



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2020
OF THE CONDITION AND AFFAIRS OF THE

Care Improvement Plus South Central Insurance Company

NAIC Group Code 0707 0707 NAIC Company Code 12567 Employer's ID Number 20-3888112
(Current) (Prior)

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized 01/13/2006 Commenced Business 01/01/2007

Statutory Home Office 27 Corporate Hill Drive Little Rock, AR, US 72205
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 9800 Health Care Lane MN006-W500
(Street and Number)
Minnetonka, MN, US 55343 952-936-1300
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 9800 Health Care Lane MN006-W500 Minnetonka, MN, US 55343
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 9800 Health Care Lane MN006-W500
(Street and Number)
Minnetonka, MN, US 55343 952-936-1300
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.uhcmedicareolutions.com

Statutory Statement Contact Brandon Robert Maple 952-979-7456
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(E-mail Address) (FAX Number)

OFFICERS

President Gregg James Kunemund Treasurer Peter Marshall Gill
Secretary Sarah Ann Murdock Chief Financial Officer Brian Howard St. Martin

OTHER

Nyle Brent Cottingham, Vice President Heather Anastasia Lang, Assistant Secretary Jessica Leigh Zuba, Assistant Secretary

DIRECTORS OR TRUSTEES

Michael Jamison Grossman Brian Howard St. Martin Craig Andrew Stillman

State of County of State of County of State of County of

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 there from 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.

Gregg James Kunemund
President

Sarah Ann Murdock
Secretary

Brian Howard St. Martin
Chief Financial Officer

Subscribed and sworn to before me this
day of

Subscribed and sworn to before me this
day of

Subscribed and sworn to before me this
day of

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

## 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) .....	619,427,512	0	619,427,512	518,112,225
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	0	0	0	0
3.2 Other than first liens .....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ .....0 encumbrances) .....	0	0	0	0
5. Cash (\$ .....87,246,885 , Schedule E - Part 1), cash equivalents (\$ .....13,657,345 , Schedule E - Part 2) and short-term investments (\$ .....0 , Schedule DA) .....	100,904,230	0	100,904,230	51,316,910
6. Contract loans, (including \$ .....0 premium notes) .....	0	0	0	0
7. Derivatives (Schedule DB) .....	0	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0	0
9. Receivables for securities .....	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	720,331,742	0	720,331,742	569,429,135
13. Title plants less \$ .....0 charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	4,346,763	0	4,346,763	4,216,960
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	2,000,090	625,881	1,374,209	1,642,967
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....	0	0	0	0
15.3 Accrued retrospective premiums (\$ .....3,647,517 ) and contracts subject to redetermination (\$ .....90,833,600 ) .....	89,373,128	0	89,373,128	89,284,084
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	0	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0	0
17. Amounts receivable relating to uninsured plans .....	22,606,900	14,296	22,592,604	20,523,102
18.1 Current federal and foreign income tax recoverable and interest thereon .....	10,987,352	0	10,987,352	528,241
18.2 Net deferred tax asset .....	2,106,088	0	2,106,088	3,225,312
19. Guaranty funds receivable or on deposit .....	37,639	0	37,639	74
20. Electronic data processing equipment and software .....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	470,352	470,352	0	0
24. Health care (\$ .....73,179,292 ) and other amounts receivable .....	80,088,083	6,908,791	73,179,292	83,189,561
25. Aggregate write-ins for other than invested assets .....	128,408	78	128,330	338,141
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	932,476,545	8,019,398	924,457,147	772,377,577
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27) .....	932,476,545	8,019,398	924,457,147	772,377,577
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0	0
2501. State Tax Receivable .....	128,330	0	128,330	338,141
2502. Miscellaneous Receivables .....	78	78	0	0
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	128,408	78	128,330	338,141

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ .....0 reinsurance ceded).....	172,765,235	0	172,765,235	214,299,442
2. Accrued medical incentive pool and bonus amounts.....	9,113,546	0	9,113,546	8,555,617
3. Unpaid claims adjustment expenses.....	1,491,954	0	1,491,954	1,846,844
4. Aggregate health policy reserves, including the liability of \$ .....129,335,338 for medical loss ratio rebate per the Public Health Service Act.....	129,878,696	0	129,878,696	26,728,711
5. Aggregate life policy reserves.....	0	0	0	0
6. Property/casualty unearned premium reserves.....	0	0	0	0
7. Aggregate health claim reserves.....	192,049	0	192,049	198,102
8. Premiums received in advance.....	350,066	0	350,066	443,031
9. General expenses due or accrued.....	11,740,492	0	11,740,492	3,407,071
10.1 Current federal and foreign income tax payable and interest thereon (including \$ .....0 on realized capital gains (losses)).....	0	0	0	0
10.2 Net deferred tax liability.....	0	0	0	0
11. Ceded reinsurance premiums payable.....	0	0	0	0
12. Amounts withheld or retained for the account of others.....	0	0	0	0
13. Remittances and items not allocated.....	35,142	0	35,142	45,482
14. Borrowed money (including \$ .....0 current) and interest thereon \$ .....0 (including \$ .....0 current).....	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates.....	8,549,349	0	8,549,349	15,558,144
16. Derivatives.....	0	0	0	0
17. Payable for securities.....	3,000,000	0	3,000,000	0
18. Payable for securities lending.....	0	0	0	0
19. Funds held under reinsurance treaties (with \$ .....0 authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers).....	0	0	0	0
20. Reinsurance in unauthorized and certified (\$ .....0 ) companies.....	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0	0	0
22. Liability for amounts held under uninsured plans.....	2,627,307	0	2,627,307	3,162,301
23. Aggregate write-ins for other liabilities (including \$ .....328,031 current).....	328,031	0	328,031	403,000
24. Total liabilities (Lines 1 to 23).....	340,071,867	0	340,071,867	274,647,745
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	37,687,522
26. Common capital stock.....	XXX	XXX	2,000,000	2,000,000
27. Preferred capital stock.....	XXX	XXX	0	0
28. Gross paid in and contributed surplus.....	XXX	XXX	181,562,960	181,562,960
29. Surplus notes.....	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	400,822,320	276,479,350
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$ .....0 ).....	XXX	XXX	0	0
32.2 .....0 shares preferred (value included in Line 27 \$ .....0 ).....	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	584,385,280	497,729,832
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	924,457,147	772,377,577
<b>DETAILS OF WRITE-INS</b>				
2301. Unclaimed Property.....	326,951	0	326,951	403,000
2302. Premium Deposit Funds.....	1,080	0	1,080	0
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above).....	328,031	0	328,031	403,000
2501. Section 9010 ACA Subsequent Fee Year Assessment.....	XXX	XXX	0	37,687,522
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above).....	XXX	XXX	0	37,687,522
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above).....	XXX	XXX	0	0

## STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	1,355,722	1,491,468
2. Net premium income ( including \$ .....0 non-health premium income).....	XXX	2,000,769,165	1,980,855,588
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	(99,524,015)	(8,151,590)
4. Fee-for-service (net of \$ .....0 medical expenses).....	XXX	0	0
5. Risk revenue.....	XXX	0	0
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	1,901,245,150	1,972,703,998
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits.....	0	1,371,161,668	1,505,640,506
10. Other professional services.....	0	14,865,052	16,622,815
11. Outside referrals.....	0	0	0
12. Emergency room and out-of-area.....	0	0	0
13. Prescription drugs.....	0	58,840,589	65,348,816
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....	0	13,815,062	11,562,900
16. Subtotal (Lines 9 to 15).....	0	1,458,682,371	1,599,175,037
<b>Less:</b>			
17. Net reinsurance recoveries.....	0	320	(35)
18. Total hospital and medical (Lines 16 minus 17).....	0	1,458,682,051	1,599,175,072
19. Non-health claims (net).....	0	0	0
20. Claims adjustment expenses, including \$ .....50,856,450 cost containment expenses.....	0	65,517,722	70,428,861
21. General administrative expenses.....	0	167,559,164	130,499,567
22. Increase in reserves for life and accident and health contracts (including \$ .....0 increase in reserves for life only).....	0	0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	1,691,758,937	1,800,103,500
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	209,486,213	172,600,498
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	0	12,469,270	11,306,877
26. Net realized capital gains (losses) less capital gains tax of \$ .....24,469.....	0	92,050	72,981
27. Net investment gains (losses) (Lines 25 plus 26).....	0	12,561,320	11,379,858
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ .....479,166 ) (amount charged off \$ .....(1,296,811) )].....	0	(817,645)	(1,063,008)
29. Aggregate write-ins for other income or expenses.....	0	(1,111)	(702)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	221,228,777	182,916,646
31. Federal and foreign income taxes incurred.....	XXX	53,971,182	38,149,894
32. Net income (loss) (Lines 30 minus 31).....	XXX	167,257,595	144,766,752
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above).....	XXX	0	0
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above).....	XXX	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....	0	0	0
2901. Fines and Penalties.....	0	(1,111)	(702)
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above).....	0	(1,111)	(702)

## STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year.....	497,729,832	473,046,981
34. Net income or (loss) from Line 32.....	167,257,595	144,766,752
35. Change in valuation basis of aggregate policy and claim reserves.....	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ ..... 0.....	0	0
37. Change in net unrealized foreign exchange capital gain or (loss).....	0	0
38. Change in net deferred income tax.....	(1,119,224)	(1,162,697)
39. Change in nonadmitted assets.....	5,017,077	6,078,796
40. Change in unauthorized and certified reinsurance.....	0	0
41. Change in treasury stock.....	0	0
42. Change in surplus notes.....	0	0
43. Cumulative effect of changes in accounting principles.....	0	0
44. Capital Changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....	0	0
45. Surplus adjustments:		
45.1 Paid in.....	0	0
45.2 Transferred to capital (Stock Dividend).....	0	0
45.3 Transferred from capital.....	0	0
46. Dividends to stockholders.....	(84,500,000)	(125,000,000)
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	86,655,448	24,682,851
49. Capital and surplus end of reporting period (Line 33 plus 48)	584,385,280	497,729,832
<b>DETAILS OF WRITE-INS</b>		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	2,004,666,191	2,142,253,042
2. Net investment income .....	17,280,707	13,482,249
3. Miscellaneous income .....	0	0
4. Total (Lines 1 through 3) .....	2,021,946,898	2,155,735,291
5. Benefit and loss related payments .....	1,483,906,870	1,583,498,551
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	228,274,871	166,305,640
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ .....0 tax on capital gains (losses) .....	64,454,762	50,495,709
10. Total (Lines 5 through 9) .....	1,776,636,503	1,800,299,900
11. Net cash from operations (Line 4 minus Line 10) .....	245,310,395	355,435,391
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	91,381,836	102,234,403
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	3,000,000	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	94,381,836	102,234,403
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	197,520,101	296,462,538
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	197,520,101	296,462,538
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(103,138,265)	(194,228,135)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	84,500,000	125,000,000
16.6 Other cash provided (applied) .....	(8,084,810)	10,376,337
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(92,584,810)	(114,623,663)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	49,587,320	46,583,593
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	51,316,910	4,733,317
19.2 End of year (Line 18 plus Line 19.1) .....	100,904,230	51,316,910

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

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ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company

**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	2,000,769,165	0	0	0	0	0	1,999,086,001	1,683,164	0	0
2. Change in unearned premium reserves and reserve for rate credit	(99,524,015)	0	0	0	0	0	(99,524,015)	0	0	0
3. Fee-for-service (net of \$ medical expenses)	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	1,901,245,150	0	0	0	0	0	1,899,561,986	1,683,164	0	0
8. Hospital/medical benefits	1,371,161,668	0	0	0	0	0	1,367,554,742	3,606,926	0	XXX
9. Other professional services	14,865,052	0	0	0	0	0	14,865,052	0	0	XXX
10. Outside referrals	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area	0	0	0	0	0	0	0	0	0	XXX
12. Prescription drugs	58,840,589	0	0	0	0	0	58,840,589	0	0	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	13,815,062	0	0	0	0	0	13,815,062	0	0	XXX
15. Subtotal (Lines 8 to 14)	1,458,682,371	0	0	0	0	0	1,455,075,445	3,606,926	0	XXX
16. Net reinsurance recoveries	320	0	0	0	0	0	320	0	0	XXX
17. Total medical and hospital (Lines 15 minus 16)	1,458,682,051	0	0	0	0	0	1,455,075,125	3,606,926	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ cost containment expenses	65,517,722	0	0	0	0	0	65,522,579	(4,857)	0	0
20. General administrative expenses	167,559,164	0	0	0	0	0	167,434,779	124,385	0	0
21. Increase in reserves for accident and health contracts	0	0	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	1,691,758,937	0	0	0	0	0	1,688,032,483	3,726,454	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	209,486,213	0	0	0	0	0	211,529,503	(2,043,290)	0	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	0	0	0	0
2. Medicare Supplement .....	0	0	0	0
3. Dental only .....	0	0	0	0
4. Vision only .....	0	0	0	0
5. Federal Employees Health Benefits Plan .....	0	0	0	0
6. Title XVIII - Medicare .....	1,999,086,001	0	0	1,999,086,001
7. Title XIX - Medicaid .....	1,683,164	0	0	1,683,164
8. Other health .....	0	0	0	0
9. Health subtotal (Lines 1 through 8) .....	2,000,769,165	0	0	2,000,769,165
10. Life .....	0	0	0	0
11. Property/casualty .....	0	0	0	0
12. Totals (Lines 9 to 11)	2,000,769,165	0	0	2,000,769,165

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company

**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	1,470,650,058	.0	.0	.0	.0	.0	1,466,528,969	4,121,089	.0	.0
1.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded	320	.0	.0	.0	.0	.0	320	.0	.0	.0
1.4 Net	1,470,649,738	.0	.0	.0	.0	.0	1,466,528,649	4,121,089	.0	.0
2. Paid medical incentive pools and bonuses	13,257,132	.0	.0	.0	.0	.0	13,257,132	.0	.0	.0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	172,765,235	.0	.0	.0	.0	.0	172,189,225	576,010	.0	.0
3.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net	172,765,235	.0	.0	.0	.0	.0	172,189,225	576,010	.0	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	192,049	.0	.0	.0	.0	.0	191,287	762	.0	.0
4.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	192,049	.0	.0	.0	.0	.0	191,287	762	.0	.0
5. Accrued medical incentive pools and bonuses, current year	9,113,546	.0	.0	.0	.0	.0	9,113,546	.0	.0	.0
6. Net healthcare receivables (a)	(15,757,512)	.0	.0	.0	.0	.0	(15,749,969)	(7,543)	.0	.0
7. Amounts recoverable from reinsurers December 31, current year	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	214,299,442	.0	.0	.0	.0	.0	213,202,932	1,096,510	.0	.0
8.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.4 Net	214,299,442	.0	.0	.0	.0	.0	213,202,932	1,096,510	.0	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	198,102	.0	.0	.0	.0	.0	196,134	1,968	.0	.0
9.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.4 Net	198,102	.0	.0	.0	.0	.0	196,134	1,968	.0	.0
10. Accrued medical incentive pools and bonuses, prior year	8,555,617	.0	.0	.0	.0	.0	8,555,617	.0	.0	.0
11. Amounts recoverable from reinsurers December 31, prior year	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Incurred Benefits:										
12.1 Direct	1,444,867,310	.0	.0	.0	.0	.0	1,441,260,384	3,606,926	.0	.0
12.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded	320	.0	.0	.0	.0	.0	320	.0	.0	.0
12.4 Net	1,444,866,990	.0	.0	.0	.0	.0	1,441,260,064	3,606,926	.0	.0
13. Incurred medical incentive pools and bonuses	13,815,061	.0	.0	.0	.0	.0	13,815,061	.0	.0	.0

(a) Excludes \$ 1,168,109 loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - CLAIMS LIABILITY END OF CURRENT 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. Reported in Process of Adjustment:										
1.1 Direct .....	61,752,019	.0	.0	.0	.0	.0	61,734,573	17,446	.0	.0
1.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.4 Net .....	61,752,019	.0	.0	.0	.0	.0	61,734,573	17,446	.0	.0
2. Incurred but Unreported:										
2.1 Direct .....	105,423,026	.0	.0	.0	.0	.0	104,864,462	558,564	.0	.0
2.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.4 Net .....	105,423,026	.0	.0	.0	.0	.0	104,864,462	558,564	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	5,590,190	.0	.0	.0	.0	.0	5,590,190	.0	.0	.0
3.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net .....	5,590,190	.0	.0	.0	.0	.0	5,590,190	.0	.0	.0
4. TOTALS:										
4.1 Direct .....	172,765,235	.0	.0	.0	.0	.0	172,189,225	576,010	.0	.0
4.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net .....	172,765,235	.0	.0	.0	.0	.0	172,189,225	576,010	.0	.0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	0	0	0	0	0	0
2. Medicare Supplement .....	0	0	0	0	0	0
3. Dental Only .....	0	0	0	0	0	0
4. Vision Only .....	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan .....	0	0	0	0	0	0
6. Title XVIII - Medicare .....	90,208,625	1,376,320,024	2,396,833	169,983,678	92,605,458	213,399,066
7. Title XIX - Medicaid .....	700,981	3,420,108	22,401	554,372	723,382	1,098,478
8. Other health .....	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8) .....	90,909,606	1,379,740,132	2,419,234	170,538,050	93,328,840	214,497,544
10. Healthcare receivables (a) .....	1,347,490	70,425,235	0	7,147,249	1,347,490	94,677,485
11. Other non-health .....	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts .....	7,529,533	5,727,600	68,052	9,045,494	7,597,585	8,555,617
13. Totals (Lines 9 - 10 + 11 + 12)	97,091,649	1,315,042,497	2,487,286	172,436,295	99,578,935	128,375,676

(a) Excludes \$ .....1,168,109 loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(\$000 Omitted)

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

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	176,792	171,889	170,155	169,812	169,832
2. 2016	2,490,782	2,808,258	2,806,839	2,807,494	2,806,267
3. 2017	XXX	913,715	1,006,224	1,006,232	1,005,945
4. 2018	XXX	XXX	1,226,136	1,324,611	1,324,987
5. 2019	XXX	XXX	XXX	1,479,620	1,578,476
6. 2020	XXX	XXX	XXX	XXX	1,382,048

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

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	227,387	171,889	170,155	169,812	169,832
2. 2016	2,973,420	2,826,438	2,806,839	2,807,494	2,806,267
3. 2017	XXX	1,082,524	1,020,814	1,006,232	1,005,945
4. 2018	XXX	XXX	1,417,656	1,339,571	1,324,987
5. 2019	XXX	XXX	XXX	1,686,615	1,580,941
6. 2020	XXX	XXX	XXX	XXX	1,561,077

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2016	3,705,331	2,806,267	146,137	5.2	2,952,404	79.7	0	0	2,952,404	79.7
2. 2017	1,247,219	1,005,945	55,308	5.5	1,061,253	85.1	0	0	1,061,253	85.1
3. 2018	1,672,759	1,324,987	61,282	4.6	1,386,269	82.9	0	0	1,386,269	82.9
4. 2019	1,970,833	1,578,476	82,775	5.2	1,661,251	84.3	2,465	20	1,663,736	84.4
5. 2020	1,899,562	1,382,048	146,496	10.6	1,528,544	80.5	179,029	1,465	1,709,038	90.0

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

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

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2016	2 2017	3 2018	4 2019	5 2020
1.	Prior .....	0	0	0	0	0
2.	2016 .....	0	0	0	0	0
3.	2017 .....	XXX	891	812	813	814
4.	2018 .....	XXX	XXX	1,750	2,605	2,584
5.	2019 .....	XXX	XXX	XXX	4,226	4,946
6.	2020 .....	XXX	XXX	XXX	XXX	3,420

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

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2016	2 2017	3 2018	4 2019	5 2020
1.	Prior .....	0	0	0	0	0
2.	2016 .....	0	0	0	0	0
3.	2017 .....	XXX	1,141	814	813	814
4.	2018 .....	XXX	XXX	2,157	2,967	2,584
5.	2019 .....	XXX	XXX	XXX	4,962	4,969
6.	2020 .....	XXX	XXX	XXX	XXX	3,974

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2016 .....	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2017 .....	552	814	0	0.0	814	147.5	0	0	814	147.5
3. 2018 .....	1,061	2,584	0	0.0	2,584	243.5	0	0	2,584	243.5
4. 2019 .....	1,871	4,946	22	0.4	4,968	265.5	22	0	4,990	266.7
5. 2020 .....	1,683	3,420	107	3.1	3,527	209.6	555	6	4,088	242.9

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

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

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2016	2 2017	3 2018	4 2019	5 2020
1.	Prior .....	176,792	171,889	170,155	169,812	169,832
2.	2016 .....	2,490,782	2,808,258	2,806,839	2,807,494	2,806,267
3.	2017 .....	XXX	914,606	1,007,036	1,007,045	1,006,759
4.	2018 .....	XXX	XXX	1,227,886	1,327,216	1,327,571
5.	2019 .....	XXX	XXX	XXX	1,483,846	1,583,422
6.	2020 .....	XXX	XXX	XXX	XXX	1,385,468

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

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2016	2 2017	3 2018	4 2019	5 2020
1.	Prior .....	227,387	171,889	170,155	169,812	169,832
2.	2016 .....	2,973,420	2,826,438	2,806,839	2,807,494	2,806,267
3.	2017 .....	XXX	1,083,665	1,021,628	1,007,045	1,006,759
4.	2018 .....	XXX	XXX	1,419,813	1,342,538	1,327,571
5.	2019 .....	XXX	XXX	XXX	1,691,577	1,585,910
6.	2020 .....	XXX	XXX	XXX	XXX	1,565,051

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2016 .....	3,705,331	2,806,267	146,137	5.2	2,952,404	79.7	0	0	2,952,404	79.7
2. 2017 .....	1,247,771	1,006,759	55,308	5.5	1,062,067	85.1	0	0	1,062,067	85.1
3. 2018 .....	1,673,820	1,327,571	61,282	4.6	1,388,853	83.0	0	0	1,388,853	83.0
4. 2019 .....	1,972,704	1,583,422	82,797	5.2	1,666,219	84.5	2,487	20	1,668,726	84.6
5. 2020 .....	1,901,245	1,385,468	146,603	10.6	1,532,071	80.6	179,584	1,471	1,713,126	90.1

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ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	0	0	0	0	0	0	0	0	0
2. Additional policy reserves (a) .....	0	0	0	0	0	0	0	0	0
3. Reserve for future contingent benefits .....	0	0	0	0	0	0	0	0	0
4. Reserve for rate credits or experience rating refunds (including \$ .....0 ) for investment income .....	129,335,338	0	0	0	0	0	129,335,338	0	0
5. Aggregate write-ins for other policy reserves .....	543,358	0	0	0	0	0	543,358	0	0
6. Totals (gross) .....	129,878,696	0	0	0	0	0	129,878,696	0	0
7. Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
8. Totals (Net)(Page 3, Line 4) .....	129,878,696	0	0	0	0	0	129,878,696	0	0
9. Present value of amounts not yet due on claims .....	0	0	0	0	0	0	0	0	0
10. Reserve for future contingent benefits .....	192,049	0	0	0	0	0	191,287	762	0
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0
12. Totals (gross) .....	192,049	0	0	0	0	0	191,287	762	0
13. Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
14. Totals (Net)(Page 3, Line 7) .....	192,049	0	0	0	0	0	191,287	762	0
<b>DETAILS OF WRITE-INS</b>									
0501. CMS Risk adjustment payables .....	543,358	0	0	0	0	0	543,358	0	0
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	543,358	0	0	0	0	0	543,358	0	0
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above) .....	0	0	0	0	0	0	0	0	0

(a) Includes \$ .....0 premium deficiency reserve.

## 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) .....	1,502,903	389,581	2,556,532	0	4,449,016
2. Salary, wages and other benefits .....	24,907,373	6,456,468	42,369,000	0	73,732,841
3. Commissions (less \$ .....0 ceded plus \$ .....0 assumed) .....	0	0	38,916,301	0	38,916,301
4. Legal fees and expenses .....	309,555	80,242	526,572	0	916,369
5. Certifications and accreditation fees .....	0	0	0	0	0
6. Auditing, actuarial and other consulting services .....	2,654,009	687,970	4,514,636	0	7,856,615
7. Traveling expenses .....	288,698	74,836	491,094	0	854,628
8. Marketing and advertising .....	1,585,433	410,975	2,696,960	0	4,693,368
9. Postage, express and telephone .....	1,127,314	292,221	1,917,708	0	3,337,243
10. Printing and office supplies .....	1,730,735	448,640	2,944,089	0	5,123,464
11. Occupancy, depreciation and amortization .....	689,015	178,606	1,172,057	0	2,039,678
12. Equipment .....	191,224	49,569	325,284	0	566,077
13. Cost or depreciation of EDP equipment and software .....	2,904,962	753,022	4,941,522	0	8,599,506
14. Outsourced services including EDP, claims, and other services .....	2,821,865	2,579,237	5,017,393	0	10,418,495
15. Boards, bureaus and association fees .....	33,058	8,569	56,233	0	97,860
16. Insurance, except on real estate .....	348,772	90,408	593,283	0	1,032,463
17. Collection and bank service charges .....	136,623	35,415	232,405	0	404,443
18. Group service and administration fees .....	639,635	165,806	1,527,899	0	2,333,340
19. Reimbursements by uninsured plans .....	0	0	0	0	0
20. Reimbursements from fiscal intermediaries .....	0	0	0	0	0
21. Real estate expenses .....	0	0	0	0	0
22. Real estate taxes .....	40,545	16,496	116,629	0	173,670
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....	0	0	482,716	0	482,716
23.2 State premium taxes .....	0	0	46,908	0	46,908
23.3 Regulatory authority licenses and fees .....	0	0	42,629,636	0	42,629,636
23.4 Payroll taxes .....	843,685	343,958	2,436,580	0	3,624,223
23.5 Other (excluding federal income and real estate taxes) .....	0	0	0	0	0
24. Investment expenses not included elsewhere .....	0	0	0	370,184	370,184
25. Aggregate write-ins for expenses .....	8,101,046	1,599,253	11,047,727	0	20,748,026
26. Total expenses incurred (Lines 1 to 25) .....	50,856,450	14,661,272	167,559,164	370,184	(a) 233,447,070
27. Less expenses unpaid December 31, current year .....	1,158,091	333,863	11,643,284	97,208	13,232,446
28. Add expenses unpaid December 31, prior year .....	1,357,438	489,406	3,311,606	95,465	5,253,915
29. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year .....	0	0	0	0	0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	51,055,797	14,816,815	159,227,486	368,441	225,468,539
<b>DETAILS OF WRITE-INS</b>					
2501. Sundry General Expenses .....	7,129,079	1,366,695	9,511,360	0	18,007,134
2502. Professional Fees\Consulting .....	653,818	169,482	1,112,186	0	1,935,486
2503. Information Technology .....	162,763	42,191	276,870	0	481,824
2598. Summary of remaining write-ins for Line 25 from overflow page .....	155,386	20,885	147,311	0	323,582
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	8,101,046	1,599,253	11,047,727	0	20,748,026

(a) Includes management fees of \$ .....100,205,363 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) 1,204,391	1,270,057
1.1 Bonds exempt from U.S. tax .....	(a) 0	0
1.2 Other bonds (unaffiliated) .....	(a) 11,451,310	11,523,599
1.3 Bonds of affiliates .....	(a) 0	0
2.1 Preferred stocks (unaffiliated) .....	(b) 0	0
2.11 Preferred stocks of affiliates .....	(b) 0	0
2.2 Common stocks (unaffiliated) .....	0	0
2.21 Common stocks of affiliates .....	0	0
3. Mortgage loans .....	(c) 0	0
4. Real estate .....	(d) 0	0
5. Contract Loans .....	0	0
6. Cash, cash equivalents and short-term investments .....	(e) 45,798	45,798
7. Derivative instruments .....	(f) 0	0
8. Other invested assets .....	0	0
9. Aggregate write-ins for investment income .....	0	0
10. Total gross investment income .....	12,701,499	12,839,454
11. Investment expenses .....		(g) 370,184
12. Investment taxes, licenses and fees, excluding federal income taxes .....		(g) 0
13. Interest expense .....		(h) 0
14. Depreciation on real estate and other invested assets .....		(i) 0
15. Aggregate write-ins for deductions from investment income .....		0
16. Total deductions (Lines 11 through 15) .....		370,184
17. Net investment income (Line 10 minus Line 16) .....		12,469,270
<b>DETAILS OF WRITE-INS</b>		
0901. ....		
0902. ....		
0903. ....		
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	0	0
1501. ....		
1502. ....		
1503. ....		
1598. Summary of remaining write-ins for Line 15 from overflow page .....		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....		0

- (a) Includes \$ 95,718 accrual of discount less \$ 5,035,215 amortization of premium and less \$ 387,409 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds .....	39,707	0	39,707	0	0
1.1 Bonds exempt from U.S. tax .....	0	0	0	0	0
1.2 Other bonds (unaffiliated) .....	315,860	(239,048)	76,812	0	0
1.3 Bonds of affiliates .....	0	0	0	0	0
2.1 Preferred stocks (unaffiliated) .....	0	0	0	0	0
2.11 Preferred stocks of affiliates .....	0	0	0	0	0
2.2 Common stocks (unaffiliated) .....	0	0	0	0	0
2.21 Common stocks of affiliates .....	0	0	0	0	0
3. Mortgage loans .....	0	0	0	0	0
4. Real estate .....	0	0	0	0	0
5. Contract loans .....	0	0	0	0	0
6. Cash, cash equivalents and short-term investments .....	0	0	0	0	0
7. Derivative instruments .....	0	0	0	0	0
8. Other invested assets .....	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses) .....	0	0	0	0	0
10. Total capital gains (losses) .....	355,567	(239,048)	116,519	0	0
<b>DETAILS OF WRITE-INS</b>					
0901. ....					
0902. ....					
0903. ....					
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	0	0	0	0	0

**EXHIBIT OF NON-ADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....	0	0	0
6. Contract loans .....	0	0	0
7. Derivatives (Schedule DB) .....	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0
9. Receivables for securities .....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only) .....	0	0	0
14. Investment income due and accrued .....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	625,881	809,108	183,227
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0
17. Amounts receivable relating to uninsured plans .....	14,296	90,531	76,235
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2 Net deferred tax asset .....	0	0	0
19. Guaranty funds receivable or on deposit .....	0	0	0
20. Electronic data processing equipment and software .....	0	0	0
21. Furniture and equipment, including health care delivery assets .....	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
23. Receivable from parent, subsidiaries and affiliates .....	470,352	0	(470,352)
24. Health care and other amounts receivable .....	6,908,791	12,136,764	5,227,973
25. Aggregate write-ins for other than invested assets .....	78	72	(6)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	8,019,398	13,036,475	5,017,077
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
28. Total (Lines 26 and 27) .....	8,019,398	13,036,475	5,017,077
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. Miscellaneous Receivables .....	78	72	(6)
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	78	72	(6)

**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 .....	0	0	0	0	0	0
2. Provider Service Organizations .....	0	0	0	0	0	0
3. Preferred Provider Organizations .....	128,235	115,856	112,779	110,591	109,428	1,355,722
4. Point of Service .....	0	0	0	0	0	0
5. Indemnity Only .....	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business .....	0	0	0	0	0	0
7. Total	128,235	115,856	112,779	110,591	109,428	1,355,722
<b>DETAILS OF WRITE-INS</b>						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

**CARE IMPROVEMENT PLUS SOUTH CENTRAL INSURANCE COMPANY**

**NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS  
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN**

**Organization and Operation**

Care Improvement Plus South Central Insurance Company (the "Company"), licensed as an accident and health insurer (limited to Medicare only products), offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is a wholly owned subsidiary of XLHealth Corporation ("XLHealth"). XLHealth is a wholly owned subsidiary of United HealthCare Services, Inc. ("UHS"), a management corporation that provides services to the Company under the terms of a management agreement (the "Agreement"). UHS is a wholly owned subsidiary of UnitedHealth Group Incorporated ("UnitedHealth Group"). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company was incorporated on January 13, 2006, as an accident and health insurer (limited to Medicare only products) in Arkansas and operations commenced in January 2007. The Company is licensed as an accident & health insurer in 50 states and the District of Columbia. During 2019, the Company received a Department of Managed Health Care ("DMHC") license in the State of California. The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees.

The Company serves as a plan sponsor offering Medicare Advantage, along with Medicare Part D prescription drug insurance coverage, as well as Medicare specialized programs including a Dual Special Needs Plan, and an Institutional Special Needs Plan (collectively "Medicare Plans") under contracts with the Centers for Medicare and Medicaid Services ("CMS"). The Company receives seven different payment elements either during the year or at final settlement in the subsequent year: CMS premium, member premium, CMS low-income premium subsidy, CMS catastrophic reinsurance subsidy, CMS low-income member cost-sharing subsidy, CMS risk-share, and the CMS coverage gap discount program ("CGDP"). The applicable payment elements are received either during the year or at settlement in the subsequent year. Each component of the Medicare program is further defined throughout Note 1.

**A. Accounting Practices**

The statutory basis financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Department.

The Department recognizes only statutory accounting practices, prescribed or permitted by the State of Arkansas, for determining and reporting the financial condition and results of operations of an accident and health insurer, for determining its solvency under Arkansas Insurance Law. The state prescribes the use of the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP") in effect for the accounting periods covered in the statutory basis financial statements.

No significant differences exist between the practices prescribed or permitted by the State of Arkansas and the NAIC SAP which materially affect the statutory basis net income and capital and surplus, as illustrated in the table below:

	SSAP #	F/S Page #	F/S Line #	December 31, 2020	December 31, 2019
<b>Net Income</b>					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 167,257,595	\$ 144,766,752
(2) State prescribed practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(3) State permitted practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	<u>\$ 167,257,595</u>	<u>\$ 144,766,752</u>
<b>Capital and Surplus</b>					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 584,385,280	\$ 497,729,832
(6) State prescribed practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(7) State permitted practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	<u>\$ 584,385,280</u>	<u>\$ 497,729,832</u>

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

The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to hospital and medical benefits, claims unpaid, aggregate health policy reserves (including medical loss ratio rebates), aggregate health claim reserves, and risk adjustment estimates. The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income in the period in which the estimate is adjusted.

**C. Accounting Policy**

**Basis of Presentation** — The Company prepares its statutory basis financial statements on the basis of accounting practices prescribed or permitted by the Department. These statutory practices differ from accounting principles generally accepted in the United States of America ("GAAP").

Accounting policy disclosures that are required by the NAIC Annual Statement instructions are as follows:

- (1–2) Bonds and short-term investments are stated at book/adjusted carrying value if they meet NAIC designation of one or two and stated at the lower of book/adjusted carrying value or fair value if they meet an NAIC designation of three or higher. The Company does not have any mandatory convertible securities or Securities Valuation Office of the NAIC ("SVO") identified funds (i.e.: exchange traded funds or bond mutual funds) in its bond portfolio. Amortization of bond premium or accretion of discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the SVO in accordance with the NAIC Valuation of Securities manual prepared by the SVO or an external pricing service;
- (3–4) The Company holds no common or preferred stock;
- (5) The Company holds no mortgage loans on real estate;

- (6) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in nonagency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets. Total combined investments in mortgage-backed securities and asset-backed securities cannot exceed more than 30% of total cash and invested assets;
- (7) The Company holds no investments in subsidiaries, controlled, or affiliated entities;
- (8) The Company has no investment interests with respect to joint ventures, partnerships, or limited liability companies;
- (9) The Company holds no derivatives;
- (10) Premium deficiency reserves ("PDR") (inclusive of conversion reserves) and the related expenses are recognized when it is probable that expected future health care expenses, claims adjustment expenses ("CAE"), direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts, and are recorded as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts, and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, CAE and direct administration costs are considered. The data and assumptions underlying such estimates and the resulting reserves are periodically updated, and any adjustments are reflected as an increase or decrease in reserves for accident and health contracts in the statutory basis statements of operations in the period in which the change in estimate is identified. The Company does anticipate investment income as a factor in the PDR calculation (see Note 30);
- (11) CAE are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the Agreement (see Note 10), the Company pays a management fee to its affiliate, UHS, in exchange for administrative and management services. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and general administrative expenses ("GAE") to be reported in the statutory basis statements of operations. It is the responsibility of UHS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid CAE associated with incurred but unpaid claims, which is included in unpaid CAE in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid CAE as of December 31, 2020 is adequate to cover the Company's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid CAE are reflected in operating results in the period in which the change in estimate is identified;
- (12) The Company does not carry any fixed assets in the statutory basis financial statements;
- (13) Health care receivables consist of pharmacy rebates receivable estimated based on the most currently available data from the Company's claims processing systems and from data provided by the Company's affiliated pharmaceutical benefit manager, OptumRx, Inc. ("OptumRx"). Health care receivables also include receivables for amounts due to the Company for provider advances and claim overpayments to providers, capitation arrangements, and provider recoveries. Provider recoveries consist of claim overpayments to providers which are due back to the Company. Health care receivables are considered nonadmitted assets under the NAIC SAP if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

The Company has also deemed the following to be significant accounting policies and/or differences between statutory practices and GAAP:

**ASSETS**

***Cash and Invested Assets***

- Bonds include U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities, with a maturity of greater than one year at the time of purchase;
- Certain debt investments categorized as available-for-sale or held-to-maturity under GAAP are presented at the lower of book/adjusted carrying value or fair value in accordance with the NAIC designations in the statutory basis financial statements, whereas under GAAP, these investments are shown at fair value or book/adjusted carrying value, respectively;
- Cash, cash overdrafts, cash equivalents, and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash, cash equivalents, and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;
- Cash represents cash held by the Company in disbursement accounts. Claims and other payments are made from the disbursement accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments;
- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;
- Cash equivalents include money-market funds. Cash equivalents have original maturity dates of three months or less from the date of acquisition. Effective June 2020, cash equivalents also consist of the Company's share of a qualified cash pool sponsored and administered by UHS. The investment pool consists principally of investments with original maturities of less than one year, with the average life of the individual investments being less than 60 days. The Company's share of the pool represents an undivided ownership interest in the pool and is immediately convertible to cash at no cost or penalty. The participants within the pool have an individual fund number to track those investments owned by the Company. In addition, the Company is listed as a participant in the executed custodial agreement between UHS and the custodian whereby the Company's share in the investment pool is segregated and separately maintained. The pool is primarily invested in government obligations, commercial paper, certificates of deposit, and short-term agency notes and is recorded at cost or book/adjusted carrying value depending on the composition of the underlying securities. Interest income from the pool accrues daily to participating members based upon ownership percentage. Prior to June 2020, the investment pool was reported in short-term investments (see Note 1 *Recently Issued Accounting Standards*). Cash equivalents, excluding money-market funds, are reported at cost or book/adjusted carrying value depending on the nature of the underlying security, which approximates fair value. Money-market funds are reported at fair value or net asset value ("NAV") as a practical expedient;
- The Company has no short-term investments, however, prior to June 2020, short-term investments included the Company's share of an investment pool sponsored and administered by UHS (see Note 1 *Recently Issued Accounting Standards*);
- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains are reported as net realized capital gains less capital gains tax ("net realized capital gains less taxes") in the statutory basis statements of operations;
- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital gains less taxes in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for loan-backed securities for periods subsequent to the loss recognition. The Company recognized an other-than-temporary impairment ("OTTI") of \$239,048 and \$40,922 for the years ended December 31, 2020 and 2019, respectively;

- The NAIC SAP requires the following captions to be taken into consideration in the reconciliation of the statutory basis statements of cash flows: cash, including cash overdrafts, cash equivalents, and short-term investments, which can include restricted cash reserves, with original maturities of one year or less from the time of acquisition, whereas under GAAP, pursuant to Accounting Standards Update 2016-18, *Statement of Cash Flows, Restricted Cash*, the statements of cash flows reconcile the corresponding captions of cash, cash equivalents and restricted cash with maturities of three months or less. Short-term investments with a final maturity of one year or less from the balance sheet date are not included in the reconciliation of GAAP cash flows. In addition, there are classification differences within the presentation of the cash flow categories between GAAP and NAIC SAP. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

**Other Assets**

- **Investment Income Due and Accrued** — Investment income earned and due as of the reporting date, in addition to investment income earned but not paid or collected until subsequent periods, is reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and accrued and amounts determined to be uncollectible are written off in the period in which the determination is made. In addition, the remaining balance is assessed for admissibility and any balance greater than 90 days past due is considered a nonadmitted asset.
- **Premiums and Considerations** — The Company reports uncollected premium balances from its insured members and CMS as premiums and considerations in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential. Premiums and considerations also include the following (see Note 24):
  - a) CMS risk corridor receivables for which adjustments are based on whether the ultimate per member per month (“PMPM”) benefit costs of any Medicare Plan varies more than 5% above the level estimated in the original bid submitted by the Company and approved by CMS.
  - b) CMS risk adjustment receivables for the Medicare Plans. The risk adjustment model apportions premiums paid to all health plans according to the health severity and certain demographic factors of its enrollees. The CMS risk adjustment model pays more for members whose medical history indicates they have certain medical conditions. Under this risk adjustment methodology, CMS calculates the risk-adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, and physician treatment settings. The Company and health care providers collect, capture, and submit the necessary and available diagnosis data to CMS within prescribed deadlines. The Company estimates risk adjustment revenues based upon the diagnosis data submitted and expected to be submitted to CMS. The Company recognizes such changes when the amounts become determinable and supportable and collectability is reasonably assured.

Premium adjustments for the CMS risk corridor programs are accounted for as premium adjustments subject to retrospectively rated features. Premium adjustments for CMS risk adjustment are accounted for as premium adjustments subject to redetermination.

- **Amounts Receivable Relating to Uninsured Plans** — The Company reports amounts due to the Company from CMS and groups for the administrative activities it performs for which it has no insurance risk as amounts receivable relating to uninsured plans (see Note 18). Amounts receivable relating to uninsured plans include the following:
  - a) costs incurred in excess of the cost reimbursement under the Medicare Plans for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy for the individual members. The Company is fully reimbursed by CMS for costs incurred for these contract elements, and accordingly, there is no insurance risk to the Company. Subsidies for individual members are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. If the Company incurs costs in excess of these subsidies, a corresponding receivable is recorded. For employer group members, the cost reimbursement under the Medicare program for the catastrophic reinsurance subsidy is consistent with reimbursement for individuals. The low-income member cost-sharing subsidy for employer group members is only received at settlement which is in the subsequent year; and

b) the Patient Protection and Affordable Care Act and its related legislation (“ACA”) mandates consumer discounts of 70% on brand name prescription drugs for Part D plan participants in the coverage gap. As part of the CGDP, the Company records a receivable from the pharmaceutical manufacturers for reimbursement of the discounts. There are no similar subsidies for employer group members. The Company solely administers the application of these funds and has no insurance risk.

- **Current Federal Income Tax Recoverable** — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. A current federal income tax recoverable is recognized when the Company’s allocated intercompany estimated payments are more than its actual calculated obligation based on the Company’s stand-alone federal income tax return (see Note 9).
- **Net Deferred Tax Asset** — The NAIC SAP provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). In addition, under the NAIC SAP, the change in deferred tax assets is recorded directly to unassigned surplus in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under the NAIC SAP, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheet.

#### **LIABILITIES**

- **Claims Unpaid and Aggregate Health Claim Reserves** — Claims unpaid and aggregate health claim reserves include claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

The estimates for incurred but not yet reported claims are developed using an actuarial process that is consistently applied, centrally controlled, and automated. The actuarial models consider factors such as historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The Company estimates such liabilities for physician, hospital, and other medical cost disputes based upon an analysis of potential outcomes, assuming a combination of litigation and settlement strategies. These estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during 2020 and 2019. Management believes the amount of claims unpaid and aggregate health claim reserves is a best estimate of the Company’s liability for unpaid claims and aggregate health claim reserves as of December 31, 2020; however, actual payments may differ from those established estimates.

The Company contracts with hospitals, physicians, and other providers of health care under capitated or discounted fee for service arrangements, including a hospital per diem to provide medical care services to enrollees. Some of these contracts are with related parties (see Note 10). Capitated providers are at risk for the cost of medical care services provided to the Company’s enrollees; however, the Company is ultimately responsible for the provision of services to its enrollees should the capitated provider be unable to provide the contracted services.

- **Accrued Medical Incentive Pool and Bonus Amounts** — The Company has agreements with certain independent physicians and physician network organizations that provide for the establishment of a fund into which the Company places monthly premiums payable for members assigned to the physician. The Company manages the disbursement of funds from this account as well as reviews the utilization of nonprimary care medical services of members assigned to the physicians. Any surpluses in the fund are shared by the Company and the physician based upon predetermined risk-sharing percentage and the liability is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has incentive and bonus arrangements with providers that are based on quality, utilization, and/or various health outcome measures. The estimated amount due to providers that meet the established metrics is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Aggregate Health Policy Reserves** — Aggregate health policy reserves include:
  - a) CMS risk corridor payables for which adjustments are based on whether the ultimate PMPM benefit costs of any Medicare Plan varies more than 5% below the level estimated in the original bid submitted by the Company and approved by CMS (see Note 24);
  - b) CMS risk adjustment payables for the Medicare Plans. The risk adjustment model apportions premiums paid to all health plans according to the health severity and certain demographic factors of its Medicare Plans enrollees. The CMS risk adjustment model pays more for members whose medical history indicates they have certain medical conditions. Under this risk adjustment methodology, CMS calculates the risk-adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, and physician treatment settings. The Company and health care providers collect, capture, and submit the necessary and available diagnosis data to CMS within prescribed deadlines. If diagnosis data submitted to CMS needs to be corrected or deleted, the revised diagnosis data can be re-submitted. The Company estimates reductions to risk adjustment revenues and corresponding change in CMS risk adjustment payables based upon the diagnosis data submitted and expected to be submitted to CMS. The Company recognizes such changes when the amounts become determinable and supportable (see Note 24); and
  - c) estimated rebates payable on the Medicare Plans, if the medical loss ratios on these fully insured products, as calculated under the definitions of the ACA and implementing regulations, fall below certain targets. The Company is required to rebate the ratable portions of the premiums annually (see Note 24).
- **General Expenses Due or Accrued** — General expenses that are due as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent period are reported as general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. General expenses due or accrued also include the amounts for unpaid assessments and commissions payable.
- **Amounts due to Parent, Subsidiaries, and Affiliates, Net** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts owed as amounts payable to parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Liability for Amounts Held Under Uninsured Plans** — Liability for amounts held under uninsured plans represents amounts due from the Company to CMS for the administrative activities it performs for which it has no insurance risk (see Note 18). The ACA mandates consumer discounts of 70% on brand name prescription drugs for Part D plan participants in the coverage gap. These discounts are pre-funded for the individual members by CMS and a liability for the amount subject to recoupment is recorded. The Company solely administers the application of these funds and has no insurance risk.

#### **CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS**

- **Nonadmitted Assets** — Certain assets, including certain aged premium receivables, certain health care receivables, and certain amounts receivable relating to uninsured plans, are considered nonadmitted assets under the NAIC SAP and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus and charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheet.
- **Restricted Cash Reserves** — The Company held regulatory deposits in the amount of \$4,288,004 and \$4,277,765 as of December 31, 2020 and 2019, respectively, in compliance with the various states requirements for qualification purposes as a domestic and foreign insurer. These restricted cash reserves consist principally of government obligations and are stated at book/adjusted carrying value, which approximates fair value. These restricted deposits are included in bonds in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on these deposits accrues to the Company.
- **Minimum Capital and Surplus** — Under the laws of the State of Arkansas, the Company's domiciliary state, the Department requires the Company to maintain a minimum capital and surplus equal to \$100,000 or risk-based capital ("RBC").

RBC is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. The Department requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above, or the company action level as calculated by the RBC formula, or the level needed to avoid action pursuant to the trend test in the RBC formula.

The Company is also subject to minimum capital and surplus requirements in other states where it is licensed to do business.

The Company has \$584,385,280 and \$497,729,832 in total statutory basis capital and surplus as of December 31, 2020 and 2019, respectively, which is in compliance with the required amounts where it is licensed to do business.

- **Section 9010 ACA Subsequent Fee Year Assessment** — The Company is subject to the Section 9010 ACA subsequent fee year assessment. Under the NAIC SAP, as of December 31, 2019, an amount equal to the estimated subsequent year fee was apportioned out of unassigned surplus and reported as Section 9010 ACA subsequent fee year assessment, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, no such special surplus designation is required. In accordance with the 2021 Health Insurer Fee (“HIF”) repeal, no HIF will be payable in 2021 or thereafter, therefore no amounts will be apportioned out of unassigned surplus after December 31, 2019.

### **STATEMENTS OF OPERATIONS**

- **Net Premium Income and Change in Reserve for Rate Credits** — Revenues consist of net premium income that is recognized in the period in which enrollees are entitled to receive health care services.

Net premium income includes premiums under the Medicare Plans which includes CMS premiums, including amounts pursuant to the CMS risk adjustment program, member premiums, and the CMS low-income premium subsidy for the Company’s insurance risk coverage. Net premium income is recognized ratably over the period in which eligible individuals are entitled to receive health care services and prescription drug benefits.

The Company also records estimates related to the CMS Medicare Plans risk corridor program. Changes to these estimates are reflected as change in reserve for rate credits in the statutory basis statements of operations.

The Company’s Medicare Plans are subject to medical loss ratio requirements under the ACA. Plans with medical loss ratios that fall below certain targets are required to rebate ratable portions of premiums annually. The Company classifies its estimated rebates as change in reserve for rate credits in the statutory basis statements of operations.

- **Total Hospital and Medical Expenses** — Total hospital and medical expenses include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

Total hospital and medical expenses also include amounts incurred for incentive pool, withhold adjustments, and bonus amounts that are based on the underlying contractual provisions with the respective providers. In addition, adjustments to claims unpaid estimates and aggregate health claim reserves are reflected in the period once the change in estimate is identified and included in total hospital and medical expenses in the statutory basis statements of operations.

- **General Administrative Expenses** — Pursuant to the terms of the Agreement (see Note 10), the Company pays a management fee to UHS in exchange for administrative and management services. Costs for items not included within the scope of the Agreement are directly expensed as incurred. State income taxes are also a component of GAE. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and GAE to be reported in the statutory basis statements of operations.

The Company is subject to an annual fee under Section 9010 of the ACA. A health insurance entity’s annual fee becomes payable once the entity provides health insurance for any U.S. health risk during the calendar year, which is nondeductible for tax purposes (see Note 22). Under the NAIC SAP, the entire amount of the estimated annual fee expense is recognized on January 1 of the fee year in GAE in the statutory basis statements of operations, whereas under GAAP, a deferred asset is created on January 1 of the fee year which is amortized to expense on a straight-line basis throughout the year.

- **Net Investment Income Earned** — Net investment income earned includes investment income collected during the period, as well as the change in investment income due and accrued on the Company’s holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income earned (see Note 7).
- **Federal Income Taxes Incurred** — The provision for federal income taxes incurred is calculated based on applying the statutory federal income tax rate of 21% to net income before federal income taxes and net realized capital gains subject to certain adjustments (see Note 9).
- **Comprehensive Income** — Comprehensive income and its components are not separately presented in the statutory basis financial statements, whereas under GAAP, it is a requirement to present comprehensive income and its components in the financial statements.

**OTHER**

- **Vulnerability Due to Certain Concentrations** — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company’s existing products in new markets and offerings of new products, both of which may restrict the Company’s ability to expand its business.

Direct premiums written and uncollected premiums, including receivables for contracts subject to redetermination, from members and CMS related to the Medicare Plans as a percentage of total direct premiums written and total uncollected premiums, including receivables for contracts subject to redetermination, are 100% as of and for the years ended December 31, 2020 and 2019, respectively.

**Recently Issued Accounting Standards** — In May 2020, the NAIC revised Statement of Statutory Accounting Principles (“SSAP”) No. 2R, *Cash, Cash Equivalents, Drafts, and Short-Term Investments* (“SSAP No. 2R”) for the presentation of qualifying cash pools. The revision clarified the types of cash pooling structures and the investments required to be maintained in those structures for the cash pools to qualify as cash, cash equivalents or short-term investments. This revised guidance is effective for reporting periods on and after January 1, 2021 with early adoption permitted. The Company has elected to early adopt the revised change effective June 2020 (see Note 5 and Note 20).

The Company reviewed all other recently issued guidance in 2020 and 2019 that has been adopted for 2020 or subsequent years’ implementation and has determined that none of the items would have a significant impact to the statutory basis financial statements.

**D. Going Concern**

The Company has the ability and will continue to operate for a period of time sufficient to carry out its commitments, obligations and business objectives.

**2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS**

No changes in accounting principles or corrections of errors have been recorded during the years ended December 31, 2020 and 2019.

**3. BUSINESS COMBINATIONS AND GOODWILL**

**A–D.** The Company was not party to a business combination during the years ended December 31, 2020 and 2019, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

**4. DISCONTINUED OPERATIONS**

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

**(1–4)** The Company did not have any discontinued operations disposed of or classified as held for sale during 2020 and 2019.

**B. Change in Plan of Sale of Discontinued Operation** — Not applicable.

**C. Nature of any Significant Continuing Involvement with Discontinued Operations after Disposal** — Not applicable.

**D. Equity Interest Retained in the Discontinued Operation after Disposal** — Not applicable.

**5. INVESTMENTS**

Pursuant to the early adoption of SSAP No. 2R (see Note 1), the Company's investment in the qualified cash pool is included in cash equivalents in 2020 and was reported in short-term investments in 2019. The Company's investment in the qualified cash pool balance is \$1,268 and \$1,262 as of December 31, 2020 and December 31, 2019, respectively.

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of long-term investments were \$563,014 and \$207,447, respectively, for 2020 and \$263,898 and \$108,130, respectively, for 2019. The Company did not have any gross realized gains and losses on sales of short-term investments for 2020 and 2019. The net realized gain is included in net realized capital gains less taxes in the statutory basis statements of operations. Total proceeds on the sale of long-term investments were \$23,011,731 and \$63,377,479 and for short-term investments were \$1,268 and \$0 in 2020 and 2019, respectively.

As of December 31, 2020 and 2019, the book/adjusted carrying value, fair value, and gross unrecognized unrealized gains and losses of the Company's investments, excluding cash and cash equivalents of \$100,904,230 and \$51,315,648, respectively, are disclosed in the table below:

	Book/Adjusted Carrying Value	2020			Fair Value
		Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	
		U.S. government and agency securities	\$ 185,081,131	\$ 6,185,427	
State and agency municipal securities	50,642,069	3,153,144	-	-	53,795,213
City and county municipal securities	61,818,556	3,884,810	-	-	65,703,366
Corporate debt securities	321,885,756	17,342,902	110,913	101,624	339,016,121
<b>Total bonds</b>	<b>\$ 619,427,512</b>	<b>\$ 30,566,283</b>	<b>\$ 304,549</b>	<b>\$ 101,624</b>	<b>\$ 649,587,622</b>

	Book/Adjusted Carrying Value	2020			Fair Value
		Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	
		Less than one year	\$ 13,211,965	\$ 100,046	
One to five years	203,196,099	8,738,997	-	-	211,935,096
Five to ten years	214,124,841	16,272,808	278,621	5,285	230,113,743
Over ten years	188,894,607	5,454,432	25,928	96,339	194,226,772
<b>Total bonds</b>	<b>\$ 619,427,512</b>	<b>\$ 30,566,283</b>	<b>\$ 304,549</b>	<b>\$ 101,624</b>	<b>\$ 649,587,622</b>

	Book/Adjusted Carrying Value	2019			Fair Value
		Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	
		U.S. government and agency securities	\$ 174,002,510	\$ 2,060,636	
State and agency municipal securities	40,152,220	1,885,444	37,522	-	42,000,142
City and county municipal securities	51,270,956	2,457,537	-	-	53,728,493
Corporate debt securities	252,687,801	6,164,795	98,579	224,382	258,529,635
<b>Total bonds and short-term investments</b>	<b>\$ 518,113,487</b>	<b>\$ 12,568,412</b>	<b>\$ 208,919</b>	<b>\$ 308,329</b>	<b>\$ 530,164,651</b>

Included in U.S. government and agency securities and corporate debt securities in the tables above are mortgage-related loan-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities' final maturity date and at a book/adjusted carrying value of \$142,639,690 and fair value of \$147,212,059.

The following table illustrates the fair value and gross unrecognized unrealized losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrecognized unrealized loss position as of December 31, 2020 and 2019:

	2020					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. government and agency securities	\$ 13,679,035	\$ 193,636	\$ -	\$ -	\$ 13,679,035	\$ 193,636
Corporate debt securities	<u>27,355,482</u>	<u>110,913</u>	<u>12,946,127</u>	<u>101,624</u>	<u>40,301,609</u>	<u>212,537</u>
Total bonds	<u>\$ 41,034,517</u>	<u>\$ 304,549</u>	<u>\$ 12,946,127</u>	<u>\$ 101,624</u>	<u>\$ 53,980,644</u>	<u>\$ 406,173</u>

	2019					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. government and agency securities	\$ 23,176,985	\$ 72,818	\$ 10,293,347	\$ 83,947	\$ 33,470,332	\$ 156,765
State and agency municipal securities	2,601,490	37,522	-	-	2,601,490	37,522
Corporate debt securities	<u>18,965,042</u>	<u>98,579</u>	<u>22,679,862</u>	<u>224,382</u>	<u>41,644,904</u>	<u>322,961</u>
Total bonds and short-term investments	<u>\$ 44,743,517</u>	<u>\$ 208,919</u>	<u>\$ 32,973,209</u>	<u>\$ 308,329</u>	<u>\$ 77,716,726</u>	<u>\$ 517,248</u>

The unrecognized unrealized losses on investments in U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities at December 31, 2020 and 2019, were mainly caused by interest rate fluctuations and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its book/adjusted carrying value. The contractual cash flows of the U.S. government and agency securities are guaranteed either by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company assessed the credit ratings of the state and agency municipal securities, city and county municipal securities and corporate debt securities, noting whether a significant deterioration since purchase or other factors that may indicate an OTTI, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain loan-backed securities for a period of time sufficient to recover the amortized cost. As a result of these reviews, the Company recorded OTTIs of \$239,048 and \$40,922 as of December 31, 2020 and 2019, respectively, which are included in net realized capital gains less taxes in the statutory basis statements of operations.

**A-C.** The Company has no mortgage loans, real estate loans, restructured debt, or reverse mortgages. The Company also has no real estate property occupied by the Company, real estate property held for the production of income, or real estate property held for sale.

**D. Loan-Backed Securities**

- (1) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.

- (2) As of December 31, 2020, the Company has classified loan-backed securities that have OTTI as intent to sell. For the remaining loan-backed securities, the Company has the intent and ability to retain the investment in the security for a period of time sufficient to recover the amortized cost basis and determined that the present value of cash flows to be collected is equal to or exceeds the amortized cost basis of the security, as of December 31, 2020. The table below illustrates the aggregate OTTI recognized on loan-backed securities classified on the basis for the OTTI during 2020:

	1	2	3
	Amortized Cost Basis Before Other-than- Temporary Impairment	Other-than-Temporary Impairment Recognized in Loss	Fair Value 1 - 2
<b>OTTI Recognized 1st Quarter</b>			
a. Intent to sell	\$ -	\$ -	\$ -
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	<u>-</u>	<u>-</u>	<u>-</u>
c. Total 1st Quarter	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>OTTI Recognized 2nd Quarter</b>			
d. Intent to sell	\$ 6,049,713	\$ 239,048	\$ 5,810,665
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	<u>-</u>	<u>-</u>	<u>-</u>
f. Total 2nd Quarter	<u>\$ 6,049,713</u>	<u>\$ 239,048</u>	<u>\$ 5,810,665</u>
<b>OTTI Recognized 3rd Quarter</b>			
g. Intent to sell	\$ -	\$ -	\$ -
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	<u>-</u>	<u>-</u>	<u>-</u>
i. Total 3rd Quarter	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>OTTI Recognized 4th Quarter</b>			
j. Intent to sell	\$ -	\$ -	\$ -
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	<u>-</u>	<u>-</u>	<u>-</u>
l. Total 4th Quarter	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
m. Annual aggregate total		<u>\$ 239,048</u>	

The Company did not recognize any OTTI on loan-backed securities due to an inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis, or where the present value of cash flows expected to be collected is less than the amortized cost basis of the security, as of December 31, 2020.

- (3) The table below represents the loan-backed securities with OTTI for the years ended December 31, 2020 and 2019, presented by CUSIP:

2020						
1	2	3	4	5	6	7
CUSIP	Book/Adjusted Carrying Value Amortized Cost before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-than-Temporary Impairment	Amortized Cost After Other-than-Temporary Impairment	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
26828HAA5	\$ 1,475,776	\$1,433,200	\$ 42,576	\$ 1,433,200	\$1,433,200	6/30/2020
281381AA1	1,216,241	1,172,335	43,906	1,172,335	1,172,335	6/30/2020
64033KAA0	937,936	897,539	40,397	897,539	897,539	6/30/2020
69339QAA7	<u>2,419,760</u>	<u>2,307,590</u>	<u>112,169</u>	<u>2,307,590</u>	<u>2,307,590</u>	6/30/2020
Total	<u>XXX</u>	<u>XXX</u>	<u>\$239,048</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>

2019						
1	2	3	4	5	6	7
CUSIP	Book/Adjusted Carrying Value Amortized Cost before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-than-Temporary Impairment	Amortized Cost After Other-than-Temporary Impairment	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
69339QAA7	\$ 2,731,786	\$2,690,864	\$ 40,922	\$ 2,690,864	\$ 2,690,864	9/30/2019
Total	<u>XXX</u>	<u>XXX</u>	<u>\$ 40,922</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>

- (4) The following table illustrates the fair value, gross unrecognized unrealized losses, and length of time that the loan-backed securities have been in a continuous unrecognized unrealized loss position as of December 31, 2020 and 2019:

	2020
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 27,867
2. 12 months or longer	101,624
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	8,180,636
2. 12 months or longer	12,946,127
	<b>2019</b>
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 65,285
2. 12 months or longer	273,469
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	10,664,118
2. 12 months or longer	27,098,106

- (5) The Company believes that it will continue to collect timely the principal and interest due on its loan-backed securities that have an amortized cost in excess of fair value. The unrealized losses were primarily caused by interest rate changes and not by unfavorable changes in the credit quality associated with these securities that impacted the assessment on collectability of principle and interest. At each reporting period, the Company evaluates available-for-sale debt securities for any credit-related impairment when the fair value of the investment is less than its amortized cost. The Company evaluated the expected cash flows, the underlying credit quality and credit ratings of the issuers, and the potential economic impacts of COVID-19 on the issuers, noting no significant credit deterioration since purchase. As of December 31, 2020, the unrealized loss on any security that the Company classified as intent to sell was not material to the Company's investment portfolio. Any other securities in an unrealized loss position as of December 31, 2020, the Company considers to be temporary.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions** — Not applicable.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing** — Not applicable.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing** — Not applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sale** — Not applicable.

- I. **Reverse Repurchase Agreements Transactions Accounted for as a Sale** — Not applicable.
- J. **Real Estate** — Not applicable.
- K. **Low-Income Housing Tax Credits** — Not applicable.
- L. **Restricted Assets**

(1) Restricted assets, including pledged securities as of December 31, 2020 and 2019, are presented below:

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 Minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	0 %	0 %
b. Collateral held under security lending agreements	-	-	-	-	-	0 %	0 %
c. Subject to repurchase agreements	-	-	-	-	-	0 %	0 %
d. Subject to reverse repurchase agreements	-	-	-	-	-	0 %	0 %
e. Subject to dollar repurchase agreements	-	-	-	-	-	0 %	0 %
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	0 %	0 %
g. Placed under option contracts	-	-	-	-	-	0 %	0 %
h. Letter stock or securities restricted as to sale—excluding FHLB capital stock	-	-	-	-	-	0 %	0 %
i. FHLB capital stock	-	-	-	-	-	0 %	0 %
j. On deposit with states	4,288,004	4,277,765	10,239	-	4,288,004	1 %	1 %
k. On deposit with other regulatory bodies	-	-	-	-	-	0 %	0 %
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	0 %	0 %
m. Pledged as collateral not captured in other categories	-	-	-	-	-	0 %	0 %
n. Other restricted assets	-	-	-	-	-	0 %	0 %
<b>o. Total restricted assets</b>	<b>\$ 4,288,004</b>	<b>\$ 4,277,765</b>	<b>\$ 10,239</b>	<b>\$ -</b>	<b>\$ 4,288,004</b>	<b>1 %</b>	<b>1 %</b>

(a) Column 1 divided by Asset Page, Column 1, Line 28  
 (b) Column 5 divided by Asset Page, Column 3, Line 28

(2–4) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2020 or 2019.

- M. **Working Capital Finance Investments** — Not applicable.

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

The Company does not have any offsetting or netting of assets and liabilities as it relates to derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending activities.

**O. 5GI Securities**

The Company does not have any investments with an NAIC designation of 5GI as of December 31, 2020 and 2019.

- P. **Short Sales** — Not applicable.

**Q. Prepayment Penalty and Acceleration Fees** —

The following table illustrates prepayment penalty and acceleration fees as of December 31, 2020:

	General Account
1. Number of CUSIPs	4
2. Aggregate Amount of Investment Income	\$ 248,504

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

Pursuant to the early adoption of SSAP No. 2R in June 2020 (see Note 1), the Company's investment in the qualified cash pool is being reported in cash equivalents. Prior to the early adoption, the qualified cash pool was being reported in short-term investments. The Company's investment in the qualified cash pool balance is \$1,268 and \$1,262 as of December 31, 2020 and December 31, 2019, respectively.

The following table presents the percent share distribution by asset type of the total qualified cash pool balance as of December 31, 2020:

<u>Asset Type</u>	<u>Percent Share</u>
(1) Cash	0%
(2) Cash Equivalents	85%
(3) Short-Term Investments	15%
(4) Total	<u>100%</u>

**6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES**

**A–B.** The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of admitted assets and did not recognize any impairment write-down for its investments in joint ventures, partnerships, and limited liability companies during the statement periods.

**7. INVESTMENT INCOME**

**A.** The Company excludes all investment income due and accrued amounts that are over 90 days past due from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

**B.** There were no investment income amounts excluded from the statutory basis financial statements.

**8. DERIVATIVE INSTRUMENTS**

**A–B.** The Company has no derivative instruments.

**9. INCOME TAXES**

**A. Deferred Tax Asset/Liability**

**(1)** The components of the net deferred tax asset at December 31, 2020 and 2019 are as follows:

	<u>2020</u>			<u>2019</u>			<u>Change</u>		
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1 - 4) Ordinary	(Col 2 - 5) Capital	(Col 7+8) Total
(a) Gross deferred tax assets	\$ 2,283,399	\$ -	\$ 2,283,399	\$ 3,474,856	\$ -	\$ 3,474,856	\$(1,191,457)	\$ -	\$(1,191,457)
(b) Statutory valuation allowance adjustments	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	2,283,399	-	2,283,399	3,474,856	-	3,474,856	(1,191,457)	-	(1,191,457)
(d) Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal net admitted deferred tax asset (1c - 1d)	2,283,399	-	2,283,399	3,474,856	-	3,474,856	(1,191,457)	-	(1,191,457)
(f) Deferred tax liabilities	177,311	-	177,311	248,880	664	249,544	(71,569)	(664)	(72,233)
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	<u>\$ 2,106,088</u>	<u>\$ -</u>	<u>\$ 2,106,088</u>	<u>\$ 3,225,976</u>	<u>\$ (664)</u>	<u>\$ 3,225,312</u>	<u>\$(1,119,888)</u>	<u>\$ 664</u>	<u>\$(1,119,224)</u>

**(2)** The components of the adjusted gross deferred tax assets admissibility calculation under SSAP No. 101, *Income Taxes*, are as follows:

Admission Calculation Components SSAP No. 101	2020			2019			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 2,283,399	\$-	\$ 2,283,399	\$ 3,474,856	\$-	\$ 3,474,856	\$ (1,191,457)	\$-	\$ (1,191,457)
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	-	-	-	-	-	-	-	-	-
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	-	-	-	-	-	-	-	-	-
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	87,341,879	XXX	XXX	74,175,678	XXX	XXX	13,166,201
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	-	-	-	-	-	-	-	-	-
(d) Deferred tax assets admitted as the result of application of SSAP No. 101									
Total (2(a) + 2(b) + 2(c))	\$ 2,283,399	\$-	\$ 2,283,399	\$ 3,474,856	\$-	\$ 3,474,856	\$ (1,191,457)	\$-	\$ (1,191,457)

**(3)** The ratio percentage and adjusted capital and surplus used to determine the recovery period and threshold limitations for the admissibility calculation are presented below:

	2020	2019
(a) Ratio percentage used to determine recovery period and threshold limitation amount	2,451 %	883 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	\$ 582,279,192	\$ 494,504,520

**(4)** The impact to the gross deferred tax assets balances as a result of tax-planning strategies as of December 31, 2020 and 2019 is presented below:

Impact of Tax-Planning Strategies	2020		2019		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col 1 - 3) Ordinary	6 (Col 2 - 4) Capital
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets by tax character as a percentage.						
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 2,283,399	\$ -	\$ 3,474,856	\$ -	\$ (1,191,457)	\$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$ 2,283,399	\$ -	\$ 3,474,856	\$ -	\$ (1,191,457)	\$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
(b) Does the Company's tax-planning strategies include the use of reinsurance?			Yes		No	X

**B. Unrecognized Deferred Tax Liabilities**

**(1-4)** There are no unrecognized deferred tax liabilities for the years ended December 31, 2020 and 2019.

**C. Significant Components of Income Taxes**

(1) The current federal and foreign income taxes incurred for the years ended December 31, 2020 and 2019 are as follows:

	1	2	3
	2020	2019	(Col 1 - 2) Change
1. Current income tax			
(a) Federal	\$ 53,971,182	\$ 38,149,894	\$ 15,821,288
(b) Foreign	-	-	-
(c) Subtotal	53,971,182	38,149,894	15,821,288
(d) Federal income tax on net capital gains	24,469	41,865	(17,396)
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	<u>\$ 53,995,651</u>	<u>\$ 38,191,759</u>	<u>\$ 15,803,892</u>

(2-4) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2020 and 2019, are as follows:

	1	2	3
	2020	2019	(Col 1 - 2) Change
2 Deferred tax assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 584,622	\$ 718,589	\$ (133,967)
(2) Unearned premium reserve	14,703	18,607	(3,904)
(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	1,684,074	2,737,660	(1,053,586)
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	-	-	-
(99) Subtotal	2,283,399	3,474,856	(1,191,457)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	<u>2,283,399</u>	<u>3,474,856</u>	<u>(1,191,457)</u>
(e) Capital:			
(1) Investments	-	-	-
(2) Net capital loss carryforward	-	-	-
(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)	<u>2,283,399</u>	<u>3,474,856</u>	<u>(1,191,457)</u>
3 Deferred tax liabilities:			
(a) Ordinary:			
(1) Investments	-	36,107	(36,107)
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	177,311	212,773	(35,462)
(99) Subtotal	177,311	248,880	(71,569)
(b) Capital:			
(1) Investments	-	664	(664)
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	-	664	(664)
(c) Deferred tax liabilities (3a99 + 3b99)	<u>177,311</u>	<u>249,544</u>	<u>(72,233)</u>
4 Net deferred tax assets/liabilities (2i - 3c)	<u>\$ 2,106,088</u>	<u>\$ 3,225,312</u>	<u>\$ (1,119,224)</u>

The other ordinary deferred tax liability of \$177,311 for 2020 consists of discounting of unpaid losses of \$177,311. The other ordinary deferred tax liability of \$212,773 for 2019 consists of discounting of unpaid losses of \$212,773.

The Company assessed the potential realization of the gross deferred tax asset and as a result no statutory valuation allowance was required and no allowance was established as of December 31, 2020 and 2019.

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 21% to net income before federal income taxes incurred, plus capital gains tax. A summarization of the significant items causing this difference as of December 31, 2020 and 2019 is as follows:

	2020		2019	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Tax provision at the federal statutory rate	\$ 46,463,182	21%	\$ 38,421,287	21%
Tax-exempt interest	(336,057)	-	(343,494)	-
Health insurer fee	7,934,164	4	-	-
Other current year items	-	-	116	-
Tax effect of nonadmitted assets	1,053,586	-	1,276,547	1
Total statutory income taxes	<u>\$ 55,114,875</u>	<u>25%</u>	<u>\$ 39,354,456</u>	<u>22%</u>
Federal income taxes incurred	\$ 53,971,182	24%	\$ 38,149,894	21%
Capital gains tax	24,469	-	41,865	-
Change in net deferred income tax	1,119,224	1	1,162,697	1
Total statutory income taxes	<u>\$ 55,114,875</u>	<u>25%</u>	<u>\$ 39,354,456</u>	<u>22%</u>

- E. At December 31, 2020, the Company had no net operating loss carryforwards.

Current federal income taxes recoverable of \$10,987,352 and \$528,241 as of December 31, 2020 and 2019, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds, were \$64,454,762 and \$50,495,709 in 2020 and 2019, respectively.

Federal income taxes incurred of \$53,995,649 and \$38,191,760 for 2020 and 2019, respectively, are available for recoupment in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 ("Deposits made to suspend running of interest on potential underpayments, etc.") of the Internal Revenue Service ("IRS") Code.

- F. The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in the NAIC Statutory Statement Schedule Y - Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The U.S. IRS has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2016 and prior. UnitedHealth Group's 2017 through 2020 tax returns are under review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to the 2013 tax year. In general, the Company is subject to examination in non-U.S. jurisdictions for years 2015 and forward. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

- G. **Tax Contingencies** — Not applicable.

- H. **Repatriation Transition Tax** — Not applicable.

- I. **Alternative Minimum Tax Credit** — Not applicable.

## 10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

- A-B. In the ordinary course of business, the Company contracts with several affiliates to provide a wide variety of services to the Company's members. These agreements are filed with and approved by the Department according to Management's understanding of the current requirements and standards. Within the confines of the applicable filed and approved agreements (including subsequent amendments thereto), the amount and types of services provided by these affiliated entities can change year over year.

UHS maintains a private short-term investment pool in which affiliated companies may participate (see Note 1). At December 31, 2020 and 2019, the Company's portion was \$1,268 and \$1,262, respectively, and pursuant to SSAP No. 2R (see Note 1), is included in cash equivalents as of December 31, 2020 and in short-term investments as of December 31, 2019 in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company has a tax-sharing agreement with UnitedHealth Group (see Note 9).

The Company paid dividends of \$84,500,000 and \$125,000,000 in 2020 and 2019, respectively, to its parent (see Note 13).

The Company holds a \$100,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The credit agreement is for a one-year term and automatically renews annually, unless terminated by either party. The agreement was renewed effective January 1, 2013. No amounts were outstanding under the line of credit as of December 31, 2020 and 2019. No amounts of interest paid or still accrued on all borrowings throughout the year as of December 31, 2020 and 2019, respectively.

**C. Transactions With Related Parties Who Are Not Reported On Schedule Y**

The Company has no material related party transactions that meet the disclosure requirements pursuant to SSAP No. 25, *Affiliates and Other Related Parties* ("SSAP No. 25") that are not included in NAIC Statutory Statement Schedule Y—Part 2 Summary Of Insurer's Transactions With Any Affiliates.

**D.** At December 31, 2020 and 2019, the Company reported \$8,549,349 and \$15,558,144, respectively, as amounts due to parent, subsidiaries and affiliates, which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

**E.** The administrative services, access fees, and cost of care services provided by affiliates are calculated using one or more of the following methods: (1) a percentage of premiums; (2) use of assets; (3) direct pass-through of charges; (4) PMPM; (5) per employee per month; (6) per claim; or (7) a combination thereof consistent with the provisions contained in each contract. These amounts are included in GAE, CAE, and hospital and medical expenses in the statutory basis statements of operations. The following table identifies the amounts reported for the administrative services, access fees, and cost of care services provided by related parties for the years ended December 31, 2020 and 2019, which meet the disclosure requirements pursuant to SSAP No. 25, regardless of the effective date of the contract:

	2020	2019
UHS	\$ 141,343,079	\$ 159,595,589
WellMed Networks, Inc.	121,212,928	72,684,059
OptumRx	104,688,441	116,614,787
LifePrint Health, Inc.	41,094,794	51,407,727
United Behavioral Health	10,429,526	11,319,779
OptumInsight, Inc.	2,888,799	4,354,318

UHS provides, or arranges for the provision of, management, administrative, and other services deemed necessary or appropriate for UHS to provide management and operational support to the Company. The services can include, but are not limited to, the categories of management and operational services outlined in the Agreement, such as human resources, legal, facilities, general administration, treasury and investment functions, claims adjudication and payment, benefit administration, disease management, health care decision support, medical management, credentialing, preventative health services, and utilization management reporting.

WellMed Networks, Inc. ("WellMed") provides services that may include, but are not limited to, care management services to eligible members and/or providing or arranging for the delivery of clinical services to the Company's enrollees. WellMed also provides managed care program services, which may include, but are not limited to: quality management and improvement, medical management, credentialing, preventative health services, and utilization management reporting.

OptumRx provides services that may include, but are not limited to, administrative services related to pharmacy management and pharmacy claims processing for enrollees, manufacturer rebate administration, pharmacy incentive services, specialty drug pharmacy services, durable medical equipment services including orthotics and prosthetics and personal health products catalogues showing the healthcare products and benefit credits enrollees needed to redeem the respective products.

LifePrint Health, Inc. provides services that may include, but are not limited to, care management services to eligible members and/or arranging for the delivery of clinical services to the Company's enrollees.

United Behavioral Health provides services related to mental health and substance abuse treatment.

OptumInsight, Inc. provides services that may include, but are not limited to, claim analytics and recovery of medical expense overpayments, retroactive fraud, waste and abuse, subrogation and premium audit services. All recoveries are returned to the Company by OptumInsight, Inc. on a monthly basis.

The Company has premium payments that are received and claim payments and direct expenses that are processed and paid by an affiliated UnitedHealth Group entity. Premiums, claims, and direct expenses applicable to the Company are settled at regular intervals throughout the month via the intercompany settlement process and any amounts outstanding are reflected in payable amounts due to parent, subsidiaries, and affiliates, net in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- F. The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party.
- G. The Company is part of an insurance holding company system with UnitedHealth Group as the ultimate parent. Management believes that the Company's transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.
- H. The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.
- I. The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.
- J. The Company does not have any investments in impaired subsidiaries, controlled, or affiliated entities.
- K. The Company does not have any investments in foreign insurance subsidiaries.
- L. The Company does not hold any investments in a downstream noninsurance holding company.
- M. The Company does not have any investments in noninsurance subsidiaries, controlled, or affiliated entities.
- N. The Company does not have any investments in insurance subsidiaries, controlled, or affiliated entities.
- O. The Company does not have any investments in subsidiary, controlled, or affiliated entities or joint ventures, partnerships and limited liability companies in which the Company's share of losses exceeds the investment.

**11. DEBT**

- A-B. The Company had no outstanding debt with third-parties or outstanding Federal Home Loan Bank agreements during 2020 and 2019.

**12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**

- A-I. The Company has no defined benefit plans, defined contribution plans, multiemployer plans, consolidated/holding company plans, postemployment benefits, or compensated absences plans and is not impacted by the Medicare Modernization Act on postretirement benefits, since all personnel are employees of UHS, which provides services to the Company under the terms of the Agreement (see Note 10).

**13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS**

**(A–B)** The Company has 200,000 shares authorized and 100,000 shares issued and outstanding of \$20 par value common stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company’s parent, XLHealth.

**(C)** Dividend payment requirements are outlined in the domiciliary state statutes and may be further restricted by the Department.

**(D)** The Company paid ordinary cash dividends of \$65,000,000 and \$19,500,000 on September 3, 2020 and May 18, 2020, respectively, to XLHealth, which was approved by the Department and recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company paid ordinary cash dividends of \$60,000,000 and \$65,000,000 on December 2, 2019 and September 19, 2019, respectively, to XLHealth, which was approved by the Department and recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

**(E)** The amount of ordinary dividends that may be paid out during any given period is subject to certain restrictions as specified by state statute.

**(F)** There are no restrictions placed on the Company’s unassigned surplus.

**(G)** The Company is not a mutual reciprocal or a similarly organized entity and does not have advances to surplus not repaid.

**(H)** The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options, or stock purchase warrants.

**(I)** As discussed in Note 1, in 2020 no amount was required to be apportioned out of unassigned surplus as the HIF was repealed by Congress, effective January 1, 2021. For the year ended December 31, 2019, the amount of the estimated Section 9010 ACA subsequent fee year assessment apportioned out of unassigned surplus was \$37,687,522.

**(J)** The portion of unassigned surplus, excluding the apportionment of estimated Section 9010 ACA subsequent fee year assessment, net income, and dividends, represented (or reduced) by each item below is as follows:

	2020	2019
Net deferred income taxes	\$ 2,106,088	\$ 3,225,312
Nonadmitted assets	<u>(8,019,398)</u>	<u>(13,036,475)</u>
Total	<u>\$ (5,913,310)</u>	<u>\$ (9,811,163)</u>

**(K–M)** The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

**14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS**

**A. Contingent Commitments**

The Company has no contingent commitments.

**B. Assessments**

The Company is not aware of any guaranty fund assessments or premium tax offsets, potential or accrued, that could have a material financial effect on the operations of the entity.

**C. Gain Contingencies**

The Company is not aware of any gain contingencies that should be disclosed in the statutory basis financial statements.

**D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits** — Not applicable.

**E. Joint and Several Liabilities** — Not applicable.

**F. All Other Contingencies**

The Company's business is regulated at the federal, state, and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

The Company has been, or is currently involved, in various governmental investigations, audits and reviews. These include routine, regular and special investigations, audits and reviews by CMS, state insurance and health and welfare departments and other governmental authorities. The Company cannot reasonably estimate the range of loss, if any, that may result from any material government investigations, audits and reviews in which it is currently involved given the inherent difficulty in predicting regulatory action, fines and penalties, if any, and the various remedies and levels of judicial review available to the Company in the event of an adverse finding.

On February 14, 2017, the Department of Justice ("DOJ") announced its decision to pursue certain claims within a lawsuit initially asserted against the Company and filed under seal by a whistleblower in 2011. The whistleblower's complaint, which was unsealed on February 15, 2017, alleges that the Company made improper risk adjustment submissions and violated the False Claims Act. On February 12, 2018, the court granted in part and denied in part the Company's motion to dismiss. In May 2018, the DOJ moved to dismiss the Company's counterclaims, which were filed in March 2018, and moved for partial summary judgment. In March 2019, the court denied the government's motion for partial summary judgment and dismissed the Company's counterclaims without prejudice. The Company cannot reasonably estimate the outcome that may result from this matter given its procedural status.

Because of the nature of its businesses, the Company is frequently made party to a variety of legal actions and regulatory inquiries, including class actions and suits brought by members, care providers, consumer advocacy organizations, customers and regulators, relating to the Company's businesses, including management and administration of health benefit plans and other services.

The Company records liabilities for its estimates of probable costs resulting from these matters where appropriate. Estimates of costs resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters involve: indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility, or it is probable that a loss may be incurred. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

The Company routinely evaluates the collectability of all receivable amounts included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Impairment reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's statutory basis financial condition.

There are no assets that the Company considers to be impaired at December 31, 2020 and 2019, except as disclosed in Note 5 and Note 20.

**15. LEASES**

**A–B.** According to the Agreement between the Company and UHS (see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of UHS. Fees associated with the lease agreements are included as a component of the Company's management fee.

**16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK**

**(1–4)** The Company does not hold any financial instruments with off-balance-sheet risk or have any concentrations of credit risk.

**17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**

**A–C.** The Company did not participate in any transfer of receivables, financial assets or wash sales.

**18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS**

**A–B.** The Company has no operations from Administrative Services Only Contracts or Administrative Services Contracts in 2020 and 2019.

**C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract**

The Medicare Part D program is a partially insured plan. The Company recorded a receivable of \$18,955,458 and \$17,321,174 at December 31, 2020 and 2019, respectively, for cost reimbursement under the Medicare Part D program for the catastrophic reinsurance and low-income member cost-sharing subsidies. The Company also recorded a receivable of \$3,637,146 and \$3,201,928 and a payable of \$2,627,307 and \$3,162,301 at December 31, 2020 and 2019, respectively, for the Medicare Part D CGDP. The receivables and payables are recorded in amounts receivable relating to uninsured plans and liability for amounts held under uninsured plans, respectively, in the statutory basis statements of admitted assets, liabilities and capital and surplus. These Medicare subsidies are described in Note 1, *Amounts Receivable Relating to Uninsured Plans and Liability for Amounts Held Under Uninsured Plans*.

**19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS**

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2020 and 2019.

**20. FAIR VALUE MEASUREMENTS**

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

*Level 1* — Quoted (unadjusted) prices for identical assets in active markets.

*Level 2* — Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.);
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.);
- Inputs that are derived principally from or corroborated by other observable market data.

*Level 3* — Unobservable inputs that cannot be corroborated by observable market data.

The estimated fair values of bonds and cash equivalents (collectively “investment holdings”) are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (“pricing service”), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company’s internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

**A. Fair Value**

**(1) Fair Value Measurements at Reporting Date**

The following tables present information about the Company's financial assets that are measured and reported at fair value at December 31, 2020 and 2019, in the statutory basis statements of admitted assets, liabilities, and capital and surplus according to the valuation techniques the Company used to determine their fair values:

Description for Each Class of Asset or Liability	December 31, 2020				Total
	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	
a. Assets at fair value:					
Perpetual preferred stock:					
Industrial and misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total perpetual preferred stocks	-	-	-	-	-
Bonds:					
U.S. governments	-	-	-	-	-
Industrial and misc	-	-	-	-	-
Hybrid securities	-	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total bonds	-	-	-	-	-
Common stock:					
Industrial and misc	-	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total common stocks	-	-	-	-	-
Derivative assets:					
Interest rate contracts	-	-	-	-	-
Foreign exchange contracts	-	-	-	-	-
Credit contracts	-	-	-	-	-
Commodity futures contracts	-	-	-	-	-
Commodity forward contracts	-	-	-	-	-
Total derivatives	-	-	-	-	-
Money-market funds	13,656,077	-	-	-	13,656,077
Qualified cash pool	1,268	-	-	-	1,268
Separate account assets	-	-	-	-	-
Total assets at fair value/NAV	<u>\$ 13,657,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,657,345</u>
b. Liabilities at fair value:					
Derivative liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company

Description for Each Class of Asset or Liability	December 31, 2019				Total
	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	
a. Assets at fair value:					
Perpetual preferred stock:					
Industrial and misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total perpetual preferred stocks	-	-	-	-	-
Bonds:					
U.S. governments	-	-	-	-	-
Industrial and misc	-	-	-	-	-
Hybrid securities	-	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total bonds	-	-	-	-	-
Common stock:					
Industrial and misc	-	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total common stocks	-	-	-	-	-
Derivative assets:					
Interest rate contracts	-	-	-	-	-
Foreign exchange contracts	-	-	-	-	-
Credit contracts	-	-	-	-	-
Commodity futures contracts	-	-	-	-	-
Commodity forward contracts	-	-	-	-	-
Total derivatives	-	-	-	-	-
Money-market funds	8,730,106	-	-	-	8,730,106
Separate account assets	-	-	-	-	-
Total assets at fair value/NAV	<u>\$8,730,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,730,106</u>
b. Liabilities at fair value:					
Derivative liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- (2) The Company does not have any financial assets with a fair value hierarchy of Level 3 that were measured and reported at fair value.
- (3) Transfers between fair value hierarchy levels, if any, are recorded as of the beginning of the reporting period in which the transfer occurs. There were no transfers between Levels 1, 2 or 3 of any financial assets or liabilities during the years ended December 31, 2020 or 2019.
- (4) The Company has no investments reported with a fair value hierarchy of Level 2 or Level 3 and therefore has no valuation technique to disclose.
- (5) The Company has no derivative assets and liabilities to disclose.

**B. Fair Value Combination** — Not applicable.

**C. Aggregate Fair Value Hierarchy**

Pursuant to the early adoption of SSAP No. 2R in June 2020 (see Note 1), the Company's investment in the qualified cash pool is being reported in cash equivalents in the December 31, 2020 table below. Prior to the early adoption, the qualified cash pool was being reported in short-term investments and presented in corporate debt securities in the December 31, 2019 table below. The Company's investment in the qualified cash pool balance is \$1,268 and \$1,262 as of and December 31, 2020 and 2019, respectively.

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2020 and 2019 is presented in the table below:

Type of Financial Instrument	December 31, 2020						
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
U.S. government and agency securities	\$ 191,072,922	\$ 185,081,131	\$ 52,477,022	\$ 138,595,900	\$ -	\$ -	\$ -
State and agency municipal securities	53,795,213	50,642,069	-	53,795,213	-	-	-
City and county municipal securities	65,703,366	61,818,556	-	65,703,366	-	-	-
Corporate debt securities	339,016,121	321,885,756	-	339,016,121	-	-	-
Cash equivalents	13,657,345	13,657,345	13,657,345	-	-	-	-
Total bonds and cash equivalents	\$ 663,244,967	\$ 633,084,857	\$ 66,134,367	\$ 597,110,600	\$ -	\$ -	\$ -

Type of Financial Instrument	December 31, 2019						
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
U.S. government and agency securities	\$ 175,906,381	\$ 174,002,510	\$ 37,212,576	\$ 138,693,805	\$ -	\$ -	\$ -
State and agency municipal securities	42,000,142	40,152,220	-	42,000,142	-	-	-
City and county municipal securities	53,728,493	51,270,956	-	53,728,493	-	-	-
Corporate debt securities	258,529,635	252,687,801	1,262	258,528,373	-	-	-
Cash equivalents	8,730,106	8,730,106	8,730,106	-	-	-	-
Total bonds, short-term investments and cash equivalents	\$ 538,894,757	\$ 526,843,593	\$ 45,943,944	\$ 492,950,813	\$ -	\$ -	\$ -

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

**E. Investments Measured Using the NAV Practical Expedient** — Not applicable.

**21. OTHER ITEMS**

**COVID-19 Trends and Uncertainties**

The COVID-19 pandemic continues to evolve and the ultimate impact on the Company and its statutory basis results of operations, financial condition and cash flows remains uncertain. During the second quarter, the global health system experienced unprecedented levels of care deferral. As the pandemic advanced, access to and demand for care was most constrained from mid-March through April, began to recover in May and June and restored to near normal seasonal levels in the third quarter. Care patterns continued to normalize in the fourth quarter, returning to, and even exceeding, seasonal baselines, including COVID-19 treatment and testing costs, towards the end of the quarter. The temporary deferral of care experienced in 2020 may cause care patterns to moderately exceed normal baselines in future periods as utilization of health system capacity continues to increase. From time to time, health system capacity may be subject to possible increased volatility due to the pandemic. The Company has taken various measures which could include expanded benefit coverage in areas such as COVID-19 care and testing, telemedicine, and pharmacy benefits; provided customers assistance in the form of co-pay waivers and premium forgiveness; offered additional enrollment opportunities to those who previously declined employer-sponsored offerings; extended certain premium payment terms for customers experiencing financial hardship; simplified administrative practices; and accelerated payments to care providers, all with the aim of assisting customers, care providers, members and communities in addressing the COVID-19 crisis. Temporary care deferrals impacted the Company's results of operations for the year ended December 31, 2020. The impact of temporary care deferrals was partially offset by COVID-19 related care and testing, the significant financial assistance provided to customers, rebate requirements and broader economic impacts.

Increased consumer demand for care, potentially even higher acuity care, along with continued COVID-19 care and testing costs are expected to result in increased future medical costs. Disrupted care patterns, as a result of the pandemic, may temporarily affect the ability to obtain complete member health status information, impacting future revenue in businesses utilizing risk adjustment methodologies. The ultimate overall impact is uncertain and dependent on the future pacing and intensity of the pandemic, the duration of policies and initiatives to address COVID-19, and general economic uncertainty.

**A. Unusual or Infrequent Items**

The Company did not encounter any unusual or infrequent items for the years ended December 31, 2020 and 2019.

**B. Troubled Debt Restructuring: Debtors**

The Company has no troubled debt restructurings as of December 31, 2020 and 2019.

**C. Other Disclosures**

The Company does not have any amounts not recorded in the statutory basis financial statements that represent segregated funds held for others. The Company also does not have any exposures related to forward commitments that are not derivative instruments.

**D. Business Interruption Insurance Recoveries**

The Company has not received any business interruption insurance recoveries during 2020 and 2019.

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

The Company has no transferable or non-transferable state tax credits.

**F. Sub-Prime Mortgage-Related Risk Exposure**

- (1) The investment policy for the Company limits investments in loan-backed securities, which includes sub-prime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes sub-prime issuers. The exposure to unrealized losses on sub-prime issuers is due to changes in market prices. There are no realized losses due to not receiving anticipated cash flows. The investments covered have an NAIC designation of 1 or 2.
- (2) The Company has no direct exposure through investments in sub-prime mortgage loans.
- (3) The Company has no direct exposure through other investments.
- (4) The Company has no underwriting exposure to sub-prime mortgage risk through mortgage guaranty or financial guaranty insurance coverage.

**G. Retained Assets**

The Company does not have any retained asset accounts for beneficiaries.

**H. Insurance-Linked Securities Contracts**

As of December 31, 2020, the Company is not aware of any possible proceeds of insurance-linked securities.

**I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy — Not applicable.**

**22. EVENTS SUBSEQUENT**

Subsequent events have been evaluated through February 26, 2021, which is the date these statutory basis financial statements were available for issuance.

**TYPE I — Recognized Subsequent Events**

Any material Type I events subsequent to December 31, 2020, have been recognized in the statutory basis financial statements and corresponding disclosures.

**TYPE II — Non-Recognized Subsequent Events**

For the years ended December 31, 2020 and 2019, the Company was subject to the annual fee under Section 9010 of the ACA. The fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, of the year the fee is due. The HIF was repealed by Congress, effective January 1, 2021.

The table below presents information regarding the annual fee under Section 9010 of the ACA as of December 31, 2020 and 2019:

	2020	2019
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	<u>YES</u>	
B. ACA fee assessment payable for the upcoming year	\$ -	\$ 37,687,522
C. ACA fee assessment paid	37,781,731	-
D. Premium written subject to ACA 9010 assessment	-	1,975,711,947
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	584,385,280	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	584,385,280	
G. Authorized Control Level (Five-Year Historical Line 15)	23,752,606	
H. Would reporting the ACA assessment as of December 31, 2020, have triggered an RBC action level (YES/NO)?	<u>NO</u>	

There are no other material non-recognized Type II events that require disclosure.

**23. REINSURANCE**

The Company's reinsurance agreement with affiliated entity, Unimerica Insurance Company is no longer active as of December 31, 2017. The Company does not have any affiliated or unaffiliated reinsurance agreements in place as of December 31, 2020 or 2019.

The Company has no active reinsurance contract. The effect of the remaining run-out activity on the internal reinsurance agreement on hospital and medical expenses is presented below:

	2020	2019
Hospital and medical expenses:		
Direct	\$ 1,458,682,371	\$ 1,599,175,037
Ceded:		
Affiliate	<u>320</u>	<u>(35)</u>
Net hospital and medical expenses	<u>\$ 1,458,682,051</u>	<u>\$ 1,599,175,072</u>

**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 credit?

Yes ( )      No (X)

- (2) Does the reporting entity have any reinsurance agreements in effect 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.

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2020.

- (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** — During 2020 and 2019, there were no uncollectible reinsurance recoverables.
- C. Commutation of Ceded Reinsurance** — There was no commutation of reinsurance in 2020 or 2019.
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation** — Not applicable.
- E. Reinsurance Credit** — Not applicable.

**24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION**

- A.** The Company estimates accrued retrospective premium adjustments for its group health insurance business based on mathematical calculations in accordance with contractual terms.
- B.** Estimated accrued retrospective premiums due from the Company are recorded in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to change in reserve for rate credits in the statutory basis statements of operations.
- C.** Pursuant to the ACA, the Company's Medicare business is subject to retrospectively rated features based on the actual medical loss ratios experienced on the Medicare line of business and redetermination features for premium adjustments for changes to each member's health scores based on guidelines determined by CMS. The formula is calculated pursuant to the ACA guidance. The total amount of direct premiums written for the Medicare line of business for which a portion is subject to the retrospectively rated and redetermination features was \$1,999,086,001 and \$1,978,984,846, representing 99.9% and 99.9% of total direct premiums written as of December 31, 2020 and December 31, 2019, respectively.

The Company has Medicare Part D risk-corridor amounts from CMS which are subject to a retrospectively rated feature related to Part D premiums. The Company has estimated accrued retrospective premiums related to certain Part D premiums based on guidelines determined by CMS. The formula is tiered and based on the bid medical loss ratio. The amount of Medicare Part D direct premiums written subject to the retrospectively rated feature was \$67,954,167 and \$89,274,444, representing 3.4% and 4.5% of total direct premiums written as of December 31, 2020 and December 31, 2019, respectively.

The Company has risk-adjustment amounts from CMS which are subject to a redetermination feature related to Medicare premiums. The Company has estimated premium adjustments for changes to each member's health scores based on guidelines determined by CMS. The total amount of Medicare direct premiums written for which a portion is subject to the redetermination feature was \$1,999,086,001 and \$1,978,984,846 representing, 99.9% and 99.9% of total direct premiums written as of December 31, 2020 and December 31, 2019, respectively.

- D.** The Company does not have comprehensive commercial business subject to specific minimum loss ratio requirements as of December 31, 2020 and 2019. The Company is required to maintain a specific minimum loss ratio on the Medicare line of business.

The following table discloses the minimum medical loss ratio rebate liability for the Medicare line of business which is included in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus for the years ended December 31, 2020 and 2019:

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior reporting year					
(1) Medical loss ratio rebates incurred	\$ -	\$ -	\$ -	\$ 22,850,303	\$ 22,850,303
(2) Medical loss ratio rebates paid	-	-	-	14,320,265	14,320,265
(3) Medical loss rebates unpaid	-	-	-	22,850,303	22,850,303
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	22,850,303
Current reporting year-to-date					
(7) Medical loss ratio rebates incurred	-	-	-	110,340,741	110,340,741
(8) Medical loss ratio rebates paid	-	-	-	3,855,706	3,855,706
(9) Medical loss rebates unpaid	-	-	-	129,335,338	129,335,338
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	-
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	-
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	129,335,338

**E. Risk-Sharing Provisions of the Affordable Care Act**

- (1–5) The Company did not write accident and health premiums in 2020 and 2019 subject to the risk-sharing provisions of the ACA.

**25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES**

- A.** Changes in estimates related to the prior year incurred claims are included in total hospital and medical expenses in the current year in the statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, health care receivables (excluding provider loans and advances not yet expensed) and reinsurance recoverables for the years ended December 31, 2020 and 2019:

	2020		Total
	Current Year Incurred Claims	Prior Years Incurred Claims	
Beginning of year claim reserve	\$ -	\$ (223,053,161)	\$ (223,053,161)
Paid claims—net of health care receivables*	1,385,467,732	98,439,138	1,483,906,870
End of year claim reserve	<u>179,583,544</u>	<u>2,487,286</u>	<u>182,070,830</u>
Included claims excluding the change in health care receivables as presented below	1,565,051,276	(122,126,737)	1,442,924,539
Beginning of year health care receivables*	-	94,677,486	94,677,486
End of year health care receivables*	<u>(77,572,484)</u>	<u>(1,347,490)</u>	<u>(78,919,974)</u>
Total incurred claims	<u>\$ 1,487,478,792</u>	<u>\$ (28,796,741)</u>	<u>\$ 1,458,682,051</u>

\*Health care receivables excludes provider loans and advances not yet expensed of \$1,168,109 and \$648,839 for 2020 and 2019, respectively.

	<b>2019</b>		<b>Total</b>
	<b>Current Year Incurred Claims</b>	<b>Prior Years Incurred Claims</b>	
Beginning of year claim reserve	\$ -	\$ (206,518,397)	\$ (206,518,397)
Paid claims—net of health care receivables* and reinsurance recoveries collected	1,483,846,083	99,652,468	1,583,498,551
End of year claim reserve	<u>207,730,351</u>	<u>15,322,810</u>	<u>223,053,161</u>
Incurred claims excluding the change in health care receivables and reinsurance recoverables as presented below	1,691,576,434	(91,543,119)	1,600,033,315
Beginning of year health care receivables* and reinsurance recoverables	-	93,819,243	93,819,243
End of year health care receivables*	<u>(84,051,767)</u>	<u>(10,625,719)</u>	<u>(94,677,486)</u>
Total incurred claims	<u>\$ 1,607,524,667</u>	<u>\$ (8,349,595)</u>	<u>\$ 1,599,175,072</u>

\*Health care receivables excludes provider loans and advances not yet expensed of \$648,839 and \$474,220 for 2019 and 2018, respectively.

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, and aggregate health claim reserves, net of health care receivables (excluding provider loans and advances not yet expensed) as of December 31, 2019 was \$128,375,675. As of December 31, 2020, \$98,439,138 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years, net of health care receivables (excluding provider loans and advances not yet expensed) are now \$1,139,796, as a result of re-estimation of unpaid claims. Therefore, there has been \$28,796,741 favorable prior year development since December 31, 2019 to December 31, 2020. The primary drivers consist of favorable development as a result of a change in the provision for adverse deviations in experience of \$13,731,584, and a favorable development of \$12,234,783 in retroactivity for inpatient, outpatient, physician, and pharmacy claims. At December 31, 2019, the Company recorded \$8,349,595 of favorable development related to \$11,284,857 as a result of a change in the provision for adverse deviations in experience, favorable development of \$3,006,616 in retroactivity for inpatient, outpatient, physician, and pharmacy claims and favorable development in Rx rebates of \$636,186, offset by unfavorable development in provider settlements of \$6,917,319. Original estimates are increased or decreased, as additional information becomes known regarding individual claims, which could have an impact to the accruals for medical loss ratio rebates and retrospectively rated contracts. As a result of the prior year effects, on a regular basis, the Company adjusts revenue and the corresponding liability and/or receivable related to retrospectively rated policies and the impact of the change is included as a component of change in reserve for rate credits in the statutory basis statements of operations.

The Company incurred CAE of \$65,517,722 and \$70,428,861 in 2020 and 2019, respectively. These costs are included in the management service fees paid by the Company to UHS as a part of the Agreement (see Note 10). The following table discloses paid CAE, incurred CAE, and the balance in unpaid CAE reserve for 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Total claims adjustment expenses	\$ 65,517,722	\$ 70,428,861
Less: current year unpaid claims adjustment expenses	(1,491,954)	(1,846,844)
Add: prior year unpaid claims adjustment expenses	<u>1,846,844</u>	<u>1,717,086</u>
Total claims adjustment expenses paid	<u>\$ 65,872,612</u>	<u>\$ 70,299,103</u>

- B.** The Company did not make any significant changes in methodologies and assumptions used in the calculation of the liability for claims unpaid and unpaid CAE in 2020.

**26. INTERCOMPANY POOLING ARRANGEMENTS**

**A–G.** The Company did not have any intercompany pooling arrangements in 2020 or 2019.

**27. STRUCTURED SETTLEMENTS**

**A–B.** The Company did not have structured settlements in 2020 or 2019.

**28. HEALTH CARE RECEIVABLES**

- A.** Pharmacy rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions.

The Company evaluates admissibility of all pharmacy rebates receivable based on the administration of each underlying pharmaceutical benefit management agreement. The Company has nonadmitted and excluded all pharmacy rebates receivable that do not meet the admissibility criteria of SSAP No. 84, *Health Care and Government Insured Plan Receivables* (“SSAP No. 84”) from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

For each pharmaceutical management agreement for which a portion of the total pharmacy rebates receivable can be admitted based on the admissibility criteria of SSAP No. 84, the pharmacy rebate transaction history is summarized as follows:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received within 90 Days of Billing	Actual Rebates Received within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days after Billing
12/31/2020	\$ 51,532,005	\$ 16,628,138	\$ -	\$ -	\$ -
9/30/2020	51,068,722	50,613,925	31,554,824	-	-
6/30/2020	53,669,991	52,897,739	41,666,923	9,195,794	-
3/31/2020	54,605,966	53,288,709	21,817,636	25,507,079	4,650,749
12/31/2019	57,019,664	58,250,764	46,841,590	7,144,525	2,863,565
9/30/2019	57,025,299	57,255,507	45,488,583	9,023,224	1,696,177
6/30/2019	56,146,609	56,571,039	43,114,150	11,909,892	968,360
3/31/2019	52,266,237	53,010,852	44,880,844	5,478,941	1,968,135
12/31/2018	49,308,144	49,187,945	43,048,415	6,022,708	394,444
9/30/2018	46,731,145	46,478,277	39,430,757	6,035,805	1,048,569
6/30/2018	43,175,790	43,225,209	37,849,124	4,502,880	938,646
3/31/2018	39,650,838	39,691,266	35,318,322	3,786,969	721,665

Of the amount reported as health care receivables, \$68,316,561 and \$77,741,253 relates to pharmacy rebates receivable as of December 31, 2020 and 2019, respectively. This decrease is primarily due to decreased membership along with the change in generic/name brand mix.

- B.** The Company has nonadmitted all risk-sharing receivables from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company also admitted \$21,958 and \$4,682,909 for claim overpayment receivables due from providers, \$1,168,109 and \$648,840 for loans and advances to providers, and \$3,672,664 and \$116,559 for capitation arrangement receivables as of December 31, 2020 and December 31, 2019, respectively, which are included in health care receivables in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

**29. PARTICIPATING POLICIES**

The Company did not have any participating contracts in 2020 or 2019.

**30. PREMIUM DEFICIENCY RESERVES**

The Company has not recorded any PDR as of December 31, 2020 or 2019. The analysis of PDR was completed as of December 31, 2020 and 2019. The Company did consider anticipated investment income when calculating the PDR.

The following table summarizes the Company's PDR as of December 31, 2020 and 2019:

	<b>2020</b>
1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	<u>12/31/2020</u>
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	<b>2019</b>
1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	<u>12/31/2019</u>
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

**31. ANTICIPATED SALVAGE AND SUBROGATION**

Due to the type of business being written, the Company has no salvage. As of December 31, 2020 and 2019, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

\* \* \* \* \*

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company  
**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES  
 GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes  No   
 If yes, complete Schedule Y, Parts 1, 1A and 2
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes  No  N/A
- 1.3 State Regulating? ..... Arkansas
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? ..... Yes  No
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. .... 0000731766
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes  No
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2018
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2018
- 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). .... 06/09/2020
- 3.4 By what department or departments?  
 Arkansas Department of Insurance .....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes  No  N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes  No  N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
     4.11 sales of new business? ..... Yes  No   
     4.12 renewals? ..... Yes  No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
     4.21 sales of new business? ..... Yes  No   
     4.22 renewals? ..... Yes  No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes  No   
 If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---------------------|------------------------|------------------------|
|                     |                        |                        |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes  No
- 6.2 If yes, give full information: .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes  No
- 7.2 If yes,  
 7.21 State the percentage of foreign control; ..... 0.0 %  
 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 or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

**ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company**  
**GENERAL INTERROGATORIES**

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Optum Bank, Inc. ....	Salt Lake City, UT .....	NO	NO	YES	NO

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 Deloitte & Touche LLP, Minneapolis, MN
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
 .....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
 .....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ 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?  
 Tracy R. Sudak, Director of Actuarial Services of the Medicare and Retirement division of United HealthCare Services, Inc., of which Care Improvement Plus South Central Insurance Company is an affiliate, 9800 Health Care Lane, Minnetonka, MN 55343 .....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [ X ]
- 12.11 Name of real estate holding company .....
- 12.12 Number of parcels involved ..... 0
- 12.13 Total book/adjusted carrying value ..... \$ ..... 0
- 12.2 If, yes provide explanation:  
 .....

**13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
 .....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:  
 .....
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
 Non-material updates to existing Code. ....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
 .....

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company  
**GENERAL INTERROGATORIES**

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

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

**BOARD OF DIRECTORS**

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

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- |  |    |   |
|--|----|---|
| 20.11 To directors or other officers.....              | \$ | 0 |
| 20.12 To stockholders not officers.....                | \$ | 0 |
| 20.13 Trustees, supreme or grand (Fraternal Only)..... | \$ | 0 |
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- |  |    |   |
|--|----|---|
| 20.21 To directors or other officers.....              | \$ | 0 |
| 20.22 To stockholders not officers.....                | \$ | 0 |
| 20.23 Trustees, supreme or grand (Fraternal Only)..... | \$ | 0 |
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? ..... Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- |                                 |    |   |
|---------------------------------|----|---|
| 21.21 Rented from others.....   | \$ | 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 [ X ] No [ ]
- 22.2 If answer is yes:
- |   |            |
|---|------------|
| 22.21 Amount paid as losses or risk adjustment \$ | 0          |
| 22.22 Amount paid as expenses.....                | 37,784,571 |
| 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 [ X ]
- 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 [ X ] 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 [ X ]
- 24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? ..... Yes [ ] No [ ] N/A [ X ]
- 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 [ X ]

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company  
**GENERAL INTERROGATORIES**

24.09 For the reporting entity's securities 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
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 [ X ] No [ ]

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 .....	\$ .....	4,288,004
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 [ ]

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 [ ]
26.42 Permitted accounting practice .....	Yes [ ] No [ ]
26.43 Other accounting guidance .....	Yes [ ] No [ ]

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:..... Yes [ ] No [ ]

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

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. .... \$ .....

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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?..... Yes [ X ] No [ ]

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
Northern Trust .....	50 S. LaSalle, Chicago, IL 60675 .....

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company  
**GENERAL INTERROGATORIES**

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)

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
Goldman Sachs Asset Management, L.P. ....	U.....
Internally Managed .....	I.....
J.P. Morgan Asset Management .....	U.....

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 [ X ] No [ ]

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 [ X ] No [ ]

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.

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
107738 .....	Goldman Sachs Asset Management, L.P. ....	CF5M58QA35CFPUX70H17 .....	SEC .....	NO.....
107038 .....	J.P. Morgan Asset Management .....	549300W78QH4XMM6K69 .....	SEC .....	NO.....

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 [ X ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company  
**GENERAL INTERROGATORIES**

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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	619,427,512	649,587,622	30,160,110
30.2 Preferred stocks .....	0	0	0
30.3 Totals	619,427,512	649,587,622	30,160,110

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

For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from Hub which is an external data sources vendor. Hub utilizes various pricing sources.

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 [ X ]

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 [ ]

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 [ X ] No [ ]

32.2 If no, list exceptions:  
 .....

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:  
 a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.  
 b. Issuer or obligor is current on all contracted interest and principal payments.  
 c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.  
 Has the reporting entity self-designated 5GI securities? ..... Yes [ ] No [ X ]

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 a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
 d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
 Has the reporting entity self-designated PLGI securities? ..... Yes [ ] No [ X ]

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 [ X ]

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 completed robust re-underwriting of the transaction for which documentation is available for regulator review.  
 d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 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 [ X ] N/A [ ]

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company  
**GENERAL INTERROGATORIES**

**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 payment 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 departments of government, if any? .....\$ .....0

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

1 Name	2 Amount Paid

# GENERAL INTERROGATORIES

## PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [ X ]

1.2 If yes, indicate premium earned on U.S. business only. .... \$ 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 .....	2,000,769,165	1,980,855,588
2.2 Premium Denominator .....	2,000,769,165	1,980,855,588
2.3 Premium Ratio (2.1/2.2) .....	1.000	1.000
2.4 Reserve Numerator .....	311,949,526	249,781,872
2.5 Reserve Denominator .....	311,949,526	249,781,872
2.6 Reserve Ratio (2.4/2.5) .....	1.000	1.000

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

3.2 If yes, give particulars:

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

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

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

5.2 If no, explain:  
Care Improvement Plus South Central Insurance Company is not required to have stop loss reinsurance.

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical ..... \$ 0

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:  
Hold harmless clauses in provider agreements. ....

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

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year ..... 953,350

8.2 Number of providers at end of reporting year ..... 462,532

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

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months.. \$ 30,830

9.22 Business with rate guarantees over 36 months ..... \$ 0

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company  
**GENERAL INTERROGATORIES**

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

10.2 If yes:

10.21 Maximum amount payable bonuses.....	\$	9,113,546
10.22 Amount actually paid for year bonuses.....	\$	13,254,620
10.23 Maximum amount payable withholds.....	\$	5,590,190
10.24 Amount actually paid for year withholds.....	\$	6,013,362

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, .....	Yes [ ]	No [ X ]
11.13 An Individual Practice Association (IPA), or, .....	Yes [ ]	No [ X ]
11.14 A Mixed Model (combination of above)? .....	Yes [ X ]	No [ ]

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

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

11.4 If yes, show the amount required. .... \$ 100,000

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

11.6 If the amount is calculated, show the calculation  
 Arkansas Statutes § 23-76-108

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

1 Name of Service Area
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming .....

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

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. .... \$ 0

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

13.4 If yes, please provide the balance of funds administered as of the reporting date. .... \$ 0

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

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

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

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

15.1 Direct Premium Written .....	\$	0
15.2 Total Incurred Claims .....	\$	0
15.3 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 gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

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

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company

**FIVE-YEAR HISTORICAL DATA**

	1 2020	2 2019	3 2018	4 2017	5 2016
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	924,457,147	772,377,577	727,698,573	593,648,460	1,029,490,809
2. Total liabilities (Page 3, Line 24) .....	340,071,867	274,647,745	254,651,592	246,417,200	606,426,571
3. Statutory minimum capital and surplus requirement .....	100,000	100,000	100,000	100,000	100,000
4. Total capital and surplus (Page 3, Line 33) .....	584,385,280	497,729,832	473,046,981	347,231,260	423,064,238
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	1,901,245,150	1,972,703,998	1,673,819,719	1,247,771,331	3,705,330,964
6. Total medical and hospital expenses (Line 18) .....	1,458,682,051	1,599,175,072	1,312,768,996	988,021,537	2,834,738,482
7. Claims adjustment expenses (Line 20) .....	65,517,722	70,428,861	59,973,753	56,890,455	136,968,400
8. Total administrative expenses (Line 21) .....	167,559,164	130,499,567	141,932,967	86,357,462	338,570,400
9. Net underwriting gain (loss) (Line 24) .....	209,486,213	172,600,498	159,144,003	116,501,877	395,053,682
10. Net investment gain (loss) (Line 27) .....	12,561,320	11,379,858	7,685,157	7,730,735	11,143,869
11. Total other income (Lines 28 plus 29) .....	(818,756)	(1,063,710)	(980,253)	(5,232,188)	(4,988,302)
12. Net income or (loss) (Line 32) .....	167,257,595	144,766,752	125,940,462	79,248,651	241,424,946
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	245,310,395	355,435,391	32,929,845	(66,500,856)	345,031,673
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	584,385,280	497,729,832	473,046,981	347,231,260	423,064,238
15. Authorized control level risk-based capital .....	23,752,606	55,995,990	47,976,013	35,053,391	114,581,564
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	109,428	128,235	121,468	99,833	273,804
17. Total members months (Column 6, Line 7) .....	1,355,722	1,491,468	1,365,976	1,117,190	3,205,692
<b>Operating Percentage</b> (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	76.7	81.1	78.4	79.2	76.5
20. Cost containment expenses .....	2.7	2.6	1.7	3.0	2.2
21. Other claims adjustment expenses .....	0.8	0.9	1.8	1.6	1.5
22. Total underwriting deductions (Line 23) .....	89.0	91.3	90.5	90.7	89.3
23. Total underwriting gain (loss) (Line 24) .....	11.0	8.7	9.5	9.3	10.7
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	99,578,935	104,349,612	91,491,363	316,378,316	192,118,016
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	128,375,676	112,699,208	117,109,471	356,271,964	189,086,791
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....	0	0	0	0	0
31. All other affiliated .....	0	0	0	0	0
32. Total of above Lines 26 to 31 .....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above .....	0	0	0	0	0

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

# SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

## Allocated by States and Territories

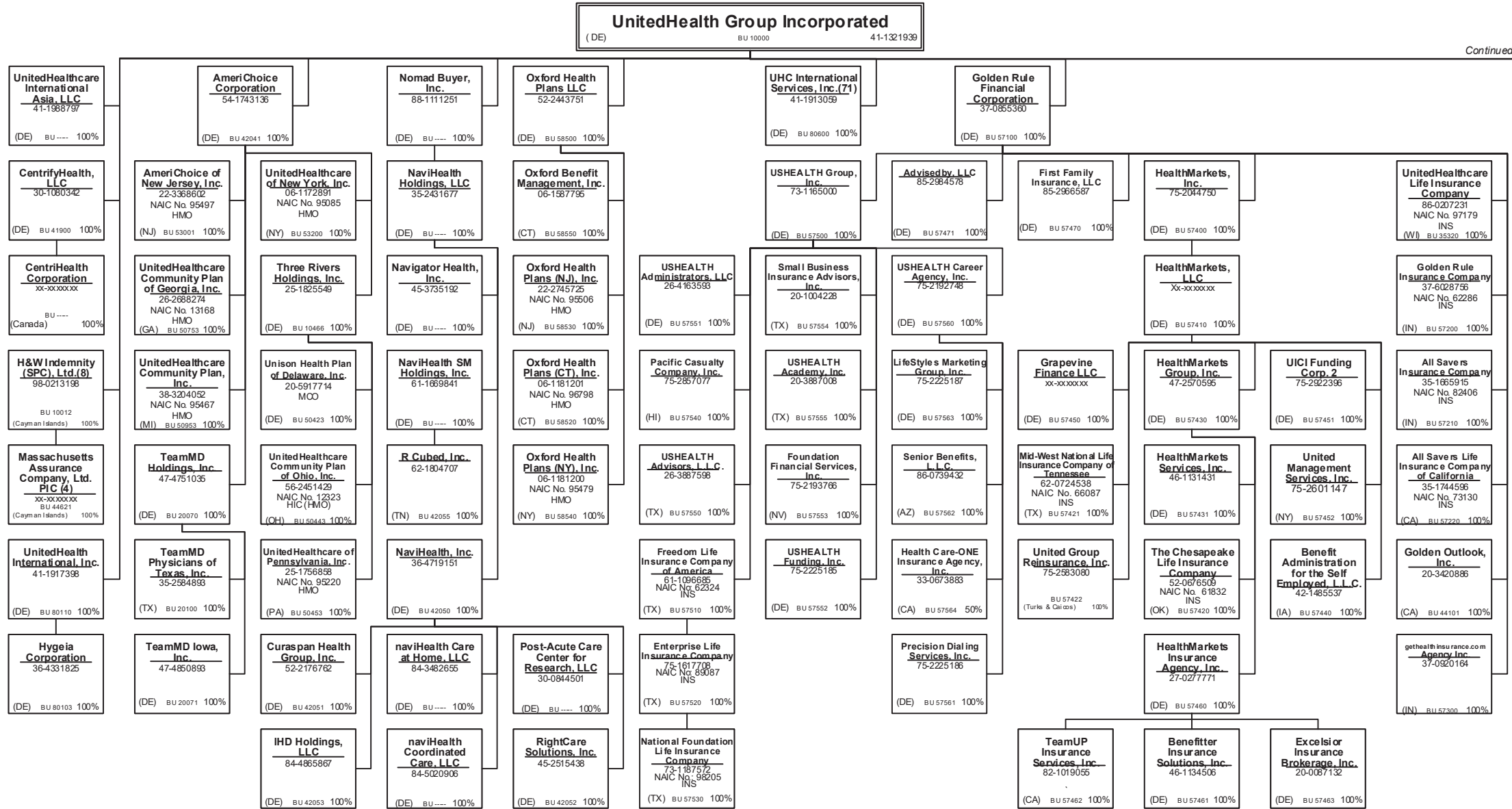
1	Direct Business Only								
	2	3	4	5	6	7	8	9	
States, etc.	Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	L	(1,793)	0	0	0	0	(1,793)	0
2. Alaska	AK	L	0	0	0	0	0	0	0
3. Arizona	AZ	L	0	0	0	0	0	0	0
4. Arkansas	AR	L	709,178,167	0	0	0	0	709,178,167	0
5. California	CA	L	0	0	0	0	0	0	0
6. Colorado	CO	L	0	0	0	0	0	0	0
7. Connecticut	CT	L	43,624	0	0	0	0	43,624	0
8. Delaware	DE	L	0	0	0	0	0	0	0
9. District of Columbia	DC	L	0	0	0	0	0	0	0
10. Florida	FL	L	967,598	0	0	0	0	967,598	0
11. Georgia	GA	L	58,739,763	0	0	0	0	58,739,763	0
12. Hawaii	HI	L	0	0	0	0	0	0	0
13. Idaho	ID	L	0	0	0	0	0	0	0
14. Illinois	IL	L	(218)	0	0	0	0	(218)	0
15. Indiana	IN	L	559	0	0	0	0	559	0
16. Iowa	IA	L	0	0	0	0	0	0	0
17. Kansas	KS	L	67,606,289	0	0	0	0	67,606,289	0
18. Kentucky	KY	L	0	0	0	0	0	0	0
19. Louisiana	LA	L	0	0	0	0	0	0	0
20. Maine	ME	L	(1,384)	0	0	0	0	(1,384)	0
21. Maryland	MD	L	0	0	0	0	0	0	0
22. Massachusetts	MA	L	(5,219)	0	0	0	0	(5,219)	0
23. Michigan	MI	L	0	0	0	0	0	0	0
24. Minnesota	MN	L	0	0	0	0	0	0	0
25. Mississippi	MS	L	0	0	0	0	0	0	0
26. Missouri	MO	L	593,375,393	0	0	0	0	593,375,393	0
27. Montana	MT	L	0	0	0	0	0	0	0
28. Nebraska	NE	L	0	0	0	0	0	0	0
29. Nevada	NV	L	0	0	0	0	0	0	0
30. New Hampshire	NH	L	4,458,075	0	0	0	0	4,458,075	0
31. New Jersey	NJ	L	3,360,259	0	0	0	0	3,360,259	0
32. New Mexico	NM	L	(1,290)	0	0	0	0	(1,290)	0
33. New York	NY	L	32,859,857	0	0	0	0	32,859,857	0
34. North Carolina	NC	L	0	0	0	0	0	0	0
35. North Dakota	ND	L	0	0	0	0	0	0	0
36. Ohio	OH	L	130,439,354	0	0	0	0	130,439,354	0
37. Oklahoma	OK	L	102,910,516	0	0	0	0	102,910,516	0
38. Oregon	OR	L	0	0	0	0	0	0	0
39. Pennsylvania	PA	L	6,464	0	0	0	0	6,464	0
40. Rhode Island	RI	L	0	0	0	0	0	0	0
41. South Carolina	SC	L	38,702	0	0	0	0	38,702	0
42. South Dakota	SD	L	0	0	0	0	0	0	0
43. Tennessee	TN	L	0	0	0	0	0	0	0
44. Texas	TX	L	294,813,643	1,683,164	0	0	0	296,496,807	0
45. Utah	UT	L	0	0	0	0	0	0	0
46. Vermont	VT	L	0	0	0	0	0	0	0
47. Virginia	VA	L	297,642	0	0	0	0	297,642	0
48. Washington	WA	L	0	0	0	0	0	0	0
49. West Virginia	WV	L	0	0	0	0	0	0	0
50. Wisconsin	WI	L	0	0	0	0	0	0	0
51. Wyoming	WY	L	0	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59. Subtotal	XXX	0	1,999,086,001	1,683,164	0	0	0	2,000,769,165	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0
61. Total (Direct Business)	XXX	0	1,999,086,001	1,683,164	0	0	0	2,000,769,165	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....51 R - Registered - Non-domiciled RRGs.....0  
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....0 Q - Qualified - Qualified or accredited reinsurer.....0  
 N - None of the above - Not allowed to write business in the state.....6

(b) Explanation of basis of allocation by states, premiums by state, etc.  
 Premiums are allocated by state based on geographic market

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



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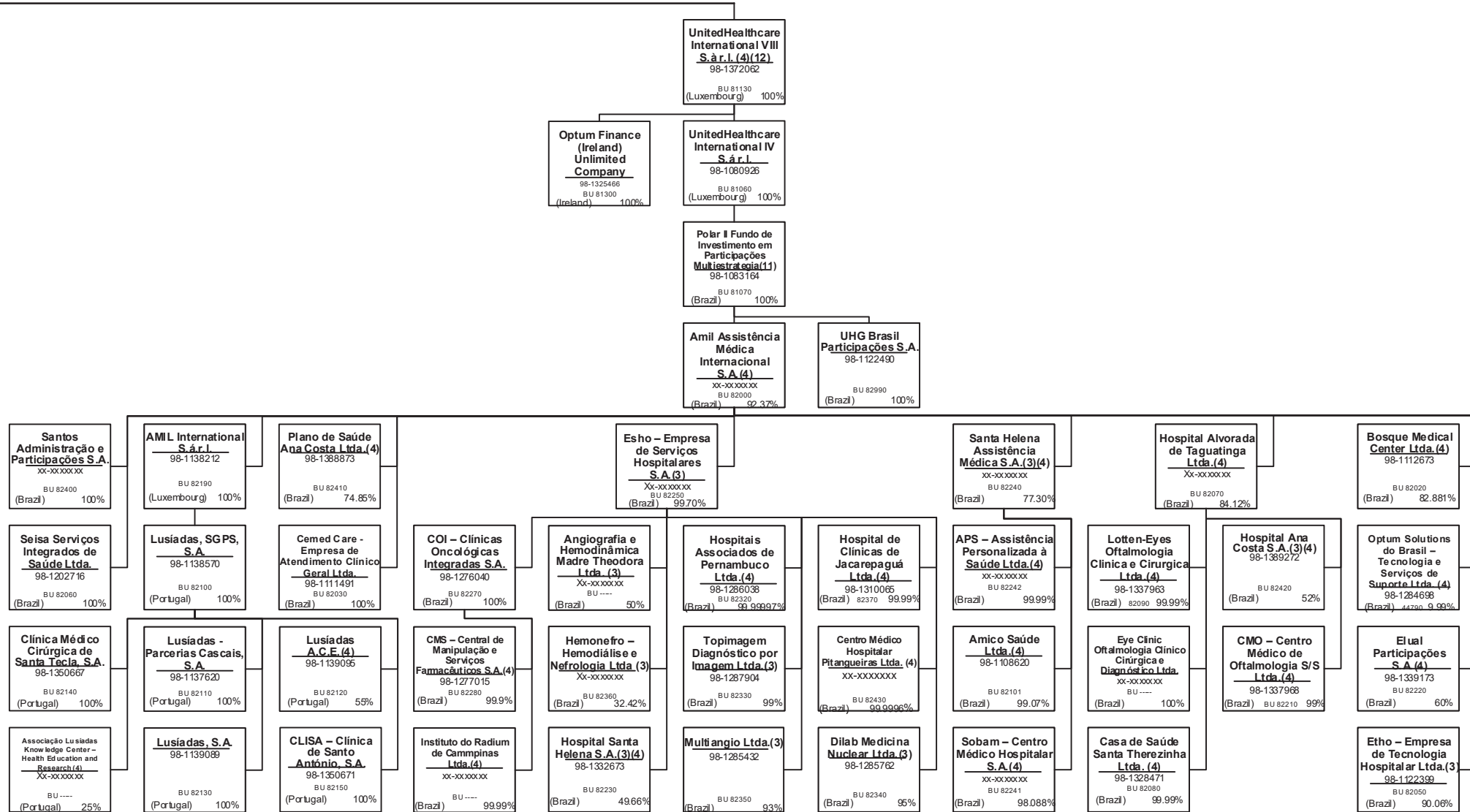


**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

**UnitedHealth Group Incorporated**  
 ( DE ) 41-1321939

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

**PART 1 – ORGANIZATIONAL CHART**

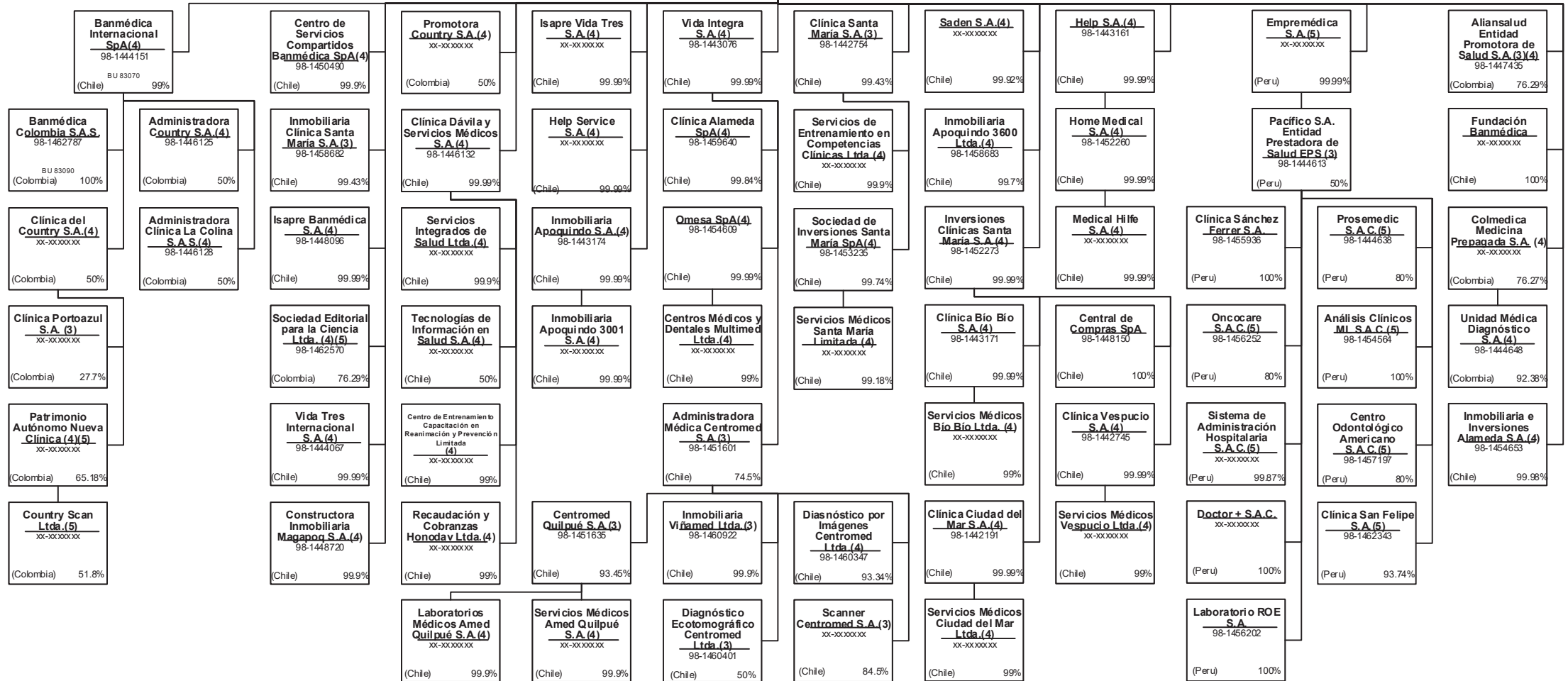
**UnitedHealth Group Incorporated**  
( DE ) 41-1321939

Continued from Previous Page

**United HealthCare Services, Inc.**  
41-1289245  
(MN) BU 20020 100%

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**Banmédica S.A.(3)**  
98-1444127  
BU 83060  
(Chile) 98.2285%

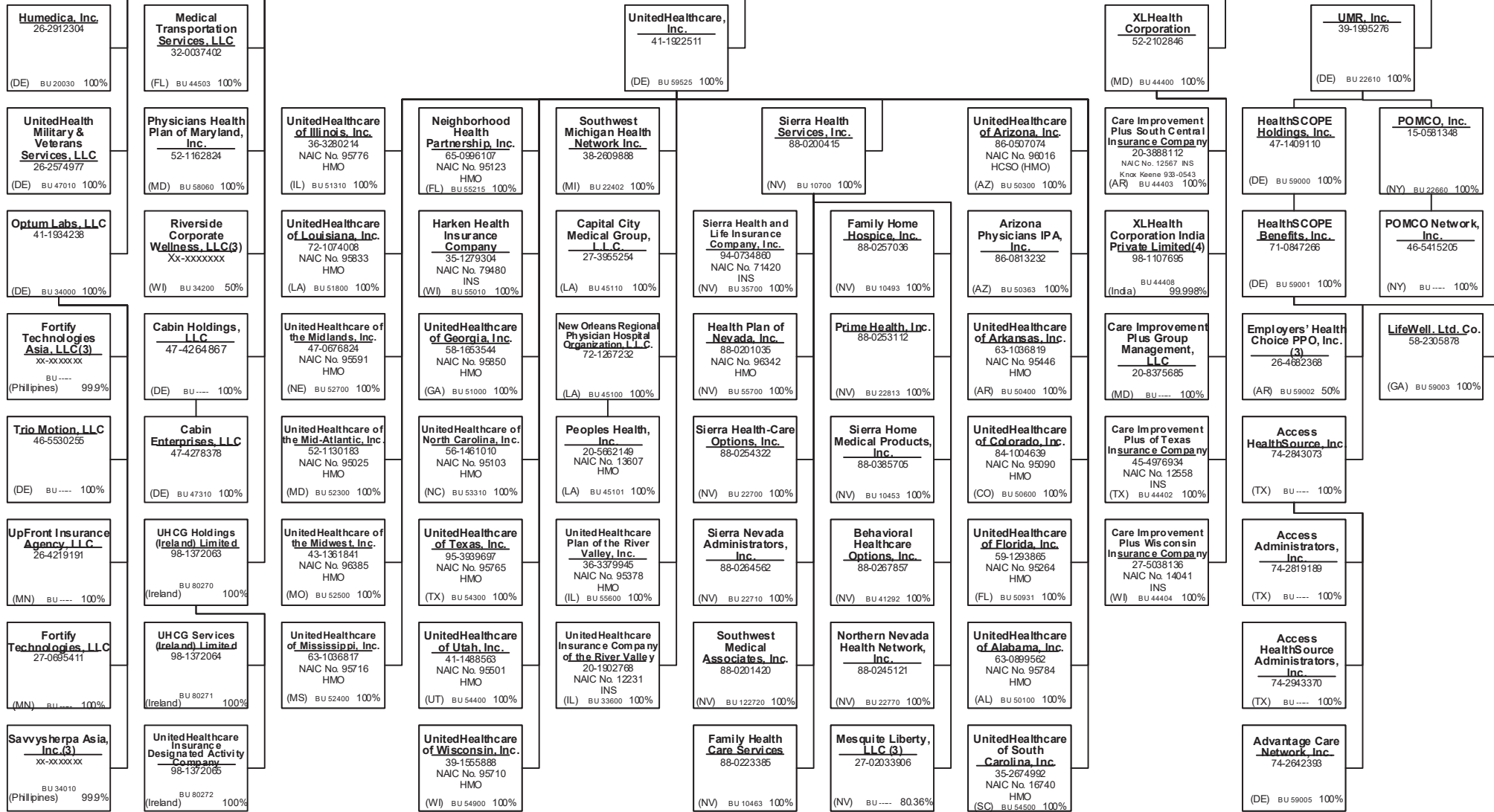


**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

**United HealthCare Services, Inc.**  
 (MN) 41-1289245 100%

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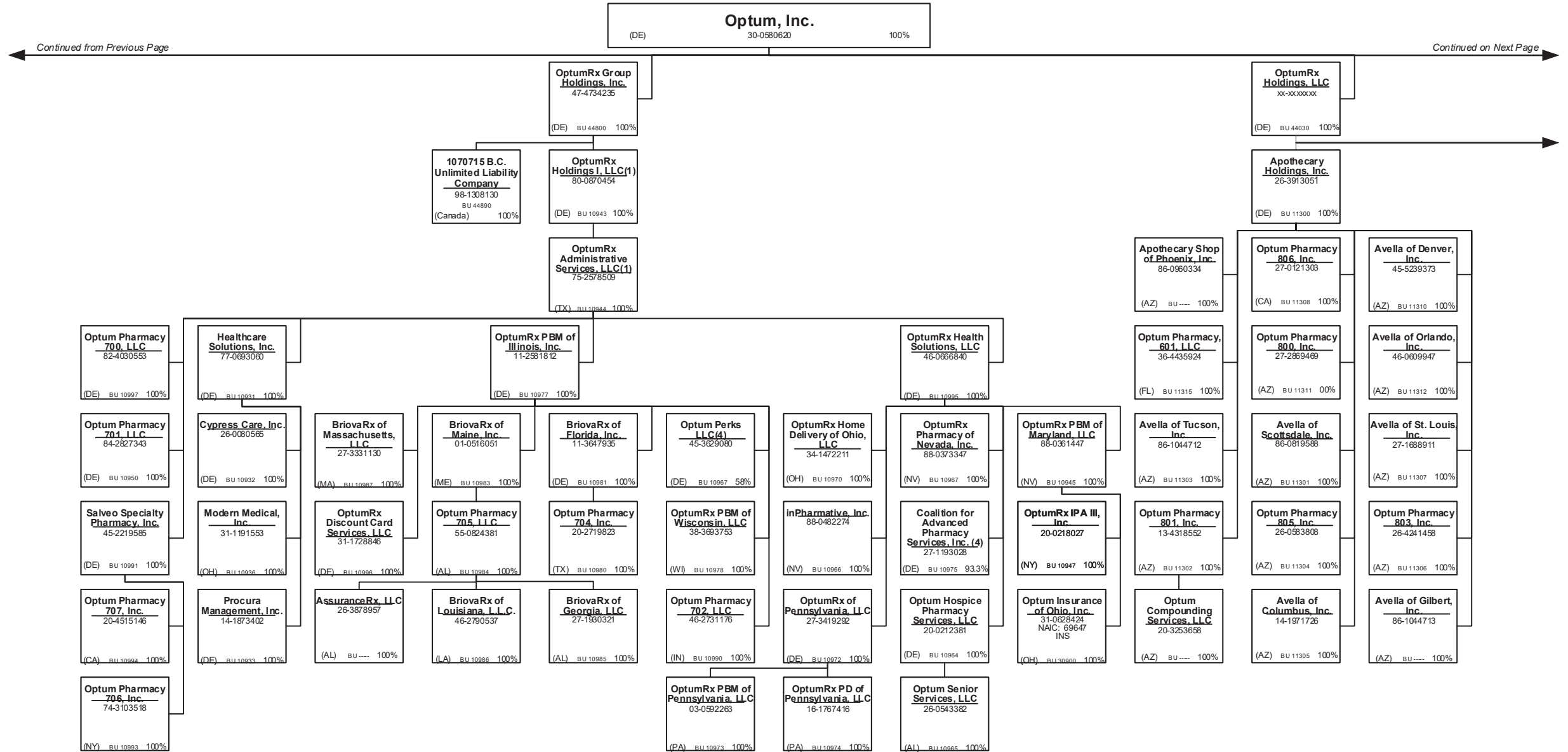


40.4



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

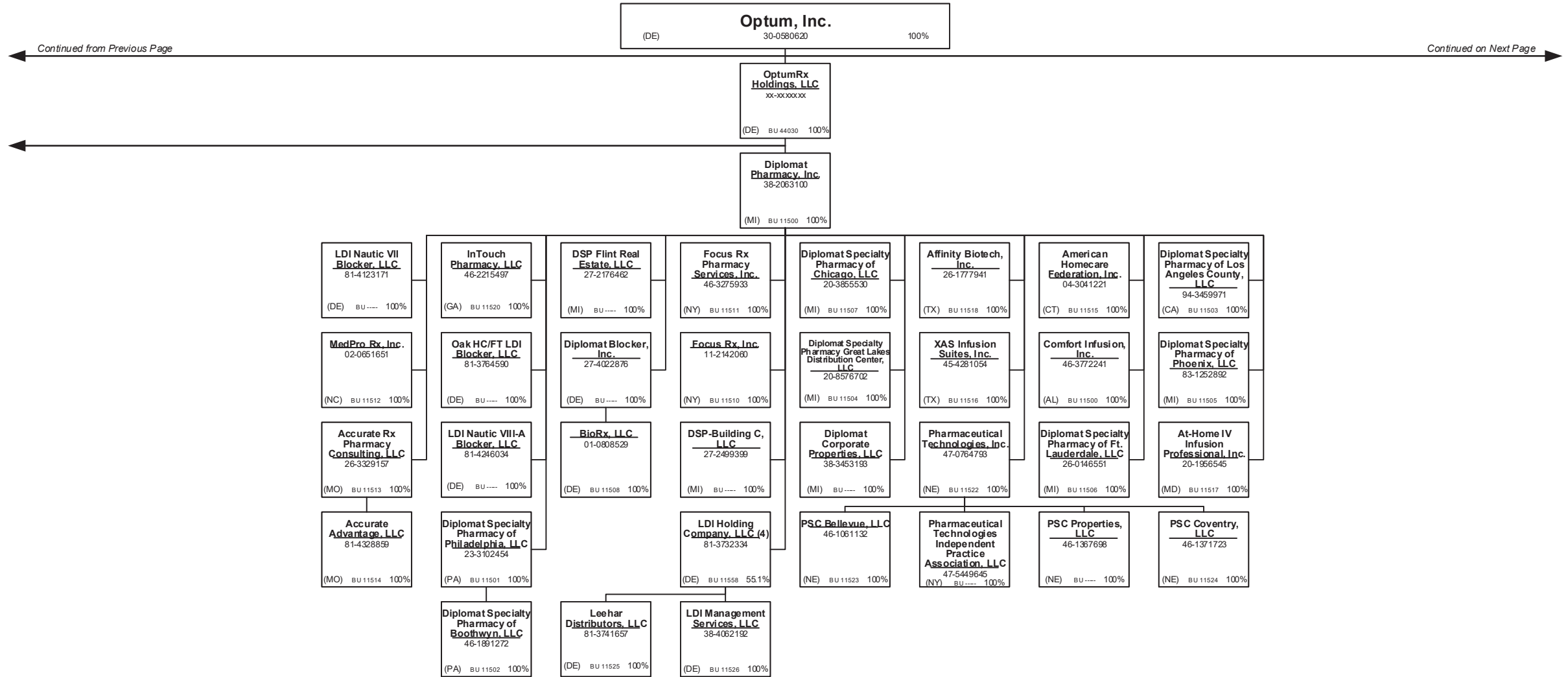
**PART 1 – ORGANIZATIONAL CHART**



40.6



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

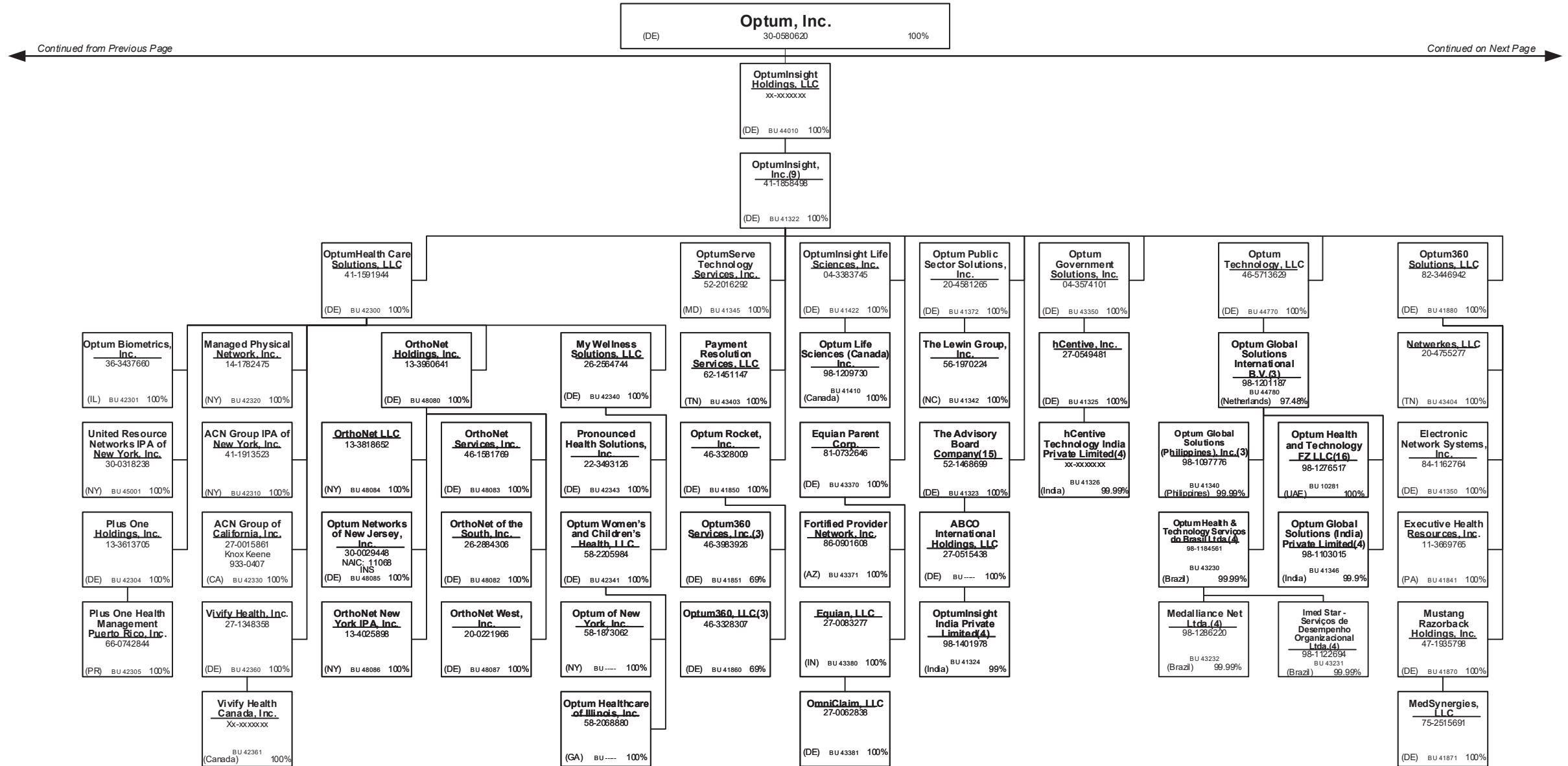


40.8

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

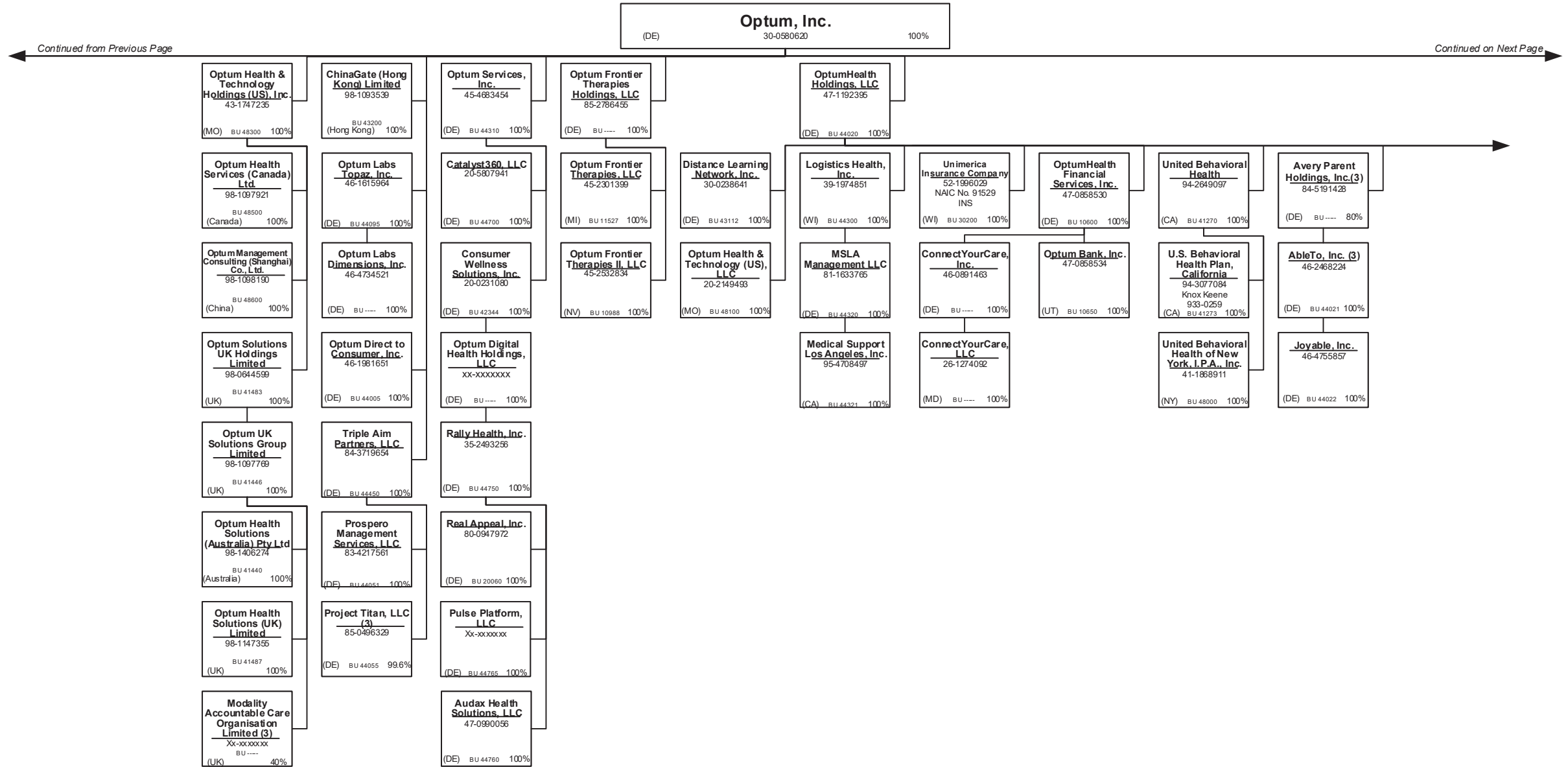


40.9

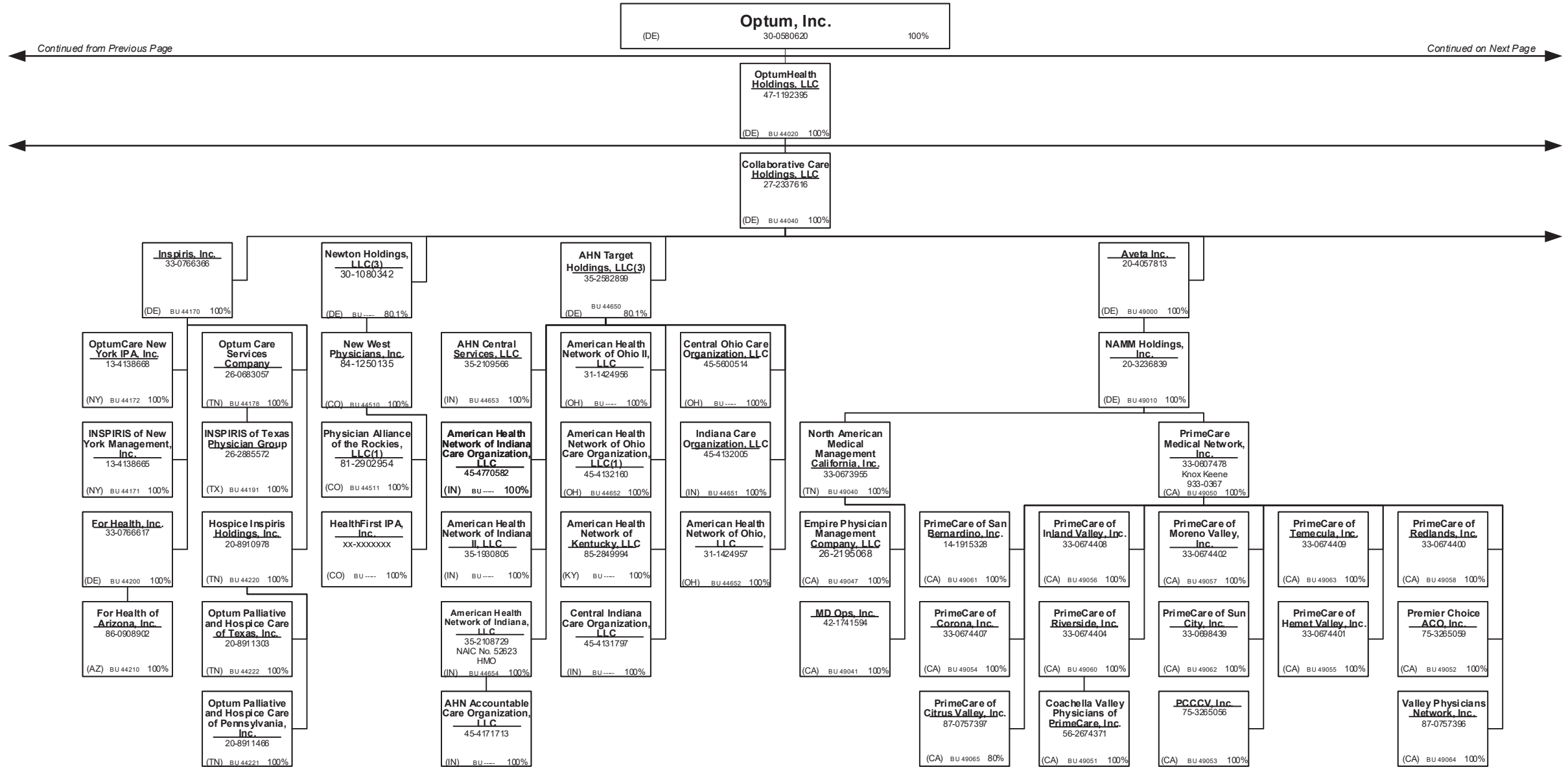
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**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**



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

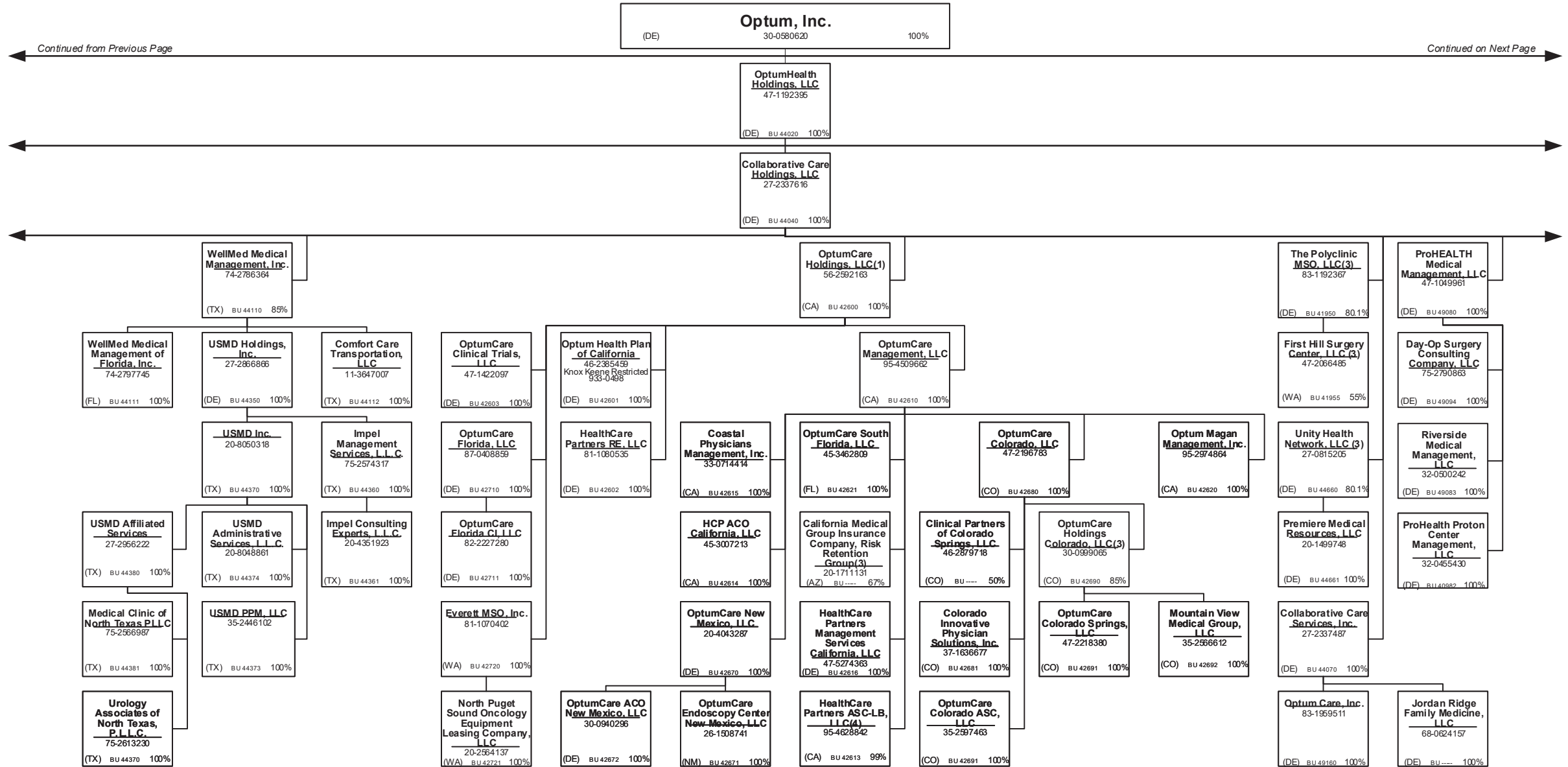


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**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

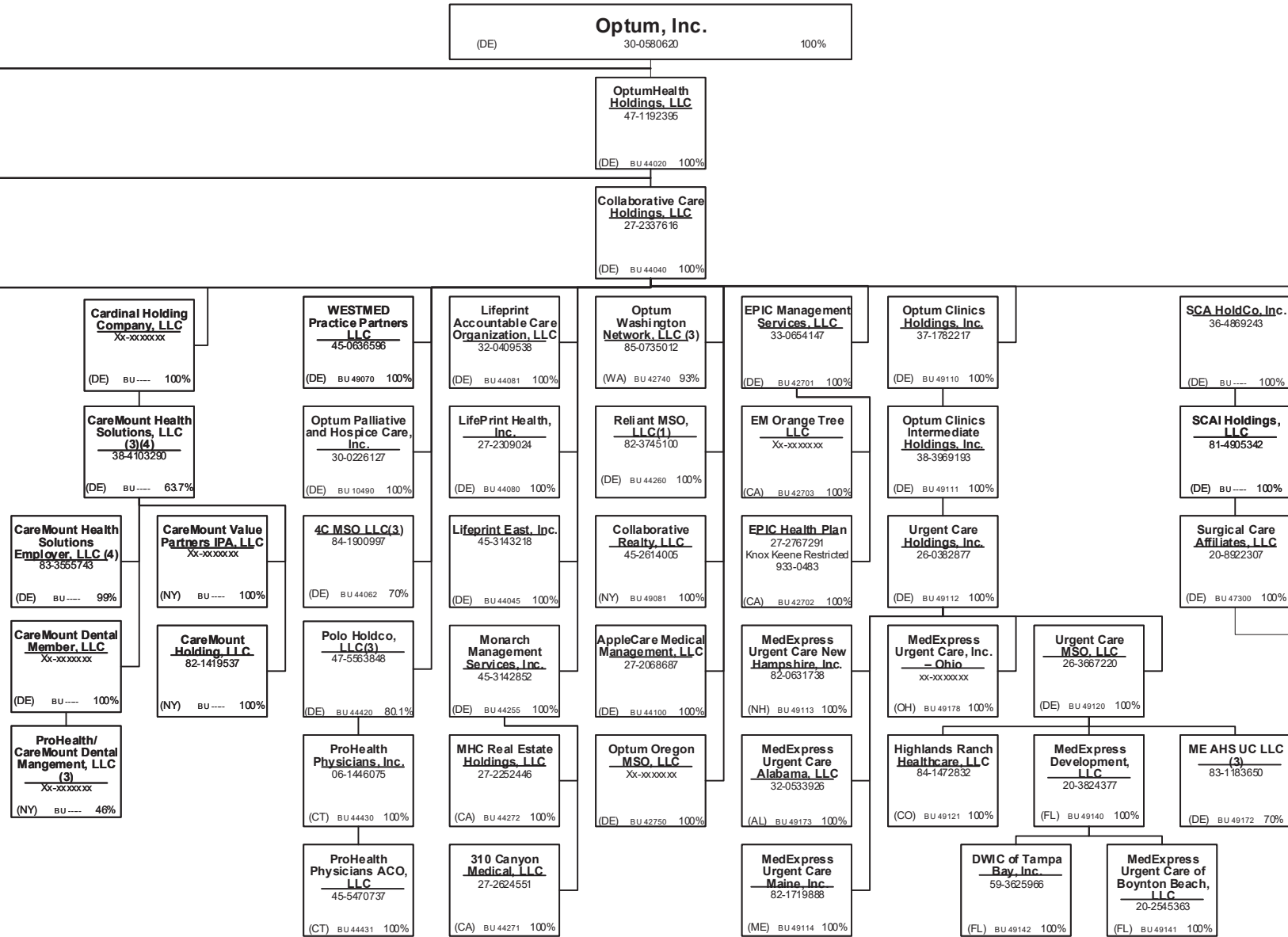


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**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**



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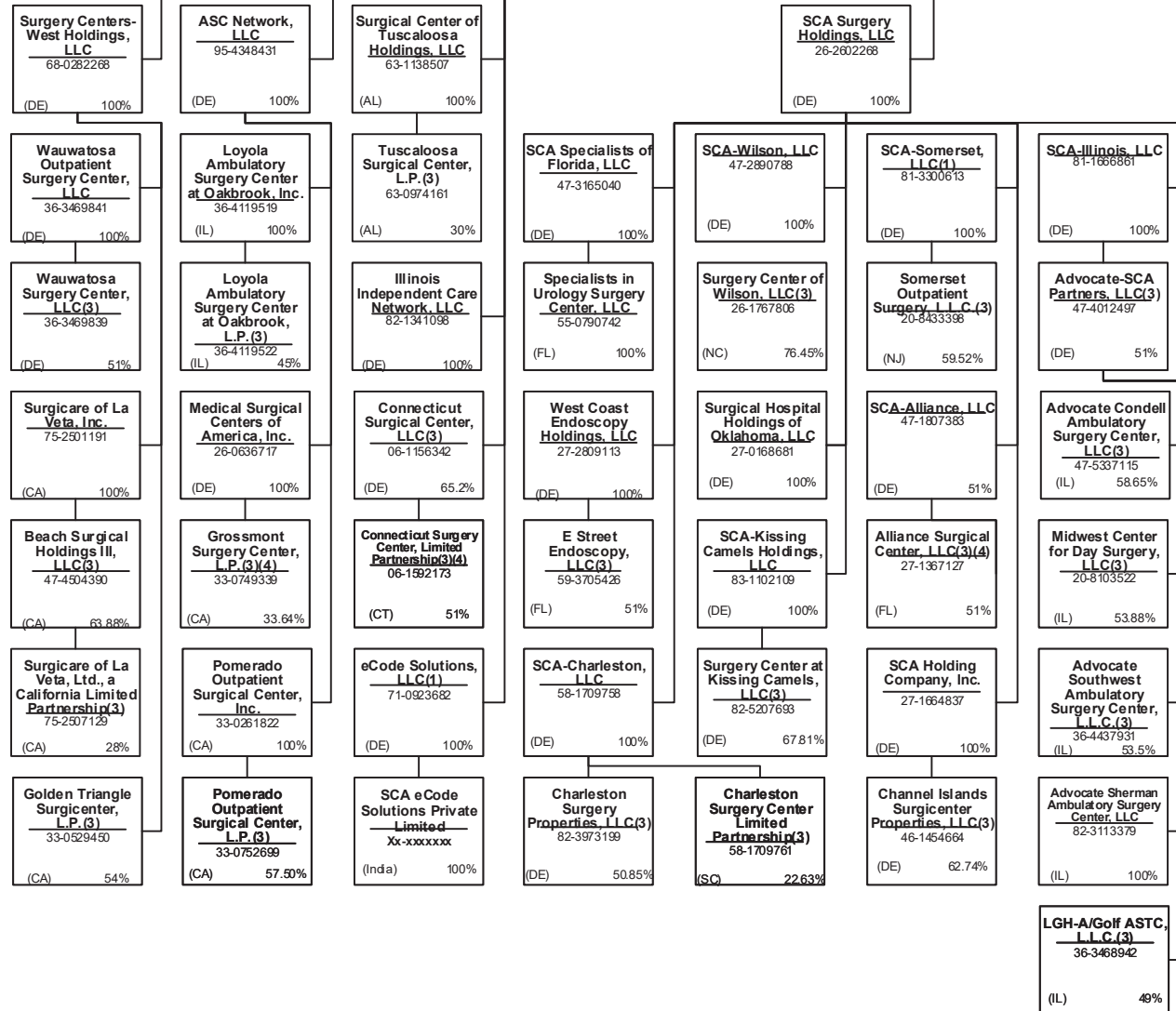
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**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

**Surgical Care Affiliates, LLC**  
 (DE) 20-8922307 100%

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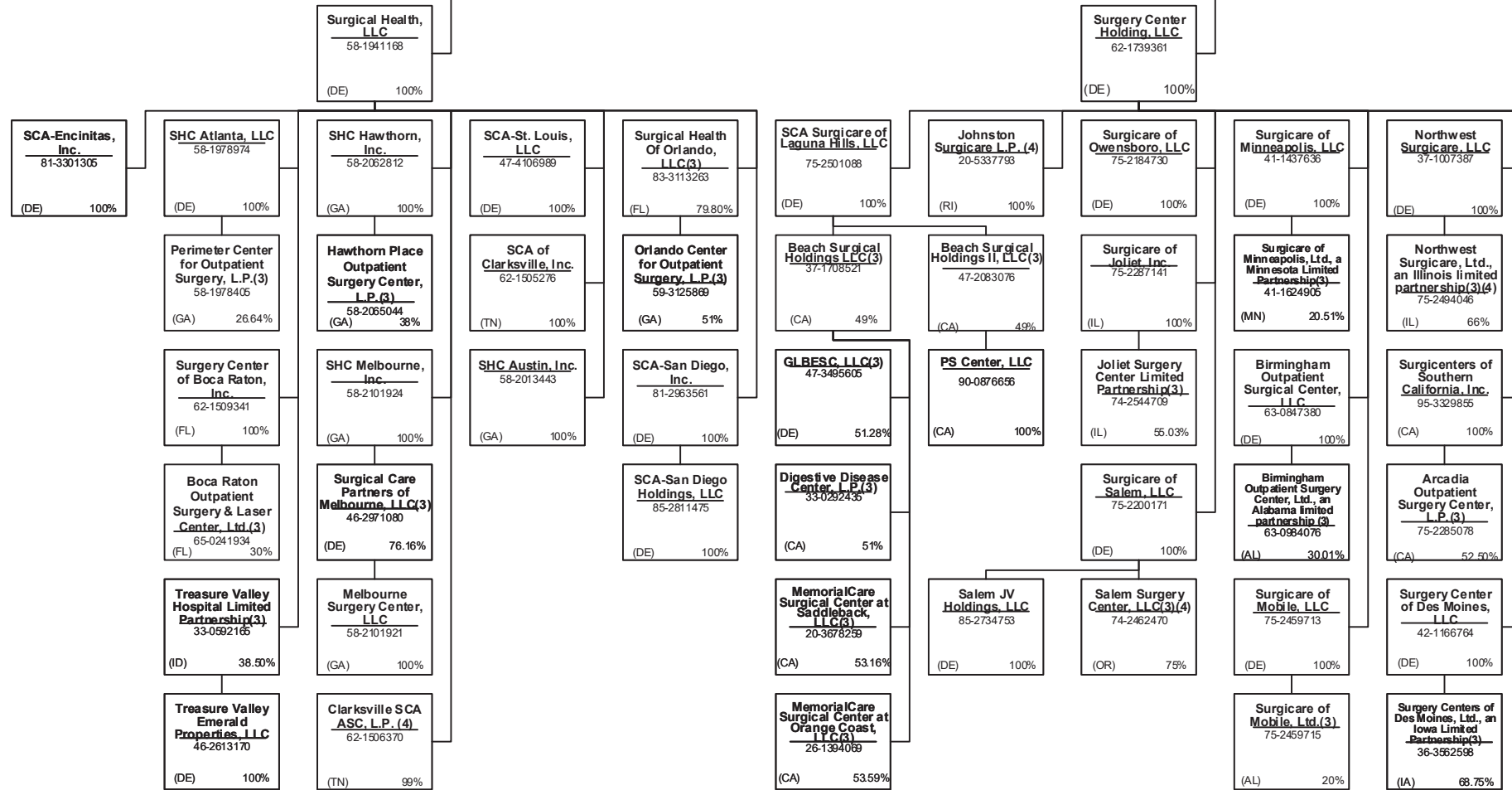


**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

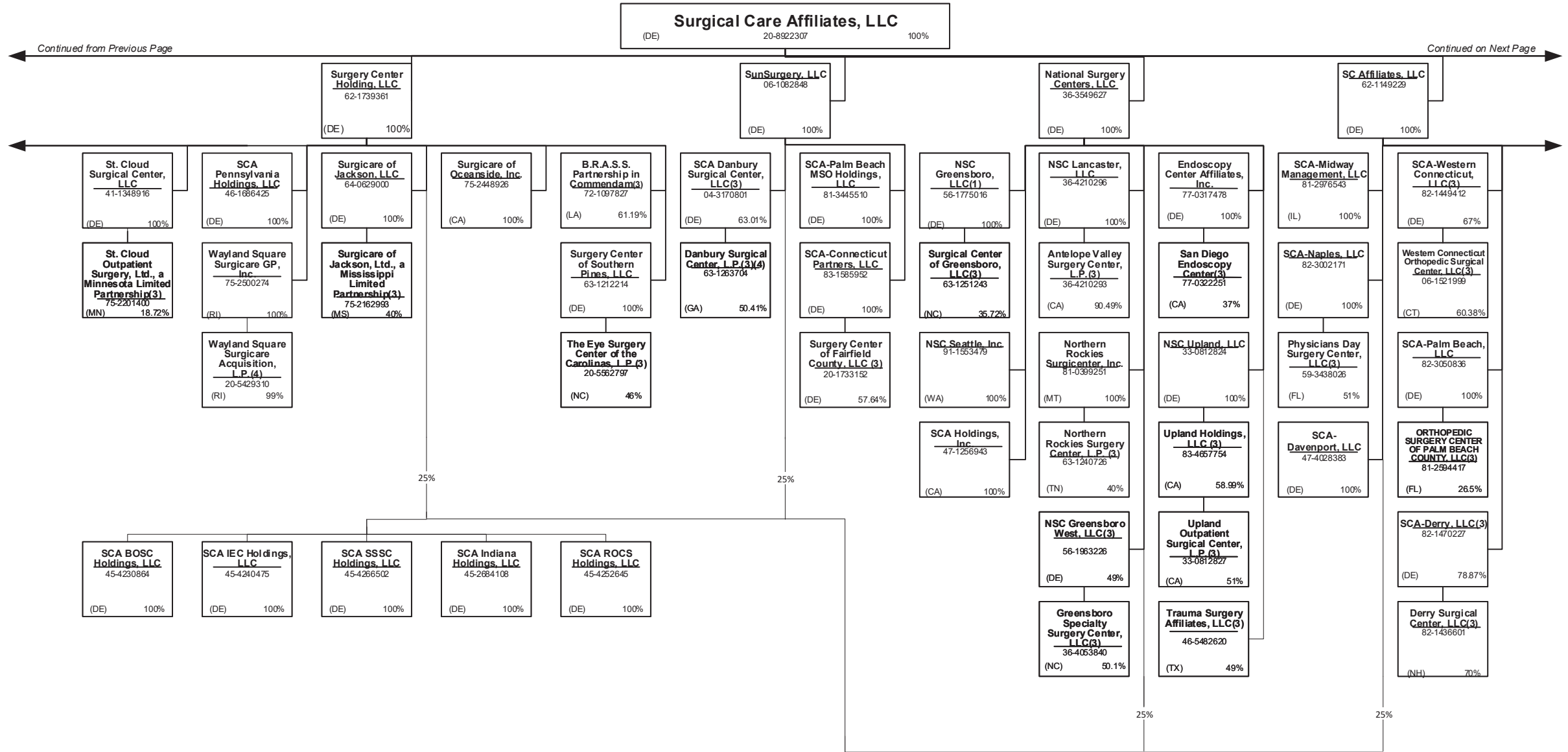
**Surgical Care Affiliates, LLC**  
 (DE) 20-8922307 100%

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



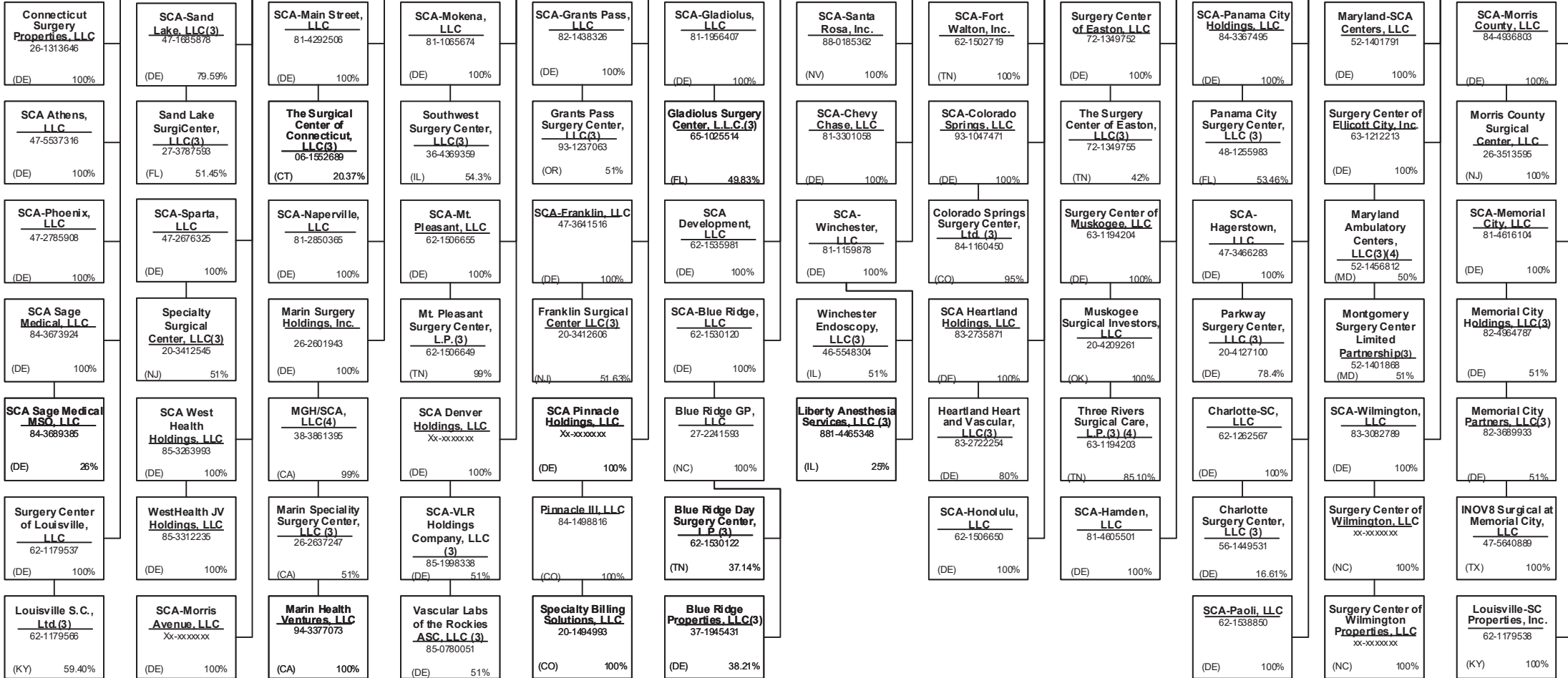
**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

**Surgical Care Affiliates, LLC**  
 (DE) 20-8922307 100%

**SC Affiliates, LLC**  
 62-1149229  
 (DE) 100%

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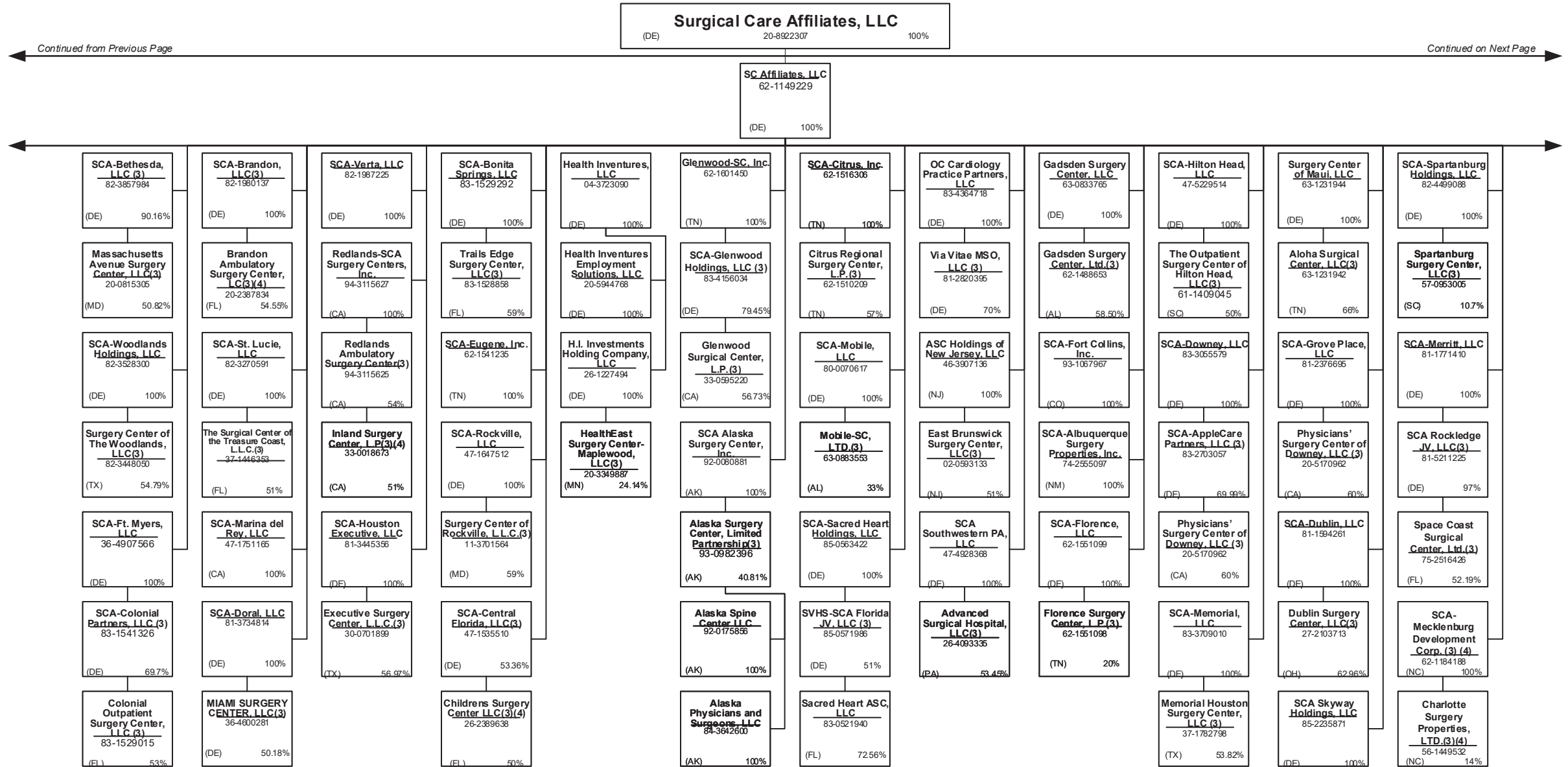
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**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 – ORGANIZATIONAL CHART**



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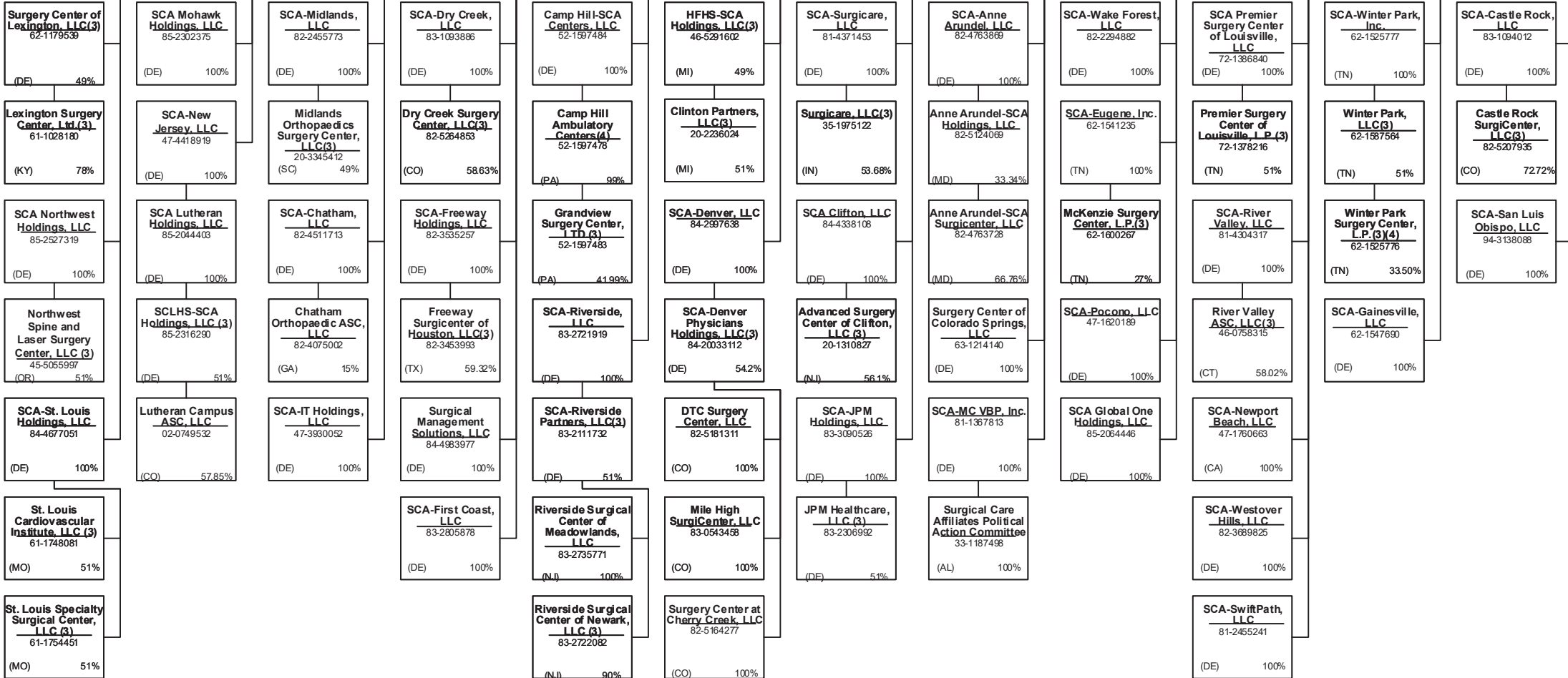
**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

**Surgical Care Affiliates, LLC**  
 (DE) 20-8922307 100%

**SC Affiliates, LLC**  
 62-1149229  
 (DE) 100%

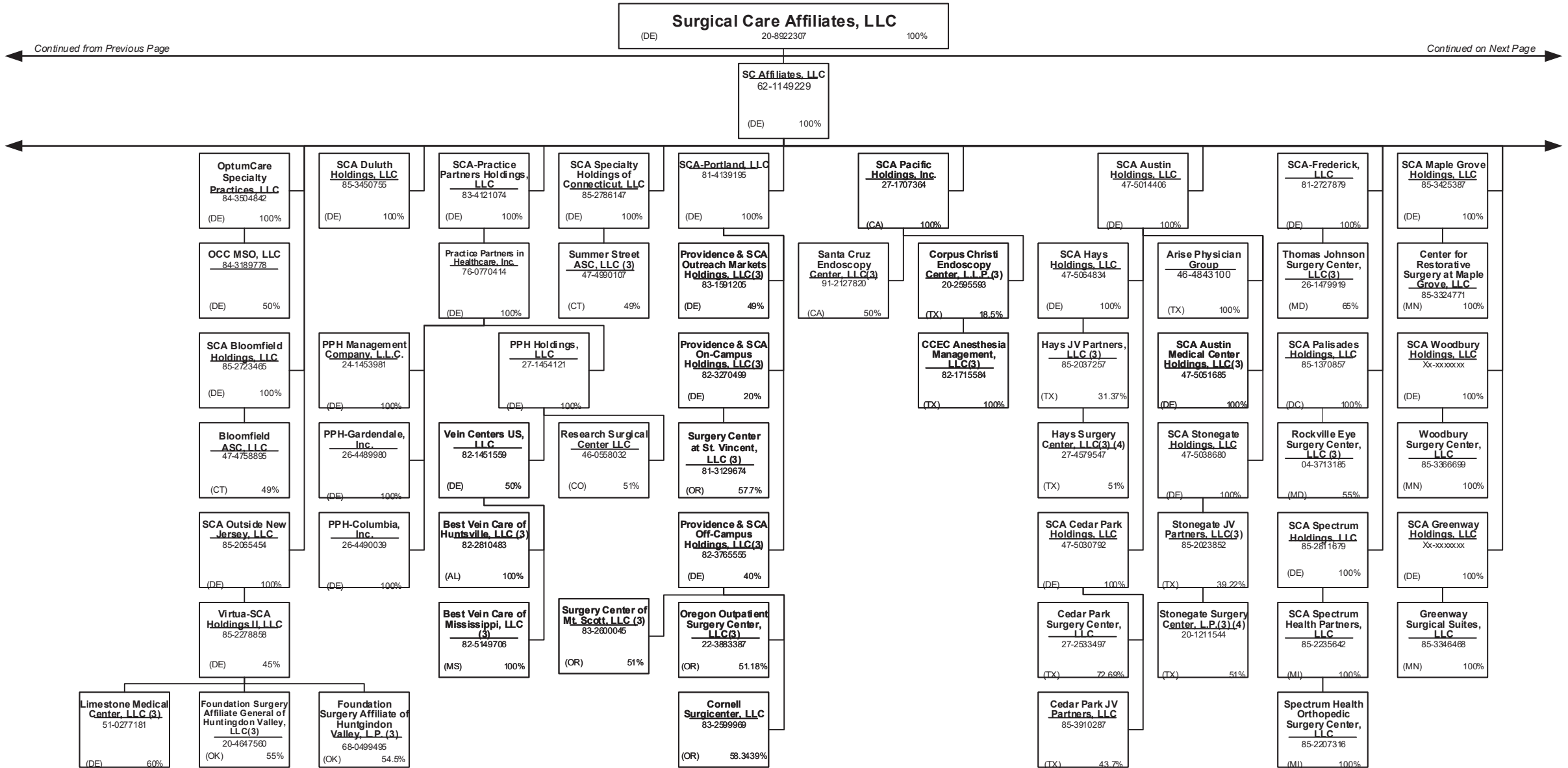
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**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**



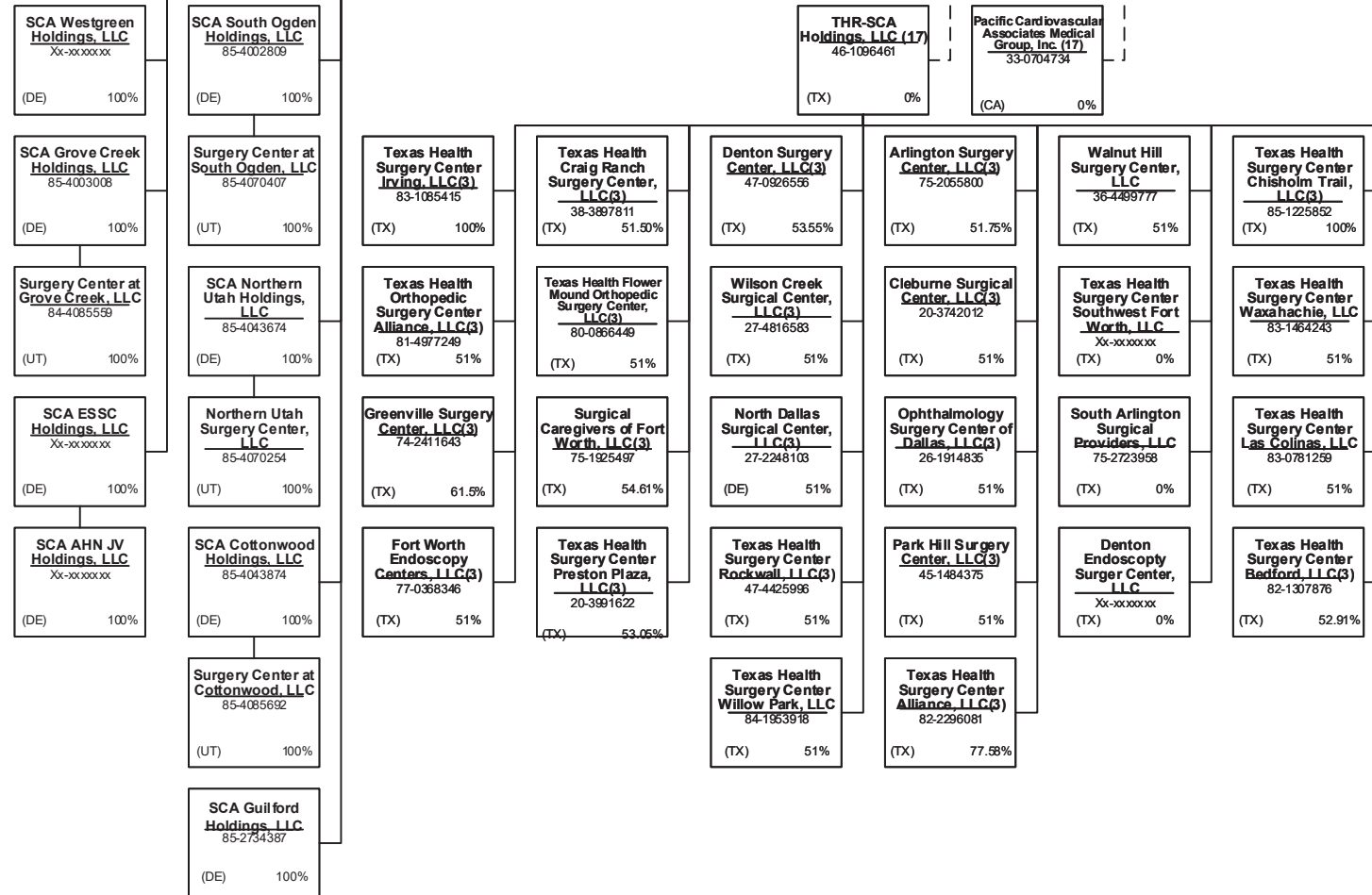
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**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 – ORGANIZATIONAL CHART**

**Surgical Care Affiliates, LLC**  
 (DE) 20-8922307 100%

**SC Affiliates, LLC**  
 62-1149229  
 (DE) 100%

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

**PART 1 – ORGANIZATIONAL CHART**

Physician Owned Entities

Entity Name	Juris.	Federal Tax ID	Entity Name	Juris.	Federal Tax ID
4C Medical Group, PLC	AZ	45-2402948	Homecare Dimensions, Inc.	TX	74-2758644
A.G. Dikengil, Inc.	NJ	22-3149900	IN Style OPTICAL, LLC	MA	27-3296953
AbleTo Behavioral Health Services, P.C.	CT	47-5519672	Inland Faculty Medical Group, Inc.	CA	33-0618077
AbleTo Licensed Clinical Social Worker Services, P.C.	CA	--	Inspiris Medical Services of New Jersey, P.C.	NJ	45-2563134
AppleCare Hospitalists Medical Group, Inc.	CA	14-1890491	INSPIRIS of Michigan Medical Services, P.C.	MI	27-1561674
AppleCare Medical ACO, LLC	CA	45-2852872	INSPIRIS of New York Medical Services, P.C.	NY	13-4168739
AppleCare Medical Group St. Francis, Inc.	CA	33-0845269	INSPIRIS of Pennsylvania Medical Services, P.C.	PA	26-2895670
AppleCare Medical Group, Inc.	CA	33-0898174	Level 2 Medical Services, P.A. (ALASKA)	AK	84-5003916
ARTA Health Network, P.C.	CA	46-1772418	Level2 Medical Services, P.A.	DE	84-5003916
ARTA Western California, Inc.	CA	33-0658815	March Vision Care Group, Incorporated	CA	95-4874334
Aspectus, Inc.	MA	04-3403101	March Vision Care IPA, Inc.	NY	27-3115058
Beaver Medical Group, P.C.	CA	33-0645967	March Vision Care of Texas, Inc.	TX	45-4227915
Bedford Physicians Risk Retention Group, Inc.	VT	20-8773716	MAT-RX DEVELOPMENT, L.L.C.	TX	43-1967820
Better Health Value Network, LLC	WA	47-4349079	Mat-Rx Fort Worth GP, L.L.C.	TX	35-2262695
Bexar Imaging Center, LLC	TX	22-3858211	ME Urgent Care Nebraska, Inc.	NE	81-0938574
Bongiorno Physical Therapy, P.C.	NY	--	MedExpress Employed Services, Inc.	DE	81-1265129
California Spring Holdings, PC	CA	81-0881243	MedExpress Primary Care Arizona, P.C.	AZ	81-4550969
CareMount Health Solutions ACO, LLC	NY	--	MedExpress Primary Care Arkansas, P.A.	AR	84-4234388
CareMount Medical, P.C.	NY	13-3544120	MedExpress Primary Care Kansas, P.A.	KS	81-4605885
Centers for Family Medicine, GP	CA	33-0483510	MedExpress Primary Care Maryland, P.C.	MD	82-3384324
David Moen, M.D. P.C.	NY	81-5101448	MedExpress Primary Care Massachusetts, P.C.	MA	82-1096099
David R. Ferrell, M.D., P.C.	NV	45-2380022	MedExpress Primary Care Minnesota P.C.	MIN	81-4396738
Day-OP Center Of Long Island Inc.	NY	11-2811353	MedExpress Primary Care Oklahoma, P.C.	OK	83-1077265
Durable Medical Equipment, Inc.	MA	04-3106404	MedExpress Primary Care South Carolina, P.C.	SC	83-0764858
Empire Physicians' Medical Group, Inc.	CA	33-0181426	MedExpress Primary Care Texas, P.A.	TX	84-2500750
Everett Physicians, Inc. P.S.	WA	81-1625636	MedExpress Primary Care Virginia, P.C.	VA	82-3395792
First Hill Surgery Center, LLC	WA	47-2066485	MedExpress Primary Care West Virginia, Inc.	WV	82-4401181
Greater Phoenix Collaborative Care, P.C.	AZ	27-2337725	MedExpress Primary Care Wisconsin, S.C.	WI	81-4563448
HealthCare Partners Affiliates Medical Group	CA	95-4526112	MedExpress Urgent Care – New Jersey, P.C.	NJ	45-5388778
HealthCare Partners ASC-HB, LLC	CA	26-4247365	MedExpress Urgent Care - Northern New Jersey PC	NJ	83-2089623
HealthCare Partners Associates Medical Group, P.C.	CA	45-5273760	MedExpress Urgent Care Arizona, P.C.	AZ	81-4030280
HealthCare Partners Medical Group, P.C.	CA	95-4340584	MedExpress Urgent Care Arkansas, P.A.	AR	46-4348120
Homecare Dimensions of Florida, Inc.	TX	81-0884465	MedExpress Urgent Care California, P.C.	CA	82-0930142

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

**PART 1 – ORGANIZATIONAL CHART**

Physician Owned Entities

Entity Name	Juris.	Federal Tax ID	Entity Name	Juris.	Federal Tax ID
MedExpress Urgent Care Connecticut, P.C.	CT	81-1956812	Monarch Health Plan, Inc.	CA	22-3935634
MedExpress Urgent Care Idaho, P.C.	ID	82-1135336	Monarch HealthCare, A Medical Group, Inc.	CA	33-0587660
MedExpress Urgent Care Illinois, P.C.	IL	47-4308614	Monika Roots, M.D., P.C.	CA	84-4887072
MedExpress Urgent Care Iowa, P.C.	IA	81-5353472	Mosaic Management Services, Inc.	CA	20-5892451
MedExpress Urgent Care Kansas, P.A.	KS	47-1919283	NAMM Medical Group Holdings, Inc.	CA	56-2627070
MedExpress Urgent Care Minnesota P.C.	MN	81-1125396	NAMM MGH, Inc.	CA	61-1627269
MedExpress Urgent Care Missouri P.C.	MO	47-3132625	naviHealth Coordinated Care SC, P.C.	MI	85-0975337
MedExpress Urgent Care North Carolina, P.C.	NC	81-5138747	naviHealth Michigan HBPC, P.C.	MI	84-3469040
MedExpress Urgent Care Oregon, P.C.	OR	82-1919436	Nifty After Fifty/Monarch, LLC	CA	26-2995765
MedExpress Urgent Care Rhode Island, P.C.	RI	81-5362765	Northridge Medical Group, Inc.	CA	95-4748023
MedExpress Urgent Care South Carolina, P.C.	SC	81-5380706	Northwest Medical Group Alliance, LLC	WA	91-1699944
MedExpress Urgent Care Texas, P.A.	TX	47-5147441	NPN IPA Washington, PLLC	WA	61-1855159
MedExpress Urgent Care Washington, P.C.	WA	82-2443118	Optum Clinic, P.A.	TX	75-2778455
MedExpress Urgent Care Wisconsin, S.C.	WI	81-4281678	Optum Medical Services of California, P.C.	CA	30-0826311
MedExpress Urgent Care, Inc. – West Virginia	WV	26-4546400	Optum Medical Services of Colorado, P.C.	CO	45-5424191
MedExpress Urgent Care, P.C. – Georgia	GA	47-1804667	Optum Medical Services, P.C.	NC	45-3866363
MedExpress Urgent Care, P.C. – Indiana	IN	90-0929572	Physician Associates of the Greater San Gabriel Valley, a Medical Group, Inc.	CA	95-4747379
MedExpress Urgent Care, P.C. – Maryland	MD	45-3461101	Physician Partners Medical Group, Inc.	CA	30-0516435
MedExpress Urgent Care, P.C. – Massachusetts	MA	47-1857908	Physicians Care Network, L.L.C.	WA	91-1822767
MedExpress Urgent Care, P.C. – Michigan	MI	46-4793937	Polyclinic Holdings, P.C.	WA	83-3042027
MedExpress Urgent Care, P.C. – Oklahoma	OK	47-1824365	Polyclinic Management Services Company, LLC	WA	46-0508606
MedExpress Urgent Care, P.C. – Pennsylvania	PA	26-3750502	Primary Care Associated Medical Group, Inc.	CA	33-0527335
MedExpress Urgent Care, P.C. – Tennessee	TN	45-4973138	Prime Community Care, Inc.	CA	30-0516440
MedExpress Urgent Care, P.C. – Virginia	VA	45-3123110	PrimeCare Medical Group of Chino Valley, Inc.	CA	33-0645768
MedExpress Urgent Care, P.S.C. - Kentucky	KY	83-1565124	ProHEALTH Accountable Care Medical Group, PLLC	NY	45-4469117
MedExpress, Inc. – Delaware	DE	45-5436856	ProHEALTH Ambulatory Surgery Center, Inc.	NY	11-3447394
Memorial Healthcare IPA, GP	CA	95-4688463	ProHEALTH Care Associates of New Jersey LLP	NJ	47-5656253
MH Physician Three Holdco, a Medical Corporation	CA	27-4691544	ProHEALTH Care Associates, L.L.P.	NY	11-3355604
MHCH, Inc.	CA	80-0507474	ProHEALTH Medical NY, P.C.	NY	47-1388406
MHIPA Physician Two Holdco, a Medical Corporation	CA	27-4691508	ProHealth Physicians, P.C.	CT	06-1469068
Mobile Medical Services of New Jersey, PC	NJ	81-2977678	ProHEALTH Urgent Care Medicine of New Jersey LLP	NJ	47-5661535
Mobile Medical Services, P.C.	NY	30-0445773	ProHEALTH Urgent Care Medicine, PLLC	NY	46-1883579
Moen, M.D., P.C.	CA	85-3287029	Prospero Health Partners Florida, Inc.	FL	85-0775386

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

**PART 1 – ORGANIZATIONAL CHART**

Physician Owned Entities

Entity Name	Juris.	Federal Tax ID	Entity Name	Juris.	Federal Tax ID
Prospero Health Partners New York, P.C.	NY	82-2400620	WellMed Florida Medicare ACO, LLC	TX	84-2233329
Prospero Health Partners North Carolina, P.C.	NC	84-4569314	WellMed Greater Texas Medicare ACO, LLC	TX	84-2178104
Prospero Health Partners, P.C.	MN	84-3234753	WellMed Medical Group, P.A.	TX	74-2574229
Prospero Medical Services New Jersey, P.C.	NJ	84-3844362	WellMed Network of Florida, Inc.	TX	35-2314192
Psychiatry Services of New York, P.C.	NY	85-0921665	WellMed Networks - DFW, Inc.	TX	41-2250215
Redlands Family Practice Medical Group, Inc.	CA	56-2627067	WellMed Networks, Inc.	TX	74-2889447
Reliant Medical Group The Endoscopy Center, LLC	MA	20-5251393	WellMed of Las Cruces, Inc.	TX	92-0183013
Reliant Medical Group, Inc.	MA	04-2472266	WellMed Tampa/Orlando Medicare ACO, LLC	TX	84-2193803
Riverside Community Healthplan Medical Group, Inc.	CA	33-0055097	WellMed Texas Medicare ACO, LLC	TX	84-2219968
Riverside Electronic Healthcare Resources, Inc.	CA	20-3420379	WND Medical, PLLC	TX	45-2158334
Riverside Pediatric Group, P.C.	NJ	22-3624559	XLHome Michigan, P.C.	MI	46-3537245
Robert B. McBeath, M.D. II, P.C.	NV	86-0857176	XLHome Northeast, P.C.	NJ	45-5530241
Robert B. McBeath, M.D. III, P.C.	NV	46-2662506	XLHome Oklahoma, Inc.	OK	46-2931689
Robert B. McBeath, M.D., Professional Corporation	NV	88-0310956	XLHome, P.C.	MD	27-3543997
San Bernardino Medical Group, Inc.	CA	--			
Sanvello Behavioral Health Services of Michigan, P.C.	DE	85-1941832			
Sanvello Behavioral Health Services of New Jersey, P.C.	NJ	85-0666386			
Sanvello Behavioral Health Services of North Carolina, P.C.	NC	85-1959641			
Sanvello Behavioral Health Services of Texas, P.A.	TX	84-3152209			
Sanvello Behavioral Health Services, P.A.	DE	84-1754732			
Southern California Medical Practice Concepts, LLC	CA	30-0743767			
Surgical Eye Experts, LLC	MA	65-1321064			
Talbert Medical Group, P.C.	CA	93-1172065			
TeamMD Physicians, P.C.	IA	42-1446216			
The Everett Clinic, PLLC	WA	91-0214500			
The Polyclinic, PLLC	WA	91-0369070			
USMD Diagnostic Services, LLC	TX	27-2803133			
USMD Hospital at Arlington, L.P.	TX	73-1662763			
USMD Hospital at Fort Worth, L.P.	TX	20-3571243			
USMD of Arlington GP, L.L.C.	TX	73-1662757			
Vitucci, LCSW, P.C.	IL	85-1453387			
Waypoint Minnesota PC	MN	46-2854394			
Waypoint Minnesota Sports PC	MN	46-2859426			

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

**PART 1 – ORGANIZATIONAL CHART**

**Organizational Chart Footnotes**

- (1) Entity is owned in full or in part by a UnitedHealth Group Incorporated friendly physician.
- (2) Control of the Foundation is based on sole membership, not the ownership of voting securities.
- (3) The remaining percentage is owned either by a non-affiliated entity, outside investor(s), former company officer(s), or third party shareholder(s).
- (4) The minority percentage is owned by one or more affiliated UnitedHealth Group Incorporated subsidiaries. Voting rights do vary.
- (5) No information of the other shareholder(s) has been provided
- (6) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.
- (7) Branch offices in Iraq and Uganda.
- (8) H&W Indemnity (SPC), Ltd. is an exempted segregated portfolio company organized under the laws of the Cayman Islands and holds a Cayman insurance license.
- (9) Registered as a foreign shareholder in Brazil.
- (10) Registered in Nova Scotia and Newfoundland & Labrador.
- (11) Polar II Fundo de Investimento em Participações is a Brazilian private equity investment fund incorporated in the form of a closed-end condominium.
- (12) Branch office located in the United States.
- (13) Entity has a representative office in Beijing, China.
- (14) Registered in the Dubai Silicon Oasis free zone.
- (15) Registered branches in Australia and the UK.
- (16) Registered in the Dubai Healthcare City free zone.
- (17) Entity is not directly owned by the parent. However, the parent does have a viable economic interest as well as control over the entity through contractual agreements.

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Care Improvement Plus South Central Insurance Company  
**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
2504. Managed Care & Network Access .....	103,766	7,504	49,243	0	160,513
2505. Miscellaneous Losses .....	38,415	9,958	65,347	0	113,720
2506. Interest .....	13,205	3,423	32,721	0	49,349
2597. Summary of remaining write-ins for Line 25 from overflow page	155,386	20,885	147,311	0	323,582