



## ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	107,894,671		107,894,671	148,129,992
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	30,851,940		30,851,940	12,712,467
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$..... encumbrances)				
4.2 Properties held for the production of income (less \$..... encumbrances)				
4.3 Properties held for sale (less \$..... encumbrances)				
5. Cash (\$.....1,880,372, Schedule E - Part 1), cash equivalents (\$.....769,292, Schedule E - Part 2) and short-term investments (\$....., Schedule DA)	2,649,664		2,649,664	49,376,859
6. Contract loans (including \$..... premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	141,396,274		141,396,274	210,219,318
13. Title plants less \$..... charged off (for Title insurers only)				
14. Investment income due and accrued	648,917		648,917	932,649
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	120,221	69,750	50,471	61,190
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$..... earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$.....3,859,244) and contracts subject to redetermination (\$.....)	3,859,244		3,859,244	3,568,619
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	65,506		65,506	623,569
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	13,373,085		13,373,085	13,384,272
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	4,065,526	564,337	3,501,189	1,772,898
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$.....)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	4,288,178		4,288,178	
24. Health care (\$.....46,429,411) and other amounts receivable	53,296,615	6,867,204	46,429,411	22,317,073
25. Aggregate write-ins for other-than-invested assets	2,104,307	1,672,678	431,629	432,129
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	223,217,873	9,173,969	214,043,904	253,311,717
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	223,217,873	9,173,969	214,043,904	253,311,717
<b>Details of Write-Ins</b>				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepays	1,667,265	1,667,265		
2502. Other Receivables	5,413	5,413		
2503. State Tax Receivable	431,629		431,629	432,129
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,104,307	1,672,678	431,629	432,129

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$..... reinsurance ceded)	70,479,649		70,479,649	65,109,097
2. Accrued medical incentive pool and bonus amounts	15,183,385		15,183,385	37,517,566
3. Unpaid claims adjustment expenses	1,655,107		1,655,107	1,552,370
4. Aggregate health policy reserves, including the liability of \$..... for medical loss ratio rebate per the Public Health Service Act	1,583,738		1,583,738	8,888,435
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	33,813		33,813	34,944
9. General expenses due or accrued	5,194,287		5,194,287	8,143,189
10.1 Current federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	564,708		564,708	601,683
13. Remittances and items not allocated				
14. Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
15. Amounts due to parent, subsidiaries and affiliates	13,775,533		13,775,533	22,244,796
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$..... authorized reinsurers, \$..... unauthorized reinsurers and \$..... certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	5,655,157		5,655,157	17,709,387
23. Aggregate write-ins for other liabilities (including \$..... current)	501,797		501,797	525,277
24. Total liabilities (Lines 1 to 23)	114,627,174		114,627,174	162,326,744
25. Aggregate write-ins for special surplus funds	XXX	XXX		
26. Common capital stock	XXX	XXX	100	100
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	46,224,787	18,424,787
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX		
31. Unassigned funds (surplus)	XXX	XXX	53,191,843	72,560,086
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$.....)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$.....)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	99,416,730	90,984,973
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	214,043,904	253,311,717
<b>Details of Write-Ins</b>				
2301. Unclaimed Property	501,797		501,797	525,277
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	501,797		501,797	525,277
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX		
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	XXX	583,238	660,580
2. Net premium income (including \$..... non-health premium income)	XXX	792,558,397	859,535,307
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of \$..... medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX		
7. Aggregate write-ins for other non-health revenues	XXX		
8. Total revenues (Lines 2 to 7)	XXX	792,558,397	859,535,307
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits		467,870,910	499,507,145
10. Other professional services		45,255,363	36,240,827
11. Outside referrals		49,348,072	43,627,835
12. Emergency room and out-of-area		12,832,515	14,043,495
13. Prescription drugs		96,732,852	86,241,755
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts		23,066,854	69,043,970
16. Subtotal (Lines 9 to 15)		695,106,566	748,705,027
<b>Less:</b>			
17. Net reinsurance recoveries		(18,315)	1,814,630
18. Total hospital and medical (Lines 16 minus 17)		695,124,881	746,890,397
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....20,111,047 cost containment expenses		35,200,262	34,653,707
21. General administrative expenses		76,804,098	82,105,405
22. Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)		807,129,241	863,649,509
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(14,570,844)	(4,114,202)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		7,339,233	5,452,183
26. Net realized capital gains (losses) less capital gains tax of \$.....		(325,769)	(194,136)
27. Net investment gains (losses) (Lines 25 plus 26)		7,013,464	5,258,047
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....41,390)]		(41,390)	(80,916)
29. Aggregate write-ins for other income or expenses			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(7,598,770)	1,062,929
31. Federal and foreign income taxes incurred	XXX	2,419	145,142
32. Net income (loss) (Lines 30 minus 31)	XXX	(7,601,189)	917,787
<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		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX		
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			

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

CAPITAL & SURPLUS ACCOUNT		1	2
		Current Year	Prior Year
33.	Capital and surplus prior reporting year.....	90,984,975	101,223,020
34.	Net income or (loss) from Line 32.....	(7,601,189)	917,787
35.	Change in valuation basis of aggregate policy and claim reserves.....		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....	(11,659,702)	(8,546,954)
37.	Change in net unrealized foreign exchange capital gain or (loss).....		
38.	Change in net deferred income tax.....	2,203,731	734,075
39.	Change in nonadmitted assets.....	(2,311,087)	(3,193,244)
40.	Change in unauthorized and certified reinsurance.....		
41.	Change in treasury stock.....		
42.	Change in surplus notes.....		
43.	Cumulative effect of changes in accounting principles.....		
44.	Capital Changes:		
44.1	Paid in.....		
44.2	Transferred from surplus (Stock Dividend).....		
44.3	Transferred to surplus.....		
45.	Surplus adjustments:		
45.1	Paid in.....	27,800,000	
45.2	Transferred to capital (Stock Dividend).....		
45.3	Transferred from capital.....		
46.	Dividends to stockholders.....		
47.	Aggregate write-ins for gains or (losses) in surplus.....		(149,709)
48.	Net change in capital and surplus (Lines 34 to 47).....	8,431,753	(10,238,045)
49.	Capital and surplus end of reporting year (Line 33 plus 48).....	99,416,728	90,984,975
<b>Details of Write-Ins</b>			
4701.	Prior Period Adjustments.....		(149,709)
4702.	Rounding.....		
4703.	.....		
4798.	Summary of remaining write-ins for Line 47 from overflow page.....		
4799.	Totals (Lines 4701 through 4703 plus 4798) (Line 47 above).....		(149,709)

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	784,983,373	855,234,162
2. Net investment income .....	7,773,716	5,527,690
3. Miscellaneous income .....		
4. Total (Lines 1 to 3) .....	792,757,089	860,761,852
5. Benefit and loss related payments .....	735,942,737	754,445,089
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	126,934,958	108,428,005
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$..... tax on capital gains (losses) .....	2,419	(1,095,704)
10. Total (Lines 5 through 9) .....	862,880,114	861,777,390
11. Net cash from operations (Line 4 minus Line 10) .....	(70,123,025)	(1,015,538)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	45,854,614	20,713,538
12.2 Stocks .....		
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....		(9,970)
12.7 Miscellaneous proceeds .....		
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	45,854,614	20,703,568
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	6,094,987	20,561,661
13.2 Stocks .....	29,800,000	2,707,916
13.3 Mortgage loans .....		
13.4 Real estate .....		
13.5 Other invested assets .....		
13.6 Miscellaneous applications .....		
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	35,894,987	23,269,577
14. Net increase / (decrease) in contract loans and premium notes .....		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	9,959,627	(2,566,009)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....		
16.2 Capital and paid in surplus, less treasury stock .....	22,100,000	
16.3 Borrowed funds .....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5 Dividends to stockholders .....		
16.6 Other cash provided (applied) .....	(8,663,798)	10,168,182
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	13,436,202	10,168,182
<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) .....	(46,727,196)	6,586,635
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	49,376,859	42,790,224
19.2 End of year (Line 18 plus Line 19.1) .....	2,649,663	49,376,859
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001. Capital contributions .....		9,350,000

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Net premium income	792,558,397							792,558,397						
2. Change in unearned premium reserves and reserve for rate credit														
3. Fee-for-service (net of \$..... medical expenses)														XXX
4. Risk revenue														XXX
5. Aggregate write-ins for other health care related revenues														XXX
6. Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
7. Total revenues (Lines 1 to 6)	792,558,397							792,558,397						
8. Hospital/medical benefits	467,870,910							467,870,910						XXX
9. Other professional services	45,255,363							45,255,363						XXX
10. Outside referrals	49,348,072							49,348,072						XXX
11. Emergency room and out-of-area	12,832,515							12,832,515						XXX
12. Prescription drugs	96,732,852							96,732,852						XXX
13. Aggregate write-ins for other hospital and medical														XXX
14. Incentive pool, withhold adjustments and bonus amounts	23,066,854							23,066,854						XXX
15. Subtotal (Lines 8 to 14)	695,106,566							695,106,566						XXX
16. Net reinsurance recoveries	(18,315)							(18,315)						XXX
17. Total hospital and medical (Lines 15 minus 16)	695,124,881							695,124,881						XXX
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
19. Claims adjustment expenses including \$.....20,111,047 cost containment expenses	35,200,260							35,200,260						
20. General administrative expenses	76,804,097							76,804,097						
21. Increase in reserves for accident and health contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
22. Increase in reserves for life contracts														
23. Total underwriting deductions (Lines 17 to 22)	807,129,238							807,129,238						
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(14,570,841)							(14,570,841)						
<b>Details of Write-Ins</b>														
0501. ....														XXX
0502. ....														XXX
0503. ....														XXX
0598. Summary of remaining write-ins for Line 5 from overflow page														XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)														XXX
0601. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
0602. ....		XXX	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	XXX
0698. Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
1301. ....														XXX
1302. ....														XXX
1303. ....														XXX
1398. Summary of remaining write-ins for Line 13 from overflow page														XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)														XXX

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 1 – PREMIUMS

Line of Business		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1.	Comprehensive (hospital and medical) individual.....				
2.	Comprehensive (hospital and medical) group.....				
3.	Medicare Supplement.....				
4.	Vision only.....				
5.	Dental only.....				
6.	Federal Employees Health Benefits Plan.....				
7.	Title XVIII – Medicare.....	793,216,303		657,906	792,558,397
8.	Title XIX – Medicaid.....				
9.	Credit A&H.....				
10.	Disability Income.....				
11.	Long-Term Care.....				
12.	Other health.....				
13.	Health subtotal (Lines 1 through 12).....	793,216,303		657,906	792,558,397
14.	Life.....				
15.	Property/casualty.....				
16.	Totals (Lines 13 to 15).....	793,216,303		657,906	792,558,397

**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	692,289,802							692,289,802						
1.2 Reinsurance assumed														
1.3 Reinsurance ceded	1,748,099							1,748,099						
1.4 Net	690,541,703							690,541,703						
2. Paid medical incentive pools and bonuses	45,401,035							45,401,035						
3. Claim liability December 31, current year from Part 2A:														
3.1 Direct	70,479,648							70,479,648						
3.2 Reinsurance assumed														
3.3 Reinsurance ceded														
3.4 Net	70,479,648							70,479,648						
4. Claim reserve December 31, current year from Part 2D:														
4.1 Direct														
4.2 Reinsurance assumed														
4.3 Reinsurance ceded														
4.4 Net														
5. Accrued medical incentive pools and bonuses, current year	15,183,385							15,183,385						
6. Net health care receivables (a)	24,412,291							24,412,291						
7. Amounts recoverable from reinsurers December 31, current year	65,506							65,506						
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct	66,317,448							66,317,448						
8.2 Reinsurance assumed														
8.3 Reinsurance ceded	1,208,351							1,208,351						
8.4 Net	65,109,097							65,109,097						
9. Claim reserve December 31, prior year from Part 2D:														
9.1 Direct														
9.2 Reinsurance assumed														
9.3 Reinsurance ceded														
9.4 Net														
10. Accrued medical incentive pools and bonuses, prior year	46,210,442							37,517,566						
11. Amounts recoverable from reinsurers December 31, prior year	623,569							623,569						
12. Incurred benefits:														
12.1 Direct	672,039,711							672,039,711						
12.2 Reinsurance assumed														
12.3 Reinsurance ceded	(18,315)							(18,315)						
12.4 Net	672,058,026							672,058,026						
13. Incurred medical incentive pools and bonuses	23,066,854							23,066,854						

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2A – CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Reported in Process of Adjustment:														
1.1 Direct	1,439,896							1,439,896						
1.2 Reinsurance assumed														
1.3 Reinsurance ceded														
1.4 Net	1,439,896							1,439,896						
2. Incurred but Unreported:														
2.1 Direct	69,039,752							69,039,752						
2.2 Reinsurance assumed														
2.3 Reinsurance ceded														
2.4 Net	69,039,752							69,039,752						
3. Amounts Withheld from Paid Claims and Capitations:														
3.1 Direct														
3.2 Reinsurance assumed														
3.3 Reinsurance ceded														
3.4 Net														
4. TOTALS:														
4.1 Direct	70,479,648							70,479,648						
4.2 Reinsurance assumed														
4.3 Reinsurance ceded														
4.4 Net	70,479,648							70,479,648						

**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						
2. Comprehensive (hospital and medical) group						
3. Medicare Supplement						
4. Vision Only						
5. Dental Only						
6. Federal Employees Health Benefits Plan						
7. Title XVIII – Medicare	27,665,634	663,434,131		70,479,649	27,665,634	65,109,097
8. Title XIX – Medicaid						
9. Credit A&H						
10. Disability Income						
11. Long-Term Care						
12. Other health						
13. Health subtotal (Lines 1 to 12)	27,665,634	663,434,131		70,479,649	27,665,634	65,109,097
14. Health care receivables (a)	45,736	53,250,879			45,736	28,884,324
15. Other non-health						
16. Medical incentive pools and bonus amounts	40,361,215	5,039,820	4,160,459	11,022,926	44,521,674	37,517,566
17. Totals (Lines 13 - 14 + 15 + 16)	67,981,113	615,223,072	4,160,459	81,502,575	72,141,572	73,742,339

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

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

**Section A – Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2020	2 2021	3 2022	4 2023	5 2024
1. Prior	97,196	98,159	98,246	98,246	98,246
2. 2020	597,357	688,352	688,754	688,767	688,767
3. 2021	XXX	655,412	710,804	711,252	711,269
4. 2022	XXX	XXX	711,831	786,719	787,318
5. 2023	XXX	XXX	XXX	663,569	730,980
6. 2024	XXX	XXX	XXX	XXX	644,062

**Section B – Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2020	2 2021	3 2022	4 2023	5 2024
1. Prior	106,387	98,159	98,246	98,246	98,246
2. 2020	706,317	690,664	688,754	688,767	688,767
3. 2021	XXX	739,766	714,726	711,252	711,269
4. 2022	XXX	XXX	811,737	793,260	787,318
5. 2023	XXX	XXX	XXX	768,828	735,140
6. 2024	XXX	XXX	XXX	XXX	725,564

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2020	853,296	688,767	25,363	3.682	714,130	83.691			714,130	83.691
2. 2021	824,891	711,269	24,992	3.514	736,261	89.256			736,261	89.256
3. 2022	903,677	787,318	32,951	4.185	820,269	90.770			820,269	90.770
4. 2023	859,535	730,980	29,789	4.075	760,769	88.509	4,160	80	765,009	89.003
5. 2024	792,558	644,062	30,247	4.696	674,309	85.080	81,502	1,574	757,385	95.562

12.GT

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

**Section A – Paid Health Claims**

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

**Section B – Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2020	2 2021	3 2022	4 2023	5 2024
1. Prior.....					
2. 2020.....					
3. 2021.....	XXX				
4. 2022.....	XXX	XXX			
5. 2023.....	XXX	XXX	XXX		
6. 2024.....	XXX	XXX	XXX	XXX	

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

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

12.HM

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

**Section A – Paid Health Claims**

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

**Section B – Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2020	2 2021	3 2022	4 2023	5 2024
1. Prior.....					
2. 2020.....					
3. 2021.....	XXX				
4. 2022.....	XXX	XXX			
5. 2023.....	XXX	XXX	XXX		
6. 2024.....	XXX	XXX	XXX	XXX	

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

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

12.MS

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

**Section A – Paid Health Claims**

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

**Section B – Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2020	2 2021	3 2022	4 2023	5 2024
1. Prior.....					
2. 2020.....					
3. 2021.....	XXX				
4. 2022.....	XXX	XXX			
5. 2023.....	XXX	XXX	XXX		
6. 2024.....	XXX	XXX	XXX	XXX	

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

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

12.D0

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

**Section A – Paid Health Claims**

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

**Section B – Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2020	2 2021	3 2022	4 2023	5 2024
1. Prior.....					
2. 2020.....					
3. 2021.....	XXX				
4. 2022.....	XXX	XXX			
5. 2023.....	XXX	XXX	XXX		
6. 2024.....	XXX	XXX	XXX	XXX	

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

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

12.V0

**UNDERWRITING AND INVESTMENT EXHIBIT**  
 PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
 (\$000 Omitted)  
 FEDERAL EMPLOYEES HEALTH BENEFITS PLAN

**Section A – Paid Health Claims**

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

**Section B – Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2020	2 2021	3 2022	4 2023	5 2024
1. Prior.....					
2. 2020.....					
3. 2021.....	XXX				
4. 2022.....	XXX	XXX			
5. 2023.....	XXX	XXX	XXX		
6. 2024.....	XXX	XXX	XXX	XXX	

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

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

12.FE

**NONE**

**NONE**

**NONE**

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

**Section A – Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2020	2 2021	3 2022	4 2023	5 2024
1. Prior.....	97,196	98,159	98,246	98,246	98,246
2. 2020.....	597,357	688,352	688,754	688,767	688,767
3. 2021.....	XXX	655,412	710,804	711,252	711,269
4. 2022.....	XXX	XXX	711,831	786,719	787,318
5. 2023.....	XXX	XXX	XXX	663,569	730,980
6. 2024.....	XXX	XXX	XXX	XXX	644,062

**Section B – Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2020	2 2021	3 2022	4 2023	5 2024
1. Prior.....	106,387	98,159	98,246	98,246	98,246
2. 2020.....	706,317	690,664	688,754	688,767	688,767
3. 2021.....	XXX	739,766	714,726	711,252	711,269
4. 2022.....	XXX	XXX	811,737	793,260	787,318
5. 2023.....	XXX	XXX	XXX	759,655	735,140
6. 2024.....	XXX	XXX	XXX	XXX	725,564

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

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2+3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2020.....	853,296	688,767	25,363	3.682	714,130	83.691			714,130	83.691
2. 2021.....	824,891	711,269	24,992	3.514	736,261	89.256			736,261	89.256
3. 2022.....	903,677	787,318	32,951	4.185	820,269	90.770			820,269	90.770
4. 2023.....	859,535	730,980	29,789	4.075	760,769	88.509	4,160	80	765,009	89.003
5. 2024.....	792,558	644,062	30,247	4.696	674,309	85.080	81,502	1,574	757,385	95.562

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

**Section A – Paid Health Claims**

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

**Section B – Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2020	2 2021	3 2022	4 2023	5 2024
1. Prior					
2. 2020					
3. 2021	XXX				
4. 2022	XXX	XXX			
5. 2023	XXX	XXX	XXX		
6. 2024	XXX	XXX	XXX	XXX	

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

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

12 XI

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

**Section A – Paid Health Claims**

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

**Section B – Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2020	2 2021	3 2022	4 2023	5 2024
1. Prior					
2. 2020					
3. 2021	XXX				
4. 2022	XXX	XXX			
5. 2023	XXX	XXX	XXX		
6. 2024	XXX	XXX	XXX	XXX	

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

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

12.0T

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other
1. Unearned premium reserves.....													
2. Additional policy reserves (a).....													
3. Reserve for future contingent benefits.....													
4. Reserve for rate credits or experience rating refunds (including \$..... for investment income).....	1,583,738							1,583,738					
5. Aggregate write-ins for other policy reserves.....													
6. Totals (gross).....	1,583,738							1,583,738					
7. Reinsurance ceded.....													
8. Totals (Net) (Page 3, Line 4).....	1,583,738							1,583,738					
9. Present value of amounts not yet due on claims.....													
10. Reserve for future contingent benefits.....													
11. Aggregate write-ins for other claim reserves.....													
12. Totals (gross).....													
13. Reinsurance ceded.....													
14. Totals (Net) (Page 3, Line 7).....													
<b>Details of Write-Ins</b>													
0501. Risk adjustment payable to CMS.....													
0502. ....													
0503. ....													
0598. Summary of remaining write-ins for Line 5 from overflow page.....													
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....													
1101. ....													
1102. ....													
1103. ....													
1198. Summary of remaining write-ins for Line 11 from overflow page.....													
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....													

(a) Includes \$ 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) .....		1,179,065	1,451,032		2,630,097
2. Salaries, wages and other benefits .....	16,124,417	5,619,281	28,836,612		50,580,310
3. Commissions (less \$..... ceded plus \$..... assumed) .....			9,408,891		9,408,891
4. Legal fees and expenses .....			343,178		343,178
5. Certifications and accreditation fees .....			662,098		662,098
6. Auditing, actuarial and other consulting services .....	1,257,385	336,320	6,124,156		7,717,861
7. Traveling expenses .....	113,268	22,494	568,961		704,723
8. Marketing and advertising .....	76,572	(329)	9,347,643		9,423,886
9. Postage, express and telephone .....	36,825	15,351	2,167,195		2,219,371
10. Printing and office supplies .....	43,529	6,743	1,476,260		1,526,532
11. Occupancy, depreciation and amortization .....		348,287	171,092		519,379
12. Equipment .....	52	3,068	26,301		29,421
13. Cost or depreciation of EDP equipment and software .....	829,460	540,733	6,956,380		8,326,573
14. Outsourced services including EDP, claims, and other services .....	560,348	6,645,996	6,205,233		13,411,577
15. Boards, bureaus and association fees .....	17,819	649	151,745		170,213
16. Insurance, except on real estate .....			591,424		591,424
17. Collection and bank service charges .....	1		24,606	297,100	321,707
18. Group service and administration fees .....					
19. Reimbursements by uninsured plans .....					
20. Reimbursements from fiscal intermediaries .....					
21. Real estate expenses .....					
22. Real estate taxes .....					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....			92,233		92,233
23.2 State premium taxes .....					
23.3 Regulatory authority licenses and fees .....	150	17	82,491		82,658
23.4 Payroll taxes .....	1,040,889	367,854	1,797,693		3,206,436
23.5 Other (excluding federal income and real estate taxes) .....			36,727		36,727
24. Investment expenses not included elsewhere .....					
25. Aggregate write-ins for expenses .....	10,332	3,686	282,147		296,165
26. Total expenses incurred (Lines 1 to 25) .....	20,111,047	15,089,215	76,804,098	297,100	(a) 112,301,460
27. Less expenses unpaid December 31, current year .....		1,655,107	5,194,287		6,849,394
28. Add expenses unpaid December 31, prior year .....		1,552,370	8,143,189		9,695,559
29. Amounts receivable relating to uninsured plans, prior year .....					
30. Amounts receivable relating to uninsured plans, current year .....					
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	20,111,047	14,986,478	79,753,000	297,100	115,147,625
<b>Details of Write-Ins</b>					
2501. Books .....	124	36	61,636		61,796
2502. Employee Dev & Training .....	6,038	3,696	173,402		183,136
2503. Miscellaneous .....	4,170	(46)	47,109		51,233
2598. Summary of remaining write-ins for Line 25 from overflow page .....					
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	10,332	3,686	282,147		296,165

(a) Includes management fees of \$ 50,622,041 to affiliates and \$ to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) 380,558	384,895
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 3,242,499	3,063,545
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	55,128	59,233
2.21	Common stocks of affiliates	2,000,000	2,000,000
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 2,237,775	2,128,660
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	Total gross investment income	7,915,960	7,636,333
11.	Investment expenses		(g) 297,100
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		297,100
17.	Net investment income (Line 10 minus Line 16)		7,339,233
<b>Details of Write-Ins</b>			
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		

- (a) Includes \$163,580 accrual of discount less \$314,429 amortization of premium and less \$9,755 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	(124,857)		(124,857)		
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)	(200,912)		(200,912)	825	
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)					
2.21	Common stocks of affiliates				(11,660,527)	
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	(325,769)		(325,769)	(11,659,702)	
<b>Details of Write-Ins</b>						
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)					

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 – Col. 1)
1. Bonds (Schedule D).....			
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			
2.2 Common stocks.....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			
3.2 Other than first liens.....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale.....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			
6. Contract loans.....			
7. Derivatives (Schedule DB).....			
8. Other invested assets (Schedule BA).....			
9. Receivables for securities.....			
10. Securities lending reinvested collateral assets (Schedule DL).....			
11. Aggregate write-ins for invested assets.....			
12. Subtotals, cash and invested assets (Lines 1 to 11).....			
13. Title plants (for Title insurers only).....			
14. Investment income due and accrued.....			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	69,750	80,460	10,710
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			
16.2 Funds held by or deposited with reinsured companies.....			
16.3 Other amounts receivable under reinsurance contracts.....			
17. Amounts receivable relating to uninsured plans.....			
18.1 Current federal and foreign income tax recoverable and interest thereon.....			
18.2 Net deferred tax asset.....	564,337	88,897	(475,440)
19. Guaranty funds receivable or on deposit.....			
20. Electronic data processing equipment and software.....			
21. Furniture and equipment, including health care delivery assets.....			
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			
23. Receivables from parent, subsidiaries and affiliates.....			
24. Health care and other amounts receivable.....	6,867,204	6,567,252	(299,952)
25. Aggregate write-ins for other-than-invested assets.....	1,672,678	126,273	(1,546,405)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	9,173,969	6,862,882	(2,311,087)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
28. Total (Lines 26 and 27).....	9,173,969	6,862,882	(2,311,087)
<b>Details of Write-Ins</b>			
1101.....			
1102.....			
1103.....			
1198. Summary of remaining write-ins for Line 11 from overflow page.....			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....			
2501. Prepaid expenses.....	1,667,265	126,273	(1,540,992)
2502. Other Receivables.....	5,413		(5,413)
2503.....			
2598. Summary of remaining write-ins for Line 25 from overflow page.....			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	1,672,678	126,273	(1,546,405)

**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.....	54,744	49,251	48,521	48,079	47,641	583,238
2. Provider Service Organizations.....						
3. Preferred Provider Organizations.....						
4. Point of Service.....						
5. Indemnity Only.....						
6. Aggregate write-ins for other lines of business.....						
7. Total.....	54,744	49,251	48,521	48,079	47,641	583,238
<b>Details of Write-Ins</b>						
0601.....						
0602.....						
0603.....						
0698. Summary of remaining write-ins for Line 6 from overflow page.....						
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....						

## Notes to the Financial Statements

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

#### A. Accounting Practices

The financial statements of Essence Healthcare, Inc. ("EHI" or "the Company"), a 4-5 star health plan as rated by the Centers for Medicare and Medicaid Services (CMS), are presented on the basis of accounting practices prescribed or permitted by the Missouri Department of Insurance (the Department). The Missouri Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Missouri for determining and reporting the financial condition and results of operations of an insurance company, to determine its solvency under the Missouri Department of Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Missouri.

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

	SSAP #	F/S Page	F/S Line #	2024	2023
Net Income					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ (7,601,189)	\$ 917,787
(2) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
(3) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ (7,601,189)</u>	<u>\$ 917,787</u>
Surplus					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 99,416,730	\$ 90,984,973
(6) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
Furniture and equipment, including health care delivery assets	19	2	21		
(7) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 99,416,730</u>	<u>\$ 90,984,973</u>

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

The preparation of financial statements in conformity with the accounting practices prescribed or permitted by the Company's applicable regulatory authorities requires management to make estimates and assumptions. Management's estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates. Changes in estimates are recorded in the period in which they become known. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances. Actual results could differ from management's estimates if past experience or other assumptions do not turn out to be substantially accurate.

#### C. Accounting Policy

Premium revenues are recognized in the period in which the eligible individuals are entitled to receive healthcare services. The monthly Part C and Part D premium revenue received from CMS is subject to retrospective adjustment based on the level of care required by members and the hierarchical condition categories (HCC) established by CMS. CMS uses HCC in order to promote fair payments under the Medicare Advantage program so as to direct payments to entities that reward efficiency and encourage excellent care for the chronically ill. The ultimate amount of the retrospective adjustment is influenced by several factors, including the relative acuity of illnesses experienced by members of the Company's plans as compared to those of other competing plans.

Under the Medicare Part D program, there are seven separate elements of payment received by the Company during the plan year. These payment elements are as follows:

- CMS Premium – CMS pays a fixed monthly premium per member to the Company for the entire plan year.
- Member Premium – Additionally, certain members pay a fixed monthly premium to the Company for the entire plan year.
- Low-Income Premium Subsidy – For qualifying low-income members, CMS pays some or all of the member's monthly premium to the Company on the member's behalf.
- Catastrophic Reinsurance Subsidy – CMS pays the Company a cost reimbursement estimate monthly to fund the CMS obligation to pay approximately 80% of the costs incurred by individual members in excess of the individual annual out-of-pocket maximum. A settlement is made with CMS based on actual cost experience, after the end of the plan year.
- Low-Income Member Cost Sharing Subsidy – For qualifying low-income members, CMS pays on the member's behalf some or all of a member's cost sharing amounts, such as deductibles and coinsurance. The cost sharing subsidy is funded by CMS through monthly payments to the Company. The Company administers and pays the subsidized portion of the claims on behalf of CMS, and a settlement payment is made between CMS and the Company based on actual claims and premium experience, after the end of the plan year.
- CMS Risk-Share – Premiums from CMS are subject to risk corridor provisions that compare costs targeted in the Company's annual bids by product and region to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances of more than 5% above or below the original bid submitted by the Company may result in CMS making additional payments to the Company or require the Company to refund to CMS a portion of the premiums it received. The Company estimates and recognizes an adjustment to premium revenues related to the risk corridor payment settlement based upon pharmacy claims experience. The estimate of the settlement associated with these risk corridor provisions requires the Company to consider factors that may not be certain, including member eligibility status differences with CMS and the timing of prescription drug event (PDE) reporting. The Company records risk-share adjustments to Premium Revenue in the Statement of Revenue and Expenses and Reserves or Receivables, net in the Statements of Assets, Liabilities, Capital and Surplus.
- Coverage Gap Discount – Members are provided a discount on brand name Part D prescription drugs in the coverage gap. This discount is funded by CMS and pharmaceutical manufacturers while the Company administers the application of these funds. Amounts received are not reflected as premium revenues, but rather are accounted for as deposits. The Company records a liability when amounts are received from CMS and a receivable when the amounts owed by manufacturers are known.

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies and Going Concern (Continued)

The CMS Premium, the Member Premium, and the Low-Income Premium Subsidy represent payments for the Company's insurance risk coverage under the Medicare Parts C and D programs and therefore are recorded as Premium Revenue in the Statement of Revenue and Expenses. Premium revenue is recognized ratably over the period in which eligible individuals are entitled to receive prescription drug benefits. The Company records premium payments received in advance of the applicable service period in Unearned Revenues in the Statements of Assets, Liabilities, Capital and Surplus.

The Catastrophic Reinsurance Subsidy and Low-Income Member Cost Sharing Subsidy represent a cost reimbursement under the Medicare Part D program. Amounts received or owed for these subsidies are recorded as a liability or receivable in the Statements of Assets, Liabilities, Capital and Surplus.

Pharmacy benefit costs are expensed as incurred and are recognized in Medical and Hospital Expense in the Statements of Revenue and Expenses. Related administrative costs are reported in General Administrative Expenses in the Statements of Revenue and Expenses.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost using the scientific interest method. The Company does not own any mandatory convertible securities or SVO-Identified bond ETFs reported on Schedule D-1
- (3) Common stock is stated at market value. While classified as common stock pursuant to Statement of Statutory Accounting Principles No. 30, such amounts are in highly secure and fully liquid money market funds.
- (4) The Company had no preferred stock.
- (5) The Company had no mortgage loans.
- (6) Loan-backed securities designated with a NAIC 1 or 2 are reported at amortized cost. Loan-backed securities with NAIC designations of 3 through 6 are reported at the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities, except for interest only securities or securities where the yield had become negative, that are valued using the prospective method.
- (7) In the first quarter of 2023, the Company made surplus contributions of \$250,000, \$500,000 and \$1,000,000 to Essence Healthcare of Georgia, Inc., Essence Healthcare of Ohio, Inc, and Essence Healthcare PPO, Inc., respectively. In the second quarter of 2023, the Company made surplus contributions of \$350,000 and \$107,916 to Essence Healthcare of Georgia, Inc. and Essence Healthcare PPO, Inc., respectively. In the third quarter of 2023, the Company made a surplus contribution of \$500,000 to Essence Healthcare PPO, Inc. In the fourth quarter of 2023 the Company recorded liabilities for capital contributions of \$400,000 to Essence Healthcare of GA, Inc., \$750,000 to Essence Healthcare of OH, Inc., and \$8,200,000 to Essence Healthcare PPO, Inc. In the first quarter of 2024, the Company made a surplus contribution of \$9,300,000 to Essence Healthcare PPO, Inc. In the second quarter of 2024 the Company made a surplus contribution of \$7,000,000 to Essence Healthcare PPO, Inc. In the third quarter of 2024, the Company made a surplus contribution of \$6,100,000 to Essence Healthcare PPO, Inc. In the fourth quarter of 2024, the Company made a surplus contribution of \$7,400,000 to Essence Healthcare PPO, Inc.
- (8) The Company had no investments in joint ventures, partnerships and limited liability companies.
- (9) The Company had no derivatives.
- (10) The Company utilizes anticipated investment income as a factor in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include amounts determined from claims estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company's capitalization policy has not changed.
- (13) The Company's pharmaceutical rebate receivables are estimated based on a historical experience. The amount of receivable is calculated as a percent of the cost of brand drugs. This percentage is continually reviewed and adjusted as necessary and any change is reflected in the period determined.

#### D. Going Concern

Management has evaluated the Company's ability to continue as a going concern. There is no substantial doubt in its ability to continue as a going concern.

### 2. Accounting Changes and Corrections of Errors

Subsequent to the filing of the 2023 Annual Statement for the Company, an adjustment was recorded to the 2023 Page 3 Line 2, Accrued Medical Incentive Pool and Bonus Amounts (a decrease of \$8,692,876), and also 2023 Page 3, Line 15 Amounts due to Parent, Subsidiaries and Affiliates (an increase of \$8,692,876). Total liabilities and total capital and surplus recorded in the filed 2023 Annual Statement were not effected by this adjustment.

### 3. Business Combinations and Goodwill

- A. Statutory Purchase Method - None
- B. Statutory Merger - None
- C. Assumption Reinsurance - None
- D. Impairment Loss - None
- E. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill - None

### 4. Discontinued Operations

- A. Discontinued Operation Disposed of or Classified as Held for Sale - None
- B. Change in Plan of Sale of Discontinued Operation - None
- C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal - None

**Notes to the Financial Statements**

**4. Discontinued Operations (Continued)**

D. Equity Interest Retained in the Discontinued Operation After Disposal - None

**5. Investments**

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

(1) Restricted assets (including pledged)

Restricted Asset Category	(1) Total Gross (Admitted & Nonadmitted) Restricted from Current Year	(2) Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	(3) Increase / (Decrease) (1 - 2)	(4) Total Current Year Nonadmitted Restricted	(5) Total Current Year Admitted Restricted (1 - 4)	(6) Gross (Admitted & Nonadmitted) Restricted to Total Assets	(7) Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states	1,640,028	1,613,697	26,331		1,640,028	0.735	0.766
k. On deposit with other regulatory bodies							
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
<b>o. Total restricted assets (Sum of a through n)</b>	<u>\$ 1,640,028</u>	<u>\$ 1,613,697</u>	<u>\$ 26,331</u>	<u>\$</u>	<u>\$ 1,640,028</u>	<u>0.735 %</u>	<u>0.766 %</u>

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

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

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

- M. Working Capital Finance Investments - None
- N. Offsetting and Netting of Assets and Liabilities - None
- O. 5GI Securities - None
- P. Short Sales - None
- Q. Prepayment Penalty and Acceleration Fees - None
- R. Reporting Entity's Share of Cash Pool by Asset Type - None
- S. Aggregate Collateral Loans by Qualifying Investment Collateral - None

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

- A. Investments in Joint Ventures, Partnerships or Limited Liability Companies that Exceed 10% of Admitted Assets - None
- B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies - None

**7. Investment Income**

A. Due and Accrued Income Excluded from Surplus

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

B. Total Amount Excluded - None

**Notes to the Financial Statements**

**7. Investment Income (Continued)**

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

Interest Income Due and Accrued	Amount
1. Gross.....	\$ 648,917
2. Nonadmitted.....	\$
3. Admitted.....	\$ 648,917

D. The aggregate deferred interest - None

E. The cumulative amounts of paid-in-kind (PIK) interest included in the current principal balance - None

**8. Derivative Instruments**

A. Derivatives under SSAP No. 86 - Derivatives - None

B. Derivatives under SSAP No. 108 - Derivative Hedging Variable Annuity Guarantees (Life/Fraternal Only) - None

**9. Income Taxes**

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

(1) Change between years by tax character

	2024			2023			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Gross deferred tax assets.....	\$ 3,929,565	\$ 156,032	\$ 4,085,597	\$ 1,813,028	\$ 88,897	\$ 1,901,925	\$ 2,116,537	\$ 67,135	\$ 2,183,672
(b) Statutory valuation allowance adjustments.....									
(c) Adjusted gross deferred tax assets (1a - 1b).....	3,929,565	156,032	4,085,597	1,813,028	88,897	1,901,925	2,116,537	67,135	2,183,672
(d) Deferred tax assets nonadmitted.....	408,305	156,032	564,337		88,897	88,897	408,305	67,135	475,440
(e) Subtotal net admitted deferred tax asset (1c - 1d).....	\$ 3,521,260		\$ 3,521,260	\$ 1,813,028		\$ 1,813,028	\$ 1,708,232		\$ 1,708,232
(f) Deferred tax liabilities.....	20,071		20,071	40,130		40,130	(20,059)		(20,059)
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f).....	<u>\$ 3,501,189</u>		<u>\$ 3,501,189</u>	<u>\$ 1,772,898</u>		<u>\$ 1,772,898</u>	<u>\$ 1,728,291</u>		<u>\$ 1,728,291</u>

(2) Admission calculation components SSAP No. 101

	2024			2023			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Federal income taxes paid in prior years recoverable through loss carrybacks.....	\$ 3,929,565		\$ 3,929,565				\$ 3,929,565		\$ 3,929,565
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (lesser of 2(b)1 and 2(b)2 below).....				1,813,029		1,813,029	(1,813,029)		(1,813,029)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date.....									
2. Adjusted gross deferred tax assets allowed per limitation threshold.....	XXX	XXX	9,591,554	XXX	XXX	13,481,608	XXX	XXX	(3,890,054)
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities.....									
(d) Deferred tax assets admitted as the result of application of SSAP No. 101.....									
Total (2(a) + 2(b) + 2(c)).....	<u>\$ 3,929,565</u>		<u>\$ 3,929,565</u>	<u>\$ 1,813,029</u>		<u>\$ 1,813,029</u>	<u>\$ 2,116,536</u>		<u>\$ 2,116,536</u>

(3) Ratio used as basis of admissibility

	2024	2023
(a) Ratio percentage used to determine recovery period and threshold limitation amount.....	297.380 %	320.110 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above.....	\$ 95,915,540	\$ 89,212,075

## Notes to the Financial Statements

## 9. Income Taxes (Continued)

## (4) Impact of tax-planning strategies

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

	2024		2023		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	Ordinary (Col. 1-3)	Capital (Col. 2-4)
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 3,929,565	\$ 156,032	\$ 1,813,028	\$ 88,897	\$ 2,116,537	\$ 67,135
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$ 3,521,260		\$ 1,813,028		\$ 1,708,232	
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

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

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

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

## C. Major Components of Current Income Taxes Incurred

Current income taxes incurred consist of the following major components:	(1)	(2)	(3)
	2024	2023	Change (1-2)
1. Current Income Tax			
(a) Federal	\$ (105)	\$ 304,567	\$ (304,672)
(b) Foreign			
(c) Subtotal (1a+1b)	\$ (105)	\$ 304,567	\$ (304,672)
(d) Federal income tax on net capital gains			
(e) Utilization of capital loss carry-forwards			
(f) Other	2,524	(159,426)	161,950
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	\$ 2,419	\$ 145,141	\$ (142,722)
	(1)	(2)	(3)
	2024	2023	Change (1-2)
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 266,645	\$ 366,908	\$ (100,263)
(2) Unearned premium reserve	1,420	1,468	(48)
(3) Policyholder reserves		22,115	(22,115)
(4) Investments			
(5) Deferred acquisition costs			
(6) Policyholder dividends accrual			
(7) Fixed assets			
(8) Compensation and benefits accrual			
(9) Pension accrual			
(10) Receivables - nonadmitted			
(11) Net operating loss carry-forward	1,146,152		1,146,152
(12) Tax credit carry-forward			
(13) Other	2,515,348	1,422,537	1,092,811
(99) Subtotal (Sum of 2a1 through 2a13)	\$ 3,929,565	\$ 1,813,028	\$ 2,116,537
(b) Statutory valuation allowance adjustment			
(c) Nonadmitted	408,305		408,305
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 3,521,260	\$ 1,813,028	\$ 1,708,232
(e) Capital			
(1) Investments	\$	\$	\$
(2) Net capital loss carry-forward	156,032	88,897	67,135
(3) Real estate			
(4) Other			
(99) Subtotal (2e1+2e2+2e3+2e4)	\$ 156,032	\$ 88,897	\$ 67,135
(f) Statutory valuation allowance adjustment			
(g) Nonadmitted	156,032	88,897	67,135
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)			
(i) Admitted deferred tax assets (2d + 2h)	\$ 3,521,260	\$ 1,813,028	\$ 1,708,232

## Notes to the Financial Statements

## 9. Income Taxes (Continued)

	(1) 2024	(2) 2023	(3) Change (1-2)
3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	\$ 11	\$ 11	\$
(2) Fixed assets			
(3) Deferred and uncollected premium			
(4) Policyholder reserves	1		1
(5) Other	20,059	40,119	(20,060)
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	<u>\$ 20,071</u>	<u>\$ 40,130</u>	<u>\$ (20,059)</u>
(b) Capital			
(1) Investments	\$	\$	\$
(2) Real estate			
(3) Other			
(99) Subtotal (3b1+3b2+3b3)	<u>\$</u>	<u>\$</u>	<u>\$</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ 20,071</u>	<u>\$ 40,130</u>	<u>\$ (20,059)</u>
4. Net deferred tax assets/liabilities (2i - 3c)	<u>\$ 3,501,189</u>	<u>\$ 1,772,898</u>	<u>\$ 1,728,291</u>

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

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

## D. Among the More Significant Book to Tax Adjustments

The significant items causing a difference between the statutory Federal income tax rate and the Company's effective income tax rate at December, 2024 are as follows:

	2024	Effective Tax Rate
Income before (Federal) taxes	\$ (1,595,741)	%
DRD deduction and tax-exempt interest, net		
Prior year underaccrual/(overaccrual)	4,018	
Section 9010 fee		
Change in nonadmitted assets	(385,486)	
Meals and entertainment		
Change in valuation allowance		
Other, including expiration of charitable contribution c/f		
Establish DTA for accrued expenses	(224,048)	
Fines and Penalties		
Rounding	(55)	
Total	<u>\$ (2,201,312)</u>	<u>%</u>
	2024	Effective Tax Rate
Federal income taxed incurred [expense/(benefit)]	\$ 2,419	%
Tax on capital gains		
Change in net deferred income tax [charge/(benefit)]	(2,203,731)	
Total statutory income taxes	<u>\$ (2,201,312)</u>	<u>%</u>

## E. Operating Loss and Tax Credit Carryforwards

At December 31, 2024 the Company had \$7.7 million of net operating loss carryforwards

- (1) Unused loss carryforwards available - None
- (2) Income tax expense available for recoupment

The following is income tax expense for 2024 and 2023 that is available for recoupment in the event of future net losses:

## Notes to the Financial Statements

### 9. Income Taxes (Continued)

	Total
2022.....	\$ .....
2023.....	.....
2024.....	.....

(3) Deposits admitted under IRS Code Section 6603 - None

#### F. Consolidated Federal Income Tax Return

(1) The Company's federal income tax return is consolidated with the following entities:

- Essence Group Holdings Corporation (EGHC) (Parent)
- Lumeris Holdings, LLC

(2) The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is based on Internal Revenue Code Section 1552(a)(2). Intercompany tax balances are settled monthly.

G. Federal or Foreign Income Tax Loss Contingencies - None

H. Repatriation Transition Tax (RTT) - None

I. Alternative Minimum Tax (AMT) Credit - None

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

A. The Company established a subsidiary, Essence Healthcare, Inc. - PPO, in the first quarter 2022. A contribution was made into the subsidiary in the amount of \$1,720,000 in the first quarter of 2022, with additional contributions of \$930,000 in the second quarter 2022 and \$630,000 in the fourth quarter of 2022. In the second quarter 2022 the Company established a subsidiary, Essence Healthcare Inc. of Ohio with a contribution of \$2,528,996. The Company made surplus contributions in the amount of \$20,000 to Essence Healthcare Inc. of Georgia in the third quarter of 2022 and \$4,400,000 in the fourth quarter of 2022.

In the first quarter of 2023, the Company made surplus contributions of \$250,000, \$500,000 and \$1,000,000 to Essence Healthcare of Georgia, Inc., Essence Healthcare of Ohio, Inc, and Essence Healthcare PPO, Inc., respectively. In the second quarter of 2023, the Company made surplus contributions of \$350,000 and \$107,916 to Essence Healthcare of Georgia, Inc., and Essence Healthcare PPO, Inc., respectively. In the third quarter of 2023, the Company made a surplus contribution of \$500,000 to Essence Healthcare PPO, Inc. In the fourth quarter of 2023 the Company established liabilities for capital contributions of \$400,000 to Essence Healthcare of GA, Inc., \$750,000 to Essence Healthcare of OH, Inc., and \$8,200,000 to Essence Healthcare PPO, Inc. In the first quarter of 2024, the Company made a surplus contribution of \$9,300,000 to Essence Healthcare PPO, Inc. In the second quarter of 2024, the Company made a surplus contribution of \$7,000,000 to Essence Healthcare PPO, Inc. In the third quarter of 2024, the Company made a surplus contribution of \$6,100,000 to Essence Healthcare PPO, Inc. In the fourth quarter of 2024, the Company made a surplus contribution of \$7,400,000 to Essence Healthcare PPO, Inc.

B. Detail of Related Party Transactions - None

C. Transactions With Related Party Who Are Not Reported on Schedule Y - None

D. Amounts Due from or to Related Parties

At December 31, 2024, the Company had a receivable from Lumeris Group Holdings Corporation of \$4,288,178.

At December 31, 2024, the Company had payables to Lumeris ARO St. Louis, LLC of \$9,549,305, \$2,961,915 to Lumeris Health Outcomes, LLC, \$19,977 to Essence Healthcare of OH, Inc., \$9,548 to Essence Healthcare of GA, Inc., and \$1,234,685 to Essence Healthcare PPO, Inc.

E. Material management contracts

The Company and LGHC have entered into a Tax Allocation Agreement. The Company and its affiliate, Lumeris Healthcare Outcomes, LLC, have entered into an Intercompany Services Agreement. Pursuant to this agreement, Lumeris Healthcare Outcomes, LLC and the Company provide general and administrative services to each other on a cost-reimbursement basis. The Intercompany Services Agreement requires both parties to pay all invoices within 30 days of receipt

F. Guarantees or Contingencies - None

G. Nature of Relationships that Could Affect Operations - None

H. Amount Deducted for Investment in Upstream Company - None

I. Detail of Investments in Affiliates Greater Than 10% of Admitted Assets - None

J. Write-Down for Impairments of Investments in Subsidiary Controlled or Affiliated Companies - None

K. Foreign Subsidiary Value Using CARVM - None

L. Downstream Holding Company Value Using Look-Through Method - None

M. All SCA Investments - Not Applicable

N. Investment in Insurance SCAs

The investments in Essence Healthcare of Georgia, Inc., Essence Healthcare of Ohio, Inc. and Essence Healthcare PPO, Inc. were valued at audited statutory equity in accordance to NAIC statutory accounting practices and procedures.

O. SCA and SSAP No. 48 Entity Loss Tracking - None

### 11. Debt

A. Debt, Including Capital Notes - None

B. FHLB (Federal Home Loan Bank) Agreements - None

## Notes to the Financial Statements

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

- A. Defined Benefit Plan - None
- B. Investment Policies and Strategies of Plan Assets - None
- C. Fair Value of Each Class of Plan Assets - None
- D. Expected Long-Term Rate of Return for the Plan Assets - None
- E. Defined Contribution Plans - None
- F. Multiemployer Plans - None
- G. Consolidated/Holding Company Plans

EHI maintains a 401(k) profit sharing plan through its affiliate, Lumeris Solutions Company, LLC. EHI has no legal obligation for benefits under the plan. Lumeris Solutions Company, LLC matches 50% of the first 8% of an active participant's contributions in the plan year. Total expense was \$1,559,247 and \$2,017,739 for December 31, 2023 and December 31, 2024, respectively.

- H. Postemployment Benefits and Compensated Absences - None
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - None

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

- A. EHI had 30,000 shares of common stock authorized, 100 shares issued and outstanding at December 31, 2024. Par value of common stock is \$1.00 per share.
- B. Dividend Rate of Preferred Stock - None
- C. Prior to paying extraordinary dividends, EHI seeks approval from the Department.
- D. Ordinary Dividends - None
- E. There are no limits on the portion of EHI's profits that may be paid as ordinary dividends to stockholders other than those restrictions discussed in #3 and #6.
- F. The Department requires a minimum surplus amount of 2.5 times the Authorized Control-Level RBC and the state of Washington requires \$3,000,000 minimum surplus. There are no other restrictions placed on EHI's surplus.
- G. Surplus Advances - None
- H. Stock Held for Special Purposes - None
- I. Changes in Special Surplus Funds - None
- J. Unassigned Funds (Surplus)  
Portion of unassigned funds represented or reduced by unrealized gains or losses is \$(23,235,057).
- K. Company-Issued Surplus Debentures or Similar Obligations - None
- L. Impact of Any Restatement Due to Prior Quasi-Reorganizations - None
- M. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - None

### 14. Liabilities, Contingencies and Assessments

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

### 15. Leases

- A. Lessee Operating Lease - None
- B. Lessor Leases - None

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

The Company has no significant off-balance sheet risk such as foreign exchange contracts, option contracts, or other hedging activities. The Company's financial instruments that are exposed to concentrations of credit risk consist of cash, cash equivalents, receivables and investment securities. The Company places its cash balances at financial institutions where such balances will at times, including at December 31, 2023 and December 31, 2024, be in excess of the FDIC insurance limit. Investments are made in securities issued by the United States government or United States government agencies, and large, high-quality corporations. The Company evaluates the quality of those receivables due from counterparties other than the United States government and would provide an allowance for uncollectible amounts if deemed necessary. The Company maintains sufficient diversification in its corporate bond portfolio to lessen the likelihood that any of these highly-rated bonds have a significant negative impact on the Company's results.

- 1. Face Amount of the Company's Financial Instruments with Off-Balance-Sheet Risk - None
- 2. Nature of Terms - None
- 3. Exposure to Credit Related Losses - None
- 4. Collateral Policy - None

**Notes to the Financial Statements**

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

- A. Transfers of Receivables Reported as Sales - None
- B. Transfer and Servicing of Financial Assets - None
- C. Wash Sales - None

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

- A. ASO Plans - None
- B. ASC Plans - None
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract
  - (1) Revenue from the Company's Medicare Part D (or similarly structured cost based reimbursement contract) for the year 2024, consisted of \$28,573,819 for pharmacy expenses.
  - (2) As of December 31, 2024 the Company recorded a receivable from CMS of \$7,318,778
  - (3) In connection with the Company's Medicare Part D (or similarly structured cost based reimbursement contract) contract, the Company recorded allowances and reserves for adjustment of recorded revenues for the Medicare Part D Reinsurance Subsidy of \$0 at December 31, 2024.
  - (4) The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

**20. Fair Value Measurements**

A. Fair Value Measurement

The Company follows SSAP No. 100, Fair Value Measurements (SSAP No. 100), for the Company's financial assets and liabilities that are measured at fair value.

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

For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level3). The levels of the fair value hierarchy are as follows:

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

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

(1) Fair value at reporting date

Description for each class of asset or liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
<b>a. Assets at fair value</b>					
Bonds	\$	479,010	\$	\$	479,010
Common Stock - Mutual Funds	981,000		29,870,934		30,851,934
Cash Equivalents - MM Mutual Funds	769,292				769,292
<b>Total assets at fair value/NAV</b>	<b>\$ 1,750,292</b>	<b>\$ 479,010</b>	<b>\$ 29,870,934</b>	<b>\$</b>	<b>\$ 32,100,236</b>
<b>b. Liabilities at fair value</b>					
<b>Total liabilities at fair value</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

- (2) Fair value measurements in Level 3 of the fair value hierarchy - None
- (3) The Company's policy for determining when transfers between levels are recognized is determined at the end of the reporting period.
- (4) Inputs and techniques used for Level 2 and Level 3 fair values - None
- (5) Derivatives - None

B. Other Fair Value Disclosures - None

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

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 99,341,101	\$ 107,894,670	\$ 8,785,971	\$ 90,555,130	\$	\$	\$
Common Stock	30,851,940	30,851,940	981,000		29,870,940		
Cash Equivalents	769,292	769,292	769,292				

D. Not Practicable to Estimate Fair Value - None

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

## Notes to the Financial Statements

### 21. Other Items

- A. Unusual or Infrequent Items - None
- B. Troubled Debt Restructuring - None
- C. Other Disclosures - None
- D. Business Interruption Insurance Recoveries - None
- E. State Transferable and Non-Transferable Tax Credits - None
- F. Subprime-Mortgage-Related Risk Exposure - None
- G. Retained Assets - None
- H. Insurance-Linked Securities (ILS) Contracts - None
- I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy - None

### 22. Events Subsequent

#### Type I. – Recognized Subsequent Events

At December 31, 2024, the Company recorded a capital contribution receivable from its parent in the amount of \$5,700,000.

#### Type II. – Nonrecognized Subsequent Events

None

### 23. Reinsurance

#### A. Ceded Reinsurance Report

EHI retained reinsurance coverage effective January 1, 2024 with RGA Reinsurance Company. The primary obligation of EHI remains to arrange for health care services for the policyholder. Payments totaling \$1,748,099 have been received in 2024 and applied to the receivable and reinsurance ceded on claims unpaid that were recognized at December 31, 2023.

#### Section 1 – General Interrogatories

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

#### Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?  
Yes ( ) No (X)
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?  
Yes ( ) No (X)

#### B. Uncollectible Reinsurance - None

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

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

#### E. Reinsurance Credit

- (1) Reinsurance contracts subject to A-791 - None
- (2) Reinsurance contracts not subject to A-791

The Company has 1 reinsurance contract with RGA Reinsurance Company with risk limiting features. The reinsurance credit was reduced for the risk limiting features.

- (3) Reinsurance contracts containing features which result in delays in payment - None
- (4) The reinsurance contract with RGA Reinsurance Company meets the risk transfer requirements of SSAP No. 61R. This contract is a stop loss contract with a deductible that does not result in significant surplus relief.
- (5) Contracts with ceded risk not subject to A-791 accounted for differently under GAAP and SAP - None
- (6) Explanation of the accounting treatment disclosed in Note 23.E(5) if treated differently for GAAP and SAP - None

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

#### A. Method Used to Estimate

The risks that EHI retains with respect to its Part D revenue are subject to retrospective adjustment based on actual losses incurred.

**Notes to the Financial Statements**

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

B. Method Used to Record

Accrued retrospective premiums are recorded through written and earned premium. An actuarially determined liability in the amount of \$8,888,435 and \$1,583,738 at December 31, 2023 and December 31, 2024, respectively, were recognized as estimates of the amount EHI would be required to return to CMS under the retrospective adjustment provisions of Part D.

C. Amount and Percent of Net Retrospective Premiums

In 2023, the amount of premium subject to retrospective adjustment was \$92,987,161 which represents 10.8% of net premium written and earned for the year. In 2024, the amount of premium subject to retrospective adjustment was \$57,017,261, which represents 7.2% of net premium written and earned for the year.

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

E. Risk-Sharing Provisions of the Affordable Care Act (ACA) - None

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

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

Reserves for claims and claim adjustment expenses as of December 31, 2023 were \$104,179,033. As of December 31, 2024, \$98,417,809 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$4,160,459 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$1,600,765 favorable prior-year development since December 31, 2023 to December 31, 2024. The change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

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

**26. Intercompany Pooling Arrangements - None**

**27. Structured Settlements - None**

**28. Health Care Receivables**

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2024	\$ 11,345,547	\$	\$	\$	\$
09/30/2024	11,552,667	11,552,667			
06/30/2024	11,074,055	11,074,055			
03/31/2024	2,881,751	12,300,396			9,418,644
12/31/2023		8,189,072			8,189,072
09/30/2023		8,660,861		5,329,899	3,330,962
06/30/2023		9,163,702		5,105,508	4,058,194
03/31/2023		9,940,041		6,714,146	3,225,895

B. Risk-Sharing Receivables

A gross risk sharing receivable of \$3,771,804 is recognized at December 31, 2023, and \$14,818,503 as of December 31, 2024. Risk sharing receivables are estimated in accordance with contractual requirements based on various revenue and claims experience throughout the year. The following table summarizes information regarding risk-sharing receivables:

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable			Actual Risk Sharing Amounts Received				
		As Estimated in the Prior Year	As Estimated in the Current Year	Billed	Not Yet Billed	In Year Billed	First Year Subsequent	Second Year Subsequent	All Other
2024	2024	\$ 14,818,503	\$	\$	\$	\$ 14,818,503	\$	\$	\$
2024	2025								
2023	2023	3,771,804				3,771,804			
2023	2024								
2022	2022	2,858,034				2,858,034			
2022	2023								

**29. Participating Policies - None**

**30. Premium Deficiency Reserves**

- Liability carried for premium deficiency reserves:..... \$
- Date of the most recent evaluation of this liability:..... 12/31/2024
- Was anticipated investment income utilized in the calculation?..... YES

**31. Anticipated Salvage and Subrogation - None**

**GENERAL INTERROGATORIES**  
PART 1 - COMMON INTERROGATORIES

**GENERAL**

- 1.1. Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?..... YES  
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
- 1.3. State Regulating?..... Missouri
- 1.4. Is the reporting entity publicly traded or a member of a publicly traded group?..... NO
- 1.5. If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.....
- 2.1. Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?..... NO
- 2.2. If yes, date of change:.....
- 3.1. State as of what date the latest financial examination of the reporting entity was made or is being made..... 12/31/2021
- 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..... 12/31/2021
- 3.3. State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date)..... 06/20/2023
- 3.4. By what department or departments?  
Missouri Department of Insurance Financial Institutions and Professional Regulation
- 3.5. Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?..... N/A
- 3.6. Have all of the recommendations within the latest financial examination report been complied with?..... N/A
- 4.1. During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:.....  
4.11. sales of new business?..... NO  
4.12. renewals?..... NO
- 4.2. During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:.....  
4.21. sales of new business?..... NO  
4.22. renewals?..... NO
- 5.1. Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?..... NO  
If yes, complete and file the merger history data file with the NAIC.
- 5.2. If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1              | 2                 | 3                 |
|----------------|-------------------|-------------------|
| Name of Entity | NAIC Company Code | State of Domicile |
|                |                   |                   |
- 6.1. Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?..... NO
- 6.2. If yes, give full information
- 7.1. Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?..... NO
- 7.2. If yes,  
7.21. State the percentage of foreign control..... %  
7.22. State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1           | 2              |
|-------------|----------------|
| Nationality | Type of Entity |
|             |                |
- 8.1. Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board?..... NO
- 8.2. If response to 8.1 is yes, please identify the name of the DIHC.....
- 8.3. Is the company affiliated with one or more banks, thrifts or securities firms?..... NO
- 8.4. If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

**GENERAL INTERROGATORIES**  
PART 1 - COMMON INTERROGATORIES

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

- 8.5. Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company?.....NO.....
- 8.6. If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule?.....
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Deloitte and Touche LLP, 111 South Wacker Drive, Chicago, IL 60606
- 10.1. Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?.....NO.....
- 10.2. If the response to 10.1 is yes, provide information related to this exemption:
- 10.3. Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?.....NO.....
- 10.4. If the response to 10.3 is yes, provide information related to this exemption:
- 10.5. Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?.....YES.....
- 10.6. If the response to 10.5 is no or n/a, please explain.
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Jason Siegel, Chief Actuary, Lumeris Healthcare Outcomes, LLC
- 12.1. Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?.....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?.....NO.....
- 13.3. Have there been any changes made to any of the trust indentures during the year?.....NO.....
- 13.4. If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?.....NO.....
- 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.....  
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?.....NO.....
- 14.21. If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3. Have any provisions of the code of ethics been waived for any of the specified officers?.....NO.....
- 14.31. If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1. Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?.....NO.....
- 15.2. If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

**GENERAL INTERROGATORIES**  
PART 1 - COMMON INTERROGATORIES

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
- 17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? ..... YES
- 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

**FINANCIAL**

- 19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... 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? ..... 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? ..... 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
- 23.2. If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ 4,288,178
- 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? ..... 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)

**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
- 25.02. If no, give full and complete information, relating thereto
- 25.03. For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 25.04. For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions ..... \$
- 25.05. For the reporting entity's securities lending program, report amount of collateral for other programs ..... \$
- 25.06. Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? ..... N/A
- 25.07. Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? ..... N/A
- 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? ..... N/A

**GENERAL INTERROGATORIES**  
PART 1 - COMMON INTERROGATORIES

- 25.09. For the reporting entity's securities lending program, state the amount of the following as of December 31 of the current year:
- 25.091. Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 ..... \$
- 25.092. Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 ..... \$
- 25.093. Total payable for securities lending reported on the liability page ..... \$

26.1. Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03)..... YES

- 26.2. If yes, state the amount thereof at December 31 of the current year:
- 26.21. Subject to repurchase agreements ..... \$
- 26.22. Subject to reverse repurchase agreements ..... \$
- 26.23. Subject to dollar repurchase agreements ..... \$
- 26.24. Subject to reverse dollar repurchase agreements ..... \$
- 26.25. Placed under option agreements ..... \$
- 26.26. Letter stock or securities restricted as to sale - excluding FHLB Capital Stock ..... \$
- 26.27. FHLB Capital Stock ..... \$
- 26.28. On deposit with states ..... \$ 1,640,028
- 26.29. On deposit with other regulatory bodies ..... \$
- 26.30. Pledged as collateral - excluding collateral pledged to an FHLB ..... \$
- 26.31. Pledged as collateral to FHLB - including assets backing funding agreements ..... \$
- 26.32. Other ..... \$

26.3. For category (26.26) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....	.....	\$.....

27.1. Does the reporting entity have any hedging transactions reported on Schedule DB?..... NO

27.2. If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement..... NO

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?..... 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 ..... No
- 27.42 Permitted accounting practice ..... No
- 27.43 Other accounting guidance ..... 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:..... 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?..... NO

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

29. Excluding items in Schedule E- Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the *NAIC Financial Condition Examiners Handbook*?..... YES

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

1	2
Name of Custodian(s)	Custodian's Address
BMO Harris Private Bank.....	13205 Manchester Road, St. Louis, MO 63131.....

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

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

29.03. Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?..... NO

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

**GENERAL INTERROGATORIES**  
PART 1 - COMMON INTERROGATORIES

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

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

1	2
Name of Firm or Individual	Affiliation
BMO Harris Private Bank	U
AAM Insurance Investment Management	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

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

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

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

30.1. Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? YES

30.2. If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
31420B888	FEDERATED HRMS GVULS IS	\$ 981,000
30.2999 TOTAL		\$ 981,000

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

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund’s Book / Adjusted Carrying Value Attributable to the Holding	Date of Valuation
FEDERATED HRMS GVILS IS	Bank of America Repo	\$ 96,138	12/31/2024
FEDERATED HRMS GVILS IS	Bank of Montreal Repo	90,252	12/31/2024
FEDERATED HRMS GVILS IS	HSBC Securities USA Inc, Repo	90,252	12/31/2024
FEDERATED HRMS GVILS IS	GNMA1 20240167 FE 10/20/54	27,468	12/31/2024
FEDERATED HRMS GVILS IS	FHLMC KF157 AS 04/25/33	26,487	12/31/2024

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1. Bonds	\$ 107,894,670	\$ 99,341,101	\$ (8,553,569)
31.2. Preferred Stocks			
31.3. Totals	\$ 107,894,670	\$ 99,341,101	\$ (8,553,569)

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

Fair Market Value was determined by the custodian.

32.1. Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? YES

32.2. If the answer to 32.1 is yes, does the reporting entity have a copy of the broker’s or custodian’s pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? YES

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

33.1. Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? YES

33.2. If no, list exceptions:

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

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

Has the reporting entity self-designated 5GI securities? NO

**GENERAL INTERROGATORIES**

PART 1 - COMMON INTERROGATORIES

35. By self-designating PLGI securities, the reporting entity is certifying its compliance with the requirements as specified in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) for private letter rating (PLR) securities and the following elements of each self-designated PLGI security:.....
- a. The security was either:
    - i. issued prior to January 1, 2018 (which is exempt from PLR filing requirements pursuant to the P&P Manual), or
    - ii. issued from January 1, 2018 to December 31, 2021 and subject to a confidentiality agreement executed prior to January 1, 2022 which confidentiality agreement remains in force, for which an insurance company cannot provide a copy of a private letter rating rationale report to the SVO due to confidentiality or other contractual reasons (“waived submission PLR securities”).
  - b. The reporting entity is holding capital commensurate with the NAIC Designation and NAIC Designation Category reported for the security.
  - c. The NAIC Designation and NAIC Designation Category were derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating, dated during the financial statement year, held by the insurer and available for examination by state insurance regulators.
  - d. Other than for waived submission PLR securities, defined above, on or after January 1, 2024 for any PLR securities issued on or after January 1, 2022, if the reporting entity is not permitted to share this private credit rating or the private rating letter rationale report of the PL security with the SVO, it certifies that it is reporting it as an NAIC 5.B GI and may not assign any other self-designation.

Has the reporting entity self-designated PLGI to securities, all of which meet the above requirement and as specified in the P&P Manual?.....NO.....

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
- a. The shares were purchased prior to January 1, 2019.
  - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
  - c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
  - d. The fund only or predominantly holds bonds in its portfolio.
  - e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
  - f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

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

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:
- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
  - b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
  - c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
  - d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria?.....NO.....

38.1. Does the reporting entity directly hold cryptocurrencies?.....NO.....

38.2. If the response to 38.1 is yes, on what schedule are they reported?.....

39.1. Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies?.....NO.....

39.2. If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?

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

39.22 Immediately converted to U.S. dollars.....NO.....

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

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

**OTHER**

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

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

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

41.1. Amount of payments for legal expenses, if any?.....\$..... 343,178 .....

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

1	2
Name	Amount Paid
Thompson Coburn, LLP.....	\$..... 102,150 .....

42.1. Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any?.....\$.....

**GENERAL INTERROGATORIES**

PART 1 - COMMON INTERROGATORIES

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? ..... NO
- 1.2 If yes, indicate premium earned on U.S. business only ..... \$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$
  - 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above ..... \$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance ..... \$
- 1.6 Individual policies:
  - Most current three years:
  - 1.61 Total premium earned ..... \$
  - 1.62 Total incurred claims ..... \$
  - 1.63 Number of covered lives .....
  - All years prior to most current three years:
  - 1.64 Total premium earned ..... \$
  - 1.65 Total incurred claims ..... \$
  - 1.66 Number of covered lives .....
- 1.7 Group policies:
  - Most current three years:
  - 1.71 Total premium earned ..... \$
  - 1.72 Total incurred claims ..... \$
  - 1.73 Number of covered lives .....
  - All years prior to most current three years:
  - 1.74 Total premium earned ..... \$
  - 1.75 Total incurred claims ..... \$
  - 1.76 Number of covered lives .....

2. Health Test:

		1	2
		Current Year	Prior Year
2.1	Premium Numerator .....	\$ 792,558,397	\$ 859,535,307
2.2	Premium Denominator .....	\$ 792,558,397	\$ 859,535,307
2.3	Premium Ratio (2.1/2.2) .....	100.000 %	100.000 %
2.4	Reserve Numerator .....	\$ 87,246,772	\$ 111,515,098
2.5	Reserve Denominator .....	\$ 87,246,772	\$ 111,515,098
2.6	Reserve Ratio (2.4/2.5) .....	100.000 %	100.000 %

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? ..... NO
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? ..... YES
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? ..... NO
- 5.1 Does the reporting entity have stop-loss reinsurance? ..... YES
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions)
  - 5.31 Comprehensive Medical ..... \$ 1,000,000
  - 5.32 Medical Only ..... \$
  - 5.33 Medicare Supplement ..... \$
  - 5.34 Dental and Vision ..... \$
  - 5.35 Other Limited Benefit Plan ..... \$
  - 5.36 Other ..... \$
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
All providers have the contractual obligation to continue service and agree not to seek reimbursement
  - 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? ..... YES
  - 7.2 If no, give details
- 8. Provide the following information regarding participating providers:
  - 8.1 Number of providers at start of reporting year ..... 4,179
  - 8.2 Number of providers at end of reporting year ..... 6,147
- 9.1 Does the reporting entity have business subject to premium rate guarantees? ..... NO
- 9.2 If yes, direct premium earned:

**GENERAL INTERROGATORIES**

PART 2 - HEALTH INTERROGATORIES

- 9.21 Business with rate guarantees between 15-36 months ..... \$
- 9.22 Business with rate guarantees over 36 months ..... \$
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... YES
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses ..... \$ 15,183,385
- 10.22 Amount actually paid for year bonuses ..... \$ 45,401,035
- 10.23 Maximum amount payable withholds ..... \$
- 10.24 Amount actually paid for year withholds ..... \$
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, ..... NO
- 11.13 An Individual Practice Association (IPA), or, ..... NO
- 11.14 A Mixed Model (combination of above)? ..... NO
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? ..... YES
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. .... Missouri
- 11.4 If yes, show the amount required. .... \$ 80,633,135
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? .....
- 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
Missouri - 19 Counties
Illinois - 7 Counties
Arkansas - 6 Counties
Ohio - 6 Counties
Kentucky - 28 Counties
Indiana - 12 Counties

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

1 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
- 16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? ..... NO

## FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2024	2023	2022	2021	2020
<b>Balance Sheet (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28)	214,043,904	253,311,717	239,651,396	221,024,850	247,296,766
2. Total liabilities (Page 3, Line 24)	114,627,174	162,326,744	138,428,376	118,043,652	134,194,357
3. Statutory minimum capital and surplus requirement	80,633,135	69,649,535	72,468,970	65,340,538	63,325,348
4. Total capital and surplus (Page 3, Line 33)	99,416,730	90,984,973	101,223,020	102,981,198	113,102,409
<b>Income Statement (Page 4)</b>					
5. Total revenues (Line 8)	792,558,397	859,535,307	903,677,390	824,890,534	853,296,118
6. Total medical and hospital expenses (Line 18)	695,124,881	746,890,397	784,873,716	715,886,118	705,472,971
7. Claims adjustment expenses (Line 20)	35,200,262	34,653,707	33,410,109	24,265,524	25,694,092
8. Total administrative expenses (Line 21)	76,804,098	82,105,405	87,587,335	69,573,188	80,531,976
9. Net underwriting gain (loss) (Line 24)	(14,570,844)	(4,114,202)	(2,193,770)	15,165,704	41,597,079
10. Net investment gain (loss) (Line 27)	7,013,464	5,258,047	3,730,597	3,605,651	4,526,944
11. Total other income (Lines 28 plus 29)	(41,390)	(80,916)	(45,246)	(212,650)	(207,992)
12. Net income or (loss) (Line 32)	(7,601,189)	917,787	1,077,785	14,764,804	33,347,235
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11)	(70,123,025)	(1,015,538)	11,512,257	(9,973,456)	29,508,182
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital	99,416,730	90,984,973	101,223,019	102,981,198	113,102,409
15. Authorized control level risk-based capital	32,256,990	27,877,840	28,987,588	26,136,215	25,330,151
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7)	47,641	54,744	64,032	62,691	63,764
17. Total members months (Column 6, Line 7)	583,238	660,580	765,675	758,883	768,935
<b>Operating Percentage (Page 4)</b> <b>(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0</b>					
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)	87.7	86.9	86.9	86.8	82.7
20. Cost containment expenses	2.5	2.3	1.9	1.5	1.9
21. Other claims adjustment expenses	1.9	1.8	1.8	1.4	1.2
22. Total underwriting deductions (Line 23)	101.8	100.5	100.2	98.2	95.1
23. Total underwriting gain (loss) (Line 24)	(1.8)	(0.5)	(0.2)	1.8	4.9
<b>Unpaid Claims Analysis</b> <b>(U&amp;I Exhibit, Part 2B)</b>					
24. Total claims incurred for prior years (Line 17, Col. 5)	72,141,572	81,826,801	61,593,001	92,036,297	105,550,786
25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)]	73,742,339	81,159,803	63,282,562	101,043,059	89,870,248
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	29,870,940	11,731,467	8,231,787	1,000,000	
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31	29,870,940	11,731,467	8,231,787	1,000,000	
33. Total investment in parent included in Lines 26 to 31 above.					

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

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Allocated by States and Territories

1	Direct Business Only									
	2	3	4	5	6	7	8	9	10	
States, Etc.	Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	CHIP Title XXI	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property / Casualty Premiums	Total Columns 2 Through 8	Deposit-Type Contracts
1. Alabama	AL	N								
2. Alaska	AK	N								
3. Arizona	AZ	N								
4. Arkansas	AR	L	779,915						779,915	
5. California	CA	N								
6. Colorado	CO	N								
7. Connecticut	CT	N								
8. Delaware	DE	N								
9. District of Columbia	DC	N								
10. Florida	FL	N								
11. Georgia	GA	N								
12. Hawaii	HI	N								
13. Idaho	ID	N								
14. Illinois	IL	L	163,049,523						163,049,523	
15. Indiana	IN	L	772,181						772,181	
16. Iowa	IA	N								
17. Kansas	KS	N								
18. Kentucky	KY	L	4,785,563						4,785,563	
19. Louisiana	LA	N								
20. Maine	ME	N								
21. Maryland	MD	N								
22. Massachusetts	MA	N								
23. Michigan	MI	N								
24. Minnesota	MN	N								
25. Mississippi	MS	N								
26. Missouri	MO	L	623,829,121						623,829,121	
27. Montana	MT	N								
28. Nebraska	NE	N								
29. Nevada	NV	N								
30. New Hampshire	NH	N								
31. New Jersey	NJ	N								
32. New Mexico	NM	N								
33. New York	NY	N								
34. North Carolina	NC	N								
35. North Dakota	ND	N								
36. Ohio	OH	N								
37. Oklahoma	OK	N								
38. Oregon	OR	N								
39. Pennsylvania	PA	N								
40. Rhode Island	RI	N								
41. South Carolina	SC	N								
42. South Dakota	SD	N								
43. Tennessee	TN	N								
44. Texas	TX	L								
45. Utah	UT	N								
46. Vermont	VT	N								
47. Virginia	VA	N								
48. Washington	WA	L								
49. West Virginia	WV	N								
50. Wisconsin	WI	N								
51. Wyoming	WY	N								
52. American Samoa	AS	N								
53. Guam	GU	N								
54. Puerto Rico	PR	N								
55. U.S. Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	N								
57. Canada	CAN	N								
58. Aggregate Other Alien	OT	XXX								
59. Subtotal	XXX		793,216,303						793,216,303	
60. Reporting entity contributions for Employee Benefit Plans	XXX									
61. Total (Direct Business)	XXX		793,216,303						793,216,303	
<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									
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX									

(a) Active Status Counts

- 1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG ..... 7
- 2. R - Registered - Non-domiciled RRGs ..... 5
- 3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state ..... 4
- 4. Q - Qualified - Qualified or accredited reinsurer ..... 7
- 5. N - None of the above - Not allowed to write business in the state ..... 50

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

Premium is allocated between states based on member's home address.

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

PART 1 - ORGANIZATIONAL CHART

Entity Name	FEIN	State of Domicile	NAIC #
Lumeris Group Holdings Corporation	26-1245470	DE	
Lumeris Holdings, LLC	80-0968618	DE	
Lumeris Solutions Company, LLC	43-1861242	DE	
Lumeris Health Outcomes MO, LLC	47-2472489	NC	
Lumeris ARO, LLC	26-3628710	MO	
	82-3463296	FL	
	88-1789122	DE	
	88-1764234	DE	
	92-3102119	DE	
	93-3879347	CO	
	99-0904611	NY	
	93-3633636	IL	
	93-1400012	DE	
	93-2085084	NJ	
	93-1435438	DE	
	99-2822679	MO	
	99-3260508	DE	
	99-3288876	DE	
	99-3374021	DE	
	99-2822679	DE	
	84-3677241	DE	
Essence Plan Holdings, LLC	84-5172897	MO	
	87-1943889	CA	
	99-2894234	DE	
	46-4071746	CA	
Essence Healthcare, Inc.	20-8185682	MO	11699
	86-3230767	GA	17058
	30-1295719	OH	17275
	88-0718243	MO	17254