



ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2023
OF THE CONDITION AND AFFAIRS OF THE

CareSource PASSE LLC

(Name)

NAIC Group Code 03683 (Current Period), 03683 (Prior Period), NAIC Company Code 17096, Employer's ID Number 86-3112470

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

Country of Domicile United States

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

Incorporated/Organized 04/07/2021, Commenced Business 09/14/2021

Statutory Home Office 425 West Capitol Ave., Suite 3000 (Street and Number), Little Rock, AR, US 72201 (City or Town, State, Country and Zip Code)

Main Administrative Office 230 N. Main St (Street and Number), Dayton, OH, US 45402 (City or Town, State, Country and Zip Code), 937-224-3300 (Area Code) (Telephone Number)

Mail Address PO Box 2208 (Street and Number or P.O. Box), Dayton, OH, US 45401-2208 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 230 N. Main St. (Street and Number), Dayton, OH, US 45419 (City or Town, State, Country and Zip Code), 937-224-3300 (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.caresource.com

Statutory Statement Contact Bradley Myers (Name), 937-224-3300 (Area Code) (Telephone Number) (Extension), bradley.myers@caresource.com (E-Mail Address), 937-487-1744 (Fax Number)

OFFICERS

Name Title Name Title
David M. Donohue President Edward L. Stubbers Secretary
Stephanie A. Williams Treasurer

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Joshua P. Boynton Phillip K. Gilmore James E. Zini, DO Matthew S. Wiltshire
Kenneth A. Clark II Gabe M. Freyaldenhoven Turkesia C. Robertson-Jones

State of Ohio

ss

County of Montgomery

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

David M. Donohue
President

Edward L. Stubbers
Secretary

Stephanie A. Williams
Treasurer

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

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC**

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	4,301,319		4,301,319	.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
3.2 Other than first liens .....			.0	.0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....0 encumbrances).....			.0	.0
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....			.0	.0
4.3 Properties held for sale (less \$ .....0 encumbrances) .....			.0	.0
5. Cash (\$ .....3,628,902 , Schedule E-Part 1), cash equivalents (\$ .....4,727,222 , Schedule E-Part 2) and short-term investments (\$ .....11,337,625 , Schedule DA).....	19,693,749		19,693,749	18,482,504
6. Contract loans (including \$ ..... premium notes).....			.0	.0
7. Derivatives (Schedule DB).....	.0		.0	.0
8. Other invested assets (Schedule BA) .....	.0	.0	.0	.0
9. Receivables for securities .....			.0	.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	.0
11. Aggregate write-ins for invested assets .....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	23,995,068	.0	23,995,068	18,482,504
13. Title plants less \$ ..... charged off (for Title insurers only).....			.0	.0
14. Investment income due and accrued .....	55,532		55,532	5,443
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....			.0	.0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums).....			.0	.0
15.3 Accrued retrospective premiums (\$ .....6,625,268 ) and contracts subject to redetermination (\$ ..... ) .....	6,625,268		6,625,268	1,174,292
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			.0	.0
16.2 Funds held by or deposited with reinsured companies .....			.0	.0
16.3 Other amounts receivable under reinsurance contracts .....			.0	.0
17. Amounts receivable relating to uninsured plans .....			.0	.0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			.0	.0
18.2 Net deferred tax asset.....			.0	.0
19. Guaranty funds receivable or on deposit .....			.0	.0
20. Electronic data processing equipment and software.....			.0	.0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			.0	.0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			.0	.0
23. Receivables from parent, subsidiaries and affiliates .....	1,015,090		1,015,090	.0
24. Health care (\$ ..... ) and other amounts receivable.....			.0	.0
25. Aggregate write-ins for other-than-invested assets .....	.0	.0	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	31,690,958	.0	31,690,958	19,662,239
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	.0
28. Total (Lines 26 and 27)	31,690,958	0	31,690,958	19,662,239
<b>DETAILS OF WRITE-INS</b>				
1101. ....			.0	.0
1102. ....			.0	.0
1103. ....			.0	.0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. ....			.0	.0
2502. ....			.0	.0
2503. ....			.0	.0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.0	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 9,787,098 reinsurance ceded)			0	0
2. Accrued medical incentive pool and bonus amounts	6,666		6,666	2,102
3. Unpaid claims adjustment expenses			0	0
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	6,198,699		6,198,699	1,935,580
9. General expenses due or accrued	514,298		514,298	114,172
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))	293,595		293,595	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	487,082		487,082	512,102
16. Derivatives		0	0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ 12,180,102 authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)	12,180,102		12,180,102	6,678,484
20. Reinsurance in unauthorized and certified (\$ ) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	2,511,022	0	2,511,022	1,411,020
24. Total liabilities (Lines 1 to 23)	22,191,464	0	22,191,464	10,653,460
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX		0
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	11,000,898	11,000,898
29. Surplus notes	XXX	XXX	1,000,000	1,000,000
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(2,501,403)	(2,992,119)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$ )	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$ )	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	9,499,495	9,008,779
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	31,690,958	19,662,239
<b>DETAILS OF WRITE-INS</b>				
2301. Dividend payable to CareSource Holding LLC	2,511,022		2,511,022	1,411,020
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	2,511,022	0	2,511,022	1,411,020
2501.	XXX	XXX		0
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 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		0
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 through 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	37,072	18,098
2. Net premium income (including \$ ..... non-health premium income).....	XXX	1,718,688	0
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		0
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX		0
5. Risk revenue .....	XXX		0
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	1,718,688	0
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		54,224,657	27,367,653
10. Other professional services .....		110,030	27,632
11. Outside referrals .....			0
12. Emergency room and out-of-area .....			0
13. Prescription drugs .....		5,711,973	2,484,253
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		6,567	2,102
16. Subtotal (Lines 9 to 15) .....	0	60,053,227	29,881,640
<b>Less:</b>			
17. Net reinsurance recoveries .....		60,053,227	29,881,640
18. Total hospital and medical (Lines 16 minus 17) .....	0	0	0
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$ .....22,149 cost containment expenses.....		22,149	24,764
21. General administrative expenses.....		1,868,217	1,668,970
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only).....		0	(4,960,595)
23. Total underwriting deductions (Lines 18 through 22) .....	0	1,890,366	(3,266,861)
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(171,678)	3,266,861
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		1,180,171	234,446
26. Net realized capital gains (losses) less capital gains tax of \$ .....		(3)	0
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	1,180,168	234,446
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....		0	0
29. Aggregate write-ins for other income or expenses .....	0	806,057	(1,411,022)
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	1,814,547	2,090,285
31. Federal and foreign income taxes incurred .....	XXX	344,595	(473)
32. Net income (loss) (Lines 30 minus 31) .....	XXX	1,469,952	2,090,758
<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 through 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 through 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 through 1403 plus 1498) (Line 14 above) .....	0	0	0
2901. Dividend payable to CareSource Holding LLC.....			(1,411,022)
2902. Funds withheld investment expense.....		(209,033)	0
2903. Gain share income receivable from CareSource Reinsurance II LLC.....		1,015,090	0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	0	806,057	(1,411,022)

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

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year .....	9,008,779	6,038,580
34. Net income or (loss) from Line 32 .....	1,469,952	2,090,758
35. Change in valuation basis of aggregate policy and claim reserves .....		.0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		.0
37. Change in net unrealized foreign exchange capital gain or (loss) .....		.0
38. Change in net deferred income tax .....	(678,690)	.678,690
39. Change in nonadmitted assets .....	799,453	(799,453)
40. Change in unauthorized and certified reinsurance .....	.0	.0
41. Change in treasury stock .....	.0	.0
42. Change in surplus notes .....	.0	1,000,000
43. Cumulative effect of changes in accounting principles .....		.0
44. Capital Changes:		
44.1 Paid in .....	.0	.0
44.2 Transferred from surplus (Stock Dividend) .....		.0
44.3 Transferred to surplus .....		.0
45. Surplus adjustments:		
45.1 Paid in .....	.0	.204
45.2 Transferred to capital (Stock Dividend) .....	.0	.0
45.3 Transferred from capital .....		.0
46. Dividends to stockholders .....		.0
47. Aggregate write-ins for gains or (losses) in surplus .....	(1,100,000)	.0
48. Net change in capital and surplus (Lines 34 to 47) .....	.490,716	2,970,199
49. Capital and surplus end of reporting year (Line 33 plus 48)	9,499,495	9,008,779
<b>DETAILS OF WRITE-INS</b>		
4701. Dividend payable to CareSource Holdings LLC.....	(1,100,000)	.0
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	.0	.0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	(1,100,000)	0

## CASH FLOW

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	530,831	761,288
2. Net investment income .....	1,088,799	229,003
3. Miscellaneous income .....	0	0
4. Total (Lines 1 through 3) .....	1,619,630	990,291
5. Benefit and loss related payments .....	(125,327)	118,661
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	1,515,259	2,478,505
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses)	51,000	0
10. Total (Lines 5 through 9) .....	1,440,931	2,597,167
11. Net cash from operations (Line 4 minus Line 10) .....	178,698	(1,606,876)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	171,225	0
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(3)	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	171,222	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	4,431,261	0
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	4,431,261	0
14. Net increase/(decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(4,260,039)	0
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	1,000,000
16.2 Capital and paid in surplus, less treasury stock .....	0	204
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	5,292,586	8,089,505
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	5,292,586	9,089,709
<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) .....	1,211,245	7,482,833
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	18,482,504	10,999,671
19.2 End of year (Line 18 plus Line 19.1) .....	19,693,749	18,482,504

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC**

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Net premium income .....	1,718,688	.0	.0	.0	.0	.0	.0	.0	1,718,688	.0	.0	.0	.0	.0
2. Change in unearned premium reserves and reserve for rate credit .....	0													
3. Fee-for-service (net of \$ ..... medical expenses) .....	0													XXX
4. Risk revenue .....	0													XXX
5. Aggregate write-ins for other health care related revenues .....	0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
6. Aggregate write-ins for other non-health care related revenues .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
7. Total revenues (Lines 1 to 6) .....	1,718,688	.0	.0	.0	.0	.0	.0	.0	1,718,688	.0	.0	.0	.0	.0
8. Hospital/medical benefits .....	54,224,657								54,224,657					XXX
9. Other professional services .....	110,030								110,030					XXX
10. Outside referrals .....	0													XXX
11. Emergency room and out-of-area .....	0													XXX
12. Prescription drugs .....	5,711,973								5,711,973					XXX
13. Aggregate write-ins for other hospital and medical .....	0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
14. Incentive pool, withhold adjustments and bonus amounts .....	6,567								6,567					XXX
15. Subtotal (Lines 8 to 14) .....	60,053,227	.0	.0	.0	.0	.0	.0	.0	60,053,227	.0	.0	.0	.0	XXX
16. Net reinsurance recoveries .....	60,053,227								60,053,227					XXX
17. Total hospital and medical (Lines 15 minus 16) .....	0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
18. Non-health claims (net) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
19. Claims adjustment expenses including \$ .....22,149 cost containment expenses.....	22,149								22,149					
20. General administrative expenses .....	1,868,216								1,868,216					
21. Increase in reserves for accident and health contracts .....	0													XXX
22. Increase in reserves for life contracts .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
23. Total underwriting deductions (Lines 17 to 22) .....	1,890,365	.0	.0	.0	.0	.0	.0	.0	1,890,365	.0	.0	.0	.0	.0
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	(171,678)	0	0	0	0	0	0	0	(171,678)	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>														
0501. ....														XXX
0502. ....														XXX
0503. ....														XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0601. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. ....														XXX
1302. ....														XXX
1303. ....														XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above) .....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) individual .....				.0
2. Comprehensive (hospital and medical) group .....				.0
3. Medicare Supplement .....				.0
4. Vision only .....				.0
5. Dental only .....				.0
6. Federal Employees Health Benefits Plan .....				.0
7. Title XVIII - Medicare .....				.0
8. Title XIX – Medicaid .....	73,628,542		71,909,854	1,718,688
9. Credit A&H .....				.0
10. Disability Income .....				.0
11. Long-Term Care .....				.0
12. Other health .....				.0
13. Health subtotal (Lines 1 through 12) .....	73,628,542	.0	71,909,854	1,718,688
14. Life .....				.0
15. Property/casualty .....				.0
16. Totals (Lines 13 to 15)	73,628,542	0	71,909,854	1,718,688

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC**

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Payments during the year:														
1.1 Direct .....	57,551,307								57,551,307					
1.2 Reinsurance assumed .....	0													
1.3 Reinsurance ceded .....	57,551,307								57,551,307					
1.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses .....	2,002								2,002					
3. Claim liability December 31, current year from Part 2A:														
3.1 Direct .....	9,787,098	0	0	0	0	0	0	0	9,787,098	0	0	0	0	0
3.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded .....	9,787,098	0	0	0	0	0	0	0	9,787,098	0	0	0	0	0
3.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:														
4.1 Direct .....	0								0					
4.2 Reinsurance assumed .....	0													
4.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year .....	6,666								6,666					
6. Net healthcare receivables (a) .....	0													
7. Amounts recoverable from reinsurers December 31, current year .....	0													
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct .....	7,291,744	0	0	0	0	0	0	0	7,291,744	0	0	0	0	0
8.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded .....	7,291,744	0	0	0	0	0	0	0	7,291,744	0	0	0	0	0
8.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:														
9.1 Direct .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year .....	2,102	0	0	0	0	0	0	0	2,102	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:														
12.1 Direct .....	60,046,660	0	0	0	0	0	0	0	60,046,660	0	0	0	0	0
12.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded .....	60,046,660	0	0	0	0	0	0	0	60,046,660	0	0	0	0	0
12.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses .....	6,566	0	0	0	0	0	0	0	6,566	0	0	0	0	0

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

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC**

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1 Total	Comprehensive (Hospital and Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Reported in Process of Adjustment:														
1.1. Direct .....	.0													
1.2. Reinsurance assumed .....	.0													
1.3. Reinsurance ceded .....	.0													
1.4. Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. Incurred but Unreported:														
2.1. Direct .....	9,787,098							9,787,098						
2.2. Reinsurance assumed .....	.0													
2.3. Reinsurance ceded .....	9,787,098							9,787,098						
2.4. Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:														
3.1. Direct .....	.0													
3.2. Reinsurance assumed .....	.0													
3.3. Reinsurance ceded .....	.0													
3.4. Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. TOTALS:														
4.1. Direct .....	9,787,098	.0	.0	.0	.0	.0	.0	9,787,098	.0	.0	.0	.0	.0	.0
4.2. Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3. Reinsurance ceded .....	9,787,098	.0	.0	.0	.0	.0	.0	9,787,098	.0	.0	.0	.0	.0	.0
4.4. Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC**

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) individual .....					.0	.0
2. Comprehensive (hospital and medical) group .....					.0	.0
3. Medicare Supplement .....					.0	.0
4. Vision Only .....					.0	.0
5. Dental Only .....					.0	.0
6. Federal Employees Health Benefits Plan .....					.0	.0
7. Title XVIII - Medicare .....					.0	.0
8. Title XIX - Medicaid .....					.0	.0
9. Credit A&H .....					.0	.0
10. Disability Income .....					.0	.0
11. Long-Term Care .....					.0	.0
12. Other health .....					.0	.0
13. Health subtotal (Lines 1 to 12) .....	.0	.0	.0	.0	.0	.0
14. Healthcare receivables (a) .....					.0	.0
15. Other non-health .....					.0	.0
16. Medical incentive pools and bonus amounts .....	2,002			6,666	2,002	2,102
17. Totals (Lines 13-14+15+16)	2,002	0	0	6,666	2,002	2,102

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

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC**

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

**Section A – Paid Health Claims - Hospital and Medical**

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

**NONE**

**Section B – Incurred Health Claims - Hospital and Medical**

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

**NONE**

**Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	.0	.0		.0	.0	.0			.0	.0
2. 2020 .....	.0	.0		.0	.0	.0			.0	.0
3. 2021 .....	.0	.0		.0	.0	.0			.0	.0
4. 2022 .....	.0	.0		.0	.0	.0			.0	.0
5. 2023 .....	1,719	0		0.0	0	0.0			0	0.0

12-HM

Pt 2C - Sn A - Paid Claims - MS

**NONE**

Pt 2C - Sn A - Paid Claims - DO

**NONE**

Pt 2C - Sn A - Paid Claims - VO

**NONE**

Pt 2C - Sn A - Paid Claims - FE

**NONE**

Pt 2C - Sn A - Paid Claims - XV

**NONE**

Pt 2C - Sn A - Paid Claims - XI

**NONE**

Pt 2C - Sn A - Paid Claims - OT

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC**

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

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

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

**NONE**

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

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

**NONE**

**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 Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2020 .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2021 .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2022 .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 2023 .....	1,719	0	0	0.0	0	0.0	0	0	0	0.0

12-GT

Pt 2C - Sn B - Incurred Claims - MS

**NONE**

Pt 2C - Sn B - Incurred Claims - DO

**NONE**

Pt 2C - Sn B - Incurred Claims - VO

**NONE**

Pt 2C - Sn B - Incurred Claims - FE

**NONE**

Pt 2C - Sn B - Incurred Claims - XV

**NONE**

Pt 2C - Sn B - Incurred Claims - XI

**NONE**

Pt 2C - Sn B - Incurred Claims - OT

**NONE**

Part 2C - Sn C - Claims Expense Ratio MS

**NONE**

Part 2C - Sn C - Claims Expense Ratio DO

**NONE**

Part 2C - Sn C - Claims Expense Ratio VO

**NONE**

Part 2C - Sn C - Claims Expense Ratio FE

**NONE**

Part 2C - Sn C - Claims Expense Ratio XV

**NONE**

Part 2C - Sn C - Claims Expense Ratio XI

**NONE**

Part 2C - Sn C - Claims Expense Ratio OT

**NONE**

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC**

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

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

**NONE**

(a) Includes \$ ..... 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 (\$ .....for occupancy of own building) .....					0
2. Salaries, wages and other benefits .....					0
3. Commissions (less \$ .....ceded plus \$ .....assumed) .....					0
4. Legal fees and expenses .....					0
5. Certifications and accreditation fees .....					0
6. Auditing, actuarial and other consulting services .....			75,725		75,725
7. Traveling expenses .....					0
8. Marketing and advertising .....					0
9. Postage, express and telephone .....					0
10. Printing and office supplies .....					0
11. Occupancy, depreciation and amortization .....					0
12. Equipment .....					0
13. Cost or depreciation of EDP equipment and software .....					0
14. Outsourced services including EDP, claims, and other services .....	22,149		72,926		95,075
15. Boards, bureaus and association fees .....					0
16. Insurance, except on real estate .....					0
17. Collection and bank service charges .....					0
18. Group service and administration fees .....					0
19. Reimbursements by uninsured plans .....					0
20. Reimbursements from fiscal intermediaries .....					0
21. Real estate expenses .....					0
22. Real estate taxes .....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....					0
23.2 State premium taxes .....			1,718,688		1,718,688
23.3 Regulatory authority licenses and fees .....			878		878
23.4 Payroll taxes .....					0
23.5 Other (excluding federal income and real estate taxes) .....					0
24. Investment expenses not included elsewhere .....				4,298	4,298
25. Aggregate write-ins for expenses .....	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25) .....	22,149	0	1,868,217	4,298	1,894,664 (a)
27. Less expenses unpaid December 31, current year .....			514,298		514,298
28. Add expenses unpaid December 31, prior year .....	0	0	114,172	0	114,172
29. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year .....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	22,149	0	1,468,091	4,298	1,494,538
<b>DETAILS OF WRITE-INS</b>					
2501. ....					0
2502. ....					0
2503. ....					0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0	0

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

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 26,898	47,723
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 47,897	60,263
1.3 Bonds of affiliates	(a) 0	
2.1 Preferred stocks (unaffiliated)	(b) 0	
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)	0	
2.21 Common stocks of affiliates	0	
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 1,059,585	1,076,484
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	1,134,380	1,184,469
11. Investment expenses		(g) 4,298
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		4,298
17. Net investment income (Line 10 minus Line 16)		1,180,171
<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 through 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 through 1503 plus 1598) (Line 15 above)		0

- (a) Includes \$ 41,358 accrual of discount less \$ .75 amortization of premium and less \$ 35,409 paid for accrued interest on purchases.
- (b) Includes \$ .00 accrual of discount less \$ .00 amortization of premium and less \$ .00 paid for accrued dividends on purchases.
- (c) Includes \$ .00 accrual of discount less \$ .00 amortization of premium and less \$ .00 paid for accrued interest on purchases.
- (d) Includes \$ .00 for company's occupancy of its own buildings; and excludes \$ .00 interest on encumbrances.
- (e) Includes \$ 602,373 accrual of discount less \$ .00 amortization of premium and less \$ 718 paid for accrued interest on purchases.
- (f) Includes \$ .00 accrual of discount less \$ .00 amortization of premium.
- (g) Includes \$ .00 investment expenses and \$ .00 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ .00 interest on surplus notes and \$ .00 interest on capital notes.
- (i) Includes \$ .00 depreciation on real estate and \$ .00 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds			0		
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)			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		
6. Cash, cash equivalents and short-term investments	(3)		(3)	0	0
7. Derivative instruments			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)	(3)	0	(3)	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 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	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.....	0	0	0
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 .....	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2 Net deferred tax asset.....	0	678,690	678,690
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. Receivables from parent, subsidiaries and affiliates .....	0	0	0
24. Health care and other amounts receivable.....	0	120,763	120,763
25. Aggregate write-ins for other-than-invested assets .....	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	0	799,453	799,453
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	0	799,453	799,453
<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 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. ....			
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0

**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.....	2,532	3,024	3,168	3,130	3,146	37,072
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
7. Total	2,532	3,024	3,168	3,130	3,146	37,072
<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 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

# ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices

Basis of Presentation – CareSource PASSE (CSPASSE) statutory-basis financial statements are presented on the basis of accounting practices prescribed or permitted by the Arkansas Insurance Department (AID). The AID requires that insurance companies domiciled in the State of Arkansas (state) prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners Accounting Practices and Procedures Manual (NAIC AP&P), subject to any deviation prescribed or permitted by the AID.

Accounting practices and procedures of the NAIC, as prescribed or permitted by the insurance department of the applicable states of domicile, comprise a comprehensive basis of accounting other than accounting principles generally accepted in the United States (GAAP).

The effects of the foregoing variances from GAAP on the accompanying statutory-basis financial statements total \$113,125 in net income and (\$0) in net statutory surplus.

	SSAP #	F/S Page	F/S Line #	2023	2022
<b>NET INCOME</b>					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 1,469,952	\$ 2,090,758
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 1,469,952	\$ 2,090,758
<b>SURPLUS</b>					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 9,499,495	\$ 9,008,779
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 9,499,495	\$ 9,008,779

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

Use of Estimates – The preparation of financial statements in accordance with statutory accounting principles requires management to make estimates and assumptions that affect the reported amount of admitted assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### C. Accounting Policy

- (1) Short term investments include investments with remaining maturities of one year or less at the time of acquisition and are principally stated at amortized cost. CSPASSE holds short-term investments of \$11,337,625 as of December 31, 2023.
- (2) Bonds not backed by other loans are principally stated at amortized cost using the interest method. Realized capital gains and losses are determined using the first in, first out method. CSPASSE holds bonds of \$4,301,319 as of December 31, 2023.
- (3) CSPASSE does not have any common stock.
- (4) CSPASSE does not have any preferred stock.
- (5) CSPASSE does not have any mortgage loans.
- (6) CSPASSE does not hold any single class and multi-class mortgage-backed/asset-backed securities.
- (7) CSPASSE does not invest in any subsidiary, controlled or affiliated entities.
- (8) CSPASSE does not invest in any joint ventures, partnerships, or limited liability companies.
- (9) CSPASSE does not hold any derivative instruments.
- (10) CSPASSE does not utilize anticipated investment income in the computation of the premium deficiency calculation in accordance with NAIC guidelines.
- (11) Claims unpaid and unpaid claims adjustment expense liabilities represent management's best estimate of the ultimate net cost of all reported and unreported claims incurred through December 31. Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid claims are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.
- (12) CSPASSE does not hold any assets requiring capitalization.
- (13) CSPASSE does not have any pharmacy rebates.

#### D. Going Concern

Management has determined that there is no doubt about the entity's ability to continue as a going concern.

#### (1) Not Applicable

- a. Not Applicable
- b. Not Applicable
- c. Not Applicable

#### (2) Not Applicable

#### (3) Not Applicable

#### (4) Not Applicable

### 2. Accounting Changes and Corrections of Errors

Not Applicable

### 3. Business Combinations and Goodwill

Not Applicable

### 4. Discontinued Operations

Not Applicable

### 5. Investments

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

Not Applicable

#### B. Debt Restructuring

Not Applicable

#### C. Reverse Mortgages

Not Applicable

#### D. Loan-Backed Securities

- (1) For fixed-rate agency mortgage-backed securities, Clearwater Analytics calculates prepayment speeds utilizing Mortgage Industry Advisory Corporation (MIAC) Mortgage Industry Medians (MIMs). MIMs are derived from a semi-monthly dealer-consensus survey of long-term prepayment projections. For other mortgage-backed, loan-backed, and structured securities, Clearwater utilizes prepayment assumptions from Moody's Analytics. Moody's applies a flat economic credit

# ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC

model and utilizes a vector of multiple monthly speeds as opposed to a single speed for more robust projections. In instances where Moody's projections are not available, Clearwater uses data from Reuters, which utilizes the median prepayment speed from contributors' models.

- (2) Not Applicable  
 (3) Not Applicable  
 (4) All impaired securities (fair value is less than cost or amortized cost) for which an other than temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$	163
	2. 12 Months or Longer	\$	
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$	162,745
	2. 12 Months or Longer	\$	

- (5) Management regularly reviews the value of CSPASSE's investments. If the value of any investment falls below its cost basis, the decline in value is analyzed to determine whether it is other-than-temporary impairment. The decision to record an impairment loss incorporates both quantitative criteria and qualitative information. CSPASSE considers a number of factors including, but not limited to: (a) the length of time and the extent to which the fair value has been less than book value, (b) the financial condition and near term prospects of the issuer, (c.i.) for non-interest-related declines in corporate and government bonds, the intent and ability of CSPASSE to retain its investment for a period of time sufficient to allow for any anticipated recovery in value, (c.ii.) for interest related declines in corporate and government bonds, the intent of CSPASSE to sell the investment at the reporting date, (c.iii.) for mortgage-backed securities, whether CSPASSE expects to recover the entire amortized cost basis of the security and whether CSPASSE has the intent to sell or intent and ability to hold the investments for a period of time sufficient to allow for any anticipated recovery in value, (d) whether the debtor is current on interest and principal payments, and (e) general market conditions and industry or sector specific factors. As of December 31, 2023 CSPASSE holds \$0.9 million of mortgage or other loan-backed securities.

CSPASSE does not hold any investments as of December 31, 2023 that are subject to redemption restrictions or penalties therefore all holdings can be liquidated immediately upon request, without penalty.

- 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 (LIHTC)  
Not Applicable
- L. Restricted Assets  
Not Applicable
- M. Working Capital Finance Investments  
Not Applicable
- N. Offsetting and Netting of Assets and Liabilities  
Not Applicable
- P. Short Sales  
Not Applicable

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

Not Applicable

**7. Investment Income**

- A. Due and Accrued Income that was Excluded from Surplus on the following basis

Not Applicable

- B. Total Amount Excluded

Not Applicable

- C. Gross, nonadmitted and admitted amounts for interest income due and accrued.

	Interest Income Due and Accrued	Amount
1. Gross	\$	55,532
2. Nonadmitted	\$	0
3. Admitted	\$	55,532

- D. Aggregate deferred interest.

Not Applicable

**8. Derivative Instruments**

Not Applicable

**9. Income Taxes**

CSPASSE's had Federal Tax expense of \$344,595 recorded as of December 31, 2023.

- A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.

	12/31/2023		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 306,655	\$	\$ 306,655
(b) Statutory Valuation Allowance Adjustments	\$ 0	\$	\$ 0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 306,655	\$ 0	\$ 306,655
(d) Deferred Tax Assets Nonadmitted	\$ 306,655	\$	\$ 306,655
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 0	\$ 0	\$ 0
(f) Deferred Tax Liabilities	\$	\$	\$ 0
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 0	\$ 0	\$ 0

	12/31/2022		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 607,846	\$ 0	\$ 607,846

# ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC

(b)	Statutory Valuation Allowance Adjustments	\$	0	\$	0	\$	0
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	\$	607,846	\$	0	\$	607,846
(d)	Deferred Tax Assets Nonadmitted	\$	607,846	\$	0	\$	607,846
(e)	Subtotal Net Admitted Deferred Tax Asset (1c -1d )	\$	0	\$	0	\$	0
(f)	Deferred Tax Liabilities	\$	0	\$	0	\$	0
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$	0	\$	0	\$	0

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total

(a)	Gross Deferred Tax Assets	\$	(301,191)	\$	0	\$	(301,191)
(b)	Statutory Valuation Allowance Adjustments	\$	0	\$	0	\$	0
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	\$	(301,191)	\$	0	\$	(301,191)
(d)	Deferred Tax Assets Nonadmitted	\$	(301,191)	\$	0	\$	(301,191)
(e)	Subtotal Net Admitted Deferred Tax Asset (1c -1d )	\$	0	\$	0	\$	0
(f)	Deferred Tax Liabilities	\$	0	\$	0	\$	0
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$	0	\$	0	\$	0

2.

12/31/2023		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2) Total

Admission Calculation Components SSAP No. 101

(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$		\$		\$	0
(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)	\$		\$		\$	0
	1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$		\$		\$	0
	2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$	XXX	\$	XXX	\$	1,424,924
(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.	\$		\$		\$	0
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$	0	\$	0	\$	0

12/31/2022		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) Total

(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$	0	\$	0	\$	0
(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)	\$	0	\$	0	\$	0
	1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$	0	\$	0	\$	0
	2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$	XXX	\$	XXX	\$	1,351,317
(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.	\$	0	\$	0	\$	0
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$	0	\$	0	\$	0

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total

(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$	0	\$	0	\$	0
(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)	\$	0	\$	0	\$	0
	1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$	0	\$	0	\$	0
	2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$	XXX	\$	XXX	\$	73,607
(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.	\$	0	\$	0	\$	0
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$	0	\$	0	\$	0

3.

2023	2022
------	------

(a)	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.		528.466		371,803.000
(b)	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$	9,499,494.530	\$	9,008,779.000

4. Not Applicable

B. Deferred Tax Liabilities Not Recognized

Not Applicable

(1) Not Applicable

(2) Not Applicable

(3) Not Applicable

(4) Not Applicable

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

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

1. Current Income Tax

(a)	Federal	\$	344,595	\$	(473)	\$	345,068
(b)	Foreign	\$		\$	0	\$	0
(c)	Subtotal (1a+1b)	\$	344,595	\$	(473)	\$	345,068
(d)	Federal income tax on net capital gains	\$		\$	0	\$	0
(e)	Utilization of capital loss carry-forwards	\$		\$	0	\$	0
(f)	Other	\$		\$	0	\$	0
(g)	Federal and foreign income taxes incurred (1c+1d+1e+1f)	\$	344,595	\$	(473)	\$	345,068

# ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC

2. Deferred Tax Assets:

(a) Ordinary

(1) Discounting of unpaid losses	\$	29,358	\$	0	\$	29,358
(2) Unearned premium reserve	\$	260,345	\$	9,513	\$	250,832
(3) Policyholder reserves	\$		\$	0	\$	0
(4) Investments	\$		\$	0	\$	0
(5) Deferred acquisition costs	\$		\$	0	\$	0
(6) Policyholder dividends accrual	\$		\$	0	\$	0
(7) Fixed assets	\$		\$	0	\$	0
(8) Compensation and benefits accrual	\$		\$	0	\$	0
(9) Pension accrual	\$		\$	0	\$	0
(10) Receivables - nonadmitted	\$		\$	0	\$	0
(11) Net operating loss carry-forward	\$	12,688	\$	285,370	\$	(272,682)
(12) Tax credit carry-forward	\$		\$	0	\$	0
(13) Other	\$	4,263	\$	312,963	\$	(308,700)
(99) Subtotal (sum of 2a1 through 2a13)	\$	306,654	\$	607,846	\$	(301,192)

(b) Statutory valuation allowance adjustment

	\$		\$	0	\$	0
--	----	--	----	---	----	---

(c) Nonadmitted

	\$	306,654	\$	607,846	\$	(301,192)
--	----	---------	----	---------	----	-----------

(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)

	\$	0	\$	0	\$	0
--	----	---	----	---	----	---

(e) Capital:

(1) Investments	\$		\$	0	\$	0
(2) Net capital loss carry-forward	\$		\$	0	\$	0
(3) Real estate	\$		\$	0	\$	0
(4) Other	\$		\$	0	\$	0
(99) Subtotal (2e1+2e2+2e3+2e4)	\$	0	\$	0	\$	0

(f) Statutory valuation allowance adjustment

	\$		\$	0	\$	0
--	----	--	----	---	----	---

(g) Nonadmitted

	\$		\$	0	\$	0
--	----	--	----	---	----	---

(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)

	\$	0	\$	0	\$	0
--	----	---	----	---	----	---

(i) Admitted deferred tax assets (2d + 2h)

	\$	0	\$	0	\$	0
--	----	---	----	---	----	---

3. Deferred Tax Liabilities:

(a) Ordinary

(1) Investments	\$		\$	0	\$	0
(2) Fixed assets	\$		\$	0	\$	0
(3) Deferred and uncollected premium	\$		\$	0	\$	0
(4) Policyholder reserves	\$		\$	0	\$	0
(5) Other	\$		\$	0	\$	0
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	\$	0	\$	0	\$	0

(b) Capital:

(1) Investments	\$		\$	0	\$	0
(2) Real estate	\$		\$	0	\$	0
(3) Other	\$		\$	0	\$	0
(99) Subtotal (3b1+3b2+3b3)	\$	0	\$	0	\$	0

(c) Deferred tax liabilities (3a99 + 3b99)

	\$	0	\$	0	\$	0
--	----	---	----	---	----	---

4. Net deferred tax assets/liabilities (2i - 3c)

	\$	0	\$	0	\$	0
--	----	---	----	---	----	---

D. Among the more significant book to tax adjustments were the following:

Reconciliation of Federal income Tax Rate to Actual Effective Rate

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

Description	Amount	Tax Effect @	
		21%	Effective Tax Rate
Income before taxes	1,814,547	381,055	21.00%
IRC 163(j) Interest Deduction	-	-	0.00%
Prior year underaccrual/(overaccrual)	1,373,754	288,488	15.90%
Change in nonadmitted assets	-	-	0.00%
Meals and entertainment and Nondeductible expenses	-	-	0.00%
Change in valuation allowance	1,460,257	306,654	16.90%
Other	(113,124)	(23,756)	-1.31%
<b>Total</b>	<b>4,535,434</b>	<b>952,441</b>	<b>52.49%</b>
Federal income taxed incurred [expense/(benefit)]		344,595	18.99%
Tax on capital gains		-	0.00%
Change in net deferred income tax [charge/(benefit)]		607,846	33.50%
Total statutory income taxes		952,441	52.49%

E. Operating Loss and Tax Credit Carryforwards

Not Applicable

(1) At December 31, 2023 the Company had \$60,418 of net operating loss carryforwards which will expire in 2039.

(2) The following is income tax expense for 2023 and 2022 that is available for recoupment in the event of future net losses:

Year	Amount
2023	344,595
2022	-

(3) The aggregate amount of deposits reported as admitted assets under Section 6603 of the Internal Revenue Service (IRS) Code was \$0 as of December 31, 2023.

F. Consolidated Federal Income Tax Return

Not Applicable

(1) The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

(2) Not Applicable

G. Federal or Foreign Income Tax Loss Contingencies

# ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC

Not Applicable

H. Repatriation Transition Tax (RTT)

The Company does not have foreign operations and is not subject to RTT.

I. Alternative Minimum Tax Credit

	<u>Amount</u>
(1) Gross AMT Credit Recognized as:	
a. Current year recoverable	\$
b. Deferred tax asset (DTA)	\$
(2) Beginning Balance of AMT Credit Carryforward	\$ 0
(3) Amounts Recovered	\$
(4) Adjustments	\$
(5) Ending Balance of AMT Credit Carryforward (5=2-3-4)	\$ 0
(6) Reduction for Sequestration	\$
(7) Nonadmitted by Reporting Entity	\$
(8) Reporting Entity Ending Balance (8=5-6-7)	\$ 0

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

A. Nature of the Relationship Involved

CSPASSE's ultimate corporate parent is CareSource (CS). CS owns CareSource Holding LLC (CSH), which subsequently owns CareSource Management Services Holding LLC (CSMSH). CSMSH entered into a joint-venture ownership agreement with Acadia Healthcare Company, Inc. (AHC), Crossett Health Foundation dba Ashley County Medical Center (ACME), James E. Zini D.O., P.A. (Zini), Rehabilitation Network Outpatient Services, LLC (RNOS), Chenal Family Therapy, PLC (CFT), where CSMSH owns 49% and AHC, ACME, Zini, RNOS, and CFT each own 10.2% each.

B. Detail of Transactions

CS Holdings, LLC, provided initial capital infusion to CSPASSE of \$6,000,490 in June 2021 and additional capital infusions of \$5,000,000 in December 2021. Rehabilitation Network Outpatient Services LLC provided initial capital infusion to CSPASSE of \$102 in November 2021. James E. Zini D.O., P.A. provided initial capital infusion to CSPASSE of \$102 in December 2021. Chenal Family Therapy, PLC provided initial capital infusion to CSPASSE of \$102 in January 2022. Crossett Health Foundation provided initial capital infusion to CSPASSE of \$102 in January 2022. CSPASSE also issued a surplus note to CSH in the amount of \$1,000,000 in March 2022.

CSPASSE accrues a dividend payable to CS Holdings, LLC in the amount of 10% per annum on the outstanding capital contributions received from CS Holdings, LLC. Accrued preferred return on capital contributions as of December 31, 2023 was \$2,511,022. No payments have been made on the preferred return.

C. Transactions with related party who are not reported on Schedule Y

Effective January 1, 2022 CSPASSE entered into a 100% ceded reinsurance agreement with Hannover Re whereby CareSource Reinsurance II (CSRE II) serves as a direct reinsurer to Hannover Re and no premiums are paid directly to CSRE II.

D. Amounts Due From or To Related Parties

As of December 31, 2023 and 2022 CSPASSE owed CSMS and other affiliates, \$487,082 and \$512,102, respectively, for employee compensation and other administrative expenses incurred by the related party on behalf of CSPASSE. The terms of the settlement require that these amounts be settled within 30 days.

Effective January 1, 2022, CSPASSE entered into an agreement with CSREII, whereby CSREII will pay to CSPASSE annually a share of the earnings on such business based upon a percentage of the annual net retrocession settlement amount within 180 days of fiscal year then ended. As of December 31, 2023 and 2022 CSREII owed CSPASSE, \$1,015,090 and \$0, respectively.

E. Material Management or Service Contracts and Cost-Sharing Arrangements

Effective January 1, 2022 CSPASSE entered into an Administrative Services Agreement (ASA) with CareSource Management Services LLC (CSMS). Management fees are paid by CSPASSE to CSMS at the proportion of the total capitation rate set by the Medicaid Agency for the administrative and care management costs associated with the provision of covered services plus fifty percent of the target margin set by the Medicaid Agency for the Medicaid PASSE program.

F. Guarantees or Undertakings

Not Applicable

G. Nature of the Control Relationship

Not Applicable

H. Amount Deducted for Investment in Upstream Intermediate Entity or Ultimate Parent Owned

Not Applicable

I. Investments in SCA that Exceed 10% of Admitted Assets

Not Applicable

J. Investments in Impaired SCAs

Not Applicable

K. Investment in Foreign Insurance Subsidiary

Not Applicable

L. Investment in Downstream Noninsurance Holding Company

Not Applicable

M. All SCA Investments

Not Applicable

(1) Not Applicable

(2) Not Applicable

N. Investment in Insurance SCAs

Not Applicable

(1) Not Applicable

(2) Not Applicable

(3) Not Applicable

O. SCA or SSAP No. 48 Entity Loss Tracking

Not Applicable

11. Debt

Not Applicable

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

Benefit Plans

Not Applicable

(1) Not Applicable

(2) Not Applicable

(3) Not Applicable

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

A. Number of Shares of Each Class of Capital Stock, Authorized, Issued and Outstanding and the Par or Stated Value of Each Class

CSPASSE LLC:

- CareSource Holding LLC – 490 Class B Units
- Acadia HealthCare Company, Inc. – 102 Class A Units
- Chenal Family Therapy, PLC – 102 Class A Units

# ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC

- Crossett Health Foundation dba Ashley County Medical Center – 102 Class A Units
- James A. Zini, D.O., P.A., dba Zini Medical Clinic – 102 Class A Units
- Rehabilitation Network Outpatient Services, PLC – 102 Class A Units

**B. Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues**

CSPASSE has no preferred stock outstanding.

**C. Dividend Restrictions**

Not Applicable

**D. Dates and Amounts of Dividends Paid**

Not Applicable

**E. Profits that may be Paid as Ordinary Dividends to Stockholders**

Not Applicable

**F. Restrictions on Unassigned Funds (Surplus)**

Not Applicable

**G. Mutual Reciprocal Amounts of Advances to Surplus not Repaid**

Not Applicable

**H. Amount of Stock Held for Special Purposes**

Not Applicable

**I. Reasons for Changes in Balance of Special Surplus Funds from Prior Period**

Not Applicable

**K. The Company issued the following surplus debentures or similar obligations:**

CSPASSE entered into a \$1,000,000 surplus note arrangement with its corporate parent CSH effective March 31, 2022 to ensure capital requirements were maintained. The surplus note, in the amount of \$1,000,000 was issued pursuant to Rule 144A under the Securities Act of 1933 in the form of cash, underwritten by CSH.

The surplus note has the following repayment conditions and restrictions: All or part of the principal of or interest accrued on this surplus note shall be payable by CSPASSE any time during each calendar year. The amount payable in each calendar year of the term shall be determined by CSPASSE, subject to the provisions of this surplus note. No repayment of principal or payment of accrued interest shall be made by CSPASSE except: Out of CSPASSE's earned surplus in excess of the greater of the minimum surplus required of CSPASSE in order to transact business as an HMO in Arkansas or CSPASSE's surplus at the time the loan was made, and any such repayment of principal or payment of accrued interest to be made by CSPASSE must be submitted to, and approved by, the Commissioner prior to CSPASSE making such payment or repayment. If the Commissioner does not approve CSPASSE's repayments of principal and/or interest to CSH, CSPASSE shall submit a request to the Commissioner to lengthen the term of the note and make other adjustments to this surplus note that are necessary and, with the written approval of the Commissioner, CSPASSE and CSH shall lengthen the term of this surplus note and make other adjustments that are necessary.

The surplus note has the following subordination terms: The surplus note dated March 31, 2022 is subordinate to HMO contract holder claims (including claims from subscribers, enrollees or assignees of any such persons), to other claimant and beneficiary claims and to all other classes of CSPASSE's creditors other than surplus note holders.

The liquidation preference to the insurer's common and preferred shareholders are not applicable.

The surplus debenture in the amount of \$1,000,000, listed as Item 1 in below table, is held by CSH.

The surplus debenture in the amount of \$1,000,000, listed as Item 1 in below table, was issued pursuant to Rule 144A under the Securities Act of 1933, and is held by CSH in the following ownership percentage 100%.

CSH holds 100% of the surplus debenture listed in the below table.

CSPASSE has outstanding \$1,000,000 or 100% debentures due in 2032 issued on March 31, 2022. The carrying amount of the debt is \$1,000,000 with an effective rate of 11.5%. The debentures may be repaid early by Borrower without penalty. At the option of CSPASSE, early repayment may be made. Interest at 6.5% or 3% above New York prime is not required to be paid annually. CSPASSE is not required to make annual sinking fund payments that will provide sufficient funds for the retirement of debentures at maturity. Interest paid during 2023 was \$0. CSPASSE is not required to maintain a collateral security deposit with the lender. At December 31, 2023, no assets having an admitted value and a fair value were on deposit with the lender.

1 Item Number	2 Date Issued	3 Interest Rate	4 Original Issue Amount of Note	5 Is Surplus Note Holder a Related Party (Y/N)	6 Carrying Value of Note Prior Year	7 Carrying Value of Note Current Year *	8 Unapproved Interest And/Or Principal
00001	03/31/2022	11.500	1,000,000	YES	1,000,000	1,000,000	173,542
<b>Total</b>	XXX	XXX	\$ 1,000,000	XXX	\$ 1,000,000	\$ 1,000,000	\$ 173,542

\* Total should agree with Page 3, Line 29.

1 Item Number	9 Current Year Interest Expense Recognized	10 Life-To-Date Interest Expense Recognized	11 Current Year Interest Offset Percentage (not including amounts paid to 3rd party liquidity provider).	12 Current Year Principal Paid	13 Life-To-Date Principal Paid	14 Date of Maturity
00001	0	0	XXX	0	0	03/31/2032
<b>Total</b>	\$ 0	\$ 0	XXX	\$ 0	\$ 0	XXX

1 Item Number	15 Are Surplus Note payments contractually linked? (Y/N)	16 Surplus Note payments subject to administrative offsetting provisions? (Y/N)	17 Were Surplus Note proceeds used to purchase an asset directly from the holder of the surplus note? (Y/N)	18 Is Asset Issuer a Related Party (Y/N)	19 Type of Assets Received Upon Issuance
00001	NO	NO	NO	YES	Cash
<b>Total</b>	XXX	XXX	XXX	XXX	XXX

1 Item Number	20 Principal Amount of Assets Received Upon Issuance	21 Book/Adjusted Carry Value of Assets	22 Is Liquidity Source a Related Party to the Surplus Note Issuer? (Y/N)
00001	1,000,000	1,000,000	NO
<b>Total</b>	1,000,000	1,000,000	XXX

**L. The Impact of any Restatement Due to Prior Quasi-Reorganizations**

Not Applicable

**M. Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization**

Not Applicable

**14. Liabilities, Contingencies and Assessments**

Not Applicable

**15. Leases**

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

**20. Fair Value Measurements**

- A. Assets and Liabilities Measured at Fair Value

# ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC

CSPASSE had cash of \$3,628,902 and \$1,568,302 respectively, as of December 31, 2023 and December 31, 2022.

(1) Fair Value Measurements at Reporting Date

CSPASSE uses fair value measurements to record the fair value of certain assets and to estimate the fair value of financial instruments not recorded at fair value but required to be disclosed at fair value.

Fair value is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. CSPASSE's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three levels.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. CSPASSE's Level 1 assets and liabilities primarily include exchange-traded equity securities.
- Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.
- Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect CSPASSE's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The following discussion described the valuation methodologies utilized by CSPASSE for assets measured or disclosed at fair value. Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial instrument, including discount rates, estimates of timing, amount of expected future cash flows, and the credit standing of the issuer.

*Debt and Equity Securities*

The fair values of actively traded debt and equity securities are determined through the use of third-party pricing services utilizing market observable inputs. Certain mortgage-backed securities for which CSPASSE does not receive public quotations or for which CSPASSE believes market activity to reflect distressed sales are valued using current market-consistent rates applicable to yield, credit quality and maturity of each security. When available, market observable inputs are used to estimate the fair values of these securities.

*Cash, Cash Equivalents, and Short-Term Investments*

The fair values of cash and cash equivalents are based on quoted market prices. Short term investments are stated at amortized cost, which approximates fair value.

*Fair Value Measurements at Reporting Date*

CSPASSE did not have any significant assets or liabilities measured at fair value on a nonrecurring basis as of December 31, 2023 or December 31, 2022. There were no transfers between Level 1 and Level 2 securities for the period ended December 31, 2023.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Cash Equivalent - Exempt MM Mutual Fund	\$ 4,727,222	\$	\$	\$	4,727,222
Total assets at fair value/NAV	\$ 4,727,222	\$ 0	\$ 0	\$ 0	4,727,222

(3) CSPASSE recognizes transfers between fair value levels at the end of each reporting period.

(4) Level 2 securities – values determined through the use of third-party pricing services utilizing market observable inputs. CSPASSE does not have any investments with fair value measurements categorized within Level 3 as of December 31, 2023.

(5) Not Applicable

B. Other Fair Value Disclosures

Not Applicable

C. Fair Value of Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 4,311,673	\$ 4,301,319	\$ 2,040,019	\$ 2,271,654	\$	\$	\$
Cash, Cash Equivalents, and Short-term investments	\$ 19,697,847	\$ 19,693,749	\$ 19,191,230	\$ 506,617	\$	\$	\$

E. Investments Measured using the NAV as Practical Expedient

Not Applicable

21. Other Items

Not Applicable

22. Events Subsequent

Subsequent events have been considered through February 29, 2024 for the statutory statements issued on February 29, 2024.

23. Reinsurance

(1) Not Applicable

(2) Not Applicable

(3) Not Applicable

(4) Not Applicable

(5) Not Applicable

(6) Not Applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

The Company sells policies where premiums vary based on loss experience or premium stabilization programs. Premium revenue includes an adjustment for retrospectively rated refunds based on an estimate of incurred claims, risk adjustment programs, and risk corridor programs.

B. Accrued Retrospective Premiums Recorded Through Written Premium or as an Adjustment to Earned Premium

Accrued retrospective premiums are reported in premiums and considerations receivable.

C. Amount of Net Premiums Written Subject to Retrospective Rating Features

The amount of net premiums written by the Company at December 31, 2023, that are subject to retrospective rating features was \$71,909,854 which represents 100% of the total net premiums.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act

Not Applicable

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

25. Changes in Incurred Claims and Claim Adjustment Expenses

Not Applicable

26. Intercompany Pooling Arrangements

Not Applicable

27. Structured Settlements

Health Entities should not complete this Note.

28. Health Care Receivables

Not Applicable

29. Participating Policies

Not Applicable

30. Premium Deficiency Reserves

# ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC

CSPASSE evaluated the need for premium deficiency reserves as of December 31, 2023 and deemed them unnecessary.

- |    |  |                |   |
|----|--|----------------|---|
| 1. | Liability carried for premium deficiency reserves              | \$             | 0 |
| 2. | Date of the most recent evaluation of this liability           | 12/31/2023     |   |
| 3. | Was anticipated investment income utilized in the calculation? | Yes [ ] No [X] |   |

31. **Anticipated Salvage and Subrogation**  
Not Applicable

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC**

**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 [ X ] No [ ]  
 If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ X ] No [ ] N/A [ ]
- 1.3 State Regulating? Arkansas.....
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [ ] No [ X ]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....12/31/9999
- 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. ....12/31/9999
- 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). ....12/31/9999
- 3.4 By what department or departments? N/A.....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [ X ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] N/A [ X ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [ ] No [ X ]
- 4.12 renewals? Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [ ] No [ X ]
- 4.22 renewals? Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]  
 If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [ X ]
- 6.2 If yes, give full information .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [ X ]
- 7.2 If yes, .....0.0 %
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company? Yes [ ] No [ X ]
- 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? Yes [ ] No [ X ] N/A [ ]
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? Ernst & Young LLP, 221 E. 4th Street, Suite 2900, Cincinnati, Ohio 45202.....
- 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 ]

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes  No  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?  
Stephanie Williams, CareSource, 230 N. Main St., Dayton, OH 45402, Employee of CareSource Management Services.....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes  No
- 12.11 Name of real estate holding company \_\_\_\_\_
- 12.12 Number of parcels involved \_\_\_\_\_
- 12.13 Total book/adjusted carrying value \$ \_\_\_\_\_
- 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  No
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes  No
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
COC is updated and approved by Board of Directors annually.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes  No
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes  No
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

**BOARD OF DIRECTORS**

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

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes  No
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....
- 20.12 To stockholders not officers \$.....
- 20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 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 \$.....
- 20.22 To stockholders not officers \$.....
- 20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes  No
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
- 21.22 Borrowed from others \$.....
- 21.23 Leased from others \$.....
- 21.24 Other \$.....
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes  No
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....
- 22.22 Amount paid as expenses \$.....
- 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes  No
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....1,015,090
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? Yes  No
- 24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

1 Name of Third-Party	2 Is the Third-Party Agent a Related Party (Yes/No)

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE CareSource PASSE LLC**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**INVESTMENT**

- 25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03) Yes [  ] No [  ]
- 25.02 If no, give full and complete information, relating thereto
- 25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$.....0
- 25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$.....0
- 25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [  ] No [  ] NA [  ]
- 25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [  ] No [  ] NA [  ]
- 25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [  ] No [  ] NA [  ]
- 25.09 For the reporting entity's securities lending program, state the amount of the following as of December 31 of the current year:
- 25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
- 25.092 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
- 25.093 Total payable for securities lending reported on the liability page \$.....0
- 26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 24.1 and 25.03). Yes [  ] No [  ]
- 26.2 If yes, state the amount thereof at December 31 of the current year:
- 26.21 Subject to repurchase agreements \$.....
- 26.22 Subject to reverse repurchase agreements \$.....
- 26.23 Subject to dollar repurchase agreements \$.....
- 26.24 Subject to reverse dollar repurchase agreements \$.....
- 26.25 Placed under option agreements \$.....
- 26.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock \$.....
- 26.27 FHLB Capital Stock \$.....0
- 26.28 On deposit with states \$.....0
- 26.29 On deposit with other regulatory bodies \$.....
- 26.30 Pledged as collateral – excluding collateral pledged to an FHLB \$.....
- 26.31 Pledged as collateral to FHLB – including assets backing funding agreements \$.....
- 26.32 Other \$.....

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

- 27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [  ] No [  ]
- 27.4 If the response to 27.3 is YES, does the reporting entity utilize:
- 27.41 Special accounting provision of SSAP No. 108 Yes [  ] No [  ]
- 27.42 Permitted accounting practice Yes [  ] No [  ]
- 27.43 Other accounting guidance Yes [  ] No [  ]
- 27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [  ] No [  ]
- The reporting entity has obtained explicit approval from the domiciliary state.
  - Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
  - Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
  - Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

- 28.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [  ] No [  ]
- 28.2 If yes, state the amount thereof at December 31 of the current year. \$.....

29. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [  ] No [  ]

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

1 Name of Custodian(s)	2 Custodian's Address
Huntington Bank.....	41 S. High Street, Columbus, Ohio 43215.....

29.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

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

- 29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year? Yes [  ] No [  ]
- 29.04 If yes, give full and complete information relating thereto:

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

29.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the

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**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

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
Justin Bell.....	I.....
Jared Hillenbrand.....	I.....
Blackrock.....	U.....

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107105.....	Blackrock Financial Management Inc.....	549300LVXYIVJKE13M84.....	Securities Exchange Commission.....	DS.....

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

30.2 If yes, complete the following schedule:

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

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

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

31. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds.....	15,638,944	15,651,341	12,397
31.2 Preferred Stocks.....	0		0
31.3 Totals	15,638,944	15,651,341	12,397

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

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial instrument, including discount rates, estimates of timing, amount of expected future cash flows, and the credit standing of the issuer.....

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

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

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

33.2 If no, list exceptions:

34. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

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

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

35. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

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

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes  No

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

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliated then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.

Yes  No  NA

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**PART 1 - COMMON INTERROGATORIES**

c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.  
 d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a -37.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria?

- 38.1 Does the reporting entity directly hold cryptocurrencies? Yes [ ] No [ X ]
- 38.2 If the response to 38.1 is yes, on what schedule are they reported? .....
- 39.1 Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies? Yes [ ] No [ X ]
- 39.2 If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?
- 39.21 Held directly Yes [ ] No [ ]
- 39.22 Immediately converted to U.S. dollars Yes [ ] No [ ]

39.3 If the response to 38.1 or 39.1 is yes, list all cryptocurrencies accepted for payments of premiums or that are held directly.

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

**OTHER**

- 40.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ .....0
- 40.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations, and statistical or rating bureaus during the period covered by this statement.

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

- 41.1 Amount of payments for legal expenses, if any? \$ .....0
- 41.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

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

- 42.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any? \$ .....0
- 42.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers, or departments of government during the period covered by this statement.

1 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? ..... \$ .....
- 1.31 Reason for excluding .....
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above \$ .....
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ .....0
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$ .....0
- 1.62 Total incurred claims \$ .....0
- 1.63 Number of covered lives .....0
- All years prior to most current three years:
- 1.64 Total premium earned \$ .....0
- 1.65 Total incurred claims \$ .....0
- 1.66 Number of covered lives .....0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$ .....0
- 1.72 Total incurred claims \$ .....0
- 1.73 Number of covered lives .....0
- All years prior to most current three years:
- 1.74 Total premium earned \$ .....0
- 1.75 Total incurred claims \$ .....0
- 1.76 Number of covered lives .....0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$ .....0		\$ .....0
2.2	Premium Denominator	\$ .....1,718,688		\$ .....0
2.3	Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4	Reserve Numerator	\$ .....0		\$ .....0
2.5	Reserve Denominator	\$ .....6,666		\$ .....2,102
2.6	Reserve Ratio (2.4/2.5)	.....0.000		.....0.000

- 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 [ X ] No [ ]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [ ] No [ X ]
- 5.2 If no, explain:  
CSPASSE cedes 100% of risk to Hannover Life Reassurance Company of America.
- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$ .....
- 5.32 Medical Only \$ .....
- 5.33 Medicare Supplement \$ .....
- 5.34 Dental and Vision \$ .....
- 5.35 Other Limited Benefit Plan \$ .....
- 5.36 Other \$ .....
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
The Company protects subscribers against the risk of insolvency through a consent order agreement with CareSource.
- 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 .....17,679
- 8.2 Number of providers at end of reporting year .....18,582
- 9.1 Does the reporting entity have business subject to premium rate guarantees? ..... Yes [ ] No [ X ]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months .....
- 9.22 Business with rate guarantees over 36 months .....

# GENERAL INTERROGATORIES

## PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [  ] No [  ]
- 10.2 If yes:
- |  |   |         |
|--|---|---------|
|  | 10.21 Maximum amount payable bonuses          | \$..... |
|  | 10.22 Amount actually paid for year bonuses   | \$..... |
|  | 10.23 Maximum amount payable withholds        | \$..... |
|  | 10.24 Amount actually paid for year withholds | \$..... |
- 11.1 Is the reporting entity organized as:
- |  |   |   |
|--|---|---|
|  | 11.12 A Medical Group/Staff Model,                  | Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] |
|  | 11.13 An Individual Practice Association (IPA), or, | Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] |
|  | 11.14 A Mixed Model (combination of above) ?        | Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] |
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [  ] No [  ]
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. Arkansas.....
- 11.4 If yes, show the amount required. \$.....6,000,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [  ] No [  ]
- 11.6 If the amount is calculated, show the calculation
12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
ARKANSAS.....
ASHLEY.....
BAXTER.....
BENTON.....
BOONE.....
BRADLEY.....
CALHOUN.....
CARROLL.....
CHICOT.....
CLARK.....
CLAY.....
CLEBURNE.....
CLEVELAND.....
COLUMBIA.....
CONWAY.....
CRAIGHEAD.....
CRAWFORD.....
CRITTENDEN.....
CROSS.....
DALLAS.....
DESHA.....
DREW.....
FAULKNER.....
FRANKLIN.....
FULTON.....
GARLAND.....
GRANT.....
GREENE.....
HEMPSTEAD.....
HOT SPRING.....
HOWARD.....
INDEPENDENCE.....
IZARD.....
JACKSON.....
JEFFERSON.....
JOHNSON.....
LAFAYETTE.....
LAWRENCE.....
LEE.....
LINGOLN.....
LITTLE RIVER.....
LOGAN.....
LONOKE.....
MADISON.....
MARION.....
MILLER.....
MISSISSIPPI.....
MONROE.....
MONTGOMERY.....
NEVADA.....
NEWTON.....
OUACHITA.....
PERRY.....
PHILLIPS.....
PIKE.....
POINSETT.....
POLK.....
POPE.....

## GENERAL INTERROGATORIES

### PART 2 - HEALTH INTERROGATORIES

1 Name of Service Area
PRAIRIE.....
PULASKI.....
RANDOLPH.....
SALINE.....
SCOTT.....
SEARCY.....
SEBASTIAN.....
SEVIER.....
SHARP.....
ST. FRANCIS.....
STONE.....
UNION.....
VAN BUREN.....
WASHINGTON.....
WHITE.....
WOODRUFF.....
YELL.....

- 13.1 Do you act as a custodian for health savings accounts? Yes [ ] No [ X ]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....
- 13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [ X ]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as 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 \$.....
- 15.2 Total Incurred Claims \$.....
- 15.3 Number of Covered Lives .....

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

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [ ] No [ X ]
- 16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [ ] No [ X ]

**FIVE - YEAR HISTORICAL DATA**

	1 2023	2 2022	3 2021	4 2020	5 2019
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	31,690,958	19,662,239	10,999,671	0	0
2. Total liabilities (Page 3, Line 24) .....	22,191,464	10,653,460	4,961,091	0	0
3. Statutory minimum capital and surplus requirement .....	6,000,000	6,000,000	6,000,000	0	0
4. Total capital and surplus (Page 3, Line 33) .....	9,499,495	9,008,779	6,038,580	0	0
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	1,718,688	0	0	0	0
6. Total medical and hospital expenses (Line 18) .....	0	0	0	0	0
7. Claims adjustment expenses (Line 20) .....	22,149	24,764	0	0	0
8. Total administrative expenses (Line 21) .....	1,868,217	1,668,970	4,964,333	0	0
9. Net underwriting gain (loss) (Line 24) .....	(171,678)	3,266,861	(4,964,333)	0	0
10. Net investment gain (loss) (Line 27) .....	1,180,168	234,446	2,692	0	0
11. Total other income (Lines 28 plus 29) .....	806,057	(1,411,022)	0	0	0
12. Net income or (loss) (Line 32) .....	1,469,952	2,090,758	(4,962,114)	0	0
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11).....	178,698	(1,606,876)	(1,023)	0	0
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital.....	9,499,495	9,008,779	6,038,580	0	0
15. Authorized control level risk-based capital.....	898,780	2,423	16,995	0	0
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	3,146	2,532	0	0	0
17. Total members months (Column 6, Line 7) .....	37,072	18,098	0	0	0
<b>Operating Percentage</b> (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	0.0	0.0	0.0	0.0	0.0
20. Cost containment expenses .....	1.3	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses .....	0.0	0.0	0.0	0.0	0.0
22. Total underwriting deductions (Line 23) .....	110.0	0.0	0.0	0.0	0.0
23. Total underwriting gain (loss) (Line 24) .....	(10.0)	0.0	0.0	0.0	0.0
<b>Unpaid Claims Analysis</b>					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5) .....	2,002	0	0	0	0
25. Estimated liability of unpaid claims – [prior year (Line 17, Col. 6)] .....	2,102	0	0	0	0
<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 Sch. 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

State, Etc.	1 Active Status (a)	Direct Business Only									
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Plan Premiums	7 Life & Annuity Premiums & Other Considerations	8 Property/Casualty Premiums	9 Total Columns 2 Through 8	10 Deposit-Type Contracts	
1. Alabama	AL	N								0	0
2. Alaska	AK	N								0	0
3. Arizona	AZ	N								0	0
4. Arkansas	AR	L		73,628,542						73,628,542	0
5. California	CA	N								0	0
6. Colorado	CO	N								0	0
7. Connecticut	CT	N								0	0
8. Delaware	DE	N								0	0
9. District of Columbia	DC	N								0	0
10. Florida	FL	N								0	0
11. Georgia	GA	N								0	0
12. Hawaii	HI	N								0	0
13. Idaho	ID	N								0	0
14. Illinois	IL	N								0	0
15. Indiana	IN	N								0	0
16. Iowa	IA	N								0	0
17. Kansas	KS	N								0	0
18. Kentucky	KY	N								0	0
19. Louisiana	LA	N								0	0
20. Maine	ME	N								0	0
21. Maryland	MD	N								0	0
22. Massachusetts	MA	N								0	0
23. Michigan	MI	N								0	0
24. Minnesota	MN	N								0	0
25. Mississippi	MS	N								0	0
26. Missouri	MO	N								0	0
27. Montana	MT	N								0	0
28. Nebraska	NE	N								0	0
29. Nevada	NV	N								0	0
30. New Hampshire	NH	N								0	0
31. New Jersey	NJ	N								0	0
32. New Mexico	NM	N								0	0
33. New York	NY	N								0	0
34. North Carolina	NC	N								0	0
35. North Dakota	ND	N								0	0
36. Ohio	OH	N								0	0
37. Oklahoma	OK	N								0	0
38. Oregon	OR	N								0	0
39. Pennsylvania	PA	N								0	0
40. Rhode Island	RI	N								0	0
41. South Carolina	SC	N								0	0
42. South Dakota	SD	N								0	0
43. Tennessee	TN	N								0	0
44. Texas	TX	N								0	0
45. Utah	UT	N								0	0
46. Vermont	VT	N								0	0
47. Virginia	VA	N								0	0
48. Washington	WA	N								0	0
49. West Virginia	WV	N								0	0
50. Wisconsin	WI	N								0	0
51. Wyoming	WY	N								0	0
52. American Samoa	AS	N								0	0
53. Guam	GU	N								0	0
54. Puerto Rico	PR	N								0	0
55. U.S. Virgin Islands	VI	N								0	0
56. Northern Mariana Islands	MP	N								0	0
57. Canada	CAN	N								0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	0	73,628,542	0	0	0	0	0	73,628,542	0
60. Reporting entity contributions for Employee Benefit Plans	XXX									0	
61. Total (Direct Business)	XXX	0	0	73,628,542	0	0	0	0	0	73,628,542	0
<b>DETAILS OF WRITE-INS</b>											
58001.	XXX										
58002.	XXX										
58003.	XXX										
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0	0	0

(a) Active Status Counts

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

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

N/A

STATEMENT AS OF December 31, 2023 OF THE CareSource PASSE LLC.

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

