



ANNUAL STATEMENT

For the Year Ended December 31, 2020
of the Condition and Affairs of the

HMO Partners, Inc

NAIC Group Code..... 876, 876 (Current Period) (Prior Period) NAIC Company Code..... 95442 Employer's ID Number..... 71-0747497

Organized under the Laws of Arkansas State of Domicile or Port of Entry Arkansas Country of Domicile US

Licensed as Business Type Health Maintenance Organization Is HMO Federally Qualified? Yes [X] No []

Incorporated/Organized..... November 8, 1993 Commenced Business..... January 1, 1994

Statutory Home Office 320 West Capitol .. Little Rock .. AR .. US .. 72203-8069
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 320 West Capitol .. Little Rock .. AR .. US .. 72203-8069 501-221-1800
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 320 West Capitol .. Little Rock .. AR .. US .. 72203-8069
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 601 S. Gaines .. Little Rock .. AR .. US .. 72201 501-378-2000
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address healthadvantage-hmo.com

Statutory Statement Contact Scott Bradley Winter 501-399-3951
(Name) (Area Code) (Telephone Number) (Extension)
sbwinter@arkbluecross.com 501-378-3258
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Gray Donald Dillard	Treasurer/CFO	2. Scott Bradley Winter	Assistant Treasurer
3. Timothy Gerard Gauger	Secretary	4.	

OTHER

Troy Russell Wells	Vice Chairman	Steven Aaron Spaulding	Chairman
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DIRECTORS OR TRUSTEES

James Robert Bailey	Curtis Edwin Barnett	Brent William Beaulieu	Gray Donald Dillard
Lavanda Moore Gangluff APN	Richard Loyd Gore DDS	Matthew Ridgway Jones	Calvin Eugene Kellogg
Charles Edgar Phillips MD	Tonya Renee Robertson	Steven Aaron Spaulding	Sherman Ellis Tate
Troy Russell Wells			

State of..... Arkansas
County of..... Pulaski

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

_____ (Signature) Gray Donald Dillard	_____ (Signature) Scott Bradley Winter	_____ (Signature) Timothy Gerard Gauger
1. (Printed Name) Treasurer/CFO	2. (Printed Name) Assistant Treasurer	3. (Printed Name) Secretary
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me
This _____ day of _____ 2021

a. Is this an original filing? Yes [X] No []

b. If no

1. State the amendment number	_____
2. Date filed	_____
3. Number of pages attached	_____

Statement as of December 31, 2020 of the **HMO Partners, Inc**
ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	54,787,296		54,787,296	54,037,018
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	8,602,953	2,328,281	6,274,672	6,993,681
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....18,307,020, Schedule E-Part 1), cash equivalents (\$.....1,713,985, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	20,021,005		20,021,005	41,986,748
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	11,997,929	2,395,353	9,602,576	11,470,775
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	95,409,183	4,723,634	90,685,550	114,488,222
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	323,717		323,717	438,744
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....3,225,616) and contracts subject to redetermination (\$.....2,969,731).....	6,195,347	1,368	6,193,978	4,359,366
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	319,555
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....	11,053,128	34,104	11,019,024	18,590,216
18.1 Current federal and foreign income tax recoverable and interest thereon.....	3,284,681		3,284,681	3,789,989
18.2 Net deferred tax asset.....	2,881,367	192,935	2,688,432	1,247,568
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....	58,525	58,525	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$.....7,558,283) and other amounts receivable.....	10,941,994	3,383,711	7,558,283	5,611,271
25. Aggregate write-ins for other-than-invested assets.....	1,411,399	700,000	711,399	693,043
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	131,559,341	9,094,276	122,465,065	149,537,974
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	131,559,341	9,094,276	122,465,065	149,537,974

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Supplemental Savings Plan.....	612,624		612,624	591,733
2502. Other Assets.....	798,775	700,000	98,775	101,310
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	1,411,399	700,000	711,399	693,043

Statement as of December 31, 2020 of the **HMO Partners, Inc**
LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....8,312,784 reinsurance ceded).....	18,865,385		18,865,385	26,122,987
2. Accrued medical incentive pool and bonus amounts.....	4,544,497		4,544,497	3,591,581
3. Unpaid claims adjustment expenses.....	376,616		376,616	412,902
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	312,497		312,497	135,394
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserves.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	2,505,259		2,505,259	3,134,917
9. General expenses due or accrued.....	3,952,375		3,952,375	3,578,013
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....			0	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....	80,029		80,029	118,407
12. Amounts withheld or retained for the account of others.....	1,353,270		1,353,270	904,958
13. Remittances and items not allocated.....	764,838		764,838	882,664
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	11,932,881		11,932,881	12,017,250
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....	13,567,134		13,567,134	30,095,872
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	58,254,782	0	58,254,782	80,994,944
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	3,729,938
26. Common capital stock.....	XXX	XXX	10,000	10,000
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	1,919,153	1,919,153
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other-than-special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	62,281,127	62,883,939
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	64,210,280	68,543,030
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	122,465,062	149,537,974

DETAILS OF WRITE-INS

2301.			0	
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above).....	0	0	0	0
2501. 2020 ACA Insurer Fee estimate.....	XXX	XXX		3,729,938
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	3,729,938
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

Statement as of December 31, 2020 of the **HMO Partners, Inc**
STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	455,238	538,304
2. Net premium income (including \$.....0 non-health premium income).....	XXX	187,599,574	211,916,338
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX		
5. Risk revenue.....	XXX		
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	187,599,574	211,916,338
Hospital and Medical:			
9. Hospital/medical benefits.....		135,121,166	154,916,074
10. Other professional services.....		463,950	
11. Outside referrals.....		1,521,331	2,092,531
12. Emergency room and out-of-area.....		28,430,828	36,895,019
13. Prescription drugs.....		56,462,061	62,031,618
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		5,030,515	1,015,051
16. Subtotal (Lines 9 to 15).....	0	227,029,852	256,950,293
Less:			
17. Net reinsurance recoveries.....		75,565,989	78,110,142
18. Total hospital and medical (Lines 16 minus 17).....	0	151,463,863	178,840,151
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$....10,595,147 cost containment expenses.....		10,185,706	12,046,965
21. General administrative expenses.....		27,671,256	23,992,818
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....			
23. Total underwriting deductions (Lines 18 through 22).....	0	189,320,825	214,879,934
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	(1,721,251)	(2,963,596)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		2,000,177	2,441,466
26. Net realized capital gains or (losses) less capital gains tax of \$....639,093.....		2,404,208	(125,026)
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	4,404,385	2,316,440
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			
29. Aggregate write-ins for other income or expenses.....	0	268,142	261,242
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	2,951,276	(385,914)
31. Federal and foreign income taxes incurred.....	XXX	866,215	511,586
32. Net income (loss) (Lines 30 minus 31).....	XXX	2,085,061	(897,500)

DETAILS OF WRITE-INS

0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0
2901. Licensing fee income.....		160,000	160,000
2902. Miscellaneous Income.....		108,142	101,242
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	268,142	261,242

Statement as of December 31, 2020 of the **HMO Partners, Inc**
STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	68,543,028	68,141,933
34. Net income or (loss) from Line 32.....	2,085,061	(897,500)
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0.....	(1,649,945)	2,563,494
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	1,645,757	261,155
39. Change in nonadmitted assets.....	(6,413,622)	(885,085)
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.....		(640,968)
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	(4,332,749)	401,096
49. Capital and surplus end of reporting period (Line 33 plus 48).....	64,210,279	68,543,028

DETAILS OF WRITE-INS

4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above).....	0	0

Statement as of December 31, 2020 of the **HMO Partners, Inc**
CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	185,163,731	210,498,515
2. Net investment income.....	2,162,302	2,528,697
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	187,326,033	213,027,213
5. Benefit and loss related payments.....	160,867,236	177,075,085
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	46,242,394	24,267,581
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	1,000,000	2,500,000
10. Total (Lines 5 through 9).....	208,109,630	203,842,666
11. Net cash from operations (Line 4 minus Line 10).....	(20,783,597)	9,184,547
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	31,009,704	10,218,082
12.2 Stocks.....	6,940,993	1,731,101
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....	10,188	144,832
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	1,935	402
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	37,962,820	12,094,417
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	31,500,310	11,398,112
13.2 Stocks.....	8,062,856	1,902,604
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....	(8,669)	136,068
13.6 Miscellaneous applications.....		298,864
13.7 Total investments acquired (Lines 13.1 to 13.6).....	39,554,497	13,735,648
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(1,591,677)	(1,641,230)
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.....		640,968
16.6 Other cash provided (applied).....	409,531	965,172
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	409,531	324,204
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).....	(21,965,743)	7,867,521
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	41,986,751	34,119,231
19.2 End of year (Line 18 plus Line 19.1).....	20,021,008	41,986,751

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical).....	234,456,758		68,294,766	166,161,991
2. Medicare Supplement.....				.0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan.....				.0
6. Title XVIII - Medicare.....	47,722,596		26,285,013	21,437,583
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8).....	282,179,354	0	94,579,779	187,599,574
10. Life.....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11).....	282,179,354	0	94,579,779	187,599,574

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	231,152,660	191,934,524					39,218,136			
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	74,576,217	52,485,102					22,091,115			
1.4 Net.....	156,576,443	139,449,422	0	0	0	0	17,127,021	0	0	0
2. Paid medical incentive pools and bonuses.....	4,077,599	2,353,366					1,724,233			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	27,178,169	21,008,312					6,169,857			
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	8,312,784	5,289,699					3,023,085			
3.4 Net.....	18,865,385	15,718,613	0	0	0	0	3,146,772	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	4,544,497	3,274,520					1,269,977			
6. Net healthcare receivables (a).....	3,205,048	3,470,772					(265,724)			
7. Amounts recoverable from reinsurers December 31, current year.....	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	33,126,443	27,622,432					5,504,011			
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	7,003,456	4,178,970					2,824,486			
8.4 Net.....	26,122,987	23,443,462	0	0	0	0	2,679,525	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	3,591,580	2,113,208					1,478,372			
11. Amounts recoverable from reinsurers December 31, prior year.....	319,555	319,555								
12. Incurred benefits:										
12.1 Direct.....	221,999,338	181,849,632	0	0	0	0	40,149,706	0	0	0
12.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	75,565,990	53,276,276	0	0	0	0	22,289,714	0	0	0
12.4 Net.....	146,433,348	128,573,356	0	0	0	0	17,859,992	0	0	0
13. Incurred medical incentive pools and bonuses.....	5,030,516	3,514,678	0	0	0	0	1,515,838	0	0	0

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

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

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	7,513,666	7,778,920					(265,254)			
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	1,900,538	2,318,151					(417,613)			
1.4 Net.....	5,613,128	5,460,769	0	0	0	0	152,359	0	0	0
2. Incurred but unreported:										
2.1 Direct.....	19,664,503	13,229,392					6,435,111			
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	6,412,246	2,971,548					3,440,698			
2.4 Net.....	13,252,257	10,257,844	0	0	0	0	2,994,413	0	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	0									
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct.....	27,178,169	21,008,312	0	0	0	0	6,169,857	0	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	8,312,784	5,289,699	0	0	0	0	3,023,085	0	0	0
4.4 Net.....	18,865,385	15,718,613	0	0	0	0	3,146,772	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	19,073,611	122,179,568	81,195	15,927,507	19,154,806	23,771,846
2. Medicare Supplement.....					0	
3. Dental only.....					0	
4. Vision only.....					0	
5. Federal Employees Health Benefits Plan.....					0	
6. Title XVIII - Medicare.....	1,810,202	20,883,719	12,179	2,844,504	1,822,381	2,351,140
7. Title XIX - Medicaid.....					0	
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	20,883,813	143,063,287	93,374	18,772,011	20,977,187	26,122,986
10. Healthcare receivables (a).....		10,256,150			0	
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....	2,500,650	1,576,949	1,298,789	3,245,708	3,799,439	3,591,580
13. Totals (Lines 9 - 10 + 11 + 12).....	23,384,463	134,384,086	1,392,163	22,017,719	24,776,626	29,714,566

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	153,921	154,052	154,052	154,052	154,052
2. 2016.....	152,781	173,191	173,246	173,246	173,246
3. 2017.....	XXX	154,186	174,476	174,564	174,564
4. 2018.....	XXX	XXX	176,948	199,223	199,285
5. 2019.....	XXX	XXX	XXX	159,955	180,777
6. 2020.....	XXX	XXX	XXX	XXX	143,064

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	153,765	154,052	154,052	154,052	154,052
2. 2016.....	169,458	173,869	173,246	173,246	173,246
3. 2017.....	XXX	175,446	174,491	174,564	174,564
4. 2018.....	XXX	XXX	200,425	199,426	199,285
5. 2019.....	XXX	XXX	XXX	185,876	180,730
6. 2020.....	XXX	XXX	XXX	XXX	161,835

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	191,141	173,246	7,985	4.6	181,231	94.8			181,231	94.8
2. 2017.....	206,662	174,564	7,502	4.3	182,066	88.1			182,066	88.1
3. 2018.....	226,791	199,285	6,248	3.1	205,533	90.6			205,533	90.6
4. 2019.....	211,916	180,777	6,553	3.6	187,330	88.4	93	1	187,424	88.4
5. 2020.....	187,600	143,064	6,193	4.3	149,257	79.6	23,316	375	172,948	92.2

12.GT

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

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	153,921	154,052	154,052	154,052	154,052
2. 2016.....	151,307	170,971	170,997	170,997	170,997
3. 2017.....	XXX	146,792	166,261	166,349	166,349
4. 2018.....	XXX	XXX	164,520	185,031	185,080
5. 2019.....	XXX	XXX	XXX	139,416	158,441
6. 2020.....	XXX	XXX	XXX	XXX	122,180

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	153,765	154,052	154,052	154,052	154,052
2. 2016.....	167,513	171,642	170,997	170,997	170,997
3. 2017.....	XXX	166,620	166,244	166,349	166,349
4. 2018.....	XXX	XXX	186,279	185,227	185,080
5. 2019.....	XXX	XXX	XXX	163,002	158,385
6. 2020.....	XXX	XXX	XXX	XXX	138,107

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	185,994	170,997	7,719	4.5	178,716	96.1			178,716	96.1
2. 2017.....	194,468	166,349	6,326	3.8	172,675	88.8			172,675	88.8
3. 2018.....	207,548	185,080	4,623	2.5	189,703	91.4			189,703	91.4
4. 2019.....	190,275	158,441	4,683	3.0	163,124	85.7	.81	.1	163,206	85.8
5. 2020.....	166,162	122,180	4,182	3.4	126,362	76.0	19,202	.304	145,868	87.8

12.HM

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(\$000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....					
2. 2016.....	1,474	2,220	2,249	2,249	2,249
3. 2017.....	XXX	7,394	8,215	8,215	8,215
4. 2018.....	XXX	XXX	12,428	14,192	14,205
5. 2019.....	XXX	XXX	XXX	20,539	22,336
6. 2020.....	XXX	XXX	XXX	XXX	20,884

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

12.XV

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....					
2. 2016.....	1,945	2,227	2,249	2,249	2,249
3. 2017.....	XXX	8,826	8,247	8,215	8,215
4. 2018.....	XXX	XXX	14,146	14,199	14,205
5. 2019.....	XXX	XXX	XXX	22,874	22,345
6. 2020.....	XXX	XXX	XXX	XXX	23,728

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	5,147	2,249	266	11.8	2,515	48.9			2,515	48.9
2. 2017.....	12,194	8,215	1,176	14.3	9,391	77.0			9,391	77.0
3. 2018.....	19,243	14,205	1,625	11.4	15,830	82.3			15,830	82.3
4. 2019.....	21,641	22,336	1,870	8.4	24,206	111.9	12	0	24,218	111.9
5. 2020.....	21,438	20,884	2,011	9.6	22,895	106.8	4,114	71	27,080	126.3

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE**

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	0								
2. Additional policy reserves (a).....	0								
3. Reserve for future contingent benefits.....	0								
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income).....	312,497	312,497							
5. Aggregate write-ins for other policy reserves.....	0	0	0	0	0	0	0	0	0
6. Totals (gross).....	312,497	312,497	0	0	0	0	0	0	0
7. Reinsurance ceded.....	0								
8. Totals (net) (Page 3, Line 4).....	312,497	312,497	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims.....	0								
10. Reserve for future contingent benefits.....	0								
11. Aggregate write-ins for other claim reserves.....	0	0	0	0	0	0	0	0	0
12. Totals (gross).....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded.....	0								
14. Totals (net) (Page 3, Line 7).....	0	0	0	0	0	0	0	0	0

DETAILS OF WRITE-INS

0501.	0								
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	0	0	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0	0	0	0	0	0

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

Statement as of December 31, 2020 of the **HMO Partners, Inc**
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....	18,789	81,065	631,565		731,419
2. Salaries, wages and other benefits.....	14,447,112	2,756,632	34,660,827		51,864,571
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....			4,808,630		4,808,630
4. Legal fees and expenses.....	2,619		213,116		215,735
5. Certifications and accreditation fees.....	175				175
6. Auditing, actuarial and other consulting services.....	483,144	2,721	4,024,379		4,510,244
7. Traveling expenses.....	30,536	1,280	139,017		170,833
8. Marketing and advertising.....	214,633		1,178,597		1,393,230
9. Postage, express and telephone.....	108,601	643,990	1,028,820		1,781,411
10. Printing and office supplies.....	37,064	12,875	399,346		449,285
11. Occupancy, depreciation and amortization.....	223,493	38,131	533,385		795,009
12. Equipment.....	30,947	6,492	390,540		427,979
13. Cost or depreciation of EDP equipment and software.....	1,759,052	290,758	9,232,910		11,282,720
14. Outsourced services including EDP, claims, and other services.....	5,588,055	(1,373,730)	5,213,047	138,499	9,565,871
15. Boards, bureaus and association fees.....	59,036	274	589,621		648,931
16. Insurance, except on real estate.....	220,331	24,109	441,881		686,321
17. Collection and bank service charges.....			216,819		216,819
18. Group service and administration fees.....	1,242,583	189,005	7,201		1,438,789
19. Reimbursements by uninsured plans.....	(4,153,200)	(981,866)	(16,342,044)		(21,477,110)
20. Reimbursements from fiscal intermediaries.....		272,029			272,029
21. Real estate expenses.....	127,518	31,013	476,357		634,888
22. Real estate taxes.....	26,173	4,274	72,076		102,523
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....			51,696		51,696
23.2 State premium taxes.....			1,177,859		1,177,859
23.3 Regulatory authority licenses and fees.....	866	11	3,775,369		3,776,246
23.4 Payroll taxes.....	776,086	152,162	1,682,748		2,610,996
23.5 Other (excluding federal income and real estate taxes).....	3,599	1,375	64,587		69,561
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	(10,652,065)	(2,562,041)	(26,997,093)	0	(40,211,199)
26. Total expenses incurred (Lines 1 to 25).....	10,595,147	(409,441)	27,671,256	138,499	(a).....37,995,461
27. Less expenses unpaid December 31, current year.....		376,616	3,952,375		4,328,991
28. Add expenses unpaid December 31, prior year.....		412,902	3,578,013		3,990,916
29. Amounts receivable relating to uninsured plans, prior year.....					0
30. Amounts receivable relating to uninsured plans, current year.....			819,057		819,057
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	10,595,147	(373,155)	28,115,951	138,499	38,476,443

DETAILS OF WRITE-INS

2501. Administrative Service Agreement.....			2,828,154		2,828,154
2502. Unpaid Claims Processing.....		(36,286)			(36,286)
2503. Ceded Administrative Expense.....	(10,707,374)	(2,525,850)	(30,908,252)		(44,141,476)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	55,309	95	1,083,005	0	1,138,409
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above).....	(10,652,065)	(2,562,041)	(26,997,093)	0	(40,211,199)

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

Statement as of December 31, 2020 of the **HMO Partners, Inc**
EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds.....	(a).....316,277	.....264,644
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....1,474,674	.....1,438,936
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....179,284	.....172,549
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....76,616	.....117,829
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....144,718	.....144,718
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....2,191,568	.....2,138,677
11. Investment expenses.....	.....	(g).....138,499
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....138,499
17. Net investment income (Line 10 minus Line 16).....	.....	.....2,000,177

DETAILS OF WRITE-INS

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....95,660 accrual of discount less \$.....142,758 amortization of premium and less \$.....36,514 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....27,111 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds.....	.....282,689	.....	.....282,689	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....30,319	.....	.....30,319	.....(6,238)	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....2,867,490	.....	.....2,867,490	.....(2,380,082)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....1,935	.....	.....1,935	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....(139,133)	.....	.....(139,133)	.....685,144	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....51,231	.....0
10. Total capital gains (losses).....	.....3,043,301	.....0	.....3,043,301	.....(1,649,945)	.....0

DETAILS OF WRITE-INS

0901. SSP.....	.....	.....	.....0	.....51,231	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....51,231	.....0

Statement as of December 31, 2020 of the **HMO Partners, Inc**
EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....	2,328,281		(2,328,281)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....	2,395,353		(2,395,353)
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	4,723,634	0	(4,723,634)
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....	1,368	68,174	66,806
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....	34,104		(34,104)
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	192,935		(192,935)
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....	58,525		(58,525)
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....	3,383,711	1,912,480	(1,471,231)
25. Aggregate write-ins for other-than-invested assets.....	700,000	700,000	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	9,094,276	2,680,654	(6,413,622)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	9,094,276	2,680,654	(6,413,622)

DETAILS OF WRITE-INS

1101.....			0
1102.....			0
1103.....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Other Assets.....	700,000	700,000	0
2502.....			0
2503.....			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	700,000	700,000	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	7,623	6,581	6,546	6,488	6,498	78,363
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....	51,009	48,253	47,420	46,551	46,531	569,087
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	58,632	54,834	53,966	53,039	53,029	647,450

DETAILS OF WRITE-INS

0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS**Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

The financial statements of the company are presented on the basis of accounting practices prescribed or permitted by the Arkansas Insurance Department.

The Arkansas Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of Arkansas for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Arkansas Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Arkansas.

	SSAP #	F/S Page	F/S Line #	2020	2019
NET INCOME					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 2,085,061	\$ (897,500)
(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	\$ 2,085,061	\$ (897,500)
SURPLUS					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 64,210,280	\$ 68,543,030
(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	\$ 64,210,280	\$ 68,543,030

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

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

C. Accounting Policy

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business are charged to operations as incurred.

In addition, the company uses the following accounting policies:

(1) Basis for Short-Term Investments

Short-term investments are stated at amortized cost.

(2) Basis for Bonds and Amortization Schedule

Bonds not backed by other loans are stated at amortized cost using the interest method.

(3) Basis for Common Stocks

Common Stock is stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.

(4) Basis for Preferred Stocks

The Company does not have preferred stock.

(5) Basis for Mortgage Loans

The Company does not have Mortgage Loans.

(6) Basis for Loan-Backed Securities and Adjustment Methodology

Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. The prospective adjustment method is used to value all securities.

NOTES TO FINANCIAL STATEMENTS

- (7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities

The Company does not have any investments in subsidiaries.

- (8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities

The Company does not have any investments in subsidiaries.

- (9) Accounting Policies for Derivatives

The Company does not have any derivatives.

- (10) Anticipated Investment Income Used in Premium Deficiency Calculation

The Company does anticipate investment income as a factor in the Premium Deficiency calculation.

- (11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses

When setting reserves, the Company employs the 5 methods that are described below. Based on the estimates of these methods and also retrospective considerations, the company sets a best estimate and then an explicit margin is added to ensure that the estimate is sufficient. The average of the methods, as well as the spread of the estimates, is also considered when setting the respective liabilities. Aggregate liabilities are tested against other aggregate estimation methods to check for reasonableness, and any additional margin or adjustments are made.

- a. **Aggregate Method:** 12 months of paid claims are subtracted from 12 months of estimated incurred claims to get the liability estimate.
- b. **3 Month Average Method:** For the base liability estimate, the average liability of the third, fourth, and fifth month prior to the current month is used. Adjustments are made for trend, membership change, and backlog to determine the current month's estimate of liability.
- c. **Previous Year's IBNR Method:** This method is similar to the Three Month Average Method, except that the actual reserve from one year ago is used as the base estimate of liability. This is projected forward using adjustments for trend, membership change, and backlog.
- d. **CY Lag Method:** This method calculates completion factors by incurral year. Completion factors used for the current year are based on the previous year's experience. Completion factors for the most recent 3 years are set manually.
- e. **12 Month CF Method:** This method is identical to the CY Lag Method, except that historical completion factors are based on 12 months of rolling data.

- (12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period

The Company has not modified its capitalization policy from the prior period.

- (13) Method Used to Estimate Pharmaceutical Rebate Receivables

Pharmacy rebate receivable estimates are based upon the prior quarter's invoiced amounts.

D. Going Concern

For the period ending December 31, 2020 management has evaluated the Company's ability to continue as a going concern. Management has concluded that there is not substantial doubt that the Company can continue as a going concern, therefore, there are no policies in place to alleviate such situations.

Note 2 – Accounting Changes and Corrections of Errors

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Arkansas. Effective January 1, 2001, the State of Arkansas adopted that insurance companies domiciled in the State of Arkansas prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures* manual – Version effective January 1, 2001 subject to any deviations prescribed or permitted by the State of Arkansas insurance commissioner.

Accounting changes adopted to conform to the provisions of the NAIC *Accounting Practices and Procedures* manual – Version effective January 1, 2001 are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds (surplus) in the period of the change in accounting principle.

There were no accounting changes or correction of errors from the prior period.

Note 3 – Business Combinations and Goodwill

- A. Statutory Purchase Method

N/A

NOTES TO FINANCIAL STATEMENTS

B. Statutory Merger

N/A

C. Assumption Reinsurance

N/A

D. Impairment Loss

N/A

Note 4 – Discontinued Operations

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

N/A

B. Change in Plan of Sale of Discontinued Operation

N/A

C. Nature of any Significant Continuing Involvement with Discontinued Operations After Disposal

N/A

D. Equity Interest Retained in the Discontinued Operation After Disposal

N/A

Note 5 – Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

N/A

B. Debt Restructuring

N/A

C. Reverse Mortgages

N/A

D. Loan-Backed Securities

(1) Description of Sources Used to Determine Prepayment Assumptions

For fixed-rate agency mortgage-backed securities, Clearwater Analytics calculates prepayment speeds utilizing Mortgage Industry Advisory Corporation (MIAC) Mortgage Industry Medians (MIMs). MIMs are derived from a semi-monthly dealer-consensus survey of long-term prepayment projections. For other mortgage-backed, loan-backed, and structured securities, Clearwater utilizes prepayment assumptions from Moody's Analytics. Moody's applies a flat economic credit model and utilizes a vector of multiple monthly speeds as opposed to a single speed for more robust projections. In instances where Moody's projections are not available, Clearwater uses data from Reuters, which utilizes the median prepayment speed from contributors' models.

(2) Other-Than-Temporary Impairments

N/A

(3) Recognized OTTI Securities

N/A

NOTES TO FINANCIAL STATEMENTS

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

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$ 36,482
	2. 12 Months or Longer	\$
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$ 1,789,327
	2. 12 Months or Longer	\$

- (5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary

Several factors are considered when evaluating holdings for other than temporary impairment. These factors include but are not limited to external credit ratings, length of time of impairment, net present value of future cash flows and percentage of unrealized loss. Each individual holding is evaluated on its own merits. Based on analysis of the fixed income securities that are represented in 4 a. and 4 b. using the factors identified above it is the Investor's determination that these impairments are temporary. The Investor maintains a watch list of holdings to evaluate for other than temporary impairment and will continue to evaluate underperforming holdings as required on a routine basis.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions

The Company has no repurchase agreements and/or security lending transactions at this time.

- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transaction – Cash Taker – Overview of Secured Borrowing Transactions

The Company has no Repurchase Agreements Transactions Accounted for as Secured Borrowing.

- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing
Repurchase Transactions – Cash Provider – Overview of Secured Borrowing Transactions

The Company has no Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

- H. Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Taker – Overview of Sale Transactions

The Company has no Repurchase Agreements Transactions Accounted for as a Sale.

- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale
Repurchase Transaction – Cash Provider – Overview of Sale Transactions

The Company has no Working Capital Finance Investments at this time.

- J. Real Estate

The Company has no investments in real estate at this time.

- K. Low-Income Housing Tax Credits (LIHTC)

The Company has no investments in low-income housing tax credits.

- L. Restricted Assets

The Company has a special deposit with the State of Arkansas in the amount of \$348,063.

- (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 (a)	7 Additional Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending arrangements						%	%
c. Subject to repurchase agreements						%	%
d. Subject to reverse repurchase agreements						%	%
e. Subject to dollar repurchase agreements						%	%
f. Subject to dollar reverse repurchase agreements						%	%
g. Placed under option contracts						%	%
h. Letter stock or securities restricted as to sale –						%	%

NOTES TO FINANCIAL STATEMENTS

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Additional Restricted to Total Admitted Assets (b)
excluding FHLB capital stock							
i. FHLB capital stock						%	%
j. On deposit with states	348,063	300,000	48,063		348,063	%	%
k. On deposit with other regulatory bodies						%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)						%	%
m. Pledged as collateral not captured in other categories						%	%
n. Other restricted assets						%	%
o. Total Restricted Assets	\$ 348,063	\$ 300,000	\$ 48,063	\$	\$ 348,063	%	%

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

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

- (2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)

N/A

- (3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate)

N/A

- (4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

N/A

M. Working Capital Finance Investments

The Company has no Working Capital Finance Investments at this time.

N. Offsetting and Netting of Assets and Liabilities

The Company does not offset or net Assets and Liabilities.

O. 5GI Securities

The Company does not hold 5* Securities at this time.

P. Short Sales

Not Applicable

Q. Prepayment Penalty and Acceleration Fees

(1) Number of CUSIPs	2
(2) Aggregate Amount of Investment Income	\$ 20,471

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of Ownership

The Company has no investments in Joint Ventures, Partnerships, or Limited Liability Companies that exceed 10% of its admitted assets.

B. Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies

The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships, and Limited Liability Companies during the statement period.

NOTES TO FINANCIAL STATEMENTS

Note 7 – Investment Income

A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:

N/A

B. The total amount excluded:

N/A

Note 8 – Derivative Instruments

This company does not have Derivative Instruments.

A. Derivatives Under SSAP No. 86 – *Derivatives*

(1) Market Risk, Credit Risk and Cash Requirements

None

(2) Objectives for Derivative Use

None

(3) Accounting Policies for Recognition and Measurement

None

(4) Identification of Whether Derivative Contracts with Financing Premiums

None

(5) Net Gain or Loss Recognized

None

(6) Net Gain or Loss Recognized from Derivatives that no Longer Qualify for Hedge Accounting

None

(7) Derivatives Accounted for as Cash Flow Hedges

(a)

None

(b)

None

(8) Total Premium Costs for Contracts

None

B. Derivatives under SSAP No. 108 – *Derivatives Hedging Variable Annuity Guarantees*

None

NOTES TO FINANCIAL STATEMENTS**Note 9 – Income Taxes****A. Deferred Tax Assets/(Liabilities)****1. Components of Net Deferred Tax Asset/(Liability)**

	2020			2019			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 3,430,649	\$ 1,311	\$ 3,431,960	\$ 2,266,869	\$	\$ 2,266,869	\$ 1,163,780	\$ 1,311	\$ 1,165,091
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$ 3,430,649	\$ 1,311	\$ 3,431,960	\$ 2,266,869	\$	\$ 2,266,869	\$ 1,163,780	\$ 1,311	\$ 1,165,091
d. Deferred tax assets nonadmitted	192,935		192,935				192,935		192,935
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 3,237,714	\$ 1,311	\$ 3,239,025	\$ 2,266,869	\$	\$ 2,266,869	\$ 970,845	\$ 1,311	\$ 972,156
f. Deferred tax liabilities	1,865	548,728	550,593	1,414	1,017,887	1,019,301	451	(469,159)	(468,708)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 3,235,849	\$ (547,417)	\$ 2,688,432	\$ 2,265,455	\$ (1,017,887)	\$ 1,247,568	\$ 970,394	\$ 470,470	\$ 1,440,864

2. Admission Calculation Components SSAP No. 101

	2020			2019			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 2,491,554	\$ 1,311	\$ 2,492,865	\$ 1,148,855	\$	\$ 1,148,855	\$ 1,342,699	\$ 1,311	\$ 1,344,010
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	195,566		195,566	279,300		279,300	(83,734)		(83,734)
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	195,566		195,566	279,300		279,300	(83,734)		(83,734)
2. Adjusted gross deferred tax assets allowed per limitation threshold									
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	550,594		550,594	838,713		838,713	(288,119)		(288,119)
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 3,237,714	\$ 1,311	\$ 3,239,025	\$ 2,266,868	\$	\$ 2,266,868	\$ 970,846	\$ 1,311	\$ 972,157

NOTES TO FINANCIAL STATEMENTS

3. Other Admissibility Criteria

	2020	2019
a. Ratio percentage used to determine recovery period and threshold limitation amount	855.0%	792.0%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 61,328,914	\$ 64,965,213

4. Impact of Tax Planning Strategies

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

	2020		2019		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 3,430,649	\$ 1,311	\$ 2,266,869	\$	\$ 1,163,780	\$ 1,311
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 3,237,714	\$ 1,311	\$ 2,266,869	\$	\$ 970,845	\$ 1,311
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

(b) Does the company's tax planning strategies include the use of reinsurance? NO

B. Deferred Tax Liabilities Not Recognized

1. The types of temporary differences for which a DTL has not been recognized and the types of events that would cause those temporary differences to become taxable are:

N/A

2. The cumulative amount of each type of temporary difference is:

N/A

3. The amount of the unrecognized DTL for temporary differences related to investments in foreign subsidiaries and foreign corporate joint ventures that are essentially permanent in duration, if determination of that liability is practicable, or a statement that determination is not practicable are:

N/A

4. The amount of the DTL for temporary differences other than those in item (3) above that is not recognized is:

N/A

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 2020	2 2019	3 (Col 1-2) Change
a. Federal	\$ 849,042	\$ 546,203	\$ 302,839
b. Foreign	\$	\$	\$
c. Subtotal	\$ 849,042	\$ 546,203	\$ 302,839
d. Federal income tax on net capital gains	\$ 639,093	\$ 21,699	\$ 617,394
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$ 17,173	\$ (34,617)	\$ 51,790
g. Federal and Foreign income taxes incurred	\$ 1,505,308	\$ 533,285	\$ 972,023

NOTES TO FINANCIAL STATEMENTS

2. Deferred Tax Assets

	1	2	3
	2020	2019	(Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 125,024	\$ 136,459	\$ (11,435)
2. Unearned premium reserve	105,221	131,666	(26,445)
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual	751,396	739,953	11,443
9. Pension accrual			
10. Receivables - nonadmitted	1,866,801	648,634	1,218,167
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (items <=5% and >5% of total ordinary tax assets)	582,207	610,157	(27,950)
Other (items listed individually >5% of total ordinary tax assets)			
99. Subtotal	\$ 3,430,649	\$ 2,266,869	\$ 1,163,780
b. Statutory valuation allowance adjustment			
c. Nonadmitted	192,935		192,935
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 3,237,714	\$ 2,266,869	\$ 970,845
e. Capital:			
1. Investments	\$ 1,311	\$	\$ 1,311
2. Net capital loss carry-forward			
3. Real estate			
4. Other (items <=5% and >5% of total capital tax assets)			
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	\$ 1,311	\$	\$ 1,311
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	1,311		1,311
i. Admitted deferred tax assets (2d+2h)	\$ 3,239,025	\$ 2,266,869	\$ 972,156

3. Deferred Tax Liabilities

	1	2	3
	2020	2019	(Col 1-2) Change
a. Ordinary:			
1. Investments	\$ 1,865	\$ 1,414	\$ 451
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)			
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	\$ 1,865	\$ 1,414	\$ 451
b. Capital:			
1. Investments	\$ 548,728	\$ 1,017,887	\$ (469,159)
2. Real estate			
3. Other (Items <=5% and >5% of total capital tax liabilities)			
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	\$ 548,728	\$ 1,017,887	\$ (469,159)
c. Deferred tax liabilities (3a99+3b99)	\$ 550,593	\$ 1,019,301	\$ (468,708)
4. Net Deferred Tax Assets/Liabilities (2i - 3c)	\$ 2,688,432	\$ 1,247,568	\$ 1,440,864

NOTES TO FINANCIAL STATEMENTS

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate Among the more significant book to tax adjustments were the following:

	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	\$ 753,977	21.0%
Change in nonadmitted assets		%
Proration of tax exempt investment income	4,452	0.1%
Tax exempt income deduction		%
Dividends received deduction	(17,809)	(0.5)%
Disallowed travel and entertainment	2,541	0.1%
Other permanent differences	782,452	21.8%
Temporary Differences:		
Total ordinary DTAs		%
Total ordinary DTLs		%
Total capital DTAs		%
Total capital DTLs		%
Other:		
Statutory valuation allowance adjustment		%
Accrual adjustment – prior year	(6,263)	(0.2)%
Other	(1,659,800)	(46.2)%
Totals	\$ (140,450)	(3.9)%
Federal and foreign income taxes incurred	866,215	24.1%
Realized capital gains (losses) tax	639,093	17.8%
Change in net deferred income taxes	(1,645,758)	(45.8)%
Total statutory income taxes	\$ (140,450)	(3.9)%

E. Operating Loss Carry Forwards and Income Taxes Available for Recoupment

1. The amounts, origination dates and expiration dates of operating loss and tax credit carry forwards available for tax purposes:

Description (Operating Loss or Tax Credit Carry Forward)	Amounts	Origination Dates	Expiration Dates
None	\$		

2. The following is income tax expense for current year and proceeding years that is available for recoupment in the event of future net losses:

Year	Amounts
2020	\$ 1,488,135
2019	\$ 617,919

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code

F. Consolidated Federal Income Tax Return

The Company does not file a Consolidated Federal Income Tax Return.

G. Federal or Foreign Federal Income Tax Loss Contingencies:

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA

The Company does not owe RTT.

I. Alternative Minimum Tax Credit

The Company does not have any AMT credits.

Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. Nature of the Relationship Involved

The Company was formed on January 1, 1994. The Company's shareholders as of December 31, 2020 were Arkansas Blue Cross and Blue Shield (50%) and Baptist Medical System HMO, Inc. (50%). Effective October 1st, 2006, USABLE Corporation, a wholly owned subsidiary of Arkansas Blue Cross and Blue Shield (ABCBS), sold its ownership interest in HMO Partners, Inc. to ABCBS for \$27,143,396.

NOTES TO FINANCIAL STATEMENTS

B. Transactions

The Company, d/b/a Health Advantage, serves as the Third Party Administrator for the self-insured employee groups of ABCBS and Baptist Health. All receivables and payables dealing with their employee groups are classified under Uninsured Plans. At December 31, 2020, receivables of \$1,338,161 and \$681,768 were due respectively from Baptist Health and ABCBS. Payable balances of \$600,000 and \$1,086,122 are recorded respectively for Baptist Health and ABCBS.

C. Transactions with Related Parties who are not Reported on Schedule Y

(1) Detail of Material Related Party Transactions

Ref #	Date of Transaction	Name of Related Party	Nature of Relationship	Type of Transaction	Written Agreement (Yes/No)	Due Date	Reporting Period Date Amount Due From (To)
0							\$

(2) Detail of Material Related Party Transactions Involving Services (10647)

Ref #	Name of Related Party	Overview Description	Amount Charged	Amount Based on Allocation of Costs or Market Rates	Amount Charged Modified or Waived (Yes/No)
0			\$	\$	
Total			\$	\$	

(3) Detail of Material Related Party Transactions Involving Exchange of Assets and Liabilities

a. Description of Transaction

Ref #	Name of Related Party	Overview Description	Have Terms Changed from Preceding Period? (Yes/No)
0			

b. Assets Received

Ref #	Name of Related Party	Description of Assets Received	Statement Value of Asset Received
0			\$
Total			\$

c. Assets Transferred

Ref #	Name of Related Party	Description of Assets Transferred	Statement Value of Assets Transferred
0			\$
Total			\$

(4) Detail of Amounts Owed To/From a Related Party

Ref #	Name of Related Party	Aggregate Reporting Period Amount Due From	Aggregate Reporting Period (Amount Due To)	Amount Offset in Financial Statement (if qualifying)	Net Amount Recoverable/ (Payable) by Related Party	Admitted Recoverable
1-Receiveable	Baptist Health	\$ 1,103,083	\$	\$	\$	\$
2-Withhold Receivable	Baptist Health	\$ 235,078	\$	\$	\$	\$
3-Advanced Deposit	Baptist Health	\$	\$ 600,000	\$	\$	\$

D. Amounts Due From or To Related Parties

At December 31, 2020 the Company reported the following amounts due to Affiliates:

Arkansas Blue Cross and Blue Shield	\$12,048,535
USABLE Life	<u>91,215</u>
Total	\$12,139,750

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

The Company reimburses Arkansas Blue Cross and Blue Shield for various administrative, employee benefit and marketing shared expenses, which are provided to the Company. These expenses are allocated to the Company in accordance with generally accepted accounting principles. In addition, the Company leases office space from Arkansas Blue Cross and Blue Shield.

F. Guarantees or Undertakings

NOTES TO FINANCIAL STATEMENTS

N/A

G. Nature of the Control Relationship

N/A

H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned

N/A

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

N/A

J. Investments in Impaired SCAs

N/A

K. Investment in Foreign Insurance Subsidiary

N/A

L. Investment in Downstream Noninsurance Holding Company

N/A

M. All SCA Investments

N/A

N. Investment in Insurance SCAs

N/A

O. SCA or SSAP 48 Entity Loss Tracking

N/A

Note 11 – Debt

A. Debt Including Capital Notes

As of December 31, 2020, the Company has no capital notes. As of December 31, 2020, the Company's liability for borrowed money was zero (\$-0-).

B. FHLB (Federal Home Loan Bank) Agreements

As of December 31, 2020, the Company has no FHLB agreements.

Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

N/A

B. Investment Policies and Strategies

N/A

C. Fair Value of Plan Assets

N/A

D. Basis Used to Determine Expected Long-Term Rate-of-Return

N/A

NOTES TO FINANCIAL STATEMENTS

E. Defined Contribution Plans

The Company offers an optional 401(k) plan to all eligible employees. The employee has the option of deferring up to 50% of his or her salary. The Company matches the amount deferred by the employee based upon years of service from a minimum of 50% to a maximum of 100% of a 6% contribution.

Effective July 1, 1998, the plan was amended to establish a non-contributory, defined contribution portion of the plan known as 401(k) Plu\$. Employees are not required to participate in the original defined contribution plan in order to receive benefits under the 401(k) Plu\$ portion of the plan. At the end of each calendar year, employees will receive an annual 401(k) Plu\$ contribution equal to a minimum of 2% of the employee's annual earnings. The determination of the percentage to be used in calculating the contribution is based upon annually established net income targets. For 2020, 6% has been used to calculate the Company's contribution of \$585,416.

All funds under the 401(k) Plu\$ portions of the plan are held by an outside trustee.

F. Multiemployer Plans

The Company does not participate in multiemployer plans.

G. Consolidated/Holding Company Plans

N/A

H. Postemployment Benefits and Compensated Absences

The Company does not offer a postretirement benefit plan.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

N/A

Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

A. Number of Share and Par or State Value of Each Class

As of December 31, 2020, the Company had 1,000,000 common stock shares authorized, issued and outstanding at \$.01 par value.

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

The Company has no preferred stock outstanding.

C. Dividend Restrictions

Dividends are paid based on earned surplus and cannot fall below state net worth requirements.

D. Dates and Amounts of Dividends Paid

The company did not pay dividends in 2020.

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

All unassigned surplus is being held for the stockholder.

F. Restrictions Placed on Unassigned Funds (Surplus)

As of December 31, 2020, the Company held no stock for special purposes such as employee stock options or conversion of preferred stock.

G. Amount of Advances to Surplus not Repaid

The Company does not have any advances to surplus.

NOTES TO FINANCIAL STATEMENTS

H. Amount of Stock Held for Special Purposes

N/A

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

The Company has no special surplus funds.

J. The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$ 1,948,731.

K. The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations

The Company has no surplus notes.

L. The impact of any restatement due to prior quasi-reorganizations is as follows

The Company was not involved in a quasi-reorganization

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

The Company was not involved in a quasi-reorganization.

Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

None

B. Assessments

None

C. Gain Contingencies

None

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - Total SSAP 97 and SSAP 48 Contingent Liabilities

None

E. Joint and Several Liabilities

None

F. All Other Contingencies

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company has no asset that it considers to be impaired.

Note 15 – Leases

A. Lessee Operating Lease

The Company does not have any items related to lessee leasing arrangements at this time.

B. Lessor Leases

N/A

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

The Company does not have any off-balance sheet risk.

1. The table below summarizes the face amount of the Company's financial instruments with off-balance sheet risk:

N/A

2. Nature and Terms of Off-Balance Sheet Risk

N/A

3. Amount of Loss if any Party to the Financial Instrument Failed

NOTES TO FINANCIAL STATEMENTS

N/A

4. Collateral or Other Security Required to Support Financial Instrument

N/A

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales

The Company did not have any transfers of Receivables reported as Sales.

- B. Transfer and Servicing of Financial Assets

The Company did not have any transfers or servings of Financial Assets.

- C. Wash Sales

The Company did not have any Wash Sales.

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

- A. ASO Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2020:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ (3,862,047)	\$	\$ (3,862,047)
b. Total net other income or expenses (including interest paid to or received from plans)			
c. Net gain or (loss) from operations	(3,862,047)		(3,862,047)
d. Total claim payment volume	\$ 271,748,394	\$	\$ 271,748,394

- B. ASC Plans

N/A

- C. Medicare or Similarly Structured Cost Based Reimbursement Contract

N/A

Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company does not currently have any direct premium written/produced by managing general agents/third party administrators.

Note 20 – Fair Value Measurements

- A. Fair Value Measurements

- (1) Fair Value Measurements at Reporting Date

Description for Each Type of Asset or Liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
Assets at Fair Value					
Other Invested Assets	\$	\$	\$	\$ 11,997,935	\$ 11,997,935
Mutual Funds	\$	\$ 8,602,953	\$	\$	\$ 8,602,953
Long Term Bonds	\$	\$ 131,791	\$	\$	\$ 131,791
Cash Equivalent Exempt MM Mutual Fund	\$	\$ 1,713,985	\$	\$	\$ 1,713,985
Total	\$	\$ 10,448,729	\$	\$ 11,997,935	\$ 22,446,664
Liabilities at Fair Value					
Supplemental Savings Plan	\$ 612,624	\$	\$	\$	\$ 612,624
Total	\$ 612,624	\$	\$	\$	\$ 612,624

- (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

NOTES TO FINANCIAL STATEMENTS

The Company does not have fair value measurements in Level 3.

(3) Policies when Transfers Between Levels are Recognized

The Company does not have any transfers between levels of fair value measurement.

(4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

As of December 31, 2020, the reported fair value of the reporting entity's investments in Level 2 include equity mutual funds and Long Term Bonds with a value of \$10,316,937 and \$131,791. Fair Value measurements for these equity securities are provided by the fund and indicate the closing NAV at December 31, 2020. All Fair Value Measurements are provided in US Dollars.

(5) Fair Value Disclosures

The company does not have any derivative assets and liabilities.

B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

N/A

C. Fair Value Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Other Invested Assets	\$ 11,997,935	\$ 9,602,582	\$	\$	\$	\$ 9,602,582	\$
Mutual Funds	\$ 8,602,953	\$ 6,274,672	\$	\$ 6,274,672	\$	\$	\$
Long Term Bonds	\$ 131,791	\$	\$	\$ 131,791	\$	\$	\$
Cash Equivalent Exempt MM Mutual Fund	\$ 1,713,985	\$	\$	\$ 1,713,985	\$	\$	\$
Supplemental Savings Plan	\$ 612,624	\$	\$ 612,624	\$	\$	\$	\$

D. Not Practicable to Estimate Fair Value

The Company does not have any of these securities at this time.

E. NAV Practical Expedient Investments

1. Martingale Investment Trust – Series 1 Low Volatility Large Cap+

This strategy seeks to meet or exceed equity market returns while realizing significantly less volatility. This investment focuses on identifying and investing in low risk companies with sound fundamental properties. The portfolio is considered to be a low risk portfolio with broad, stable sector diversification. The fund contains 186 individual holdings as of 12/31/2020 with the top 10% of all holdings representing 13.7% of all fund holdings. Overall, the risk target of this portfolio is to perform with 70%-80% of the overall market volatility of the Russell 1000 Index.

The fund is able to be liquidated on a monthly basis. Because the underlying portfolio contains assets that are part of the Russell 1000 Index, it is very probable that the fund would not liquidate at the NAV of a prior month. It is possible the fund could be liquidated at a higher or lower price depending on overall market actions.

Barings U.S. Loan Fund Series – Tranche A

The Barings investment process is a focused and detailed fundamental bottom-up due diligence. The firm's investment philosophy is based on the belief that long-term, risk-adjusted returns can best be achieved through active portfolio management coupled with strong fundamental credit underwriting with the goal of minimizing principal losses. The firm takes a credit-intensive approach when selecting assets that seeks to determine where favorable value exists within companies on a relative basis to other investment alternatives.

The average number of loans in the portfolio is 194 at the end of the 4th quarter 2020, with 12.2% in the top ten holdings. The portfolio is diversified across eleven sectors, with three sectors containing more than 10% of all holdings. Average annualized default since 2011 for the fund is 0.7%, while the historical average of the market is 2.9%.

The fund has daily liquidity but a 30 calendar day prior to withdraw notice is necessary. As of 12/31/20, there are \$0.9 Billion assets in the Commingled Fund.

2. Not Applicable (The investments can be redeemed on a monthly basis.)

3. Not Applicable (There is no required capital commitment for the investments in Martingale or Barings)

4. Redemption of shares of either holding are processed on a monthly basis at prevailing market NAV.

NOTES TO FINANCIAL STATEMENTS

5. Not Applicable

6. Not Applicable (There are no restrictions to viewing the investments of the Martingale Investment Trust – Series 1 Low Volatility Large Cap+ or the Barings U.S. Loan Fund Series – Tranche A. The holdings are provided to the Investor in each of the fund’s annual reports, and can be requested at any month end closing.)

7. Not Applicable (The investor has not made a decision to redeem shares of the Martingale Investment Trust – Series 1 Low Volatility Large Cap+ or the Barings U.S. Loan Fund Series – Tranche A at this time.)

Note 21 – Other Items

A. Unusual or Infrequent Items

For the period ending in December 31, 2020 the Company has reported \$1,835,226 in premium credit relating to Covid-19.

B. Troubled Debt Restructuring Debtors

The Company had no troubled debt restructuring as of December 31, 2020.

C. Other Disclosures

The Company has no other disclosures as of December 31, 2020.

D. Business Interruption Insurance Recoveries

The Company has no business interruption insurance recoveries.

E. State Transferable and Non-Transferable Tax Credits

The Company has no state transferable tax credits

F. Subprime Mortgage Related Risk Exposure

HMOP’s core fixed income holdings include one position that has exposure to sub-prime mortgage loans. This New Century Home Equity Loan Equity Trust Series 2005-C bond was purchased as \$200,000 of original par value and has current par value of \$146,917.13 at 12/31/2020. The book adjusted carrying value of this holding in the HMOP core fixed income portfolio is \$146,117.12 which equates to 0.24% of the total core fixed income portfolio. This position carries investment grade ratings of “A” by Standard & Poor’s and Aa1 by Moody’s.

G. Retained Assets

The Company has no retained assets.

H. Insurance-Linked Securities (ILS) Contracts

The Company has no insurance-linked securities (ILS) contracts.

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

The Company has no life insurance where the reporting entity is owner and beneficiary or has otherwise obtained rights to control the policy.

Note 22 – Events Subsequent

Subsequent events have been considered through for these statutory financial statements which are to be issued on .

A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?

Yes [] No [X]

	2020	2019
B. ACA fee assessment payable for the upcoming year	\$	\$ 3,729,938
C. ACA fee assessment paid	\$ 3,559,433	\$
D. Premium written subject to ACA 9010 assessment	\$	\$ 211,916,340
E. Total adjusted capital before surplus adjustment (Five-Year Historical Line 14)	\$ 64,210,280	
F. Total adjusted capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 64,210,280	
G. Authorized control level (Five-Year Historical Line 15)	\$ 7,738,368	

H. Would reporting the ACA assessment as of December 31, 2020 have triggered an RBC action level (YES/NO)?

Yes [] No [X]

NOTES TO FINANCIAL STATEMENTS**Note 23 – Reinsurance**

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? Yes [] No [X]
If yes, give full details.
- (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]
If yes, give full details.

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]
- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. **\$ 0**
- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? **\$ 0**
- (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]
If yes, give full details.

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. **\$ 0**
- (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]
If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? **\$ 0**

B. Uncollectible Reinsurance

The Company did not have any uncollectible reinsurance written off during the year.

C. Commutation of Ceded Reinsurance

There was no commutation of reinsurance during the year.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

There was no certified reinsurer rating downgraded or status subject to revocation during the year.

E. Reinsurance Credits

N/A

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

The company estimates accrued retrospective premium adjustments for its group health insurance business through a mathematical approach using an algorithm of the company's underwriting rules and experience rating practices.

The company also has health insurance business that is subject to a medical loss ratio pursuant to the Public Health Service Act.

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

The company records accrued retrospective premium as an adjustment to earned premium.

NOTES TO FINANCIAL STATEMENTS

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

The amount of net premiums written by the company at December 31, 2020 that are subject to retrospective rating features was \$187,599,574 that represented 100% of the total net premium written. No other net premiums written by the company are subject to retrospective rating features.

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$	\$	\$	\$ (188,258)	\$ (188,258)
(2) Medical loss ratio rebates paid	\$	\$	\$	\$	\$
(3) Medical loss ratio rebates unpaid	\$	\$	\$	\$	\$
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	\$
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	\$
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$	\$	\$	\$	\$
(8) Medical loss ratio rebates paid	\$	\$	\$	\$	\$
(9) Medical loss ratio rebates unpaid	\$	\$	\$	\$	\$
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	\$
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	\$
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$

E. Risk-Sharing Provisions of the Affordable Care Act

- (1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions

Yes [X] No []

- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year:

a. Permanent ACA Risk Adjustment Program	AMOUNT
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment (including high-risk pool payments)	\$ 667,433
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$
3. Premium adjustments payable due to ACA Risk Adjustment (including high-risk pool premium)	\$
Operations (Revenue & Expenses)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ 433,442
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	\$ 6,091

b. Transitional ACA Reinsurance Program	AMOUNT
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	\$
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	\$
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$
Operations (Revenue & Expenses)	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$
9. ACA Reinsurance contributions – not reported as ceded premium	\$

c. Temporary ACA Risk Corridors Program	AMOUNT
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors Liabilities	\$
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$
Operations (Revenue & Expenses)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	\$
4. Effect of ACA Risk Corridors on change in reserves for rate credits	\$

NOTES TO FINANCIAL STATEMENTS

(3) Roll forward of prior year ACA Risk Sharing Provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance:

	Accrued During the Prior Year on Business Written Before Dec. 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high-risk pool payments)	\$ 113,673	\$	\$ 18,497	\$	\$ 95,176	\$	\$ (86,183)	\$	A	\$ 8,993	\$
2. Premium adjustments payable (including high-risk pool premium)									B		
3. Subtotal ACA Permanent Risk Adjustment Program	\$ 113,673	\$	\$ 18,497	\$	\$ 95,176	\$	\$ (86,183)	\$		\$ 8,993	\$
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	\$	\$	\$	\$	\$	\$	\$	\$	C	\$	\$
2. Amounts recoverable for claims unpaid (contra liability)									D		
3. Amounts receivable relating to uninsured plans									E		
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium									F		
5. Ceded reinsurance premiums payable									G		
6. Liability for amounts held under uninsured plans									H		
7. Subtotal ACA Transitional Reinsurance Program	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	I	\$	\$
2. Reserve for rate credits or policy experience rating refunds									J		
3. Subtotal ACA Risk Corridors Program	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$
d. Total for ACA Risk-Sharing Provisions	\$ 113,673	\$	\$ 18,497	\$	\$ 95,176	\$	\$ (86,183)	\$		\$ 8,993	\$

Explanations of Adjustments

- A. True up to 2019 Actual
- B.
- C.
- D.
- E.
- F.
- G.
- H.
- I.
- J.

NOTES TO FINANCIAL STATEMENTS

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before Dec. 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
	1	2	3	4	Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
a. 2014										
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	A	\$
2. Reserve for rate credits for policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$	B	\$
b. 2015										
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	C	\$
2. Reserve for rate credits for policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$	D	\$
c. 2016										
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	E	\$
2. Reserve for rate credits or policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$	F	\$
d. Total for Risk Corridors	\$	\$	\$	\$	\$	\$	\$	\$		\$

24E(4)d (Columns 1 through 10) should equal 24E(3)c3 (Column 1 through 10 respectively)

- A.
- B.
- C.
- D.
- E.
- F.

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts Received from CMS	4 Asset Balance (Gross of Non-Admissions) (1-2-3)	5 Non-Admitted Amount	5 Net Admitted Asset (4-5)
a. 2014	\$	\$	\$	\$	\$	\$
b. 2015						
c. 2016						
d. Total (a+b+c)	\$	\$	\$	\$	\$	\$

24E(5)d (Column 4) should equal 24E(3)c1 (Column 9)

24E(5)d (Column 6) should equal 24E(2)c1

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

12/31/19 Reserves	26,122,986
2019 Claims paid in 2020	<u>(20,822,879)</u>
Net	5,300,107
2019 Reserves Remaining	<u>(93,374)</u>
Favorable Development	<u>5,206,733</u>

Note 26 – Intercompany Pooling Arrangements

A. Identification of the Lead Entity and all Affiliated Entities Participating in the Intercompany Pool

N/A

NOTES TO FINANCIAL STATEMENTS

B. Description of Lines and Types of Business Subject to the Pooling Agreement

N/A

C. Description of Cessions to Non-Affiliated Reinsurance Subject to Pooling Agreement

N/A

D. Identification of all Pool Members that are Parties to Reinsurance Agreements with Non-Affiliated Reinsurers

N/A

E. Explanation of Discrepancies Between Entries of Pooled Business

N/A

F. Description of Intercompany Sharing

N/A

G. Amounts Due To/From Lead Entity and all Affiliated Entities Participating in the Intercompany Pool

N/A

Note 27 – Structured Settlements

Not Applicable

Note 28 – Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days After Billing
12/31/2020	\$ 5,986,546	\$ -	\$ -	\$ -	\$ -
09/30/2020	\$ 6,021,620	\$ 5,966,046	\$ 4,326,922	\$ -	\$ -
06/30/2020	\$ 5,791,690	\$ 6,001,120	\$ 3,486,749	\$ 1,490,324	\$ -
03/31/2020	\$ 5,623,637	\$ 5,791,690	\$ 3,534,227	\$ 842,647	\$ 1,229,500
12/31/2019	\$ 4,705,470	\$ 4,665,076	\$ 3,987,136	\$ 401,605	\$ 842,078
09/30/2019	\$ 4,644,891	\$ 4,705,470	\$ 3,709,248	\$ 3,028,320	\$ 391,164
06/30/2019	\$ 4,527,295	\$ 4,644,892	\$ 3,572,887	\$ 712,121	\$ 217,558
03/31/2019	\$ 4,649,253	\$ 4,527,295	\$ 3,656,300	\$ 913,855	\$ (176,262)
12/31/2018	\$ 3,818,053	\$ 3,755,732	\$ 4,672,800	\$ 449,706	\$ 153,798
09/30/2018	\$ 3,669,329	\$ 3,594,918	\$ 3,164,477	\$ 1,216,849	\$ 23,535
06/30/2018	\$ 3,706,513	\$ 3,605,597	\$ 3,164,477	\$ 648,098	\$ (793)
03/31/2018	\$ 3,336,981	\$ 3,723,264	\$ 3,188,570	\$ 687,553	\$ 5,119

B. Risk-Sharing Receivables

The Company has no risk sharing receivables.

Note 29 – Participating Policies

The Company has no participating contracts.

Note 30 – Premium Deficiency Reserves

The Company has no premium deficiency reserves as of December 31, 2020.

- Liability carried for premium deficiency reserve: \$ 0
- Date of most recent evaluation of this liability: December 31, 2020

NOTES TO FINANCIAL STATEMENTS

3. Was anticipated investment income utilized in the calculation? Yes [X] No []

Note 31 – Anticipated Salvage and Subrogation

The Company took into account estimated anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses and reduced such liability by \$128,237 as of December 31, 2020.

Statement as of December 31, 2020 of the **HMO Partners, Inc**
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State regulating? Arkansas
- 1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes No
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. _____
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2017
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2017
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/28/2019
- 3.4 By what department or departments? Arkansas Insurance Department
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
 If the answer is YES, complete and file the merger history data file with the NAIC.
- 5.2 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 |
|---------------------|------------------------------|---------------------------|
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
- 7.21 State the percentage of foreign control _____ %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes 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? Yes No
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1
Affiliate Name | 2
Location (City, State) | 3
FRB | 4
OCC | 5
FDIC | 6
SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| | | | | | |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BKD, LLP 400 W. Capitol Ave Suite 2500 Little Rock, Arkansas 72201
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes No
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes No
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:

Statement as of December 31, 2020 of the **HMO Partners, Inc**
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes No N/A
 10.6 If the response to 10.5 is no or n/a, please explain:

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Victor Davis, Employee of Arkansas Blue Cross and Blue Shield 601 S Gaines St Little Rock Arkansas 72201

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No
 12.11 Name of real estate holding company
 12.12 Number of parcels involved 0
 12.13 Total book/adjusted carrying value \$ 0

12.2 If yes, provide explanation

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

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

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes No

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes No

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes No

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 20.11 To directors or other officers \$ 0
 20.12 To stockholders not officers \$ 0
 20.13 Trustees, supreme or grand (Fraternal only) \$ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
 20.21 To directors or other officers \$ 0
 20.22 To stockholders not officers 0
 20.23 Trustees, supreme or grand (Fraternal only) 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes No

21.2 If yes, state the amount thereof at December 31 of the current year:
 21.21 Rented from others \$ 0
 21.22 Borrowed from others \$ 0
 21.23 Leased from others \$ 0
 21.24 Other \$ 0

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes No

22.2 If answer is yes:
 22.21 Amount paid as losses or risk adjustment \$ 0
 22.22 Amount paid as expenses \$ 0
 22.23 Other amounts paid \$ (973,121)

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No

Statement as of December 31, 2020 of the **HMO Partners, Inc**
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes No

24.02 If no, give full and complete information, relating thereto:

24.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$ 0

24.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$ 0

24.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A

24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A

24.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A

24.09 For the reporting entity's securities lending program, state the amount of the following as of December 31 of the current year:

24.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0

24.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0

24.093 Total payable for securities lending reported on the liability page: \$ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.) Yes No

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

25.21 Subject to repurchase agreements \$ 0

25.22 Subject to reverse repurchase agreements \$ 0

25.23 Subject to dollar repurchase agreements \$ 0

25.24 Subject to reverse dollar repurchase agreements \$ 0

25.25 Placed under option agreements \$ 0

25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ 0

25.27 FHLB Capital Stock \$ 0

25.28 On deposit with states \$ 348,063

25.29 On deposit with other regulatory bodies \$ 0

25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 0

25.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ 0

25.32 Other \$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No

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

Lines 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

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

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

26.41 Special accounting provision of SSAP No. 108 Yes No

26.42 Permitted accounting practice Yes No

26.43 Other accounting guidance Yes No

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

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

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
US Bank Institutional Trust and Custody	St. Louis, MO

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

1	2	3

Statement as of December 31, 2020 of the **HMO Partners, Inc**
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

Name(s)	Location(s)	Complete Explanation(s)
---------	-------------	-------------------------

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

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

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

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts", "... handle securities"].

1 Name of Firm or Individual	2 Affiliation
Foundation Resource Management	U
Gray D. Dillard	I
Martingale Asset Management, LP	U
Barings, LLC	U
Pacific Investment Management Company, LLC	U
JP Morgan	U

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes [X] No []

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
116359	Foundation Resource Management	N/A	SEC	No
108526	Martingale Asset Management, LP	549300GXM5ZGZJXZ1Y74	SEC	NO
106006	Barings, LLC	ANDKRHQKPRRG4Q2KLR05	SEC, CFTC, NFA	NO
104559	Pacific Investment Management Company LLC	549300KGPYQZXGMYN38	SEC	NO
79	JP Morgan	K6Q0W1PS1L104IQL9C32	SEC	NO

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

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		\$
29.2999	TOTAL	\$

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	\$ 54,787,296	\$ 55,763,589	\$ 976,293
30.2 Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3 Totals	\$ 54,787,296	\$ 55,763,589	\$ 976,293

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

Fair value pricing obtained, where applicable, from NAIC 4th Quarter 2206 Valuation of Securities database, or from market prices provided by US Bank Institutional Trust & Custody, custodian for investment assets, for issues which were not priced by NAIC at year-end.

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

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

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

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

32.2 If no, list exceptions:

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

Statement as of December 31, 2020 of the **HMO Partners, Inc**
GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

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

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

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

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

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

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

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

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

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

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [X] No [] N/A []

OTHER

37.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 576,414

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

1 Name	2 Amount Paid
Blue Cross Blue Shield Association	\$ 556,483

38.1 Amount of payments for legal expenses, if any? \$ 269,910

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

1 Name	2 Amount Paid
N/A	\$

39.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 178,123

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

1 Name	2 Amount Paid
Blue Cross Blue Shield Association	\$ 30,977

Statement as of December 31, 2020 of the **HMO Partners, Inc**
GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?			Yes []	No [X]
1.2	If yes, indicate premium earned on U.S. business only.		\$		0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?		\$		0
1.31	Reason for excluding:				
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.		\$		0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.		\$		0
1.6	Individual policies:				
	Most current three years:				
1.61	Total premium earned		\$		0
1.62	Total incurred claims		\$		0
1.63	Number of covered lives				0
	All years prior to most current three years:				
1.64	Total premium earned		\$		0
1.65	Total incurred claims		\$		0
1.66	Number of covered lives				0
1.7	Group policies:				
	Most current three years:				
1.71	Total premium earned		\$		0
1.72	Total incurred claims		\$		0
1.73	Number of covered lives				0
	All years prior to most current three years:				
1.74	Total premium earned		\$		0
1.75	Total incurred claims		\$		0
1.76	Number of covered lives				0
2.	Health Test:				
		1		2	
		Current Year		Prior Year	
2.1	Premium Numerator	\$	187,599,574	\$	211,916,338
2.2	Premium Denominator	\$	187,599,574	\$	211,916,338
2.3	Premium Ratio (2.1/2.2)		100.0%		100.0%
2.4	Reserve Numerator	\$	23,409,876	\$	29,714,566
2.5	Reserve Denominator	\$	23,722,379	\$	29,849,961
2.6	Reserve Ratio (2.4/2.5)		98.7%		99.5%
3.1	Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?			Yes []	No [X]
3.2	If yes, give particulars:				
4.1	Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?			Yes [X]	No []
4.2	If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?			Yes []	No [X]
5.1	Does the reporting entity have stop-loss reinsurance?			Yes [X]	No []
5.2	If no, explain:				
5.3	Maximum retained risk (see instructions)				
5.31	Comprehensive Medical		\$		2,072,560
5.32	Medical Only		\$		0
5.33	Medicare Supplement		\$		0
5.34	Dental and Vision		\$		0
5.35	Other Limited Benefit Plan		\$		0
5.36	Other		\$		0
6.	Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:				

Statement as of December 31, 2020 of the **HMO Partners, Inc**
GENERAL INTERROGATORIES
PART 2 – HEALTH INTERROGATORIES

- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No []
- 7.2 If no, give details
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 18,783
- 8.2 Number of providers at end of reporting year 19,910
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees with rate guarantees between 15-36 months \$ 0
- 9.22 Business with rate guarantees over 36 months \$ 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No []
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses 4,544,497
- 10.22 Amount actually paid for year bonuses 4,077,599
- 10.23 Maximum amount payable withholds 0
- 10.24 Amount actually paid for year withholds 9,352,852
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No [X]
- 11.13 An Individual Practice Association (IPA), or, Yes [] No [X]
- 11.14 A Mixed Model (combination of above)? Yes [X] No []
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No []
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus.
- 11.4 If yes, show the amount required. \$ 100,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]
- 11.6 If the amount is calculated, show the calculation

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

1 Name of Service Area
Arkansas

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

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
	0		\$	\$	\$	\$

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

- 15.1 Direct Premium Written \$ 0
- 15.2 Total Incurred Claims \$ 0
- 15.3 Number of Covered Lives 0

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

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

Statement as of December 31, 2020 of the **HMO Partners, Inc**
FIVE-YEAR HISTORICAL DATA

	1 2020	2 2019	3 2018	4 2017	5 2016
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	122,465,065	149,537,974	128,331,714	129,619,539	114,101,429
2. Total liabilities (Page 3, Line 24).....	58,254,782	80,994,944	60,189,782	62,084,101	55,764,969
3. Statutory minimum capital and surplus requirement.....	100,000	100,000	100,000	100,000	100,000
4. Total capital and surplus (Page 3, Line 33).....	64,210,280	68,543,030	68,141,934	67,535,438	58,336,460
Income Statement (Page 4)					
5. Total revenues (Line 8).....	187,599,574	211,916,338	226,790,781	206,662,410	191,140,735
6. Total medical and hospital expenses (Line 18).....	151,463,863	178,840,151	190,934,413	172,373,830	160,647,985
7. Claims adjustment expenses (Line 20).....	10,185,706	12,046,965	9,181,040	7,501,887	7,985,047
8. Total administrative expenses (Line 21).....	27,671,256	23,992,818	27,310,681	19,814,964	21,563,702
9. Net underwriting gain (loss) (Line 24).....	(1,721,251)	(2,963,596)	(635,353)	6,971,730	944,001
10. Net investment gain (loss) (Line 27).....	4,404,385	2,316,440	7,959,064	1,989,987	1,699,702
11. Total other income (Lines 28 plus 29).....	268,142	261,242	221,690	324,342	257,206
12. Net income or (loss) (Line 32).....	2,085,061	(897,500)	6,409,698	6,727,254	656,674
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	(20,783,597)	9,184,547	3,823,259	5,765,528	(3,091,553)
Risk-Based Capital Analysis					
14. Total adjusted capital.....	64,210,280	68,543,030	68,141,934	67,535,438	58,336,460
15. Authorized control level risk-based capital.....	7,191,690	8,130,114	8,495,660	7,487,825	7,062,655
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	53,029	58,632	68,998	71,494	71,558
17. Total member months (Column 6, Line 7).....	647,450	743,104	847,702	856,849	863,574
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	80.7	84.4	84.2	83.4	84.0
20. Cost containment expenses.....	5.6	5.1	3.7	2.9	2.8
21. Other claims adjustment expenses.....	(0.2)	0.6	0.3	0.8	1.3
22. Total underwriting deductions (Line 23).....	100.9	101.4	100.3	96.6	99.5
23. Total underwriting gain (loss) (Line 24).....	(0.9)	(1.4)	(0.3)	3.4	0.5
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5).....	24,776,626	26,037,263	22,911,004	21,527,564	20,914,897
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	29,714,566	27,482,068	24,827,638	17,961,171	21,599,029
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.....					

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

Yes [] No []

If no, please explain:

Statement as of December 31, 2020 of the **HMO Partners, Inc**
SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status (a)	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama.....AL	.N								.0
2. Alaska.....AK	.N								.0
3. Arizona.....AZ	.N								.0
4. Arkansas.....AR	.L	231,399,392	47,722,596					279,121,988	
5. California.....CA	.N								.0
6. Colorado.....CO	.N								.0
7. Connecticut.....CT	.N								.0
8. Delaware.....DE	.N								.0
9. District of Columbia.....DC	.N								.0
10. Florida.....FL	.N								.0
11. Georgia.....GA	.N								.0
12. Hawaii.....HI	.N								.0
13. Idaho.....ID	.N								.0
14. Illinois.....IL	.N								.0
15. Indiana.....IN	.N								.0
16. Iowa.....IA	.N								.0
17. Kansas.....KS	.N								.0
18. Kentucky.....KY	.N								.0
19. Louisiana.....LA	.N								.0
20. Maine.....ME	.N								.0
21. Maryland.....MD	.N								.0
22. Massachusetts.....MA	.N								.0
23. Michigan.....MI	.N								.0
24. Minnesota.....MN	.N								.0
25. Mississippi.....MS	.N								.0
26. Missouri.....MO	.N								.0
27. Montana.....MT	.N								.0
28. Nebraska.....NE	.N								.0
29. Nevada.....NV	.N								.0
30. New Hampshire.....NH	.N								.0
31. New Jersey.....NJ	.N								.0
32. New Mexico.....NM	.N								.0
33. New York.....NY	.N								.0
34. North Carolina.....NC	.N								.0
35. North Dakota.....ND	.N								.0
36. Ohio.....OH	.N								.0
37. Oklahoma.....OK	.N								.0
38. Oregon.....OR	.N								.0
39. Pennsylvania.....PA	.N								.0
40. Rhode Island.....RI	.N								.0
41. South Carolina.....SC	.N								.0
42. South Dakota.....SD	.N								.0
43. Tennessee.....TN	.N								.0
44. Texas.....TX	.N								.0
45. Utah.....UT	.N								.0
46. Vermont.....VT	.N								.0
47. Virginia.....VA	.N								.0
48. Washington.....WA	.N								.0
49. West Virginia.....WV	.N								.0
50. Wisconsin.....WI	.N								.0
51. Wyoming.....WY	.N								.0
52. American Samoa.....AS	.N								.0
53. Guam.....GU	.N								.0
54. Puerto Rico.....PR	.N								.0
55. U.S. Virgin Islands.....VI	.N								.0
56. Northern Mariana Islands.....MP	.N								.0
57. Canada.....CAN	.N								.0
58. Aggregate Other alien.....OT	.XXX	0	0	0	0	0	0	0	0
59. Subtotal.....XXX		231,399,392	47,722,596	0	0	0	0	279,121,988	0
60. Reporting entity contributions for Employee Benefit Plans.....XXX		3,057,366						3,057,366	
61. Total (Direct Business).....XXX		234,456,758	47,722,596	0	0	0	0	282,179,354	0

DETAILS OF WRITE-INS

58001.....								.0	
58002.....								.0	
58003.....								.0	
58998. Summary of remaining write-ins for line 58.....		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 through 58003 + 58998).....		0	0	0	0	0	0	0	0

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	1
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....	0

R - Registered - Non-domiciled RRGs.....	0
Q - Qualified - Qualified or accredited reinsurer.....	0
N - None of the above - Not allowed to write business in the state.....	56

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

Arkansas' premium is recorded based on system data at the group/individual level.

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

PART 1 – ORGANIZATIONAL CHART

