17254202620100102

QUARTERLY STATEMENT

AS OF JUNE 30, 2026

OF THE CONDITION AND AFFAIRS OF THE

ESSENCE HEALTHCARE PPO, INC.

NAIC Group Code	4597, 4597 *(Current) (Prior)*	NAIC Company Code	17254
Employer's ID Number	88-0718243		
Organized under the Laws of	MO	State of Domicile or Port of Entry	MO
Country of Domicile	US		
Licensed as business type:	Life, Accident & Health	Is HMO Federally Qualified?	NO
Incorporated/Organized	02/15/2022	Commenced Business	02/15/2022
Statutory Home Office	13900 Riverport Drive, Maryland Heights, MO, US 63043		
Main Administrative Office	13900 Riverport Drive, Maryland Heights, MO, US 63043	1-866-509-5398 *(Telephone Number)*	
Mail Address	13900 Riverport Drive, Maryland Heights, MO, US 63043		
Primary Location of Books and Records	13900 Riverport Drive, Maryland Heights, MO, US 63043	1-866-509-5398 *(Telephone Number)*	
Internet Website Address	www.essencehealthcare.com		
Statutory Statement Contact	Lisa Michelle McGinnis	636-544-1318 *(Telephone Number)*	
	lmcginnis@lumeris.com *(E-Mail Address)*	314-222-7869 *(Fax Number)*	

OFFICERS

Jordan Reigel, President	Gail Halterman, Secretary
Erin Venable, Chief Financial Officer	Britton Whitbeck, Chief Compliance Officer

OTHER

Jason Siegel, Chief Actuary

DIRECTORS OR TRUSTEES

Richard Hardy Jones	Britton Whitbeck
Debbie Zimmerman	Erin Venable
Gail Halterman	Martha Butler
Steve Udvarhelyi M.D.	Vince Mellet
Jordan Reigel	

State of Missouri
County of St. Louis SS

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

x	x Erin Venable	x
Jordan Reigel	Erin Venable	Gail Halterman
President	Chief Financial Officer	Secretary

Subscribed and sworn to before me
this 12th day of
August, 2026

x Andrea Marie D'Angelo

ANDREA MARIE D'ANGELO
Notary Public - Notary Seal
State of Missouri
Commissioned for St. Charles County
My Commission Expires: August 13, 2029
Commission Number: 22787631

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

ASSETS

		Current Statement Date			4
		1	2	3	
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
1.	Bonds	1,710,098		1,710,098	1,702,477
2.	Stocks:				
	2.1 Preferred stocks				
	2.2 Common stocks				
3.	Mortgage loans on real estate:				
	3.1 First liens				
	3.2 Other than first liens				
4.	Real estate:				
	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 $..... encumbrances)				
5.	Cash ($.....4,269,972), cash equivalents ($.....) and short-term investments ($.....)	4,269,972		4,269,972	3,238,548
6.	Contract loans (including $..... premium notes)				
7.	Derivatives				
8.	Other invested assets				
9.	Receivables for securities				
10.	Securities lending reinvested collateral assets				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	5,980,070		5,980,070	4,941,025
13.	Title plants less $..... charged off (for Title insurers only)				
14.	Investment income due and accrued	3,920		3,920	3,919
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	69,831	10,720	59,111	211,398
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $..... earned but unbilled premiums)				
	15.3 Accrued retrospective premiums ($.....2,987,728) and contracts subject to redetermination ($.....)	2,987,728		2,987,728	743,014
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	4,743		4,743	9,868
	16.2 Funds held by or deposited with reinsured companies				
	16.3 Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans	17,333,143		17,333,143	11,242,538
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset				
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets ($.....)				
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	1,750,632		1,750,632	4,908,488
24.	Health care ($.....10,553,077) and other amounts receivable	15,503,442	4,950,365	10,553,077	14,183,670
25.	Aggregate write-ins for other-than-invested assets	8,845	8,845	–	–
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	43,642,354	4,969,930	38,672,424	36,243,920
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	Total (Lines 26 and 27)	43,642,354	4,969,930	38,672,424	36,243,920
Details of Write-Ins					
1101.					
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Prepaid Expenses	8,845	8,845	–	
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	8,845	8,845	–	–

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1	2	3	4
		Covered	Uncovered	Total	Total
1.	Claims unpaid (less $..... reinsurance ceded)	9,513,812		9,513,812	9,274,542
2.	Accrued medical incentive pool and bonus amounts	3,066,202		3,066,202	1,420,163
3.	Unpaid claims adjustment expenses	223,995		223,995	186,759
4.	Aggregate health policy reserves, including the liability of $..... for medical loss ratio rebate per the Public Health Service Act				–
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	32,623		32,623	36,176
9.	General expenses due or accrued	41,558		41,558	192,563
10.1	Current federal and foreign income tax payable and interest thereon (including $..... on realized gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including $..... current) and interest thereon $..... (including $..... current)				
15.	Amounts due to parent, subsidiaries and affiliates	3,656,468		3,656,468	2,368,378
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties (with $.....5,706,413 authorized reinsurers, $..... unauthorized reinsurers and $..... certified reinsurers)	5,706,413		5,706,413	4,773,290
20.	Reinsurance in unauthorized and certified ($.....) companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans				811,907
23.	Aggregate write-ins for other liabilities (including $..... current)				
24.	Total liabilities (Lines 1 to 23)	22,241,071		22,241,071	19,063,778
25.	Aggregate write-ins for special surplus funds	XXX	XXX		
26.	Common capital stock	XXX	XXX	1,000,000	1,000,000
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX	41,887,916	41,887,916
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other-than-special surplus funds	XXX	XXX		
31.	Unassigned funds (surplus)	XXX	XXX	(26,456,565)	(25,707,774)
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	16,431,351	17,180,142
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	38,672,422	36,243,920
Details of Write-Ins					
2301.					
2302.					
2303.					
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.		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 to Date		Prior Year To Date	Prior Year Ended December 31
		1	2	3	4
		Uncovered	Total	Total	Total
1.	Member Months	XXX	66,295	82,933	167,040
2.	Net premium income (including $..... non-health premium income)	XXX	54,850,245	61,130,951	119,254,647
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	54,850,245	61,130,951	119,254,647
Hospital and Medical:					
9.	Hospital/medical benefits		44,876,060	23,399,186	108,732,427
10.	Other professional services		3,877,614	2,456,758	9,244,342
11.	Outside referrals		5,431,091	3,533,197	13,748,444
12.	Emergency room and out-of-area		1,559,455	945,037	3,570,977
13.	Prescription drugs		17,275,705	27,182,344	56,172,738
14.	Aggregate write-ins for other hospital and medical				
15.	Incentive pool, withhold adjustments and bonus amounts		1,448,846	(2,609,869)	(4,820,992)
16.	Subtotal (Lines 9 to 15)		74,468,771	54,906,653	186,647,936
Less:					
17.	Net reinsurance recoveries		29,653,946	(36,527)	73,145,077
18.	Total hospital and medical (Lines 16 minus 17)		44,814,825	54,943,180	113,502,859
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including $.....1,706,584 cost containment expenses		3,746,808	1,073,592	5,149,580
21.	General administrative expenses		7,132,895	8,821,714	7,646,728
22.	Increase in reserves for life and accident and health contracts (including $..... increase in reserves for life only)			(1,986,652)	(3,973,304)
23.	Total underwriting deductions (Lines 18 through 22)		55,694,528	62,851,834	122,325,863
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(844,283)	(1,720,883)	(3,071,216)
25.	Net investment income earned		160,845	379,987	633,643
26.	Net realized capital gains (losses) less capital gains tax of $.....				
27.	Net investment gains (losses) (Lines 25 plus 26)		160,845	379,987	633,643
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....(603)) (amount charged off $.....)]		(136,379)	(34,713)	(37,883)
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	(819,817)	(1,375,609)	(2,475,456)
31.	Federal and foreign income taxes incurred	XXX		–	–
32.	Net income (loss) (Lines 30 minus 31)	XXX	(819,817)	(1,375,609)	(2,475,456)
Details of Write-Ins					
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 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
33.	Capital and surplus prior reporting year	17,180,140	23,166,832	23,166,832
34.	Net income or (loss) from Line 32	(819,817)	(1,375,609)	(2,475,456)
35.	Change in valuation basis of aggregate policy and claim reserves			
36.	Change in net unrealized capital gains (losses) less capital gains tax of $.....			
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax			
39.	Change in nonadmitted assets	71,026	(2,439,387)	(3,511,230)
40.	Change in unauthorized and certified reinsurance			
41.	Change in treasury stock			
42.	Change in surplus notes			
43.	Cumulative effect of changes in accounting principles			
44.	Capital Changes:			
	44.1 Paid in			
	44.2 Transferred from surplus (stock dividend)			
	44.3 Transferred to surplus			
45.	Surplus adjustments:			
	45.1 Paid in	–	–	–
	45.2 Transferred to capital (stock dividend)			
	45.3 Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus	2	(2,370)	(6)
48.	Net change in capital and surplus (Lines 34 to 47)	(748,789)	(3,817,366)	(5,986,692)
49.	Capital and surplus end of reporting period (Line 33 plus 48)	16,431,352	19,349,466	17,180,140
Details of Write-Ins				
4701.	Prior Period Adjustment	2	(2,370)	(6)
4702.				
4703.				
4798.	Summary of remaining write-ins for Line 47 from overflow page			
4799.	Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	2	(2,370)	(6)

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	52,856,912	56,183,142	115,839,856
2. Net investment income	153,223	364,969	618,274
3. Miscellaneous income	3,599,125	(4,038,964)	(3,578,872)
4. Total (Lines 1 to 3)	56,609,260	52,509,147	112,879,258
5. Benefit and loss related payments	42,924,391	56,006,464	119,532,243
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	18,032,363	12,373,902	20,278,835
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $..... tax on capital gains (losses)		–	–
10. Total (Lines 5 through 9)	60,956,754	68,380,366	139,811,078
11. Net cash from operations (Line 4 minus Line 10)	(4,347,494)	(15,871,219)	(26,931,820)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds	–	–	–
12.8 Total investment proceeds (Lines 12.1 to 12.7)	–	–	–
13. Cost of investments acquired (long-term only):			
13.1 Bonds			
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications	–	–	–
13.7 Total investments acquired (Lines 13.1 to 13.6)	–	–	–
14. Net increase/(decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	–	–	–
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock	–	–	–
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	5,378,918	(3,484,191)	2,911,371
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	5,378,918	(3,484,191)	2,911,371
Reconciliation of Cash, Cash Equivalents and Short-Term Investments			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	1,031,424	(19,355,410)	(24,020,449)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	3,238,548	27,258,997	27,258,997
19.2 End of period (Line 18 plus Line 19.1)	4,269,972	7,903,587	3,238,548

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

20.0001. Capital Contribution Receivable			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13	14
		2	3				Federal Employees Health							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other Health	Other Non-Health
Total Members at end of:														
1. Prior year	14,248							14,248						
2. First quarter	11,034							11,034						
3. Second quarter	10,969							10,969						
4. Third quarter														
5. Current year														
6. Current year member months	66,295							66,295						
Total Member Ambulatory Encounters for Period:														
7. Physician	41,591							41,591						
8. Non-physician	23,431							23,431						
9. Total	65,022							65,022						
10. Hospital patient days incurred	3,527							3,527						
11. Number of inpatient admissions	681							681						
12. Health premiums written (a)	84,181,555							84,181,555						
13. Life premiums direct														
14. Property/casualty premiums written														
15. Health premiums earned	84,181,555							84,181,555						
16. Property/casualty premiums earned														
17. Amount paid for provision of health care services	84,565,381							84,565,381						
18. Amount incurred for provision of health care services	74,468,772							74,468,772						

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $84,181,555

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (REPORTED AND UNREPORTED)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0299999 – Aggregate accounts not individually listed-uncovered	276,688					276,688
0499999 – Subtotals	276,688					276,688
0599999 – Unreported claims and other claim reserves						9,237,124
0799999 – Total claims unpaid						9,513,812
0899999 – Accrued medical incentive pool and bonus amounts						3,066,202

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability Dec. 31 of Prior 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	4,827,964	35,310,398	123,549	9,390,263	4,951,513	9,274,539
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)	4,827,964	35,310,398	123,549	9,390,263	4,951,513	9,274,539
14. Health care receivables (a)	(296,479)	3,632,394			(296,479)	6,324,260
15. Other non-health						
16. Medical incentive pools and bonus amounts	(197,193)		1,720,678	1,345,524	1,523,485	1,420,163
17. Totals (Lines 13-14+15+16)	4,927,250	31,678,004	1,844,227	10,735,787	6,771,477	4,370,442

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

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

The financial statements of Essence Healthcare PPO, Inc. (“EHPP” or “the Company”) are presented on the basis of accounting practices prescribed or permitted by the Missouri Department of Commerce and Insurance (the Department). The Department 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:

A. Accounting Practices

	SSAP #	F/S Page	F/S Line #	06/30/2026	12/31/2025
Net Income					
(1) State basis (Page 4, Line 32, Columns 2 & 4)	XXX	XXX	XXX	$ (819,817)	$ (2,475,456)
(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	$ (819,817)	$ (2,475,456)
Surplus					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	$ 16,431,351	$ 17,180,142
(6) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
(7) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	$ 16,431,351	$ 17,180,142

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 multiple 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 – Effective January 2025, under the Inflation Reduction Act, CMS pays the Company a cost reimbursement estimate monthly to fund the CMS obligation to pay approximately 20% of brand drugs and 40% of generic drugs incurred by individual members in excess of the individual annual out-of-pocket maximum. In 2024, CMS was obligated to pay approximately 80% of incurred expenses 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.

Notes to the Financial Statements

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

- 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 statements of operations and aggregate health policy obligations and reserves in the statements of assets, liabilities, and capital and surplus.

- Coverage Gap Discount (CGD) – 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. This program was eliminated as of December 31, 2024 and replaced with the Manufacturer Discount Program.

- Manufacturer Discount Program - This program replaced the CGD and is effective January 1, 2025. Manufacturers are required to provide members mandatory discounts on certain covered drugs both below and above the annual out-of-pocket threshold. Under this program discounts are administered through CMS and its contracted third party administrator. Amounts received are not reflected as premium revenues, but rather are accounted for as deposits. The Company records a liability when amounts are received form CMS and a receivable when the amounts owed by manufacturers are known.

- Medicare Prescription Payment Plan (M3P) - This voluntary program was effective January 1, 2025 and allows Medicare Part D beneficiaries to elect to have out-of-pocket prescription drug costs paid by the Company at the point of sale and subsequently repaid in equal monthly installments over the remainder of the plan year. Amounts advanced on behalf of the members are recorded as accounts receivable and are periodically assessed for collectability.

- Reinsurance—The Company utilizes reinsurance contracts to reduce its exposure to losses in all aspects of the business. Such reinsurance permits recovery of a portion of the losses from the reinsurers, although it does not relieve the Company of its primary liability to policyholders. The Company enters into ceded reinsurance contracts under two different types of arrangements: excess of loss (XOL) reinsurance and quota share coinsurance with funds withheld (quota share) reinsurance contracts. In XOL reinsurance, the reinsurer agrees to assume all or a portion of the ceding company's losses in excess of a specified amount. In quota share reinsurance, the reinsurer assumes an agreed percentage of the underlying policies being reinsured and shares all premiums and incurred claims accordingly. The Company evaluates the financial strength of potential reinsurers and continually monitors the financial condition of reinsurers.

  Reinsurance premiums and benefits paid or provided are accounted for on bases consistent with those used in accounting for the original policies issued to members and the terms of the reinsurance contract. Reinsurance premiums paid are reflected as a reduction of premium revenue. Reinsurance recoveries received are reflected as a reduction of medical and hospital expenses.

  Effective January 1, 2025, the Company entered into a funds withheld coinsurance agreement with EHI, an affiliate. Pursuant to this agreement, the Company agreed to cede, on a coinsurance with funds withheld basis, a specified quota share of reinsurance claims. Under funds withheld reinsurance agreements, the funds withheld is recorded as a funds withheld liability and any excess or shortfall to statutory reserves is settled periodically. The Company cedes a proportional share of its premium and medical costs to EHI. EHI then cedes 100% of these amounts to an unaffiliated reinsurer.

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) The Company does not have any short term investments.

(2) The Company had no mandatory convertible securities and Securities Valuation Office (SVO) identified securities.

(3) The Company does not have any common stock.

(4) The Company does not have any preferred stock.

(5) The Company does not have any mortgage loans.

(6) The Company does not have any loaned-backed securities.

(7) The Company does not have any investments in subsidiaries, controlled or affiliated companies.

Notes to the Financial Statements

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

(8) The Company does not hae any investments in joint ventures, partnerships, or limited liability companies.

(9) The Company does not have an 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 - None

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

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. Asset-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. Investments in Tax Credit Structures (tax credit investments) - None

Notes to the Financial Statements

5. Investments (Continued)

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 minus 2)	(4) Total Current Year Nonadmitted Restricted	(5) Total Current Year Admitted Restricted (1 minus 4)	(6) Gross (Admitted & Nonadmitted) Restricted to Total Assets	(7) Admitted Restricted to Total Admitted Assets	(8) Amount Reported in General Interrogatories	(9) Difference from Note and Annual GI	(10) Annual GI Ref
a.	Subject to contractual obligation for which liability is not shown	$	$	$	$	$	%	%	XXX	XXX	XXX
b.	Collateral held under security lending agreements								XXX	XXX	25.04+25.05
c.	Subject to repurchase agreements								XXX	XXX	26.21
d.	Subject to reverse repurchase agreements								XXX	XXX	26.22
e.	Subject to dollar repurchase agreements								XXX	XXX	26.23
f.	Subject to dollar reverse repurchase agreements								XXX	XXX	26.24
g.	Placed under option contracts								XXX	XXX	26.25
h.	Letter stock or securities restricted as to sale - excluding FHLB capital stock								XXX	XXX	26.26
i.	FHLB capital stock								XXX	XXX	26.27
j.	On deposit with states	1,710,098	1,702,477	7,621		1,710,098	3.918	4.422	XXX	XXX	26.28
k.	On deposit with other regulatory bodies								XXX	XXX	26.29
l.	Pledged as collateral to FHLB (including assets backing funding agreements)								XXX	XXX	26.31
m.	Pledged as collateral not captured in other categories								XXX	XXX	26.30
n.	Other restricted assets								XXX	XXX	26.32
o.	Collateral assets received and on balance sheet								XXX	XXX	XXX
p.	Assets held under modco reinsurance agreements								XXX	XXX	XXX
q.	Assets held under funds withheld reinsurance agreements								XXX	XXX	XXX
r.	Total restricted assets (Sum of a through q)	$ 1,710,098	$ 1,702,477	$ 7,621	$	$ 1,710,098	3.918 %	4.422 %	XXX	XXX	XXX

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

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

(4) Collateral received and assets held under Modco/Funds Withheld (FWH) reinsurance agreements reflected as assets within the reporting entity's financial statements - None

(5) Assets held as collateral or under modified coinsurance (Modco) or funds withheld reinsurance (FWH) agreements that have been pledged for another purpose specific to the insurance reporting entity (not for the benefit of the reinsurer)

		(1) Collateral Held	(2) Modco	(3) FWH
a.	Securities lending	$	$	$
b.	Repo/repurchase agreements			
c.	Placed under option contracts			
d.	On deposit with states			
e.	On deposit with other regulatory bodies			
f.	Pledged as collateral to FHLB (including assets backing funding agreements)			
g.	Pledged as collateral not captured in other categories			
h.	Total (a+b+c+d+e+f+g)	$	$	$

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

Notes to the Financial Statements

5. Investments (Continued)

S. Aggregate Collateral Loans by Qualifying Investment Collateral

Collateral Type	Aggregate Collateral Loan	Admitted	Nonadmitted
(1) Cash, Cash Equivalent & ST Investments			
a. Affiliated	$	$	$
b. Unaffiliated			
(2) Issuer Credit Obligations			
a. Affiliated			
b. Unaffiliated			
(3) Asset-Backed Securities			
a. Affiliated			
b. Unaffiliated			
(4) Preferred Stocks			
a. Affiliated			
b. Unaffiliated			
(5) Common Stocks			
a. Affiliated			
b. Unaffiliated			
(6) Real Estate			
a. Affiliated			
b. Unaffiliated			
(7) Mortgage Loans			
a. Affiliated			
b. Unaffiliated			
(8) Joint Ventures, Partnerships, LLC			
a. Affiliated			
b. Unaffiliated			
(9) Other Qualifying Investments			
a. Affiliated			
b. Unaffiliated			
(10) Collateral Does not Qualify as an Investment			
a. Affiliated			
b. Unaffiliated			
(11) Total	$	$	$

6. Joint Ventures, Partnerships and Limited Liability Companies - None

7. Investment Income

A. Due and Accrued Income Excluded from Surplus

All investment income due & 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

The Company had no investment income due & accrued excluded from surplus.

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

Interest Income Due and Accrued	Amount
1. Gross	$ 3,920
2. Nonadmitted	$
3. Admitted	$ 3,920

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 - None

Notes to the Financial Statements

9. Income Taxes

A. Components of the net deferred tax asset/(liability)

(1) Change between years by tax character

	06/30/2026			12/31/2025			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	$ 5,489,076	$	$ 5,489,076	$ 5,399,492	$	$ 5,399,492	$ 89,584	$	$ 89,584
(b) Statutory valuation allowance adjustments	5,489,076		5,489,076	5,399,492		5,399,492	89,584		89,584
(c) Adjusted gross deferred tax assets (1a - 1b)	–		–	–		–	–		–
(d) Deferred tax assets nonadmitted									
(e) Subtotal net admitted deferred tax asset (1c - 1d)	$ –	$	$ –	$ –	$	$ –	$ –	$	$ –
(f) Deferred tax liabilities									
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	$ –	$	$ –	$ –	$	$ –	$ –	$	$ –

(2) Admission calculation components SSAP No. 101

	06/30/2026			12/31/2025			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$	$	$	$	$	$	$	$	$
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (lesser of 2(b)1 and 2(b)2 below)				5,399,493		5,399,493	(5,399,493)		(5,399,493)
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	2,464,726	XXX	XXX	1,717,765	XXX	XXX	746,961
(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))	$	$	$	$ 5,399,493	$	$ 5,399,493	$ (5,399,493)	$	$ (5,399,493)

(3) Ratio used as basis of admissibility

	06/30/2026	12/31/2025
(a) Ratio percentage used to determine recovery period and threshold limitation amount	305.918 %	257.525 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	$ 16,431,505	$ 17,177,652

(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

	06/30/2026		12/31/2025		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)	$ –	$	$ –	$	$ –	$
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)	$ –	$	$ –	$	$ –	$
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 - Not Applicable

Notes to the Financial Statements

9. Income Taxes (Continued)

C. Major components of current income taxes incurred

Current income taxes incurred consist of the following major components:	(1) 06/30/2026	(2) 12/31/2025	(3) Change (1-2)
1. Current Income Tax			
(a) Federal	$	$	$
(b) Foreign			
(c) Subtotal (1a+1b)	$	$	$
(d) Federal income tax on net capital gains			
(e) Utilization of capital loss carry-forwards			
(f) Other			
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	$	$	$

	(1) 06/30/2026	(2) 12/31/2025	(3) Change (1-2)
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 47,154	$ 35,764	$ 11,390
(2) Unearned premium reserve	1,370	1,519	(149)
(3) Policyholder reserves			
(4) Investments			
(5) Deferred acquisition costs			
(6) Policyholder dividends accrual			
(7) Fixed assets			
(8) Compensation and benefits accrual			
(9) Pension accrual			
(10) Receivables - nonadmitted			
(11) Net operating loss carry-forward	4,396,899	4,303,608	93,291
(12) Tax credit carry-forward			
(13) Other	1,043,653	1,058,601	(14,948)
(99) Subtotal (Sum of 2a1 through 2a13)	$ 5,489,076	$ 5,399,492	$ 89,584
(b) Statutory valuation allowance adjustment	5,489,076	5,399,492	89,584
(c) Nonadmitted			
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	$ –	$ –	$ –
(e) Capital			
(1) Investments	$	$	$
(2) Net capital loss carry-forward			
(3) Real estate			
(4) Other			
(99) Subtotal (2e1+2e2+2e3+2e4)	$	$	$
(f) Statutory valuation allowance adjustment			
(g) Nonadmitted			
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)			
(i) Admitted deferred tax assets (2d + 2h)	$ –	$ –	$ –

	(1) 06/30/2026	(2) 12/31/2025	(3) Change (1-2)
3. Deferred Tax Liabilities			
(a) Ordinary			
(1) Investments	$	$	$
(2) Fixed assets			
(3) Deferred and uncollected premium			
(4) Policyholder reserves			
(5) Other			
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	$	$	$
(b) Capital			
(1) Investments	$	$	$
(2) Real estate			
(3) Other			
(99) Subtotal (3b1+3b2+3b3)	$	$	$
(c) Deferred tax liabilities (3a99 + 3b99)	$	$	$
4. Net deferred tax assets/liabilities (2i - 3c)	$ –	$ –	$ –

Notes to the Financial Statements

9. Income Taxes (Continued)

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			$

D. Among the more significant book to tax adjustments

	06/30/2026	Effective Tax Rate
Provision Computed at Statutory Rate	$ (104,531)	21.000 %
Prior Year underaccrual (overaccrual)		
Change in Nonadmitted Assets	14,948	-3.003
Change in Valuation Allowance	89,583	-17.997
Other		
Total	$ —	— %

E. Operating loss and tax credit carryforwards

At June 30, 2026 the Company had $20,937,615 of net operating loss carryforwards which begin to expire in 2042.

The aggregate amount of deposits reported as admitted assets under Section 6603 of the Internal Revenue Service (IRS) Code was $0 as of June 30, 2026.

F. Consolidated federal income tax return

(1) The Company's federal income tax return is consolidated with the following entities:
Lumeris Group Holdings Corporation
Lumeris Holdings, LLC
Essence Healthcare, Inc.
Essence Healthcare of GA, Inc.
Essence Healthcare of OH, Inc.

(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

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

H. Repatriation Transition Tax (RTT)

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

I. Alternative Minimum Tax (AMT) Credit

At June 30, 2026 the Company had $0 of AMT credits.

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

A. The Company is a wholly-owned subsidiary of Essence Healthcare, Inc. The Company and Lumeris Group Holdings Corporation LGHC have entered into a Guaranty Agreement that requires EGHC, in addition to certain other obligations, to provide capital to the Company to permit the maintenance of statutorily required levels of surplus and reserves.

B. No contributions were received in 2025 or 2026

C. Transactions with related party who are not reported on Schedule Y - None

D. As of June 30, 2026, the Company has a receivable from Essence Healthcare, Inc in the amount of $1,750,632 and payables of $190,214 to Lumeris ARO St. Louis, LLC and $3,466,254 to Lumeris Healthcare Outcomes, LLC.

E. 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 percent of premium basis. The Intercompany Services Agreement requires both parties to pay all invoices within 30 days of receipt.

F. Guarantees or Contingencies - None

G. All outstanding shares of the Company are owned by the Parent Company, Essence Healthcare, Inc., an insurance company domiciled in the state of Missouri.

Notes to the Financial Statements

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

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 - None

N. Investment in Insurance SCAs - None

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

C. Unused commitments and lines of credit for financing arrangements:

	Current Year		Prior Year	
	Unused Commitments	Unused Lines of Credit	Unused Commitments	Unused Lines of Credit
Short-Term (contracts terminating in 12 months or less)	$	$	$	$
Long-Term (contracts terminating in more than 12 months)				
Total	$	$	$	$

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

The Company maintains a 401(k) profit sharing plan through its affiliate, Lumeris Solutions Company, LLC. The Company 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 $54,055 for June 30, 2026.

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. The Company has 1,000,000 shares of common stock authorized, issued and outstanding. Par value of common stock is $1 par value.

B. Dividend Rate of Preferred Stock - None

C. Dividend Restrictions - None

D. Ordinary Dividends - None

E. Company Profits Paid as Ordinary Dividends - None

F. Surplus Restrictions - None

G. Surplus Advances - None

H. Stock Held for Special Purposes - None

I. Changes in Special Surplus Funds - None

J. Unassigned Funds (Surplus) - None

K. Company-Issued Surplus Debentures or Similar Obligations - None

L. Impact of Any Restatement Due to Prior Quasi-Reorganizations - None

M. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - None

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments - None

B. Assessments - None

Notes to the Financial Statements

14. Liabilities, Contingencies and Assessments (Continued)

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 - None

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 - None

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

(1) Fair value measurements at reporting date - None

(2) Fair value measurements in Level 3 of the fair value hierarchy - None

(3) Policy on transfers into and out of Level 3 - None

(4) Inputs and techniques used for Level 2 and Level 3 fair values - None

(5) Derivatives - None

B. Other Fair Value Disclosures - None

C. Fair Values or NAV for All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	$ 1,686,034	$ 1,710,098	$ 1,686,034	$	$	$	$

D. Not Practicable to Estimate Fair Value - None

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

21. Other Items

A. Unusual or Infrequent Items - None

Notes to the Financial Statements

21. Other Items (Continued)

B. Troubled Debt Restructuring - None

C. Other Disclosures - None

D. Business Interruption Insurance Recoveries - None

E. State and Federal 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

1. Type I. – Recognized Subsequent Events
Subsequent events have been considered through August 15, 2026 for the statutory statement issued for June 30, 2026.

None

Type II. – Nonrecognized Subsequent Events
Subsequent events have been considered through August 15, 2026 for the statutory statement issued for June 30, 2026.

None

23. Reinsurance

On January 1, 2025, the Company entered into a reinsurance agreement with Canada Life, in which 40% of premiums and medical costs are ceded to the reinsurer. As ofJune 30, 2026, the Company ceded $32,678,824of premiums and $(29,659,071) of medical costs to Canada Life, the reinsurer, via Essence Healthcare, Inc. as a pass through entity.

The Company also entered into a reinsurance agreement with PartnerRe, effective January 1, 2026, in which a per member per month allocation is ceded to the reinsurer. As of June 30, 2026, the Company ceded $383,827 of premiums to PartnerRe.

A. Ceded Reinsurance Report

Essence PPO retained reinsurance coverage effective January 1, 2026 with PartnerRe America Insurance Company. The primary obligation of Essence PPO remains to arrange for health care services for the policyholder. Payments totaling $50,079 have been received in 2026 and applied to the receivable and reinsurance ceded on claims unpaid that were recognized at December 31, 2025.

Section 1 – General Interrogatories

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

Yes ( ) No (X)

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

Yes ( ) No (X)

Section 2 – Ceded Reinsurance Report – Part A

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

Yes ( ) No (X)

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

Yes ( ) No (X)

Section 3 – Ceded Reinsurance Report – Part B

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

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

Yes ( ) No (X)

B. Uncollectible Reinsurance - None

Notes to the Financial Statements

23. Reinsurance (Continued)

C. Commutation of Ceded Reinsurance - None

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

E. Reinsurance Credit - None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate - None

B. Method Used to Record - None

C. Amount and Percent of Net Retrospective Premiums - None

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

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

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves for claims and claim adjustment expenses as of December 31, 2025 were $10,881,464 . As of June 30, 2026 , $11,438,271has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $1,844,227as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a $2,401,035 unfavorable prior-year development since December 31, 2025 to June 30, 2026 . 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. There were no significant changes in methodologies and assumptions used in calculating the liability for the unpaid losses and loss adjustment expenses.

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

B. Significant Changes in Methodologies and Assumptions Used in Calculating the Liability for Unpaid Claims and Claim Adjustment Expenses

26. Intercompany Pooling Arrangements - None

27. Structured Settlements - None

28. Health Care Receivables - No Significant Changes

29. Participating Policies - None

30. Premium Deficiency Reserves

1.	Liability carried for premium deficiency reserves:	$—
2.	Date of the most recent evaluation of this liability:	12/31/2025
3.	Was anticipated investment income utilized in the calculation?	YES

31. Anticipated Salvage and Subrogation - None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? NO

1.2 If yes, has the report been filed with the domiciliary state? NO

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 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 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? NO

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

3.4 Is the reporting entity publicly traded or a member of a publicly traded group? NO

3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? NO

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? NO
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

6.2 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.

6.3 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).

6.4 By what department or departments?

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? N/A

6.6 Have all of the recommendations within the latest financial examination report been complied with? N/A

7.1 Has this 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

7.2 If yes, give full information

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? NO

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? NO

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliates primary federal regulator.

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

9.1 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.

9.11 If the response to 9.1 is no, please explain:

9.2 Has the code of ethics for senior managers been amended? NO

9.21 If the response to 9.2 is yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? NO

9.31 If the response to 9.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? YES

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 1,750,632

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) NO

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $

13.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? NO

13.2 If yes, please complete the following:

	1 Prior Year-End Book / Adjusted Carrying Value	2 Current Quarter Book / Adjusted Carrying Value
13.21 Bonds	$	$
13.22 Preferred Stock		
13.23 Common Stock		
13.24 Short-Term Investments		
13.25 Mortgage Loans on Real Estate		
13.26 All Other		
13.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 13.21 to 13.26)		
13.28 Total Investment in Parent included in Lines 13.21 to 13.26 above		

14.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? NO

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

15. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

15.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $

15.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $

15.3 Total payable for securities lending reported on the liability page $

16. 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*? NO

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

1 Name of Custodian(s)	2 Custodian Address

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? NO

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

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

16.5 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.

1 Name of Firm or Individual	2 Affiliation

16.5097 For those firms/individuals listed in the table for Question 16.5, 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? NO

16.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 16.5, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? NO

16.6 For those firms or individuals listed in the table for 16.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

17.2 If no, list exceptions:

18. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
    a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
    b. Issuer or obligor is current on all contracted interest and principal payments.
    c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

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

19. 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 a 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

20. 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

GENERAL INTERROGATORIES

PART 2 – HEALTH

1.	Operating Percentages:		
	1.1	A&H loss percent	84.228 %
	1.2	A&H cost containment percent	3.111 %
	1.3	A&H expense percent excluding cost containment expenses	13.613 %
2.1	Do you act as a custodian for health savings accounts?		NO
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.		$
2.3	Do you act as an administrator for health savings accounts?		NO
2.4	If yes, please provide the balance of the funds administered as of the reporting date.		$
3.	Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?		YES
3.1	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?		

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Business Ceded	8 Type of Reinsurer	9 Certified Reinsurer Rating (1 through 6)	10 Effective Date of Certified Reinsurer Rating
Accident & Health - Non-Affiliates									
80659	82-4533188	01/01/2025	Canada Life Assurance Company	MI	QA/G	MR	Authorized		
11835	04-1590940	01/01/2026	PartnerRe America Insurance Company	DE	SSL/I	MR	Authorized		

SCHEDULE T – PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

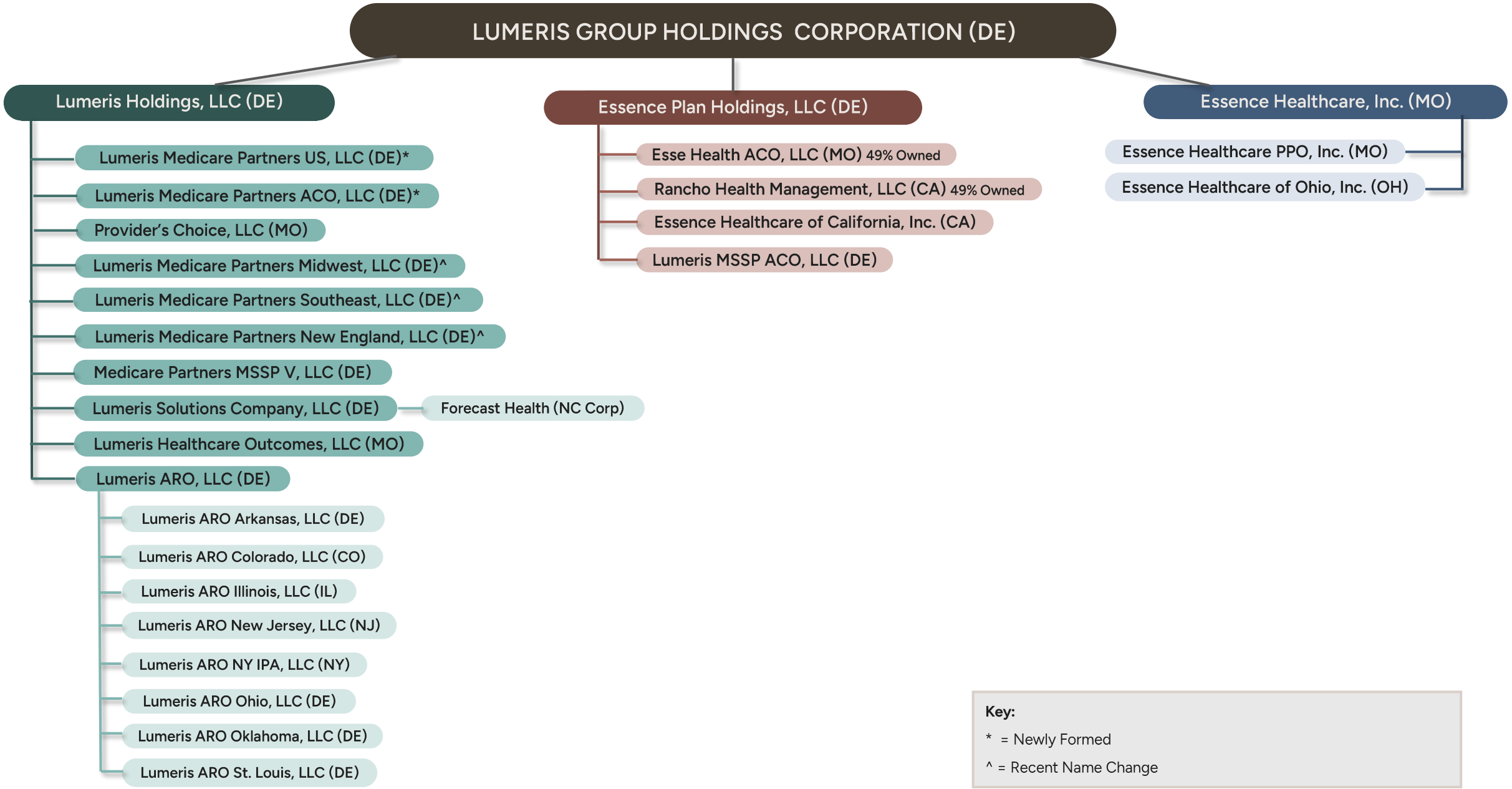
States, Etc.	1 Active Status (a)	Direct Business Only 2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Plan Premiums	7 Life & Annuity Premiums & Other Considerations	8 Property/ Casualty Premiums	9 Total Columns 2 Through 8	10 Deposit–Type Contracts
1. Alabama AL	N									
2. Alaska AK	N									
3. Arizona AZ	N									
4. Arkansas AR	L		3,087,511						3,087,511	
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		22,893,611						22,893,611	
15. Indiana IN	L		2,373,213						2,373,213	
16. Iowa IA	N									
17. Kansas KS	N									
18. Kentucky KY	L		2,468,654						2,468,654	
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		53,358,566						53,358,566	
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	L									
37. Oklahoma OK	N									
38. Oregon OR	N									
39. Pennsylvania PA	N									
40. Rhode Island RI	N									
41. South Carolina SC	N									
42. South Dakota SD	N									
43. Tennessee TN	N									
44. Texas TX	N									
45. Utah UT	N									
46. Vermont VT	N									
47. Virginia VA	N									
48. Washington WA	N									
49. West Virginia WV	N									
50. Wisconsin WI	N									
51. Wyoming WY	N									
52. American Samoa AS	N									
53. Guam GU	N									
54. Puerto Rico PR	N									
55. U.S. Virgin Islands VI	N									
56. Northern Mariana Islands MP	N									
57. Canada CAN	N									
58. Aggregate Other Alien OT	XXX									
59. Subtotal	XXX		84,181,555						84,181,555	
60. Reporting entity contributions for employee benefits plans	XXX									
61. Total (direct business)	XXX		84,181,555						84,181,555	
Details of Write-Ins										
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 — 6
2. R – Registered – Non-domiciled RRGs — —
3. E – Eligible - Reporting entities eligible or approved to write surplus lines in the state — —
4. Q – Qualified - Qualified or accredited reinsurer — —
5. N – None of the above - Not allowed to write business in the state — 51

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

PART 1 - ORGANIZATIONAL CHART



Key:

* = Newly Formed

^ = Recent Name Change

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SCHEDULE Y

PART 1A - DETAILS OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries Or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies) / Person(s)	15 Is an SCA Filing Required? (Yes/No)	16 *
4597	Lumeris Grp		26-3628710				Lumeris Healthcare Outcomes, LLC	MO	NIA	Lumeris Holdings LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		43-1861242				Lumeris Solutions Company, LLC	DE	NIA	Lumeris Holdings LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		80-0968618				Lumeris Holdings, LLC	DE	NIA	Lumeris Group Holdings Corporation	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		26-1245470				Lumeris Group Holdings Corporation	DE	UDP	JDlinx, LLC	Ownership	60.790	JDLinx, LLC	NO	
4597	Lumeris Grp	11699	20-8185682				Essence Healthcare, Inc.	MO	RE	Lumeris Group Holdings Corporation	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		47-2472489				Forecast Health Inc.	NC	NIA	Lumeris Solutions Company, LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		82-3463296				LHO of Florida, LLC	FL	NIA	Lumeris Healthcare Outcomes, LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		84-3677241				Essence Plan Holdings, LLC	DE	NIA	Lumeris Group Holdings Corporation	Ownership	100.000	JDlinx, LLC	NO	
4597	Lumeris Grp		84-5172897				Esse Health ACO, LLC	MO	NIA	Essence Plan Holdings, LLC	Ownership	49.000	JDLinx, LLC	NO	
4597	Lumeris Grp		87-1943889				Rancho Health Management, LLC	CA	NIA	Essence Plan Holdings, LLC	Ownership	49.000	JDLinx, LLC	NO	
4597	Lumeris Grp		99-2894234				Lumeris MSSP ACO, LLC	DE	NIA	Essence Plan Holdings, LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		46-4071746				Essence Healthcare of California, Inc.	CA	NIA	Essence Plan Holdings, LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp	17254	88-0718243				Essence Healthcare PPO, Inc.	MO	DS	Essence Healthcare, Inc.	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp	17275	30-1295719				Essence Healthcare of Ohio, Inc.	OH	DS	Essence Healthcare, Inc.	Ownership	100.000	JDlinx, LLC	NO	
4597	Lumeris Grp		88-1789122				Lumeris ARO, LLC	DE	NIA	Lumeris Holdings LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		88-1764234				Lumeris ARO St. Louis, LLC	DE	NIA	Lumeris ARO, LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		92-3102119				Lumeris ARO Arkansas, LLC	DE	NIA	Lumeris ARO, LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		93-1400012				Lumeris ARO Ohio, LLC	DE	NIA	Lumeris ARO, LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		93-1435438				Lumeris ARO Oklahoma, LLC	DE	NIA	Lumeris ARO, LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		93-2085084				Lumeris ARO New Jersey, LLC	NJ	NIA	Lumeris ARO, LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		98-0904611				Lumeris ARO NY IPA, LLC	NY	NIA	Lumeris ARO, LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		93-3633636				Lumeris ARO Illinois, LLC	IL	NIA	Lumeris ARO, LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		93-3879347				Lumeris ARO Colorado, LLC	CO	NIA	Lumeris ARO, LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		99-2822679				Provider's Choice, LLC	MO	NIA	Lumeris Holdings LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		99-3260508				Lumeris Medicare Partners Midwest, LLC	DE	NIA	Lumeris Holdings LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		99-3266090				Lumeris Medicare Partners Southeast, LLC	DE	NIA	Lumeris Holdings LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		99-3288876				Lumeris Medicare Partners New England, LLC	DE	NIA	Lumeris Holdings LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		99-3374021				Medicare Partners MSSP V, LLC	DE	NIA	Lumeris Holdings LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		42-2508588				Lumeris Medicare Partners ACO, LLC	DE	NIA	Lumeris Holdings LLC	Ownership	100.000	JDLinx, LLC	NO	
4597	Lumeris Grp		42-2385308				Lumeris Medicare Partners US, LLC	DE	NIA	Lumeris Holdings LLC	Ownership	100.000	JDLinx, LLC	NO	

Asterisk	Explanation

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

		Response
1.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

August Filing

2.	Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1? The response for 1st and 3rd quarters should be N/A. A NO response resulting with a bar code is only appropriate in the 2nd quarter.	YES

EXPLANATION:

1.
2.

BARCODES:

1. 1 7 2 5 4 2 0 2 6 3 6 5 0 0 0 0 2
2.

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A – VERIFICATION

Real Estate

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition		
	2.2 Additional investment made after acquisition		
3.	Current year change in encumbrances		
4.	Total gain (loss) on disposals		
5.	Deduct amounts received on disposals		
6.	Total foreign exchange change in book / adjusted carrying value		
7.	Deduct current year's other-than-temporary impairment recognized		
8.	Deduct current year's depreciation		
9.	Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)		
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B – VERIFICATION

Mortgage Loans

		1 Year to Date	2 Prior Year Ended December 31
1.	Book value/recorded investment excluding accrued interest, December 31 of prior year		
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition		
	2.2 Additional investment made after acquisition		
3.	Capitalized deferred interest and other		
4.	Accrual of discount		
5.	Unrealized valuation increase / (decrease)		
6.	Total gain (loss) on disposals		
7.	Deduct amounts received on disposals		
8.	Deduct amortization of premium and mortgage interest points and commitment fees		
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest		
10.	Deduct current year's other-than-temporary impairment recognized		
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12.	Total valuation allowance		
13.	Subtotal (Line 11 plus Line 12)		
14.	Deduct total nonadmitted amounts		
15.	Statement value at end of current period (Line 13 minus Line 14)		

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition		
	2.2 Additional investment made after acquisition		
3.	Capitalized deferred interest and other		
4.	Accrual of discount		
5.	Unrealized valuation increase / (decrease)		
6.	Total gain (loss) on disposals		
7.	Deduct amounts received on disposals		
8.	Deduct amortization of premium, depreciation and proportional amortization		
9.	Total foreign exchange change in book / adjusted carrying value		
10.	Deduct current year's other-than-temporary impairment recognized		
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,702,477	1,687,108
2.	Cost of bonds and stocks acquired		
3.	Accrual of discount	7,621	15,369
4.	Unrealized valuation increase / (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration for bonds and stocks disposed of		
7.	Deduct amortization of premium		
8.	Total foreign exchange change in book / adjusted carrying value		
9.	Deduct current year's other-than-temporary impairment recognized		
10.	Total investment income recognized as a result of prepayment penalties and/or acceleration fees		
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)	1,710,098	1,702,477
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)	1,710,098	1,702,477

SCHEDULE D – PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book / Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book / Adjusted Carrying Value End of First Quarter	6 Book / Adjusted Carrying Value End of Second Quarter	7 Book / Adjusted Carrying Value End of Third Quarter	8 Book / Adjusted Carrying Value December 31 Prior Year
Issuer Credit Obligations (ICO)								
1. NAIC 1 (a)	1,706,266			3,832	1,706,266	1,710,098		1,702,477
2. NAIC 2 (a)								
3. NAIC 3 (a)								
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total ICO	1,706,266			3,832	1,706,266	1,710,098		1,702,477
Asset-Backed Securities (ABS)								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total ABS								
Preferred Stock								
15. NAIC 1								
16. NAIC 2								
17. NAIC 3								
18. NAIC 4								
19. NAIC 5								
20. NAIC 6								
21. Total Preferred Stock								
22. Total ICO, ABS, & Preferred Stock	1,706,266			3,832	1,706,266	1,710,098		1,702,477

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:
NAIC 1 $; NAIC 2 $; NAIC 3 $; NAIC 4 $; NAIC 5 $; NAIC 6 $

(SI-03) Schedule DA - Part 1

NONE

(SI-03) Schedule DA - Verification - Short-Term Investments

NONE

(SI-04) Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

NONE

(SI-04) Schedule DB - Part B - Verification - Futures Contracts

NONE

(SI-05) Schedule DB - Part C - Section 1

NONE

(SI-06) Schedule DB - Part C - Section 2

NONE

(SI-07) Schedule DB - Verification

NONE

(SI-08) Schedule E - Part 2 - Verification - Cash Equivalents

NONE

(E-01) Schedule A - Part 2

NONE

(E-01) Schedule A - Part 3

NONE

(E-02) Schedule B - Part 2

NONE

(E-02) Schedule B - Part 3

NONE

(E-03) Schedule BA - Part 2

NONE

(E-03) Schedule BA - Part 3

NONE

(E-04) Schedule D - Part 3

NONE

(E-05) Schedule D - Part 4

NONE

(E-06) Schedule DB - Part A - Section 1

NONE

(E-06) Schedule DB - Part A - Section 1 - Description of Hedged Risk(s)

NONE

(E-06) Schedule DB - Part A - Section 1 - Financial or Economic Impact of The Hedge at the End of the Reporting Period

NONE

(E-07) Schedule DB - Part B - Section 1

NONE

(E-07) Schedule DB - Part B - Section 1 - Broker Name

NONE

(E-07) Schedule DB - Part B - Section 1 - Description of Hedged Risk(s)

NONE

(E-07) Schedule DB - Part B - Section 1 - Financial or Economic Impact of The Hedge at the End of the Reporting Period

NONE

(E-08) Schedule DB - Part D - Section 1

NONE

(E-09) Schedule DB - Part D - Section 2 - Collateral Pledged By Reporting Entity

NONE

(E-09) Schedule DB - Part D - Section 2 - Collateral Pledged To Reporting Entity

NONE

(E-10) Schedule DB - Part E

NONE

(E-11) Schedule DL - Part 1

NONE

(E-12) Schedule DL - Part 2

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Restricted Asset Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Harris Bank – Chicago , IL		3.000		23,136	6,194,833	7,064,121	4,170,614	XXX
Central Bank – Jefferson City, MO					89,962	99,387	99,358	XXX
0199998 – Deposits in depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories								XXX
0199999 – Total open depositories				23,136	6,284,795	7,163,508	4,269,972	XXX
0299998 – Deposits in depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories								XXX
0299999 – Total suspended depositories								XXX
0399999 – Total cash on deposit				23,136	6,284,795	7,163,508	4,269,972	XXX
0499999 – Cash in company's office			XXX	XXX				XXX
0599999 – Total				23,136	6,284,795	7,163,508	4,269,972	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Restricted Asset Code	4 Date Acquired	5 Stated Rate of Interest	6 Maturity Date	7 Book / Adjusted Carrying Value	8 Amount of Interest Due and Accrued	9 Amount Received During Year
8609999999 – Total cash equivalents								

NONE