



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2023  
OF THE CONDITION AND AFFAIRS OF THE

## HMO Partners, Inc

NAIC Group Code 0876 0876 NAIC Company Code 95442 Employer's ID Number 71-0747497  
(Current) (Prior)

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

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [ X ] No [ ]

Incorporated/Organized 11/08/1993 Commenced Business 01/01/1994

Statutory Home Office 601 S. Gaines, Little Rock, AR, US 72201  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 601 S. Gaines  
(Street and Number)  
Little Rock, AR, US 72201, 501-378-2000  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 601 S. Gaines, Little Rock, AR, US 72201  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

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

Internet Website Address healthadvantage-hmo.com

Statutory Statement Contact Samuel Patterson Wenger, 501-399-3953  
(Name) (Area Code) (Telephone Number)  
SPWenger@arkbluecross.com, 501-378-3258  
(E-mail Address) (FAX Number)

### OFFICERS

Chairman of the Board Gray Donald Dillard Secretary Timothy Gerard Gauger  
Treasurer Scott Bradley Winter President / CEO Matthew Dennis Vannatta

### OTHER

Brent William Beaulieu

### DIRECTORS OR TRUSTEES

<u>Curtis Edwin Barnett</u>	<u>Brent William Beaulieu</u>	<u>Alicia Marie Berkemeyer</u>
<u>Gray Donald Dillard</u>	<u>Lavanda Moore Gangluff APN</u>	<u>Richard Loyd Gore DDS</u>
<u>Christina Powell Hockaday</u>	<u>Matthew Ridgway Jones</u>	<u>Calvin Eugene Kellogg</u>
<u>Charles Edgar Phillips MD</u>	<u>Tonya Renee Robertson</u>	<u>Sherman Ellis Tate</u>
<u>Matthew Dennis Vannatta</u>	<u>Troy Russell Wells</u>	

State of Arkansas SS  
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.

Gray Donald Dillard  
Chairman of the Board

Scott Bradley Winter  
Treasurer

Timothy Gerard Gauger  
Secretary

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	52,758,070		52,758,070	51,027,882
2. Stocks (Schedule D):				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	9,766,932	3,721,816	6,045,117	8,190,445
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens.....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ encumbrances) .....			0	0
5. Cash (\$ ..... 17,188,122 , Schedule E - Part 1), cash equivalents (\$ .....974,533 , Schedule E - Part 2) and short-term investments (\$ ..... 0 , Schedule DA) .....	18,162,655		18,162,655	48,301,789
6. Contract loans, (including \$ ..... premium notes) .....			0	0
7. Derivatives (Schedule DB) .....			0	0
8. Other invested assets (Schedule BA) .....	12,863,237	3,534,371	9,328,866	11,349,832
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	93,550,894	7,256,187	86,294,707	118,869,948
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	308,852		308,852	388,492
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....			0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums (\$ ..... 940,957 ) and contracts subject to redetermination (\$ ..... 308,091 ) .....	1,327,057	78,008	1,249,048	5,046,553
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	12,870,742		12,870,742	9,300,980
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....	1,213,310	227,083	986,227	12,970,180
18.1 Current federal and foreign income tax recoverable and interest thereon ....	4,134,388		4,134,388	5,813,018
18.2 Net deferred tax asset .....	2,197,424		2,197,424	3,035,047
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	34,026		34,026	949,196
24. Health care (\$ ..... 7,572,605 ) and other amounts receivable .....	10,380,756	2,808,150	7,572,605	7,659,232
25. Aggregate write-ins for other than invested assets .....	175,703	0	175,703	177,152
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	126,193,151	10,369,429	115,823,723	164,209,798
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27)	126,193,151	10,369,429	115,823,723	164,209,798
<b>DETAILS OF WRITE-INS</b>				
1101. ....			0	0
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Supplemental Savings Plan .....	93,967		93,967	82,560
2502. Other Assets .....	81,736		81,736	94,592
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	175,703	0	175,703	177,152

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... 37,106,002 reinsurance ceded) .....	19,612,774		19,612,774	27,779,761
2. Accrued medical incentive pool and bonus amounts .....	775,049		775,049	2,091,877
3. Unpaid claims adjustment expenses.....	317,783		317,783	926,063
4. Aggregate health policy reserves, including the liability of \$ .....0 for medical loss ratio rebate per the Public Health Service Act .....	14,441,876		14,441,876	20,162,848
5. Aggregate life policy reserves.....			0	0
6. Property/casualty unearned premium reserves.....			0	0
7. Aggregate health claim reserves.....			0	0
8. Premiums received in advance.....	1,714,599		1,714,599	1,931,097
9. General expenses due or accrued.....	3,350,361		3,350,361	4,648,273
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....			0	0
10.2 Net deferred tax liability.....	0		0	0
11. Ceded reinsurance premiums payable.....	4,062,630		4,062,630	7,972,426
12. Amounts withheld or retained for the account of others.....	582,190		582,190	504,074
13. Remittances and items not allocated.....	181,135		181,135	686,523
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current).....			0	0
15. Amounts due to parent, subsidiaries and affiliates.....	11,757,857		11,757,857	11,288,080
16. Derivatives.....			0	0
17. Payable for securities.....			0	0
18. Payable for securities lending .....			0	0
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers).....			0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
22. Liability for amounts held under uninsured plans.....	7,676,399		7,676,399	27,026,737
23. Aggregate write-ins for other liabilities (including \$ ..... current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	64,472,655	0	64,472,655	105,017,759
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
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	0	0
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	49,421,916	57,262,894
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ).....	XXX	XXX		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	51,351,069	59,192,047
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	115,823,723	164,209,806
<b>DETAILS OF WRITE-INS</b>				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	0	0	0	0
2501. ....	XXX	XXX		0
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	98,338	437,570
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	46,871,611	190,883,745
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	(437,854)	
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX	0	
5. Risk revenue .....	XXX	0	
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	46,433,757	190,883,745
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		116,996,599	138,802,519
10. Other professional services .....		2,861	85,776
11. Outside referrals .....		7,252,586	7,520,679
12. Emergency room and out-of-area .....		27,544,794	47,151,860
13. Prescription drugs .....		46,012,332	68,070,128
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		2,793,580	1,695,787
16. Subtotal (Lines 9 to 15) .....	0	200,602,752	263,326,749
<b>Less:</b>			
17. Net reinsurance recoveries .....		169,641,670	109,081,584
18. Total hospital and medical (Lines 16 minus 17) .....	0	30,961,082	154,245,165
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ ..... 2,710,415 cost containment expenses ....		960,988	10,050,113
21. General administrative expenses .....		6,389,517	21,573,217
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	38,311,587	185,868,495
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	8,122,170	5,015,250
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		3,604,997	1,954,294
26. Net realized capital gains (losses) less capital gains tax of \$ .....		(196,589)	(143,362)
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	3,408,408	1,810,932
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			
29. Aggregate write-ins for other income or expenses .....	0	168,533	184,769
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	11,699,111	7,010,951
31. Federal and foreign income taxes incurred .....	XXX	1,574,110	
32. Net income (loss) (Lines 30 minus 31) .....	XXX	10,125,001	7,010,951
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX	0	0
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....	0	0	0
2901. Licensing fee income .....		160,000	160,000
2902. Miscellaneous Income/Loss .....		8,533	24,769
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	168,533	184,769

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

	1 Current Year	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year.....	59,192,049	44,972,088
34. Net income or (loss) from Line 32 .....	10,125,001	7,010,951
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....0 .....	1,415,671	(1,703,909)
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....	(832,317)	3,027,388
39. Change in nonadmitted assets .....	(4,549,335)	5,885,466
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in .....	0	0
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....	(14,000,000)	
47. Aggregate write-ins for gains or (losses) in surplus .....	0	65
48. Net change in capital and surplus (Lines 34 to 47) .....	(7,840,980)	14,219,961
49. Capital and surplus end of reporting period (Line 33 plus 48)	51,351,069	59,192,049
<b>DETAILS OF WRITE-INS</b>		
4701. Miscellaneous .....		65
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	65

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	40,305,988	209,975,955
2. Net investment income .....	3,688,398	1,885,619
3. Miscellaneous income .....	0	0
4. Total (Lines 1 through 3) .....	43,994,385	211,861,574
5. Benefit and loss related payments .....	42,924,910	162,603,285
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	16,477,715	32,217,415
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	(109,826)	3,707,659
10. Total (Lines 5 through 9) .....	59,292,799	198,528,360
11. Net cash from operations (Line 4 minus Line 10) .....	(15,298,414)	13,333,214
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	8,311,785	9,839,996
12.2 Stocks .....	68,323	156,811
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	204,919	68,763
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(252)	(568)
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	8,584,775	10,065,003
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	10,234,736	11,073,647
13.2 Stocks .....	289,173	356,601
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	213,872	95,589
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	10,737,782	11,525,837
14. Net increase/(decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(2,153,007)	(1,460,835)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	14,000,000	0
16.6 Other cash provided (applied) .....	1,312,287	463,776
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(12,687,713)	463,776
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(30,139,134)	12,336,155
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	48,301,789	35,965,634
19.2 End of year (Line 18 plus Line 19.1) .....	18,162,656	48,301,789

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

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ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc  
**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Net premium income .....	46,871,611	46,871,611												
2. Change in unearned premium reserves and reserve for rate credit .....	(437,854)	(437,854)												
3. Fee-for-service (net of \$ medical expenses) .....	0													XXX
4. Risk revenue .....	0													XXX
5. Aggregate write-ins for other health care related revenues .....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6) .....	46,433,757	46,433,757	0	0	0	0	0	0	0	0	0	0	0	0
8. Hospital/medical benefits .....	116,996,599	48,651,399	68,348,061					(2,861)						XXX
9. Other professional services .....	2,861							2,861						XXX
10. Outside referrals .....	7,252,586	6,104,492	1,148,094											XXX
11. Emergency room and out-of-area .....	27,544,794	15,345,250	12,199,544											XXX
12. Prescription drugs .....	46,012,332	23,913,450	22,098,882											XXX
13. Aggregate write-ins for other hospital and medical incentive pool, withhold adjustments and bonus amounts .....	2,793,580	1,122,614	1,670,966											XXX
15. Subtotal (Lines 8 to 14) .....	200,602,752	95,137,205	105,465,547	0	0	0	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries .....	169,641,670	64,176,123	105,465,547											XXX
17. Total medical and hospital (Lines 15 minus 16) .....	30,961,082	30,961,082	0	0	0	0	0	0	0	0	0	0	0	XXX
18. Non-health claims (net) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 2,710,415 cost containment expenses .....	960,989	832,985											128,004	
20. General administrative expenses .....	6,389,515	5,457,530											931,985	
21. Increase in reserves for accident and health contracts .....	0													XXX
22. Increase in reserves for life contracts .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22) .....	38,311,586	37,251,597	0	0	0	0	0	0	0	0	0	0	0	1,059,989
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	8,122,171	9,182,160	0	0	0	0	0	0	0	0	0	0	(1,059,989)	0
<b>DETAILS OF WRITE-INS</b>														
0501. ....														XXX
0502. ....														XXX
0503. ....														XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0601. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. ....														XXX
1302. ....														XXX
1303. ....														XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) individual .....	141,124,985		94,253,374	46,871,611
2. Comprehensive (hospital and medical) group .....	112,009,537		112,009,537	0
3. Medicare Supplement .....				0
4. Vision only .....				0
5. Dental only .....				0
6. Federal Employees Health Benefits Plan .....	0			0
7. Title XVIII - Medicare .....	0			0
8. Title XIX - Medicaid .....	0			0
9. Credit A&H .....				0
10. Disability Income .....				0
11. Long-Term Care .....				0
12. Other health .....				0
13. Health subtotal (Lines 1 through 12) .....	253,134,522	0	206,262,911	46,871,611
14. Life .....	0			0
15. Property/casualty .....	0			0
16. Totals (Lines 13 to 15)	253,134,522	0	206,262,911	46,871,611

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Payments during the year:														
1.1 Direct .....	189,772,031	76,254,268	109,811,144					3,706,619						
1.2 Reinsurance assumed .....	0													
1.3 Reinsurance ceded .....	151,095,077	54,705,492	94,459,640					1,929,945						
1.4 Net .....	38,676,954	21,548,776	15,351,504	0	0	0	0	1,776,674	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses .....	4,110,406	1,111,349	2,666,553					332,504						
3. Claim liability December 31, current year from Part 2A:														
3.1 Direct .....	56,718,775	50,347,318	6,371,457	0	0	0	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded .....	37,106,002	27,332,725	9,773,277	0	0	0	0	0	0	0	0	0	0	0
3.4 Net .....	19,612,773	23,014,593	(3,401,820)	0	0	0	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:														
4.1 Direct .....	0													
4.2 Reinsurance assumed .....	0													
4.3 Reinsurance ceded .....	0													
4.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year .....	775,048	271,927	503,121											
6. Net health care receivables (a) .....	(1,227,297)	674,435	(510,323)					(1,391,409)						
7. Amounts recoverable from reinsurers December 31, current year .....	12,870,742	5,537,270	7,333,472											
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct .....	49,908,929	31,912,558	12,898,343	0	0	0	0	5,098,028	0	0	0	0	0	0
8.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded .....	22,129,170	17,331,022	3,537,064	0	0	0	0	1,261,084	0	0	0	0	0	0
8.4 Net .....	27,779,759	14,581,536	9,361,279	0	0	0	0	3,836,944	0	0	0	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	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year .....	2,091,874	260,662	1,498,708					332,504						
11. Amounts recoverable from reinsurers December 31, prior year .....	9,300,980	6,068,341	2,563,778					668,861						
12. Incurred Benefits:														
12.1 Direct .....	197,809,174	94,014,593	103,794,581	0	0	0	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded .....	169,641,670	64,176,124	105,465,547	0	0	0	0	0	0	0	0	0	0	0
12.4 Net .....	28,167,504	29,838,469	(1,670,966)	0	0	0	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses .....	2,793,580	1,122,614	1,670,966	0	0	0	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Reported in Process of Adjustment:														
1.1 Direct .....	2,875,666	5,046,964	(2,171,298)											
1.2 Reinsurance assumed .....	0													
1.3 Reinsurance ceded .....	1,392,084	161,562	1,230,522											
1.4 Net .....	1,483,582	4,885,402	(3,401,820)	0	0	0	0	0	0	0	0	0	0	0
2. Incurred but Unreported:														
2.1 Direct .....	53,843,109	45,300,354	8,542,755											
2.2 Reinsurance assumed .....	0													
2.3 Reinsurance ceded .....	35,713,918	27,171,163	8,542,755											
2.4 Net .....	18,129,191	18,129,191	0	0	0	0	0	0	0	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:														
3.1 Direct .....	0													
3.2 Reinsurance assumed .....	0													
3.3 Reinsurance ceded .....	0													
3.4 Net .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. TOTALS:														
4.1 Direct .....	56,718,775	50,347,318	6,371,457	0	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	37,106,002	27,332,725	9,773,277	0	0	0	0	0	0	0	0	0	0	0
4.4 Net .....	19,612,773	23,014,593	(3,401,820)	0	0	0	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) individual .....	15,186,685	16,951,518	7,115,073	15,899,519	22,301,758	14,581,538
2. Comprehensive (hospital and medical) group .....	(1,379,733)			(3,401,818)	(1,379,733)	9,361,279
3. Medicare Supplement .....					0	0
4. Vision Only .....					0	0
5. Dental Only .....					0	0
6. Federal Employees Health Benefits Plan .....					0	0
7. Title XVIII - Medicare .....					0	3,836,938
8. Title XIX - Medicaid .....					0	0
9. Credit A&H .....					0	0
10. Disability Income .....					0	0
11. Long-Term Care .....					0	0
12. Other health .....					0	0
13. Health subtotal (Lines 1 to 12) .....	13,806,952	16,951,518	7,115,073	12,497,701	20,922,025	27,779,755
14. Health care receivables (a) .....		9,001,937			0	0
15. Other non-health .....					0	0
16. Medical incentive pools and bonus amounts .....	1,624,069	2,153,834		775,048	1,624,069	2,091,876
17. Totals (Lines 13 - 14 + 15 + 16)	15,431,021	10,103,415	7,115,073	13,272,749	22,546,094	29,871,631

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

**Section A - Paid Health Claims - Comprehensive (Hospital & Medical)**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	185,031	185,080	185,080	185,080	185,080
2. 2019 .....	139,416	158,441	158,567	158,567	158,567
3. 2020 .....	XXX	122,180	139,305	139,361	139,361
4. 2021 .....	XXX	XXX	141,214	162,856	162,861
5. 2022 .....	XXX	XXX	XXX	125,417	139,260
6. 2023 .....	XXX	XXX	XXX	XXX	16,952

**Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	185,227	185,080	185,080	185,080	185,080
2. 2019 .....	163,002	158,385	158,567	158,567	158,567
3. 2020 .....	XXX	138,107	139,430	139,361	139,361
4. 2021 .....	XXX	XXX	164,459	161,548	162,821
5. 2022 .....	XXX	XXX	XXX	150,645	158,365
6. 2023 .....	XXX	XXX	XXX	XXX	29,449

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	190,275	158,567	4,683	3.0	163,250	85.8	0	0	163,250	85.8
2. 2020 .....	166,162	139,361	4,182	3.0	143,543	86.4	0	0	143,543	86.4
3. 2021 .....	182,115	162,821	5,835	3.6	168,656	92.6	0	0	168,656	92.6
4. 2022 .....	175,623	139,260	7,373	5.3	146,633	83.5	7,115	111	153,859	87.6
5. 2023 .....	146,139	16,952	883	5.2	17,835	12.2	13,273	207	31,315	21.4

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

(\$000 Omitted)

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

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2019	2 2020	3 2021	4 2022	5 2023
1.	Prior .....	14,192	14,205	14,205	14,205	14,205
2.	2019 .....	20,539	22,336	22,572	22,572	22,572
3.	2020 .....	XXX	20,884	23,782	23,782	23,782
4.	2021 .....	XXX	XXX	23,142	26,085	26,085
5.	2022 .....	XXX	XXX	XXX	11,376	11,376
6.	2023 .....	XXX	XXX	XXX	XXX	0

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

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2019	2 2020	3 2021	4 2022	5 2023
1.	Prior .....	14,199	14,205	14,205	14,205	14,205
2.	2019 .....	22,874	22,345	22,572	22,572	22,572
3.	2020 .....	XXX	23,728	24,006	23,782	23,782
4.	2021 .....	XXX	XXX	26,253	26,612	26,085
5.	2022 .....	XXX	XXX	XXX	14,685	14,685
6.	2023 .....	XXX	XXX	XXX	XXX	0

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	21,641	22,572	1,870	8.3	24,442	112.9	0	0	24,442	112.9
2. 2020 .....	21,438	23,782	2,011	8.5	25,793	120.3	0	0	25,793	120.3
3. 2021 .....	20,890	26,085	3,028	11.6	29,113	139.4	0	0	29,113	139.4
4. 2022 .....	15,261	11,376	1,485	13.1	12,861	84.3	0	0	12,861	84.3
5. 2023 .....	0	0	0	0.0	0	0.0	0	0	0	0.0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

(\$000 Omitted)

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

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2019	2 2020	3 2021	4 2022	5 2023
1.	Prior .....	199,223	199,285	199,285	199,285	199,285
2.	2019 .....	159,955	180,777	181,139	181,139	181,139
3.	2020 .....	XXX	143,064	163,087	163,143	163,143
4.	2021 .....	XXX	XXX	164,356	188,941	188,946
5.	2022 .....	XXX	XXX	XXX	136,793	150,636
6.	2023 .....	XXX	XXX	XXX	XXX	16,952

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

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2019	2 2020	3 2021	4 2022	5 2023
1.	Prior .....	199,426	199,285	199,285	199,285	199,285
2.	2019 .....	185,876	180,730	181,139	181,139	181,139
3.	2020 .....	XXX	161,835	163,436	163,143	163,143
4.	2021 .....	XXX	XXX	190,712	188,160	188,906
5.	2022 .....	XXX	XXX	XXX	165,330	173,050
6.	2023 .....	XXX	XXX	XXX	XXX	29,449

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	211,916	181,139	6,553	3.6	187,692	88.6	0	0	187,692	88.6
2. 2020 .....	187,600	163,143	6,193	3.8	169,336	90.3	0	0	169,336	90.3
3. 2021 .....	203,005	188,906	8,863	4.7	197,769	97.4	0	0	197,769	97.4
4. 2022 .....	190,884	150,636	8,858	5.9	159,494	83.6	7,115	111	166,720	87.3
5. 2023 .....	146,139	16,952	883	5.2	17,835	12.2	13,273	207	31,315	21.4

12.GT

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
1. Unearned premium reserves .....	0												
2. Additional policy reserves (a) .....	0												
3. Reserve for future contingent benefits .....	0												
4. Reserve for rate credits or experience rating refunds (including \$ ..... for investment income) ..	14,441,876	14,237,299	204,577										
5. Aggregate write-ins for other policy reserves .....	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Totals (gross) .....	14,441,876	14,237,299	204,577	0	0	0	0	0	0	0	0	0	0
7. Reinsurance ceded .....	0												
8. Totals (Net)(Page 3, Line 4) .....	14,441,876	14,237,299	204,577	0	0	0	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims .....	0												
10. Reserve for future contingent benefits .....	0												
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Totals (gross) .....	0	0	0	0	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded .....	0												
14. Totals (Net)(Page 3, Line 7) .....	0	0	0	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS													
0501. ....													
0502. ....													
0503. ....													
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0	0
1101. ....													
1102. ....													
1103. ....													
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2023 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 (\$ ..... for occupancy of own building) .....	95,521	19,805	401,801		517,127
2. Salary, wages and other benefits .....	17,016,954	3,466,196	33,321,549		53,804,699
3. Commissions (less \$ ..... ceded plus \$ ..... assumed)			2,133,361		2,133,361
4. Legal fees and expenses .....	1,557	846	542,220		544,623
5. Certifications and accreditation fees .....	1,807				1,807
6. Auditing, actuarial and other consulting services ...	263,665		1,811,069		2,074,734
7. Traveling expenses .....	73,103	4,156	363,726		440,985
8. Marketing and advertising .....	1,776	85	1,277,605		1,279,466
9. Postage, express and telephone .....	138,328	662,126	1,802,350		2,602,804
10. Printing and office supplies .....	42,383	773,549	355,839		1,171,771
11. Occupancy, depreciation and amortization .....	68,739	3,337	528,572		600,648
12. Equipment .....	42,794	1,736	297,342		341,872
13. Cost or depreciation of EDP equipment and software .....	2,740,996	624,521	8,639,353		12,004,870
14. Outsourced services including EDP, claims, and other services .....	4,105,563	(465,312)	4,567,270	86,817	8,294,338
15. Boards, bureaus and association fees .....	17,386	269	558,162		575,817
16. Insurance, except on real estate .....	257,070	30,066	533,738		820,874
17. Collection and bank service charges .....			157,423		157,423
18. Group service and administration fees .....	751,292	436,770	5,959		1,194,021
19. Reimbursements by uninsured plans .....	194,577	(49,244)	(145,331)		2
20. Reimbursements from fiscal intermediaries .....		187,924			187,924
21. Real estate expenses .....	56,447	3,813	417,754		478,014
22. Real estate taxes .....	4,344	183	38,574		43,101
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....		1,430,778	337,251		1,768,029
23.2 State premium taxes .....			5,177,119		5,177,119
23.3 Regulatory authority licenses and fees .....	3,044		188,264		191,308
23.4 Payroll taxes .....	887,920	186,705	1,682,922		2,757,547
23.5 Other (excluding federal income and real estate taxes) .....	2,156	1,409	46,964		50,529
24. Investment expenses not included elsewhere .....					0
25. Aggregate write-ins for expenses .....	(24,057,007)	(9,069,145)	(58,651,339)	0	(91,777,491)
26. Total expenses incurred (Lines 1 to 25) .....	2,710,415	(1,749,427)	6,389,517	86,817	(a) 7,437,322
27. Less expenses unpaid December 31, current year .....		317,783	3,350,361		3,668,144
28. Add expenses unpaid December 31, prior year .....		926,063	4,648,273		5,574,336
29. Amounts receivable relating to uninsured plans, prior year .....			2,208,135		2,208,135
30. Amounts receivable relating to uninsured plans, current year .....			3,896,296		3,896,296
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	2,710,415	(1,141,147)	9,375,590	86,817	11,031,674
<b>DETAILS OF WRITE-INS</b>					
2501. Ceded Administrative Expense .....	(24,061,691)	(9,214,736)	(59,640,153)		(92,916,580)
2502. Upaid Claims Processing Expense (UPCP) .....		914,182			914,182
2503. Ceded UPCP .....		(837,417)			(837,417)
2598. Summary of remaining write-ins for Line 25 from overflow page .....	4,684	68,826	988,814	0	1,062,324
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	(24,057,007)	(9,069,145)	(58,651,339)	0	(91,777,491)

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**EXHIBIT OF NET INVESTMENT INCOME**

	1	2
	Collected During Year	Earned During Year
1. U.S. government bonds	(a) 216,437	262,435
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 1,273,955	1,259,096
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	220,850	220,850
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract Loans	0	0
6. Cash, cash equivalents and short-term investments	(e) 1,674,987	1,676,708
7. Derivative instruments	(f) 0	0
8. Other invested assets	272,725	272,725
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	3,658,954	3,691,814
11. Investment expenses		(g) 86,817
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 0
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		86,817
17. Net investment income (Line 10 minus Line 16)		3,604,997
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 79,739 accrual of discount less \$ 83,500 amortization of premium and less \$ 31,045 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 \$ 42,912 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(69,526)	0	(69,526)	0	0
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	(136,281)	0	(136,281)	16,805	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	68,323	0	68,323	179,673	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	(252)	0	(252)	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	(58,852)	0	(58,852)	1,216,039	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	3,155	0
10. Total capital gains (losses)	(196,589)	0	(196,589)	1,415,671	0
<b>DETAILS OF WRITE-INS</b>					
0901. SSP & Other			0	3,155	
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	3,155	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**EXHIBIT OF NON-ADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....	3,721,816	1,107,641	(2,614,175)
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) .....	3,534,371	347,265	(3,187,107)
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) .....	7,256,187	1,454,905	(5,801,282)
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 .....	78,008		(78,008)
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 .....	227,083	203,916	(23,167)
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....			0
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
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....			0
24. Health care and other amounts receivable .....	2,808,150	3,811,272	1,003,122
25. Aggregate write-ins for other than invested assets .....	0	350,000	350,000
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	10,369,429	5,820,094	(4,549,335)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27)	10,369,429	5,820,094	(4,549,335)
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Other Assets .....	0	350,000	350,000
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	350,000	350,000

**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 .....	3,423	822	803	763	710	9,380
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....	61,948	52,370	44,060	40,707	40,001	545,395
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	65,371	53,192	44,863	41,470	40,711	554,775
<b>DETAILS OF WRITE-INS</b>						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

## NOTES TO FINANCIAL STATEMENTS

**NOTE 1 Summary of Significant Accounting Policies and Going Concern**
**A. Accounting Practices**

The financial statements of HMO Partners, Inc. are presented on the basis of accounting practices prescribed or permitted by the Arkansas Insurance Department.

The state of Arkansas requires insurance companies domiciled in the state of Arkansas to prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual subject to any deviations prescribed or permitted by the Arkansas Insurance Department. The Company does not have any permitted practices.

Reconciliation of net income and policyholders' surplus between the amounts reported in the accompanying financial statements and NAIC SAP follow:

	SSAP #	F/S Page	F/S Line #		2023		2022
NET INCOME							
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$	10,125,001	\$	7,010,951
(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	\$	10,125,001	\$	7,010,951
SURPLUS							
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$	51,351,069	\$	59,192,047
(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	\$	51,351,069	\$	59,192,047

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

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, Mandatory Convertible Securities, SVO-Identified Investments and Amortization Method**  
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. The Company does not have investments in stocks of uncombined subsidiaries or affiliates.
- (4) **Basis for Preferred Stocks**  
The Company does not have preferred stock.
- (5) **Basis for Mortgage Loans**  
The Company is not directly invested in mortgage loans. The Company does own mortgage-backed securities.
- (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.
- (7) **Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities**  
The Company does not have any investments in subsidiaries, controlled or affiliated entities.
- (8) **Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities**  
The Company does not have any investments in joint ventures, partnerships or limited liability entities.
- (9) **Accounting Policies for Derivatives**  
The Company does not have any derivatives.
- (10) **Anticipated Investment Income Used in Premium Deficiency Calculation**  
The Company includes anticipated 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.



**NOTES TO FINANCIAL STATEMENTS**

(3) Recognized OTTI Securities  
Not Applicable - No OTTI recognized during 2023 or 2022

1	2	3	4	5	6	7
CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
Total	XXX	XXX	\$ -	XXX	XXX	XXX

(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	\$ 17,008
2. 12 Months or Longer	\$ 2,279,483
b) The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 Months	\$ 1,322,714
2. 12 Months or Longer	\$ 16,403,021

(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 4a. and 4b. 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 impairments and will continue to evaluate underperforming holdings as required on a routine basis.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions  
Not Applicable -The Company did not have dollar repurchase agreements or security lending transactions during the reporting periods.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing  
Not Applicable -The Company did not have repurchase agreements during the reporting periods.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing  
Not Applicable -The Company did not have reverse repurchase agreements during the reporting periods.
- H. Repurchase Agreements Transactions Accounted for as a Sale  
Not Applicable -The Company did not have repurchase agreements during the reporting periods.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale  
Not Applicable -The Company did not have repurchase agreements or reverse repurchase agreements during the reporting periods.
- J. Real Estate  
Not Applicable -The Company did not have investments in real estate during the reporting periods.
- K. Low Income Housing Tax Credits (LIHTC)  
Not Applicable -The Company did not have investments in low-income housing tax credits (LIHTC) during the reporting periods.
- L. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	1	2	3	4	5	6	7
	Total Gross (Admitted & Non-admitted) Restricted from Current Year	Total Gross (Admitted & Non-admitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Non-admitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted & Non-admitted) Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown			\$ -		\$ -	0.000%	0.000%
b. Collateral held under security lending agreements			\$ -		\$ -	0.000%	0.000%
c. Subject to repurchase agreements			\$ -		\$ -	0.000%	0.000%
d. Subject to reverse repurchase agreements			\$ -		\$ -	0.000%	0.000%
e. Subject to dollar repurchase agreements			\$ -		\$ -	0.000%	0.000%
f. Subject to dollar reverse repurchase agreements			\$ -		\$ -	0.000%	0.000%
g. Placed under option contracts			\$ -		\$ -	0.000%	0.000%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock			\$ -		\$ -	0.000%	0.000%
i. FHLB capital stock			\$ -		\$ -	0.000%	0.000%
j. On deposit with states	\$ 345,814	\$ 344,155	\$ 1,659		\$ 345,814	0.274%	0.299%
k. On deposit with other regulatory bodies			\$ -		\$ -	0.000%	0.000%
l. Pledged collateral to FHLB (including assets backing funding agreements)			\$ -		\$ -	0.000%	0.000%
m. Pledged as collateral not captured in other categories			\$ -		\$ -	0.000%	0.000%
n. Other restricted assets			\$ -		\$ -	0.000%	0.000%
<b>o. Total Restricted Assets (Sum of a through n)</b>	<b>\$ 345,814</b>	<b>\$ 344,155</b>	<b>\$ 1,659</b>	<b>\$ -</b>	<b>\$ 345,814</b>	<b>0.274%</b>	<b>0.299%</b>

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

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

**NOTES TO FINANCIAL STATEMENTS**

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)

Description of Assets	1 Total Gross (Admitted & Non- admitted) Restricted from Current Year	2 Total Gross (Admitted & Non- admitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Gross (Admitted & Non- admitted) Restricted to Total Assets	6 Admitted Restricted to Total Admitted Assets
Total (a)	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%

(a) Total Line for Columns 1 through 3 should equal 5L(1)m Columns 1 through 3 respectively and Total Line for Column 4 should equal 5L(1)m Column 5.

3. Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Description of Assets	1 Total Gross (Admitted & Non- admitted) Restricted from Current Year	2 Total Gross (Admitted & Non- admitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Gross (Admitted & Non- admitted) Restricted to Total Assets	6 Admitted Restricted to Total Admitted Assets
Total (a)	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%

(a) Total Line for Columns 1 through 3 should equal 5L(1)n Columns 1 through 3 respectively and Total Line for Column 4 should equal 5L(1)n Column 5.

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

Collateral Assets	1 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted)*	4 % of BACV to Total Admitted Assets **
a. Cash, Cash Equivalents and Short-Term Investments			0.000%	0.000%
b. Schedule D, Part 1			0.000%	0.000%
c. Schedule D, Part 2, Section 1			0.000%	0.000%
d. Schedule D, Part 2, Section 2			0.000%	0.000%
e. Schedule B			0.000%	0.000%
f. Schedule A			0.000%	0.000%
g. Schedule BA, Part 1			0.000%	0.000%
h. Schedule DL, Part 1			0.000%	0.000%
i. Other			0.000%	0.000%
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	\$ -	\$ -	0.000%	0.000%

\* Column 1 divided by Asset Page, Line 26 (Column 1)

\*\* Column 1 divided by Asset Page, Line 26 (Column 3)

1 Amount	2 % of Liability to Total Liabilities *
k. Recognized Obligation to Return Collateral Asset	0.000%

\* Column 1 divided by Liability Page, Line 24 (Column 3)

- M. Working Capital Finance Investments  
Not Applicable -The Company did not have Working Capital Finance Investments (WCFI) during the reporting periods.

- N. Offsetting and Netting of Assets and Liabilities  
Not Applicable -The Company did not have assets or liabilities with a valid right to offset subject to SSAP No. 64 during the reporting periods.

- O. 5GI Securities  
Not Applicable -The Company did not hold any 5GI securities during the reporting periods.

Investment	Number of 5GI Securities		Aggregate BACV		Aggregate Fair Value	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
(1) Bonds - AC						
(2) Bonds - FV						
(3) LB&SS - AC						
(4) LB&SS - FV						
(5) Preferred Stock - AC						
(6) Preferred Stock - FV						
(7) Total (1+2+3+4+5+6)	0	0	\$ -	\$ -	\$ -	\$ -

AC - Amortized Cost FV - Fair Value

- P. Short Sales  
Not Applicable -The Company did not have any short sales during the reporting periods.

- Q. Prepayment Penalty and Acceleration Fees

	General Account
1. Number of CUSIPs	0
2. Aggregate Amount of Investment Income	\$ -

**NOTES TO FINANCIAL STATEMENTS**

R. Reporting Entity's Share of Cash Pool by Asset Type  
Not Applicable -The Company did not participate in a cash pool during the reporting periods.

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

A. Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of the Admitted Assets of the Reporting Entity  
Not Applicable - The Company did not have investments in joint ventures, partnerships, or limited liability companies that exceed 10% of its admitted assets during the reporting periods.

B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies  
Not Applicable -The Company did not recognize any impairment write down for its investments in joint ventures, partnerships, and limited liability companies during the statement period.

**NOTE 7 Investment Income**

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

B. The total amount excluded:  
The total amount excluded was -0- for 2023 and 2022.

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

	Amount
Interest Income Due and Accrued	
1. Gross	\$ 308,852
2. Nonadmitted	
3. Admitted	\$ 308,852

D. The aggregate deferred interest.

	Amount
Aggregate Deferred Interest	\$ -

E. The cumulative amounts of paid-in-kind (PIK) interest included in the current principal balance.

	Amount
Cumulative amounts of PIK interest included in the current principal balance	\$ -

**NOTE 8 Derivative Instruments**

Not Applicable -The Company did not have any derivative instruments during the reporting periods.

A. Derivatives under SSAP No. 86—Derivatives  
Not Applicable.

B. Derivatives under SSAP No. 108—Derivative Hedging Variable Annuity Guarantees  
Not Applicable.

**NOTE 9 Income Taxes**

A. The components of the net deferred tax asset/(liability) at the end of current period are as follows:

	As of End of Current Period			12/31/2022			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 - 4) Ordinary	(Col. 2 - 5) Capital	(Col. 7 + 8) Total
(a) Gross Deferred Tax Assets	\$ 3,077,935	\$ 325,636	\$ 3,403,571	\$ 3,755,355	\$ 181,303	\$ 3,936,658	\$ (677,420)	\$ 144,333	\$ (533,087)
(b) Statutory Valuation Allowance Adjustment	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 3,077,935	\$ 325,636	\$ 3,403,571	\$ 3,755,355	\$ 181,303	\$ 3,936,658	\$ (677,420)	\$ 144,333	\$ (533,087)
(d) Deferred Tax Assets Nonadmitted	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 3,077,935	\$ 325,636	\$ 3,403,571	\$ 3,755,355	\$ 181,303	\$ 3,936,658	\$ (677,420)	\$ 144,333	\$ (533,087)
(f) Deferred Tax Liabilities	\$ 19,716	\$ 1,186,431	\$ 1,206,147	\$ 8,279	\$ 893,333	\$ 901,612	\$ 11,437	\$ 293,098	\$ 304,535
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 3,058,219	\$ (860,795)	\$ 2,197,424	\$ 3,747,076	\$ (712,030)	\$ 3,035,046	\$ (688,857)	\$ (148,765)	\$ (837,622)

2. Admission Calculation Components per SSAP No. 101—Income Taxes.

	As of End of Current Period			12/31/2022			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col. 1 + 2) Total	Ordinary	Capital	(Col. 4 + 5) Total	(Col. 1 - 4) Ordinary	(Col. 2 - 5) Capital	(Col. 7 + 8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 2,680,405	\$ -	\$ 2,680,405	\$ 3,435,781		\$ 3,435,781	\$ (755,376)	\$ -	\$ (755,376)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$ 2,680,405	\$ -	\$ 2,680,405	\$ 3,435,781		\$ 3,435,781	\$ (755,376)	\$ -	\$ (755,376)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	\$ 2,680,405	XXX	XXX	\$ 3,435,781	XXX	XXX	\$ (755,376)
(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.	\$ 397,530	\$ 325,636	\$ 723,166	\$ 319,574	\$ 181,303	\$ 500,877	\$ 77,956	\$ 144,333	\$ 222,289
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 3,077,935	\$ 325,636	\$ 3,403,571	\$ 3,755,355	\$ 181,303	\$ 3,936,658	\$ (677,420)	\$ 144,333	\$ (533,087)

**NOTES TO FINANCIAL STATEMENTS**

3. Other Admissibility Criteria

	2023	2022
a. Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	1303.047%	741.700%
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 49,153,645	\$ 56,157,001

4. Impact of Tax Planning Strategies

	As of End of Current Period		12/31/2022		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col. 1 - 3) Ordinary	(6) (Col. 2 - 4) Capital
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.						
1. Adjusted Gross DTAs amount from Note 9A1 (c)	\$ 3,077,935	\$ 325,636	\$ 3,755,355	\$ 181,303	\$ (677,420)	\$ 144,333
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 3,077,935	\$ 325,636	\$ 3,755,355	\$ 181,303	\$ (677,420)	\$ 144,333
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

b. Do the Company's tax-planning strategies include the use of reinsurance? Yes  No

B. Deferred Tax Liabilities Not Recognized

Not Applicable - The Company does not have any deferred tax liabilities that are not recognized.

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

	(1) As of End of Current Period	(2) 12/31/2022	(3) (Col. 1 - 2) Change
1. Current Income Tax			
(a) Federal	\$ 1,574,211	\$ -	\$ 1,574,211
(b) Foreign	\$ -	\$ -	\$ -
(c) Subtotal (1a+1b)	\$ 1,574,211	\$ -	\$ 1,574,211
(d) Federal income tax on net capital gains	\$ -	\$ -	\$ -
(e) Utilization of capital loss carry-forwards	\$ -	\$ -	\$ -
(f) Other	\$ (101)	\$ -	\$ (101)
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	\$ 1,574,110	\$ -	\$ 1,574,110
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 53,010	\$ 132,933	\$ (79,923)
(2) Unearned premium reserve	\$ 72,013	\$ 81,106	\$ (9,093)
(3) Policyholder reserves	\$ -	\$ -	\$ -
(4) Investments	\$ -	\$ -	\$ -
(5) Deferred acquisition costs	\$ -	\$ -	\$ -
(6) Policyholder dividends accrual	\$ -	\$ -	\$ -
(7) Fixed assets	\$ -	\$ -	\$ -
(8) Compensation and benefits accrual	\$ 482,798	\$ 504,982	\$ (22,184)
(9) Pension accrual	\$ -	\$ -	\$ -
(10) Receivables - nonadmitted	\$ 2,177,580	\$ 1,855,804	\$ 321,776
(11) Net operating loss carry-forward	\$ -	\$ 660,642	\$ (660,642)
(12) Tax credit carry-forward	\$ -	\$ -	\$ -
(13) Other	\$ 292,534	\$ 519,889	\$ (227,355)
(99) Subtotal (sum of 2a1 through 2a13)	\$ 3,077,935	\$ 3,755,356	\$ (677,421)
(b) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(c) Nonadmitted	\$ -	\$ -	\$ -
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 3,077,935	\$ 3,755,356	\$ (677,421)
(e) Capital:			
(1) Investments	\$ 325,636	\$ 181,303	\$ 144,333
(2) Net capital loss carry-forward	\$ -	\$ -	\$ -
(3) Real estate	\$ -	\$ -	\$ -
(4) Other	\$ -	\$ -	\$ -
(99) Subtotal (2e1+2e2+2e3+2e4)	\$ 325,636	\$ 181,303	\$ 144,333
(f) Statutory valuation allowance adjustment	\$ -	\$ -	\$ -
(g) Nonadmitted	\$ -	\$ -	\$ -
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$ 325,636	\$ 181,303	\$ 144,333
(i) Admitted deferred tax assets (2d + 2h)	\$ 3,403,571	\$ 3,936,659	\$ (533,088)
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	\$ 19,716	\$ 8,279	\$ 11,437
(2) Fixed assets	\$ -	\$ -	\$ -
(3) Deferred and uncollected premium	\$ -	\$ -	\$ -
(4) Policyholder reserves	\$ -	\$ -	\$ -
(5) Other	\$ -	\$ -	\$ -
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	\$ 19,716	\$ 8,279	\$ 11,437
(b) Capital:			
(1) Investments	\$ 1,186,431	\$ 893,333	\$ 293,098
(2) Real estate	\$ -	\$ -	\$ -
(3) Other	\$ -	\$ -	\$ -
(99) Subtotal (3b1+3b2+3b3)	\$ 1,186,431	\$ 893,333	\$ 293,098
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 1,206,147	\$ 901,612	\$ 304,535
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 2,197,424	\$ 3,035,047	\$ (837,623)

## 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 12/31/2023	Effective Tax Rate %
<b>Permanent Differences:</b>		
Provision computed at statutory rate	\$ 2,456,813	21.0%
Proration of tax exempt income	\$ 5,797	0.0%
Tax exempt income deduction	\$ -	0.0%
Dividends received deduction	\$ (23,189)	-0.2%
Disallowed travel and entertainment	\$ 532	0.0%
Other permanent differences	\$ 19,078	0.2%
<b>Temporary Differences:</b>		
Total ordinary DTAs	\$ -	0.0%
Total ordinary DTLs	\$ -	0.0%
Total capital DTAs	\$ -	0.0%
Total capital DTLs	\$ -	0.0%
<b>Other:</b>		
Statutory valuation allowance adjustment	\$ -	0.0%
Accrual adjustment - prior year	\$ (23,928)	-0.2%
Other	\$ (28,678)	-0.2%
Totals	\$ 2,406,424	20.6%
Federal and foreign income taxes incurred	\$ 1,574,110	13.5%
Realized capital gain (losses) tax	\$ -	0.0%
Change in net deferred income taxes	\$ 832,315	7.1%
Total statutory income taxes	\$ 2,406,424	20.6%

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	Amount	Origination Date	Expiration Date
None	0	N/A	N/A

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
2023	\$ -
2022	\$ -

3. The Company's aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Service Code is \$-0-.

F. Consolidated Federal Income Tax Return

Not Applicable - 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)

The Company does not owe RTT.

I. Alternative Minimum Tax (AMT) Credit

The Company does not have any AMT credits. On 8/16/2022 the US government passed the Inflation Reduction Act that includes a new corporate alternative minimum tax (CAMT) of 15% on the adjusted financial statement income (AFSI) of corporations with average AFSI exceeding \$1.0 billion over a three-year period. The CAMT is effective beginning after 12/31/2022. The Company has determined it is an applicable corporation for the purposes of determining if CAMT exceeds the regular federal income tax payable. The Company has determined that it does not expect to be subject to the Corporate AMT in 2023.

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

**NOTES TO FINANCIAL STATEMENTS**

**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, 2022 and December 31, 2021 were USABLE Mutual Insurance Company d/b/a Arkansas Blue Cross and Blue Shield (50%) and Baptist Medical System HMO, Inc. (50%). Effective October 1, 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.

B. Transactions

The Company d/b/a Health Advantage, served as the Third Party Administrator for the ABCBS self-insured employee group during the reporting periods. All receivables and payables dealing with the employee group are classified under Uninsured Plans. On December 31, 2023, receivables due from ABCBS were \$733,267 and amounts due to ABCBS were \$3,077,437 under this plan. On December 31, 2022, receivables due from ABCBS were \$463,618 and amounts due to ABCBS were \$1,556,881 under this plan.

The Company served as the Third Party Administrator for the Baptist Health self-insured employee group during 2022. As of December 31, 2022, receivables due from Baptist Health were \$294,470 and amounts due to Baptist Health were \$600,000 under this plan.

The Company paid common stock dividends to its shareholders, USABLE Mutual Insurance Company and Baptist Medical System HMO, Inc., on October 10, 2023, totaling \$6,000,000 and on December 21, 2023 totaling \$8,000,000.

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

Not Applicable - There were no material transactions with a related party that is not reported on Schedule Y.

D. Amounts Due From or To Related Parties

At December 31, the Company reported the following admitted amounts due from related parties:

	2023	2022
USABLE Mutual Insurance Company	\$ 34,026	\$ 949,196
	<u>\$ 34,026</u>	<u>\$ 949,196</u>

At December 31, the Company reported the following admitted amounts due to related parties:

	2023	2022
USABLE Mutual Insurance Company	\$ 11,731,254	\$ 11,253,063
USABLE Life	\$ 26,603	\$ 35,018
	<u>\$ 11,757,857</u>	<u>\$ 11,288,081</u>

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

The Company is a party to administrative services and cost sharing agreements with ABCBS pursuant to which the Company reimburses ABCBS for various services and/or benefits provided by ABCBS, including but not limited to, administrative, employee benefit, marketing, accounting and other financial services, and other services and/or benefits. ABCBS administers and maintains the vendor payment system and costs from this system, including costs that have multicompany benefit, are allocated to the Company, ABCBS and other ABCBS affiliates based upon cost centers. The allocation formulas are based on several metrics, which include headcount, percentage of personnel time, square footage, membership of certain lines of business, premiums received for certain lines of business and system volume.

F. Guarantees or Undertakings

Not Applicable - The Company has not provided nor is the Company a beneficiary of a guarantee or undertaking for the reporting periods.

However, as an affiliate of ABCBS, the Company's contractual and financial obligations to its customers are guaranteed by ABCBS to the full extent of the assets of ABCBS. If a risk-assuming affiliate ceases operations for any reason, Blue Cross and Blue Shield plan coverage will be offered to all affiliate subscribers without exclusions, limitations or conditions based on health status.

G. Nature of the Control Relationship

Not Applicable

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

Not Applicable - The Company had no amount deducted.

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

Not Applicable - The Company does not have any SCA investments.

J. Investments in Impaired SCAs

Not Applicable - The Company does not have any SCA investments.

K. Investment in Foreign Insurance Subsidiary

Not Applicable - The Company does not have an investment in a foreign insurance subsidiary.

L. Investment in Downstream Noninsurance Holding Company

Not Applicable - The Company does not have an investment in a downstream noninsurance holding company.

M. All SCA Investments

Not Applicable - The Company does not have investments in subsidiaries, controlled or affiliated entities.

N. Investment in Insurance SCAs

Not Applicable - The Company does not have any SCA investments.

O. SCA or SSAP 48 Entity Loss Tracking

1	2	3	4	5	6
Entity	Reporting Entity's Share of Net Income (Loss)	Accumulated Share of Net Income (Losses)	Reporting Entity's Share of Equity, Including Negative Equity	Guaranteed Obligation / Commitment for Financial Support (Yes/No)	Amount of the Recognized Guarantee Under SSAP No. 5R

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 Debt**

- A. Debt Including Capital Notes  
For the years ended December 31, 2023 and December 31, 2022, the Company did not have capital notes, and the Company's liability for borrowed money was zero.
- B. FHLB (Federal Home Loan Bank) Agreements  
Not Applicable - For the years ended December 31, 2023 and December 31, 2022, the Company did not have FHLB agreements.

**NOTE 12 Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

- A. Defined Benefit Plan  
Not applicable - The Company does not have a defined benefit plan.
- B. Investment Policies and Strategies  
Not Applicable - The Company does not have a defined benefit plan.
- C. The fair value of each class of plan assets  
Not Applicable - The Company does not have a defined benefit plan.
- D. Basis Used to Determine Expected Long-Term Rate-of-Return  
Not Applicable - The Company does not have a defined benefit plan.
- E. Defined Contribution Plan  
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 2023 4% was used to calculate the Company's contribution of \$410,735 and 6% was used to calculate the Company's contribution of \$629,764 in 2022..  
  
All funds under the 401(k) Plu\$ portions of the plan are held by an outside trustee.
- F. Multiemployer Plans  
Not Applicable - The Company does not participate in multi-employer plans.
- G. Consolidated/Holding Company Plans  
Not Applicable - The Company has no consolidated/holding company plans.
- H. Postemployment Benefits and Compensated Absences  
Not Applicable - The Company does not offer a postretirement benefit plan.
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)  
Not Applicable

**NOTE 13 Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

- A. Number of Share and Par or State Value of Each Class  
For the years ended December 31, 2023 and 2022, the Company had 1,000,000 common stock shares authorized, issued, and outstanding at \$0.01 par value.
- B. Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues  
Not Applicable - The Company does not have preferred stock outstanding.
- C. Dividend Restrictions, if any, and an Indication if the Dividends are Cumulative  
Dividends are paid based on earned surplus and cannot fall below state net worth requirements.
- D. Dates and Amounts of Dividends Paid  
An ordinary dividend in the amount of \$6,000,000 was paid by the Company on October 10, 2023. An extraordinary dividend in the amount of \$8,000,000 was paid by the Company on December 21, 2023. No dividends were paid during 2022.
- E. Profits that may be Paid as Ordinary Dividends to Stockholders  
All unassigned surplus is held for stockholders.
- F. Restrictions Placed on Unassigned Funds (Surplus)  
Not Applicable - As of December 31, 2023 and 2022, the Company did not have restrictions placed upon unassigned funds.
- G. Amount of Advances to Surplus not Repaid  
Not Applicable - The Company did not have advances to surplus for 2023 or 2022.
- H. Amount of Stock Held for Special Purposes  
Not Applicable - As of December 31, 2023 and 2022, the Company hold no stock for special purposes such as employee stock options, stock purchase warrants, or conversion of preferred stock.
- I. Reasons for Changes in Balance of Special Surplus Funds from Prior Period  
The Company did not have special surplus funds as of December 31, 2023 or December 31, 2022.
- J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$ 1,392,157
- K. The Company issued the following surplus debentures or similar obligations:  
Not Applicable - The Company has not issued surplus notes, debentures or similar obligations.
- L. The impact of any restatement due to prior quasi-reorganizations is as follows:  
Not Applicable - The Company was not involved in a quasi-reorganization.

Change in Year Surplus	Change in Gross Paid-in and Contributed Surplus
---------------------------	--

- M. Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization  
Not Applicable - The Company was not involved in a quasi-reorganization.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 14 Liabilities, Contingencies and Assessments**

**A. Contingent Commitments**

Not Applicable - The Company did not have any contingent commitments as of December 31, 2023 or December 31, 2022.

(1) Total contingent liabilities:

Not Applicable - The Company has made no commitments or contingent commitments to SCA entities, joint ventures, partnerships or limited liability companies (See Note 10F).

(2)

(1)	(2)	(3)	(4)	(5)
Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted.	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted
<b>Total</b>	\$ -	XXX	\$ -	XXX

(3) Guarantee Obligations

Not Applicable

Amount

a. Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 for (2) above.)

\$ -

b. Current Liability Recognized in F/S:

1. Noncontingent Liabilities

2. Contingent Liabilities

c. Ultimate Financial Statement Impact if action under the guarantee is required:

1. Investments in SCA

2. Joint Venture

3. Dividends to Stockholders (capital contribution)

4. Expense

5. Other

6. Total (1+2+3+4+5) (Should equal (3)a.)

\$ -

**B. Assessments**

(1) Assessments Where Amount is Known or Unknown

Not Applicable

(2) a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end

\$ -

b. Decreases current year:

c. Increases current year:

d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end

\$ -

(3) Guaranty Fund Liabilities and Assets Related to Assessments from Insolvencies for Long-Term Care Contracts

Not Applicable

a. Discount Rate Applied

b. The Undiscounted and Discounted Amount of the Guaranty Fund Assessments and Related Assets by Insolvency

Name of the Insolvency	Guaranty Fund Assessment		Related Assets	
	Undiscounted	Discounted	Undiscounted	Discounted

c. Number of Jurisdictions, Ranges of Years Used to Discount and Weighted Average Number of Years of the Discounting Time Period for Payables and Recoverables by Insolvency

Name of the Insolvency	Payables			Recoverables		
	Number of Jurisdictions	Range of Years	Weighted Average Number of Years	Number of Jurisdictions	Range of Years	Weighted Average Number of Years

**NOTES TO FINANCIAL STATEMENTS**

C. Gain Contingencies  
Not Applicable

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits  
Not Applicable

Direct

(1) The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits

(2) Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period

(3) Indicate whether claim count information is disclosed per claim or per claimant

E. Joint and Several Liabilities  
Not Applicable

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.

**NOTE 15 Leases**

A. Lessee Operating Lease:

The Company is a party to an agreement with ABCBS pursuant to which the Company reimburses ABCBS for various administrative, employee benefit, and other costs that have multicompany benefit that includes an allocation for office space and use of equipment. See discussion in Note 10. The Company also leases office space under various noncancelable operating lease arrangements discussed below.

(1) Lessee's Leasing Arrangements

a. Rental Expense

The Company leases office space under a noncancelable operating lease agreement that expires through December 31, 2023. Rental expense was \$43,234 for 2023 and \$47,164 for 2022, respectively.

b. Basis on Which Contingent Rental Payments are Determined

Not Applicable

c. Existence and Terms of Renewal or Purchase Options and Escalation Clauses

Not Applicable

d. Restrictions Imposed by Lease Agreements

Not Applicable

e. Identification of Lease Agreements that have been Terminated Early

Not Applicable

(2) a. At December 31, 2023, the minimum aggregate rental commitments are as follows:

		Operating Leases
1. 2024	\$	-
2. 2025	\$	-
3. 2026	\$	-
4. 2027	\$	-
5. 2028	\$	-
6. Thereafter	\$	-
7. Total (sum of 1 through 6)	\$	-

(3) For Sale-Leaseback Transactions

a. Terms of the Sale-Leaseback Transactions

Not Applicable

b. Obligation of Future Minimum Lease Payments and Total of Minimum Sublease Rentals

Not Applicable

B. Lessor Leases

Not Applicable - The Company does not lease any property or equipment.

## NOTES TO FINANCIAL STATEMENTS

**NOTE 16 Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

Not Applicable - The Company did not have any financial instruments with off-balance sheet risk or financial instruments with concentration of credit risk during the reporting periods.

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

	ASSETS		LIABILITIES	
	2023	2022	2023	2022
a. Swaps				
b. Futures				
c. Options				
d. Total (a+b+c)	\$ -	\$ -	\$ -	\$ -

(2) Nature and Terms of Off-Balance Sheet Risk

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

(4) Collateral or Other Security Required to Support Financial Instrument

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

Not Applicable - The Company did not engage in these types of transactions during the reporting periods.

**A. Transfers of Receivables Reported as Sales**

Not Applicable - The Company did not have transfers of receivables reported as sales during the reporting periods.

**B. Transfer and Servicing of Financial Assets**

Not Applicable - The Company had no transfer and servicing of financial assets.

**C. Wash Sales**

Not Applicable - The Company did not have any wash sales.

(1) Description of the Objectives Regarding These Transactions

(2) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 2023 and reacquired within 30 days of the sale date are:

Description	NAIC Designation	Number of Transactions	Book Value of Securities Sold	Cost of Securities Repurchased	Gain/(Loss)

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

During 2022, the Company retained the central region ASO business. Effective January 1, 2023, all ASO business is ceded to US Able Mutual Insurance Company.

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2023:

	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			\$ -
b. Total net other income or expenses (including interest paid to or received from plans)			\$ -
c. Net gain or (loss) from operations (a+b)	\$ -	\$ -	\$ -
d. Total claim payment volume			\$ -

**B. ASC Plans:**

Not Applicable - The Company did not have any Administrative Services Contract (ASC) uninsured plans during 2023.

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2023:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred			\$ -
b. Gross administrative fees accrued			\$ -
c. Other income or expenses (including interest paid to or received from plans)			\$ -
d. Gross expenses incurred (claims and administrative) (a+b+c)	\$ -	\$ -	\$ -
e. Total net gain or loss from operations			\$ -

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

Not Applicable - The Company did not have a Medicare or similarly structured cost based reimbursement contract during 2023.

**NOTES TO FINANCIAL STATEMENTS**

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

Not Applicable - The Company did not have any direct premium written/produced by managing general agents or third party administrators during 2023.

Name and Address of Managing General Agent or Third Party Administrator	FEIN NUMBER	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premiums Written/Produced By
<b>Total</b>	XXX	XXX	XXX	XXX	\$ -

C - Claims Payment  
 CA - Claims Adjustment  
 R - Reinsurance Ceding  
 B - Binding Authority  
 P - Premium Collection  
 U - Underwriting

**NOTE 20 Fair Value Measurements**

A.

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
<b>a. Assets at fair value</b>					
Cash Equivalent Exempt MMMF		\$ 577,572			\$ 577,572
Common Stock Mutual Fund		\$ 9,766,932			\$ 9,766,932
Other Invested Assets				\$ 12,863,237	\$ 12,863,237
<b>Total assets at fair value/NAV</b>	\$ -	\$ 10,344,504	\$ -	\$ 12,863,237	\$ 23,207,741

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
<b>b. Liabilities at fair value</b>					
Supplemental Savings Plan	\$ 93,967				\$ 93,967
<b>Total liabilities at fair value</b>	\$ 93,967	\$ -	\$ -	\$ -	\$ 93,967

(2) Fair Value Measurements in (Level 3) of the Fair Value hierarchy

Description	Beginning Balance at 01/01/2023	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2023
<b>a. Assets</b>										
<b>Total Assets</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Description	Beginning Balance at 01/01/2023	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2023
<b>b. Liabilities</b>										
<b>Total Liabilities</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2023, the reported fair value of the reporting entity's investments in Level 2 includes both money market mutual funds and equity mutual funds with a value of \$10,344,504. Fair value measurements for these securities are provided by the fund and indicate the closing net asset value at December 31, 2023. All fair value measurements are provided in US Dollars. There have been no changes in these valuation techniques.

(5) Fair Value Disclosures

Not Applicable - The Company does not have any derivative assets or liabilities.

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

Not Applicable

C. Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Cash Equivalent Exempt MMMF	\$ 577,572	\$ 577,572		\$ 577,572			
Common Stock Mutual Fund	\$ 9,766,932	\$ 6,045,117		\$ 9,766,932			
Other Invested Assets	\$ 12,863,237	\$ 9,328,866				\$ 12,863,237	

D. Not Practicable to Estimate Fair Value

Not Applicable

Type or Class of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation

**NOTES TO FINANCIAL STATEMENTS**

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 163 individual holdings as of 12/31/2023 with the top 10% of all holdings representing 14.2% 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 total number of issues in the portfolio is 299 at the end of the 4th quarter of 2023, with 10.8% in the top ten holdings. The portfolio is diversified across twenty-four sectors, with five sectors containing 48.6% of all holdings. Average annualized default since 2011 for the fund is 1%, while the historical average of the market is 1.60%.

The fund has daily liquidity but a 30 calendar day prior to withdraw notice is necessary. As of 12/31/23, there are \$0.98 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.

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

The Company did not have any unusual or infrequent items as of December 31, 2023.

B. Troubled Debt Restructuring: Debtors

The Company did not have troubled debt restructuring as of December 31, 2023.

C. Other Disclosures

The Company does not have any other disclosure items.

D. Business Interruption Insurance Recoveries

Not Applicable - The Company did not have business interruption insurance recoveries as of December 31, 2023 or December 31, 2022.

E. State Transferable and Non-transferable Tax Credits

Not Applicable - The Company did not have state transferable tax credits during the reporting periods.

(1) Carrying Value of Transferable and Non-transferable State Tax Credits Gross of any Related Tax Liabilities and Total Unused Transferable and Non-transferable State Tax Credits by State and in Total

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
21E1999 - Total		\$ -	\$ -

(2) Method of Estimating Utilization of Remaining Transferable and Non-Transferable State Tax Credits

(3) Impairment Loss

(4) State Tax Credits Admitted and Nonadmitted

	<u>Total Admitted</u>	<u>Total Nonadmitted</u>
a. Transferable		
b. Non-transferable		

F. Subprime Mortgage Related Risk Exposure

(1) Description of the Subprime-Mortgage-Related Risk Exposure and Related Risk Management Practices

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 \$3,203 at December 31, 2023. The book adjusted carrying value of this holding in the HMOP core fixed income portfolio is \$3,211 which equates to 0.00609% of the total core fixed income portfolio. This position carries investment grade ratings of "A" by Standard & Poor's and Aa1 by Moody's.

(2) Direct exposure through investments in subprime mortgage loans.

Not Applicable

	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Value of Land and Buildings	Other-Than-Temporary Impairment Losses Recognized	Default Rate
a. Mortgages in the process of foreclosure					
b. Mortgages in good standing					
c. Mortgages with restructure terms					
d. Total (a+b+c)	\$ -	\$ -	\$ -	\$ -	XXX

**NOTES TO FINANCIAL STATEMENTS**

(3) Direct exposure through other investments.

The Company did not have material direct exposure through other investments during the reporting periods.

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage backed securities				
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investment in SCAs *				
f. Other assets				
g. Total (a+b+c+d+e+f)	\$ -	\$ -	\$ -	\$ -

\* These investments comprise of the companies invested assets.

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

The Company did not have underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty Insurance Coverage during the reporting periods.

	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at End of Current Period	IBNR Reserves at End of Current Period
a. Mortgage Guaranty Coverage				
b. Financial Guaranty Coverage				

	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at End of Current Period	IBNR Reserves at End of Current Period
c. Other Lines (specify):				
d. Total (Sum of a through c)	\$ -	\$ -	\$ -	\$ -

G. Retained Assets

Not Applicable - The Company did not have retained assets during the reporting periods.

H. Insurance-Linked Securities (ILS) Contracts

Not Applicable - The Company did not have insurance-linked securities contracts during the reporting periods.

	Number of Outstanding ILS Contracts	Aggregate Maximum Proceeds
Management of Risk Related To:		
(1) Directly-Written Insurance Risks		
a. ILS Contracts as Issuer		
b. ILS Contracts as Ceding Insurer		
c. ILS Contracts as Counterparty		
(2) Assumed Insurance Risks		
a. ILS Contracts as Issuer		
b. ILS Contracts as Ceding Insurer		
c. ILS Contracts as Counterparty		

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

- (1) Amount of admitted balance that could be realized from an investment vehicle
- (2) Percentage Bonds
- (3) Percentage Stocks
- (4) Percentage Mortgage Loans
- (5) Percentage Real Estate
- (6) Percentage Cash and Short-Term Investments
- (7) Percentage Derivatives
- (8) Percentage Other Invested Assets

**NOTE 22 Events Subsequent**

Type I – Recognized Subsequent Events:

Not Applicable - No material "Type I" recognized subsequent events were noted for the statutory statements issued on March 1, 2024. Subsequent events have been considered through February 27, 2024.

Type II – Nonrecognized Subsequent Events:

Not Applicable - No material "Type II" nonrecognized subsequent events were noted for the statutory statements issued on March 1, 2024. Subsequent events have been considered through February 27, 2024.

**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 [ X ] No [ ]  
If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$ 14,910,321

**B. Uncollectible Reinsurance**

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

(1) The Company has written off in the current year reinsurance balances due from the companies listed below, the amount of:

That is reflected as:

- a. Claims incurred
- b. Claims adjustment expenses incurred
- c. Premiums earned
- d. Other

e. \_\_\_\_\_ Company \_\_\_\_\_ Amount \_\_\_\_\_

**C. Commutation of Reinsurance Reflected in Income and Expenses.**

Not Applicable - The Company did not commute any ceded reinsurance during the reporting periods.

The company has reported in its operations in the current year as a result of commutation of reinsurance with the companies listed below, amounts that are reflected as:

- (1) Losses incurred
- (2) Loss adjustment expenses incurred
- (3) Premiums earned
- (4) Other

(5) \_\_\_\_\_ Company \_\_\_\_\_ Amount \_\_\_\_\_

**D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation**

Not Applicable - The Company did not utilize a certified reinsurer during the reporting periods.

(1) Reporting Entity Ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation

Name of Certified Reinsurer	Relationship to Reporting Entity	Date of Action	Jurisdiction of Action	Collateral Percentage Requirement		Net Obligation Subject to Collateral	Collateral Required (but not received)
				Before	After		

(2) Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Date of Action	Jurisdiction of Action	Collateral Percentage Requirement		Net Obligation Subject to Collateral	Collateral Required (but not yet Funded)
		Before	After		

**E. Reinsurance Credit**

Not Applicable - The Company has no reinsurance credits.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 24 Retrospectively Rated Contracts & Contracts Subject to Redetermination**

**A. Method Used to Estimate Accrued Retrospective Premium Adjustments**

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

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

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

**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, 2023 that are subject to retrospective rating features was \$46,871,611 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
<b>Prior Reporting Year</b>					
(1) Medical loss ratio rebates incurred	\$ -	\$ -	\$ -	\$ -	\$ -
(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	\$ -
<b>Current Reporting Year-to-Date</b>					
(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/NO)?

Yes [X] No [ ]

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

	Amount
<b>a. Permanent ACA Risk Adjustment Program</b>	
<b>Assets</b>	
1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)	\$ -
<b>Liabilities</b>	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$ -
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool premium)	\$ 5,797,582
<b>Operations (Revenue &amp; Expense)</b>	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ (2,199,501)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ 40,117
<b>b. Transitional ACA Reinsurance Program</b>	
<b>Assets</b>	
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	\$ -
<b>Liabilities</b>	
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	\$ -
<b>Operations (Revenue &amp; Expense)</b>	
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	\$ -
<b>c. Temporary ACA Risk Corridors Program</b>	
<b>Assets</b>	
1. Accrued retrospective premium due to ACA Risk Corridors	\$ -
<b>Liabilities</b>	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$ -
<b>Operations (Revenue &amp; Expense)</b>	
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 December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 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	Ref	Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)
					5	6	7	8		9	10
	Receivable	Payable	Receivable	Payable	Receivable	Payable	Receivable	Payable		Receivable	Payable
<b>a. Permanent ACA Risk Adjustment Program</b>											
1. Premium adjustments receivable (including high risk pool payments)			\$ 310,843		\$ (310,843)	\$ -	\$ 310,843		A	\$ -	\$ -
2. Premium adjustments (payable) (including high risk pool premium)		\$ 4,623,422		\$ 1,336,185	\$ -	\$ 3,287,237		\$(3,287,237)	B	\$ -	\$ -
3. Subtotal ACA Permanent Risk Adjustment Program	\$ -	\$ 4,623,422	\$ 310,843	\$ 1,336,185	\$ (310,843)	\$ 3,287,237	\$ 310,843	\$(3,287,237)		\$ -	\$ -
<b>b. Transitional ACA Reinsurance Program</b>											
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
<b>c. Temporary ACA Risk Corridors Program</b>											
1. Accrued retrospective premium					\$ -	\$ -			I	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			J	\$ -	\$ -
3. Subtotal ACA Risk Corridors Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
<b>d. Total for ACA Risk Sharing Provisions</b>	\$ -	\$ 4,623,422	\$ 310,843	\$ 1,336,185	\$ (310,843)	\$ 3,287,237	\$ 310,843	\$(3,287,237)		\$ -	\$ -

Explanations of Adjustments

- A. Adjustment to receivable
- B. Adjustment to Payable
- 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

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 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)	
					5	6	7	8			
Receivable	Payable	Receivable	Payable	Receivable	Payable	Receivable	Payable	Ref	Receivable	Payable	
a. 2014											
1. Accrued retrospective premium					\$ -	\$ -			A	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -			B	\$ -	\$ -
b. 2015											
1. Accrued retrospective premium					\$ -	\$ -			C	\$ -	\$ -
2. Reserve for rate credits or 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -

Explanations of Adjustments

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

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

(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	6 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 Claims and Claim Adjustment Expenses**

A. Change in Incurred Losses and Loss Adjustment Expenses

Effective January 1, 2023, HMO Partners, Inc. (HMOP) novated its MAHMO business to affiliate, USable HMO, Inc. (UHMO). Pursuant to the novation agreement, all MAHMO reserves and unpaid claims were transferred to UHMO.

Subject to a Reinsurance agreement between HMOP and USable Mutual Insurance Company (UMIC), UMIC has agreed to reinsure 100% of the HMOP comprehensive group business pursuant to an amended affiliated reinsurance agreement as submitted to the Arkansas Insurance Department. Therefore the related Incurred Claims and Claims Adjustment Expenses have been ceded by HMOP and assumed by UMIC.

Reserves as of December 31, 2022 were \$ 27,779,761. Effective January 1, 2023 reserves were reduced pursuant to the novation and amended reinsurance agreement described above to \$14,961,176. As of December 31, 2023, \$13,806,952 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$1,154,224 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$5,960,855 unfavorable prior-year development since December 31, 2022 to December 31, 2023. The decline is generally the result of ongoing analysis of recent loss development trends and cost sharing reductions. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

12/31/2022 Reserves	\$ 27,779,761
Novated / Ceded Reserves	\$ (12,818,585)
Adjusted 2022 Reserves	\$ 14,961,176
2022 Claims paid in 2023	13,806,952
Adjusted Net Reserves	1,154,224
Less -	
2022 Remaining Reserves	7,115,073
Unfavorable Development	\$ (5,960,849)

B. Information about Significant Changes in Methodologies and Assumptions  
There have been no significant changes in methodologies and assumptions.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 26 Intercompany Pooling Arrangements**

Not Applicable - The Company did not have intercompany pooling arrangements during the reporting periods.

**NOTE 27 Structured Settlements**

Not Applicable - The Company did not have structured settlements during the reporting periods.

**NOTE 28 Health Care Receivables**

A. Pharmaceutical Rebate Receivables

Effective January 1, 2023, HMO Partners, Inc. (HMOP) novated its MAHMO business to affiliate, USABLE HMO, Inc. (UHMO). Pursuant to the novation agreement, all MAHMO reserves and unpaid claims were transferred to UHMO.

Date	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
12/31/2023	\$ 6,503,686				
09/30/2023	\$ 6,771,962	\$ 6,456,686	\$ 6,281,873		
06/30/2023	\$ 6,704,838	\$ 6,724,962	\$ 6,917,410		
03/31/2023	\$ 8,223,170	\$ 6,704,838	\$ 6,985,824	\$ (71,499)	
12/31/2022	\$ 6,136,186	\$ 8,223,170	\$ 7,881,451		\$ 77,225
09/30/2022	\$ 7,022,548	\$ 6,136,186	\$ 5,986,260	\$ (121,119)	\$ 31,891
06/30/2022	\$ 6,429,916	\$ 7,022,548	\$ 6,923,730	\$ (264,067)	\$ 153,812
03/31/2022	\$ 7,229,615	\$ 6,429,916	\$ 6,540,043	\$ 26,404	\$ (352,306)
12/31/2021	\$ 6,391,859	\$ 8,027,703	\$ 6,980,113	\$ (53,554)	\$ 282,979
09/30/2021	\$ 6,109,885	\$ 7,262,963	\$ 4,951,723	\$ 1,153,186	\$ 380,474
06/30/2021	\$ 5,273,354	\$ 7,009,282	\$ 4,800,189	\$ 932,099	\$ 224,577
03/31/2021	\$ 5,269,371	\$ 6,138,363	\$ 3,878,011	\$ 983,796	\$ 186,567

B. Risk-Sharing Receivables

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
2023	2023		\$ 16,886		\$ 16,886				
	2022		\$ 63,706		\$ 63,706				
2022	2022								
	2021								
2021	2021								
	2020								

**NOTE 29 Participating Policies**

Not Applicable - The Company did not have participating contracts during the reporting periods.

**NOTE 30 Premium Deficiency Reserves**

- Liability carried for premium deficiency reserves \$ -
- Date of the most recent evaluation of this liability 12/31/2023
- 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 \$20,939 as of December 31, 2023 and \$312,239 as of December 31, 2022.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]  
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [ X ] No [ ] N/A [ ]
- 1.3 State Regulating? ..... ARKANSAS
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? ..... Yes [ ] No [ X ]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. ....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2020
- 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. .... 12/31/2020
- 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). .... 07/13/2022
- 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 [ X ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ ] No [ ] N/A [ X ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? ..... Yes [ ] No [ X ]  
4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? ..... Yes [ ] No [ X ]  
4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]  
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [ X ]
- 6.2 If yes, give full information: .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [ X ]
- 7.2 If yes,  
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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**GENERAL INTERROGATORIES**

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

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

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company? ..... Yes [ ] No [ X ]
- 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? ..... Yes [ ] No [ X ] N/A [ ]
- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
FORVIS, LLP 111 Center St., Suite 1600, 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 [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain.  
.....
- 11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Victor P. Davis, Vice President - Actuarial Services & Chief Actuary, 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 [ X ]
  - 12.11 Name of real estate holding company ...
  - 12.12 Number of parcels involved .....
  - 12.13 Total book/adjusted carrying value ..... \$ .....
- 12.2 If yes, provide explanation  
.....
- 13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]
  - a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - c. Compliance with applicable governmental laws, rules and regulations;
  - d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:  
.....
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc  
**GENERAL INTERROGATORIES**

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

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

**BOARD OF DIRECTORS**

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

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers.....\$ .....
  - 20.12 To stockholders not officers.....\$ .....
  - 20.13 Trustees, supreme or grand (Fraternal Only) ..... \$ .....
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers.....\$ .....
  - 20.22 To stockholders not officers.....\$ .....
  - 20.23 Trustees, supreme or grand (Fraternal Only) ..... \$ .....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? ..... Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others.....\$ .....
  - 21.22 Borrowed from others.....\$ .....
  - 21.23 Leased from others .....\$ .....
  - 21.24 Other .....\$ .....
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? ..... Yes [ X ] No [ ]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ ..... 10,277,891
  - 22.22 Amount paid as expenses .....\$ .....
  - 22.23 Other amounts paid .....\$ .....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: .....\$ ..... 34,026
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? ..... Yes [ ] No [ X ]
- 24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

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

**INVESTMENT**

- 25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03)..... Yes [ X ] No [ ]

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc**  
**GENERAL INTERROGATORIES**

- 25.02 If no, give full and complete information, relating thereto  
 .....
- 25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
 Not Applicable - The Company does not have a securities lending program. ....
- 25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. .... \$ .....
- 25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. .... \$ .....
- 25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? ..... Yes [ ] No [ ] N/A [ X ]
- 25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? ..... Yes [ ] No [ ] N/A [ X ]
- 25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? ..... Yes [ ] No [ ] N/A [ X ]
- 25.09 For the reporting entity's securities lending program state the amount of the following as of December 31 of the current year:
- 25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. .... \$ ..... 0
- 25.092 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 ..... \$ ..... 0
- 25.093 Total payable for securities lending reported on the liability page. .... \$ ..... 0

- 26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). .... Yes [ X ] No [ ]
- 26.2 If yes, state the amount thereof at December 31 of the current year:
- 26.21 Subject to repurchase agreements ..... \$ ..... 0
- 26.22 Subject to reverse repurchase agreements ..... \$ ..... 0
- 26.23 Subject to dollar repurchase agreements ..... \$ ..... 0
- 26.24 Subject to reverse dollar repurchase agreements ..... \$ ..... 0
- 26.25 Placed under option agreements ..... \$ ..... 0
- 26.26 Letter stock or securities restricted as to sale -  
 excluding FHLB Capital Stock ..... \$ ..... 0
- 26.27 FHLB Capital Stock ..... \$ ..... 0
- 26.28 On deposit with states ..... \$ ..... 345,814
- 26.29 On deposit with other regulatory bodies ..... \$ ..... 0
- 26.30 Pledged as collateral - excluding collateral pledged to an FHLB ..... \$ ..... 0
- 26.31 Pledged as collateral to FHLB - including assets backing funding agreements ..... \$ ..... 0
- 26.32 Other ..... \$ ..... 0

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

- 27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? ..... Yes [ ] No [ ]
- 27.4 If the response to 27.3 is YES, does the reporting entity utilize:
- 27.41 Special accounting provision of SSAP No. 108 ..... Yes [ ] No [ ]
- 27.42 Permitted accounting practice ..... Yes [ ] No [ ]
- 27.43 Other accounting guidance ..... Yes [ ] No [ ]
- 27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: ..... Yes [ ] No [ ]
- The reporting entity has obtained explicit approval from the domiciliary state.
  - Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
  - Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
  - Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.
- 28.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? ..... Yes [ ] No [ X ]
- 28.2 If yes, state the amount thereof at December 31 of the current year. .... \$ .....
29. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?..... Yes [ X ] No [ ]

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

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

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc**  
**GENERAL INTERROGATORIES**

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

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

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?..... Yes [ ] No [ X ]

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

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

29.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the 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
Scott B. Winter .....	I.....
Martingale Asset Management, LP .....	U.....
Barings, LLC .....	U.....
Pacific Investment Management Company, LLC .....	U.....
JP Morgan .....	U.....

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
108526 .....	Martingale Asset Management, LP .....	549300GXM5ZGZJXZ1Y74 .....	SEC .....	NO.....
106006 .....	Barings, LLC .....	ANDKRHQKPRR64Q2KLR05 .....	SEC, CFTC, NFA .....	NO.....
104559 .....	Pacific Investment Management Company LLC .....	549300KGPYQZXGMYYN38 .....	SEC .....	NO.....
79 .....	JP Morgan .....	K6Q0W1PS1L1041QL9C32 .....	SEC .....	NO.....

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

30.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
46636U-87-6 .....	JP Morgan Equity Income Fund R6 (01EJX) .....	9,766,932
30.2999 - Total		9,766,932

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
JP Morgan Equity Income Fund R6 (01EJX) .....	ConcocoPhillips .....	286,171	12/31/2023 ..
JP Morgan Equity Income Fund R6 (01EJX) .....	Wells Fargo .....	239,290	12/31/2023 ..
JP Morgan Equity Income Fund R6 (01EJX) .....	UnitedHealth Group Inc. ....	216,826	12/31/2023 ..
JP Morgan Equity Income Fund R6 (01EJX) .....	Comcast Corporation .....	209,989	12/31/2023 ..
JP Morgan Equity Income Fund R6 (01EJX) .....	Air Products and Chemicals .....	209,012	12/31/2023 ..

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc**  
**GENERAL INTERROGATORIES**

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds .....	53,155,030	49,107,293	(4,047,737)
31.2 Preferred stocks .....	0		0
31.3 Totals	53,155,030	49,107,293	(4,047,737)

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

Fair value pricing obtained from market prices provided by Clearwater Analytics, US Bank Institutional Trust and Custody, custodian for investment assets, or where applicable, from the NAIC Valuation of Securities database, for assets not priced by US Bank or Clearwater Analytics. ....

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

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

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

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

33.2 If no, list exceptions:  
 .....

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

35. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:  
 a. The security was purchased prior to January 1, 2018.  
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
 c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
 d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
 Has the reporting entity self-designated PLGI securities? ..... Yes [ ] No [ X ]

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:  
 a. The shares were purchased prior to January 1, 2019.  
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
 c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.  
 d. The fund only or predominantly holds bonds in its portfolio.  
 e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.  
 f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.  
 Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? ..... Yes [ ] No [ X ]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:  
 a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.  
 b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.  
 c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.  
 d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.  
 Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? ..... Yes [ ] No [ ] N/A [ X ]

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**GENERAL INTERROGATORIES**

38.1 Does the reporting entity directly hold cryptocurrencies? ..... Yes [ ] No [ X ]

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

39.1 Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies? ..... Yes [ ] No [ X ]

39.2 If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?  
39.21 Held directly ..... Yes [ ] No [ ]  
39.22 Immediately converted to U.S. dollars ..... Yes [ ] No [ ]

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

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

**OTHER**

40.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? ..... \$ ..... 624,600

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

1	2
Name	Amount Paid
BlueCross BlueShield Association .....	608,379

41.1 Amount of payments for legal expenses, if any? ..... \$ ..... 248,728

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

1	2
Name	Amount Paid
Foley & Lardner LLP .....	122,530

42.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? ..... \$ ..... 148,231

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

1	2
Name	Amount Paid

ANNUAL STATEMENT FOR THE YEAR 2023 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. .... \$ \_\_\_\_\_  
 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ \_\_\_\_\_  
 1.31 Reason for excluding  
 .....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above ..... \$ \_\_\_\_\_  
 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. .... \$ \_\_\_\_\_ 0

1.6 Individual policies: Most current three years:  
 1.61 Total premium earned ..... \$ ..... 0  
 1.62 Total incurred claims ..... \$ ..... 0  
 1.63 Number of covered lives ..... 0  
 All years prior to most current three years:  
 1.64 Total premium earned ..... \$ ..... 0  
 1.65 Total incurred claims ..... \$ ..... 0  
 1.66 Number of covered lives ..... 0

1.7 Group policies: Most current three years:  
 1.71 Total premium earned ..... \$ ..... 0  
 1.72 Total incurred claims ..... \$ ..... 0  
 1.73 Number of covered lives ..... 0  
 All years prior to most current three years:  
 1.74 Total premium earned ..... \$ ..... 0  
 1.75 Total incurred claims ..... \$ ..... 0  
 1.76 Number of covered lives ..... 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	46,871,611	190,883,745
2.2 Premium Denominator .....	46,871,611	190,883,745
2.3 Premium Ratio (2.1/2.2) .....	1.000	1.000
2.4 Reserve Numerator .....	34,054,650	47,942,604
2.5 Reserve Denominator .....	34,829,699	50,034,486
2.6 Reserve Ratio (2.4/2.5) .....	0.978	0.958

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 [ ] No [ X ]

5.2 If no, explain:  
 The Company's group business is 100% ceded to an affiliate and therefore does not require stop loss reinsurance. ....

5.3 Maximum retained risk (see instructions)  
 5.31 Comprehensive Medical ..... \$ .....  
 5.32 Medical Only ..... \$ .....  
 5.33 Medicare Supplement ..... \$ .....  
 5.34 Dental & Vision ..... \$ .....  
 5.35 Other Limited Benefit Plan ..... \$ .....  
 5.36 Other ..... \$ .....

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
 USable Mutual Insurance Company d/b/a Arkansas Blue Cross and Blue Shield, in accordance with its license agreement with the Blue Cross and Blue Shield Association, provides a financial guarantee and a conversion service agreement with each of its affiliates that are licensed with the Association to use the Blue Cross and Blue Shield brands: HMO Partners, Inc. d/b/a Health Advantage, USable HMO, Inc. d/b/a Arkansas Blue Medicare and USable PPO Insurance Company d/b/a Arkansas Blue Medicare Plus. ....

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 ..... 22,430  
 8.2 Number of providers at end of reporting year ..... 22,560

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

9.2 If yes, direct premium earned:  
 9.21 Business with rate guarantees between 15-36 months.. \$.....  
 9.22 Business with rate guarantees over 36 months ..... \$.....

**GENERAL INTERROGATORIES**

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes  No
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses.....\$ ..... (775,050)
- 10.22 Amount actually paid for year bonuses.....\$ ..... 3,777,903
- 10.23 Maximum amount payable withholds.....\$ .....
- 10.24 Amount actually paid for year withholds.....\$ .....

- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, ..... Yes  No
- 11.13 An Individual Practice Association (IPA), or, ..... Yes  No
- 11.14 A Mixed Model (combination of above)? .... Yes  No
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? ..... Yes  No
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. .... ARKANSAS
- 11.4 If yes, show the amount required. .... \$ 100,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes  No
- 11.6 If the amount is calculated, show the calculation
- .....

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

1 Name of Service Area
State of Arkansas .....
.....

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

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

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):
- 15.1 Direct Premium Written ..... \$ ..... 0
- 15.2 Total Incurred Claims ..... \$ ..... 0
- 15.3 Number of Covered Lives ..... 0

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

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HMO Partners, Inc

**FIVE-YEAR HISTORICAL DATA**

	1 2023	2 2022	3 2021	4 2020	5 2019
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	115,823,723	164,209,798	122,589,906	122,465,065	149,537,974
2. Total liabilities (Page 3, Line 24) .....	64,472,655	105,017,759	77,617,760	58,254,782	80,994,944
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) .....	51,351,069	59,192,047	44,972,155	64,210,280	68,543,030
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	46,433,757	190,883,745	203,004,531	187,599,574	211,916,338
6. Total medical and hospital expenses (Line 18) .....	30,961,082	154,245,165	184,076,138	151,463,863	178,840,151
7. Claims adjustment expenses (Line 20) .....	960,988	10,050,113	10,447,868	10,185,706	12,046,965
8. Total administrative expenses (Line 21) .....	6,389,517	21,573,217	29,755,969	27,671,256	23,992,818
9. Net underwriting gain (loss) (Line 24) .....	8,122,170	5,015,250	(21,275,444)	(1,721,251)	(2,963,596)
10. Net investment gain (loss) (Line 27) .....	3,408,408	1,810,932	2,357,198	4,404,385	2,316,440
11. Total other income (Lines 28 plus 29) .....	168,533	184,769	(60,328)	268,142	261,242
12. Net income or (loss) (Line 32) .....	10,125,001	7,010,951	(16,755,020)	2,085,061	(897,500)
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	(15,298,414)	13,333,214	11,177,253	(20,783,597)	9,184,547
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	51,351,069	59,192,047	44,972,155	64,210,280	68,543,030
15. Authorized control level risk-based capital .....	3,772,208	7,571,343	8,639,579	7,191,690	8,130,114
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	40,711	65,371	75,606	53,029	58,632
17. Total members months (Column 6, Line 7) .....	554,775	818,208	799,877	647,450	743,104
<b>Operating Percentage</b> (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	66.7	80.8	90.7	80.7	84.4
20. Cost containment expenses .....	5.8	5.3	5.0	5.6	5.1
21. Other claims adjustment expenses .....	(3.8)	0.0	0.1	(0.2)	0.6
22. Total underwriting deductions (Line 23) .....	82.5	97.4	110.5	100.9	101.4
23. Total underwriting gain (loss) (Line 24) .....	17.5	2.6	(10.5)	(0.9)	(1.4)
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5) .....	22,546,094	26,114,635	24,308,388	24,776,626	26,037,263
25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)] .....	29,871,631	30,195,201	23,409,882	29,714,566	27,482,068
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....				0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....			0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....			0	0	0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....					
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: .....

**SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS**

**Allocated by States and Territories**

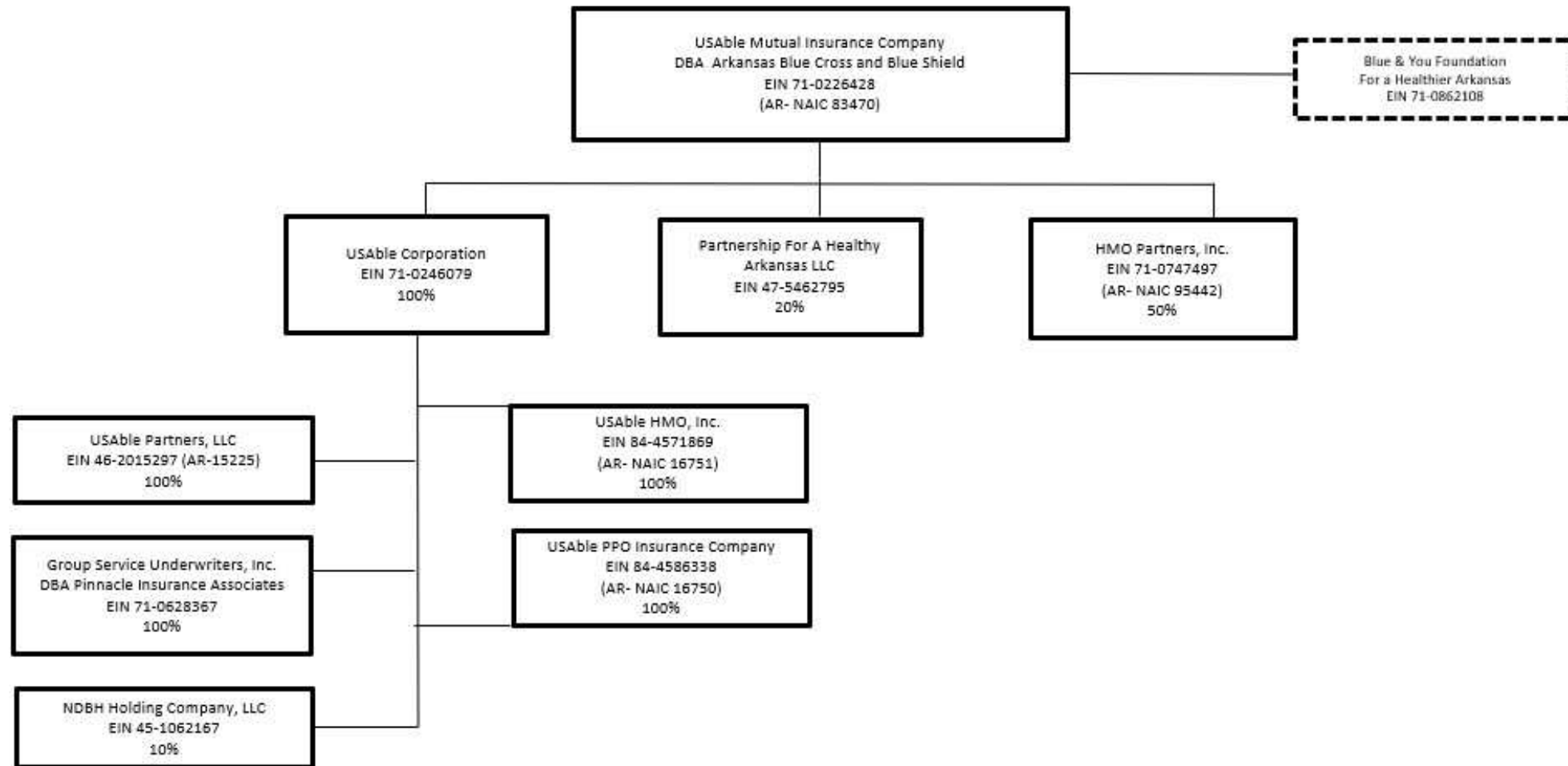
States, etc.	1 Active Status (a)	Direct Business Only									
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums & Other Considerations	8 Property/Casualty Premiums	9 Total Columns 2 Through 8	10 Deposit-Type Contracts	
1. Alabama	AL	N								0	
2. Alaska	AK	N								0	
3. Arizona	AZ	N								0	
4. Arkansas	AR	L	249,800,103							249,800,103	
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 Aliens	OT	XXX	0	0	0	0	0	0	0	0	0
59. Subtotal	XXX	249,800,103	0	0	0	0	0	0	249,800,103	0	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX	3,334,419							3,334,419		
61. Totals (Direct Business)	XXX	253,134,522	0	0	0	0	0	0	253,134,522	0	0
DETAILS OF WRITE-INS											
58001.	XXX										
58002.	XXX										
58003.	XXX										
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0	0

(a) Active Status Counts:  
 1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 1  
 2. R - Registered - Non-domiciled RRGs..... 0  
 3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state..... 0  
 4. Q - Qualified - Qualified or accredited reinsurer..... 0  
 5. 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 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



NOTE: Life & Specialty Ventures, LLC formed its own holding company group (Group 5050) in May 2023 and is no longer a member of the Arkansas BCBS GRP #876.

**OVERFLOW PAGE FOR WRITE-INS**

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

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
2504. ASA Agreement .....			301,819		301,819
2505. Bad Debt Expense .....			(294,025)		(294,025)
2506. User Exchange Fee .....			186,762		186,762
2507. Contributions .....	6,527		70,004		76,531
2508. Miscellaneous .....	(1,843)	68,826	724,254		791,237
2597. Summary of remaining write-ins for Line 25 from overflow page	4,684	68,826	988,814	0	1,062,324