) | 100.000 | 100.000 |

- 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
- 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 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 N/A
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes No
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
 - 5.31 Comprehensive Medical \$ 400,000
 - 5.32 Medical Only \$ 0
 - 5.33 Medicare Supplement \$ 0
 - 5.34 Dental & Vision \$ 0
 - 5.35 Other Limited Benefit Plan \$ 0
 - 5.36 Other \$ 0
- 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:
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes No
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
 - 8.1 Number of providers at start of reporting year 3,643
 - 8.2 Number of providers at end of reporting year 1,985
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes No
- 9.2 If yes, direct premium earned:
 - 9.21 Business with rate guarantees between 15-36 months 0
 - 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes No
- 10.2 If yes:
 - 10.21 Maximum amount payable bonuses \$ 0
 - 10.22 Amount actually paid for year bonuses \$ 0
 - 10.23 Maximum amount payable withholds \$ 0
 - 10.24 Amount actually paid for year withholds \$ 0
- 11.1 Is the reporting entity organized as:
 - 11.12 A Medical Group/Staff Model, Yes No
 - 11.13 An Individual Practice Association (IPA), or, Yes No
 - 11.14 A Mixed Model (combination of above)? Yes No
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes No
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. Yes No
 - Arkansas \$ 4,288,851
- 11.4 If yes, show the amount required. \$ 4,288,851
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes No
- 11.6 If the amount is calculated, show the calculation.

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

| 1 Name of Service Area |
|--|
| 75 counties in the state of Arkansas |

- 13.1 Do you act as a custodian for health savings accounts? Yes No
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ 0
- 13.3 Do you act as an administrator for health savings accounts? Yes No
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date: \$ 0
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, as authorized reinsurers? Yes No N/A
- 14.2 If the answer to 14.1 is yes, please provide the following:

GENERAL INTERROGATORIES (Continued)

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

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

| | | |
|------------------------------|----------|---|
| 15.1 Direct Premium Written | \$ | 0 |
| 15.2 Total incurred claims | \$ | 0 |
| 15.2 Number of covered lives | | 0 |

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

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

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

FIVE-YEAR HISTORICAL DATA

| | 1 2020 | 2 2019 | 3 2018 | 4 2017 | 5 2016 |
|--|------------|-------------|-------------|-------------|-------------|
| BALANCE SHEET (Pages 2 and 3) | | | | | |
| 1. TOTAL Admitted Assets (Page 2, Line 28) | 12,018,149 | 9,802,971 | 14,927,170 | 8,690,850 | 4,636,138 |
| 2. TOTAL Liabilities (Page 3, Line 24) | 4,144,364 | 5,687,492 | 9,915,011 | 5,577,183 | 3,375,387 |
| 3. Statutory minimum capital and surplus requirement | 4,288,851 | 4,024,374 | 4,826,997 | 2,222,550 | 1,041,357 |
| 4. TOTAL Capital and Surplus (Page 3, Line 33) | 7,873,786 | 4,115,479 | 5,012,159 | 3,113,667 | 1,260,751 |
| INCOME STATEMENT (Page 4) | | | | | |
| 5. TOTAL Revenues (Line 8) | 32,526,261 | 29,601,879 | 27,863,836 | 11,638,128 | 5,078,550 |
| 6. TOTAL Medical and Hospital Expenses (Line 18) | 23,094,931 | 23,357,677 | 26,261,270 | 11,331,189 | 5,096,651 |
| 7. Claims adjustment expenses (Line 20) | 2,656,657 | 1,161,003 | 1,651,703 | 1,250,084 | 814,126 |
| 8. TOTAL Administrative Expenses (Line 21) | 6,327,053 | 6,268,914 | 5,918,074 | 3,202,792 | 2,641,601 |
| 9. Net underwriting gain (loss) (Line 24) | 447,620 | (1,185,715) | (4,253,150) | (4,487,773) | (3,513,596) |
| 10. Net investment gain (loss) (Line 27) | 2,651,754 | 358,050 | 77,136 | 1,334 | (3,577) |
| 11. TOTAL Other Income (Lines 28 plus 29) | | (19,980) | | | |
| 12. Net income or (loss) (Line 32) | 3,099,374 | (847,645) | (4,176,014) | (4,486,439) | (3,517,173) |
| Cash Flow (Page 6) | | | | | |
| 13. Net cash from operations (Line 11) | 4,301,643 | (5,946,745) | (1,774,471) | (2,070,942) | (2,915,044) |
| RISK-BASED CAPITAL ANALYSIS | | | | | |
| 14. TOTAL Adjusted Capital | 7,873,786 | 4,115,480 | 5,012,159 | 3,113,667 | 1,260,751 |
| 15. Authorized control level risk-based capital | 1,429,617 | 1,340,746 | 1,610,789 | 740,850 | 347,119 |
| ENROLLMENT (Exhibit 1) | | | | | |
| 16. TOTAL Members at End of Period (Column 5, Line 7) | 2,971 | 3,063 | 2,910 | 885 | 476 |
| 17. TOTAL Members Months (Column 6, Line 7) | 36,843 | 35,022 | 24,679 | 7,519 | 3,483 |
| OPERATING PERCENTAGE (Page 4) | | | | | |
| (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0 | | | | | |
| 18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) | 71.0 | 78.9 | 94.2 | 98.2 | 100.9 |
| 20. Cost containment expenses | 6.2 | 2.3 | 5.1 | 7.6 | 12.8 |
| 21. Other claims adjustment expenses | 2.0 | 1.6 | 0.8 | 3.2 | 3.3 |
| 22. TOTAL Underwriting Deductions (Line 23) | 98.6 | 104.0 | 115.3 | 139.8 | 170.0 |
| 23. TOTAL Underwriting Gain (Loss) (Line 24) | 1.4 | (4.0) | (15.3) | (38.9) | (69.5) |
| UNPAID CLAIMS ANALYSIS | | | | | |
| (U&I Exhibit, Part 2B) | | | | | |
| 24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) | 4,345,224 | 8,606,721 | 3,746,014 | 1,594,467 | 578,201 |
| 25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] | 5,257,742 | 8,950,997 | 3,398,198 | 1,738,396 | 930,689 |
| INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES | | | | | |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) | | | | | |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) | | | | | |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) | | | | | |
| 29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) | | | | | |
| 30. Affiliated mortgage loans on real estate | | | | | |
| 31. All other affiliated | | | | | |
| 32. TOTAL of Above Lines 26 to 31 | | | | | |
| 33. TOTAL Investment in Parent Included in Lines 26 to 31 above | | | | | |

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

If no, please explain:

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

| State, Etc. | 1 Active Status (a) | Direct Business Only | | | | | | | |
|--|------------------------|---------------------------------|---------------------------|-------------------------|--|---|---------------------------------|--------------------------------|-------------------------------|
| | | 2 Accident & Health Premiums | 3 Medicare Title XVIII | 4 Medicaid Title XIX | 5 Federal Employees Health Benefits Plan Premiums | 6 Life & Annuity Premiums & Other Considerations | 7 Property/Casualty Premiums | 8 Total Columns 2 Through 7 | 9 Deposit - Type Contracts |
| 1. Alabama (AL) | N | | | | | | | | |
| 2. Alaska (AK) | N | | | | | | | | |
| 3. Arizona (AZ) | N | | | | | | | | |
| 4. Arkansas (AR) | L | 2,306,983 | 30,274,182 | | | | 32,581,165 | | |
| 5. California (CA) | N | | | | | | | | |
| 6. Colorado (CO) | N | | | | | | | | |
| 7. Connecticut (CT) | N | | | | | | | | |
| 8. Delaware (DE) | N | | | | | | | | |
| 9. District of Columbia (DC) | N | | | | | | | | |
| 10. Florida (FL) | N | | | | | | | | |
| 11. Georgia (GA) | N | | | | | | | | |
| 12. Hawaii (HI) | N | | | | | | | | |
| 13. Idaho (ID) | N | | | | | | | | |
| 14. Illinois (IL) | N | | | | | | | | |
| 15. Indiana (IN) | N | | | | | | | | |
| 16. Iowa (IA) | N | | | | | | | | |
| 17. Kansas (KS) | N | | | | | | | | |
| 18. Kentucky (KY) | N | | | | | | | | |
| 19. Louisiana (LA) | N | | | | | | | | |
| 20. Maine (ME) | N | | | | | | | | |
| 21. Maryland (MD) | N | | | | | | | | |
| 22. Massachusetts (MA) | N | | | | | | | | |
| 23. Michigan (MI) | N | | | | | | | | |
| 24. Minnesota (MN) | N | | | | | | | | |
| 25. Mississippi (MS) | N | | | | | | | | |
| 26. Missouri (MO) | N | | | | | | | | |
| 27. Montana (MT) | N | | | | | | | | |
| 28. Nebraska (NE) | N | | | | | | | | |
| 29. Nevada (NV) | N | | | | | | | | |
| 30. New Hampshire (NH) | N | | | | | | | | |
| 31. New Jersey (NJ) | N | | | | | | | | |
| 32. New Mexico (NM) | N | | | | | | | | |
| 33. New York (NY) | N | | | | | | | | |
| 34. North Carolina (NC) | N | | | | | | | | |
| 35. North Dakota (ND) | N | | | | | | | | |
| 36. Ohio (OH) | N | | | | | | | | |
| 37. Oklahoma (OK) | N | | | | | | | | |
| 38. Oregon (OR) | N | | | | | | | | |
| 39. Pennsylvania (PA) | N | | | | | | | | |
| 40. Rhode Island (RI) | N | | | | | | | | |
| 41. South Carolina (SC) | N | | | | | | | | |
| 42. South Dakota (SD) | N | | | | | | | | |
| 43. Tennessee (TN) | N | | | | | | | | |
| 44. Texas (TX) | N | | | | | | | | |
| 45. Utah (UT) | N | | | | | | | | |
| 46. Vermont (VT) | N | | | | | | | | |
| 47. Virginia (VA) | N | | | | | | | | |
| 48. Washington (WA) | N | | | | | | | | |
| 49. West Virginia (WV) | N | | | | | | | | |
| 50. Wisconsin (WI) | N | | | | | | | | |
| 51. Wyoming (WY) | N | | | | | | | | |
| 52. American Samoa (AS) | N | | | | | | | | |
| 53. Guam (GU) | N | | | | | | | | |
| 54. Puerto Rico (PR) | N | | | | | | | | |
| 55. U.S. Virgin Islands (VI) | N | | | | | | | | |
| 56. Northern Mariana Islands (MP) | N | | | | | | | | |
| 57. Canada (CAN) | N | | | | | | | | |
| 58. Aggregate other alien (OT) | X X X | | | | | | | | |
| 59. Subtotal | X X X | 2,306,983 | 30,274,182 | | | | 32,581,165 | | |
| 60. Reporting entity contributions for Employee Benefit Plans | X X X | | | | | | | | |
| 61. TOTAL (Direct Business) | X X X | 2,306,983 | 30,274,182 | | | | 32,581,165 | | |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 58001 | X X X | | | | | | | | |
| 58002 | X X X | | | | | | | | |
| 58003 | X X X | | | | | | | | |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | X X X | | | | | | | | |
| 58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) | X X X | | | | | | | | |

(a) Active Status Counts:

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

1

R - Registered - Non-domiciled RRGs

Q - Qualified - Qualified or accredited reinsurer

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

