



QUARTERLY STATEMENT
AS OF MARCH 31, 2024
OF THE CONDITION AND AFFAIRS OF THE
MCNA Insurance Company

NAIC Group Code 0707 (Current Period), 0707 (Prior Period), NAIC Company Code 14063, Employer's ID Number 522459969

Organized under the Laws of Texas, State of Domicile or Port of Entry TX

Country of Domicile US

Licensed as business type:

Life, Accident and Health; Dental Service Corporation; Health Maintenance Organization; Property/Casualty; Vision Service Corporation; Hospital, Medical and Dental Service or Indemnity; Other; Is HMO Federally Qualified? Yes ( ) No ( )

Incorporated/Organized May 04, 2011, Commenced Business May 04, 2011

Statutory Home Office 4400 NW Loop 410, San Antonio, Texas, US 78229 (Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office 3100 SW 145th Avenue, Suite #200, Miramar, Florida, US 33027 (Street and Number, City or Town, State, Country and Zip Code), 800-494-6262 (Area Code) (Telephone Number)

Mail Address P.O. Box 740370, Atlanta, Georgia, US 30374-0370 (Street and Number or P.O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records 3100 SW 145th Avenue, Suite #200, Miramar, Florida, US 33027 (Street and Number, City or Town, State, Country and Zip Code)

800-494-6262 (Area Code) (Telephone Number)

Internet Website Address www.mcna.net

Statutory Statement Contact Aldo D Rodriguez (Name), 800-494-6262 (Area Code) (Telephone Number) (Extension)

arodriguez@mcna.net (E-Mail Address), (Fax Number)

OFFICERS

Colleen Hastings Van Ham (Chief Executive Officer)
Mitchell Robert Davis (Chief Financial Officer)

OTHER OFFICERS

Michael Charles Brody (Secretary)
Peter Marshall Gill (Treasurer)
Healthier Anastasia Lang (Assistant Secretary)
Nyle Brent Cottingham (Vice President)

DIRECTORS OR TRUSTEES

Thomas Patrick Wiffler
Colleen Hastings Van Ham
Michael Charles Brody
Scott Frederick Flannery
Mitchell Robert Davis

State of \_\_\_\_\_ }
County of \_\_\_\_\_ } SS

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

Colleen H. Van Ham
Chief Executive Officer

Michael C. Brody
Secretary

Subscribed and sworn to before me this

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

## ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 minus Col. 2)	
1. Bonds .....	218,861,890		218,861,890	223,244,572
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... 25,259,756 ), cash equivalents (\$ ..... 5,471,109 ) and short-term investments (\$ ..... ) .....	30,730,865		30,730,865	67,276,314
6. Contract loans (including \$ ..... premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....				
9. Receivables for securities .....				107,691
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Line 1 through Line 11) .....	249,592,755		249,592,755	290,628,577
13. Title plants less \$ ..... charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	1,371,558		1,371,558	1,381,038
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	8,806,693		8,806,693	14,100,140
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....	2,364,720		2,364,720	1,059,537
18.2 Net deferred tax asset .....	2,660,076		2,660,076	4,343,728
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	15,430	15,430		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	3,448,706		3,448,706	3,311,843
24. Health care (\$ ..... ) and other amounts receivable .....				1,143,754
25. Aggregate write-ins for other-than-invested assets .....	4,139,165	3,859,452	279,713	421,261
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25) .....	272,399,103	3,874,882	268,524,221	316,389,878
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Totals (Line 26 and Line 27) .....	272,399,103	3,874,882	268,524,221	316,389,878
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above) .....				
2501. Prepays .....	3,859,452	3,859,452		421,261
2502. State taxes receivable .....	279,713		279,713	
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....	4,139,165	3,859,452	279,713	421,261

## LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded) .....	44,175,142		44,175,142	57,716,815
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....	987,029		987,029	1,042,986
4. Aggregate health policy reserves, including the liability of \$ ..... for medical loss ratio rebate per the Public Health Service Act .....	52,877,465		52,877,465	111,965,805
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	1,874,790		1,874,790	1,685,911
9. General expenses due or accrued .....	2,997,992		2,997,992	3,061,716
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....				
13. Remittances and items not allocated .....				
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....	10,041,667		10,041,667	
15. Amounts due to parent, subsidiaries and affiliates .....	13,490,101		13,490,101	320,698
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ ..... unauthorized reinsurers and \$ ..... certified reinsurers) .....				
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....				
23. Aggregate write-ins for other liabilities (including \$ ..... current) .....	133,209		133,209	105,331
24. Total liabilities (Line 1 to Line 23) .....	126,577,395		126,577,395	175,899,262
25. Aggregate write-ins for special surplus funds .....	XXX	XXX		
26. Common capital stock .....	XXX	XXX	2,000,000	2,000,000
27. Preferred capital stock .....	XXX	XXX		
28. Gross paid in and contributed surplus .....	XXX	XXX	28,000,000	28,000,000
29. Surplus notes .....	XXX	XXX		
30. Aggregate write-ins for other-than-special surplus funds .....	XXX	XXX		
31. Unassigned funds (surplus) .....	XXX	XXX	111,946,826	110,490,616
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 (Line 25 to Line 31 minus Line 32) .....	XXX	XXX	141,946,826	140,490,616
34. Total Liabilities, capital and surplus (Line 24 and Line 33) .....	XXX	XXX	268,524,221	316,389,878
<b>DETAILS OF WRITE-INS</b>				
2301. Unclaimed Property .....	133,209		133,209	105,331
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....	133,209		133,209	105,331
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....	XXX	XXX		
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX		
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above) .....	XXX	XXX		

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year to Date		Prior Year to Date	Prior Year Ended December 31
	1	2	3	4
	Uncovered	Total	Total	Total
1. Member Months .....	X X X	8,285,327	12,024,665	44,800,935
2. Net premium income (including \$ ..... non-health premium income) .....	X X X	118,512,402	249,998,881	904,329,935
3. Change in unearned premium reserves and reserve for rate credits .....	X X X	47,932,877	(13,259,708)	(22,519,226)
4. Fee-for-service (net of \$ ..... medical expenses) .....	X X X			
5. Risk revenue .....	X X X			
6. Aggregate write-ins for other health care related revenues .....	X X X			62,277
7. Aggregate write-ins for other non-health revenues .....	X X X			
8. Total revenues (Line 2 to Line 7) .....	X X X	166,445,279	236,739,173	881,872,986
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		152,471,749	197,902,379	751,099,563
10. Other professional services .....				
11. Outside referrals .....				
12. Emergency room and out-of-area .....				
13. Prescription drugs .....				
14. Aggregate write-ins for other hospital and medical .....				
15. Incentive pool, withhold adjustments and bonus amounts .....				
16. Subtotal (Line 9 to Line 15) .....		152,471,749	197,902,379	751,099,563
<b>Less:</b>				
17. Net reinsurance recoveries .....				
18. Total hospital and medical (Line 16 minus Line 17) .....		152,471,749	197,902,379	751,099,563
19. Non-health claims (net) .....				
20. Claims adjustment expenses, including \$ ..... cost containment expenses .....		(55,957)	235,013	(213,857)
21. General administrative expenses .....		21,966,755	28,663,681	109,423,319
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		(11,155,463)		19,785,195
23. Total underwriting deductions (Line 18 through Line 22) .....		163,227,084	226,801,073	880,094,220
24. Net underwriting gain or (loss) (Line 8 minus Line 23) .....	X X X	3,218,195	9,938,100	1,778,766
25. Net investment income earned .....		1,673,083	1,843,874	8,066,661
26. Net realized capital gains (losses) less capital gains tax of \$ .....		38,043		(71,452)
27. Net investment gains (losses) (Line 25 plus Line 26) .....		1,711,126	1,843,874	7,995,209
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 .....				
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Line 24 plus Line 27 plus Line 28 plus Line 29) .....	X X X	4,929,321	11,781,974	9,773,975
31. Federal and foreign income taxes incurred .....	X X X	(1,305,183)	2,536,374	5,725,225
32. Net income (loss) (Line 30 minus Line 31) .....	X X X	6,234,504	9,245,600	4,048,750
<b>DETAILS OF WRITE-INS</b>				
0601 Miscellaneous income .....	X X X			62,277
0602 .....	X X X			
0603 .....	X X X			
0698 Summary of remaining write-ins for Line 6 from overflow page .....	X X X			
0699 Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above) .....	X X X			62,277
0701 .....	X X X			
0702 .....	X X X			
0703 .....	X X X			
0798 Summary of remaining write-ins for Line 7 from overflow page .....	X X X			
0799 Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above) .....	X X X			
1401 .....				
1402 .....				
1403 .....				
1498 Summary of remaining write-ins for Line 14 from overflow page .....				
1499 Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above) .....				
2901 .....				
2902 .....				
2903 .....				
2998 Summary of remaining write-ins for Line 29 from overflow page .....				
2999 Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above) .....				

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

CAPITAL AND SURPLUS ACCOUNT	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
33. Capital and surplus prior reporting year .....	140,490,616	142,446,223	142,446,222
34. Net income or (loss) from Line 32 .....	6,234,504	9,245,600	4,048,750
35. Change in valuation basis of aggregate policy and claims reserves .....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....			
37. Change in net unrealized foreign exchange capital gain or (loss) .....			
38. Change in net deferred income tax .....	(1,883,652)		4,318,288
39. Change in nonadmitted assets .....	(3,094,642)	(3,065,445)	(322,644)
40. Change in unauthorized and certified reinsurance .....			
41. Change in treasury stock .....			
42. Change in surplus notes .....			
43. Cumulative effect of changes in accounting principles .....			
44. Capital Changes:			
44.1 Paid in .....			
44.2 Transferred from surplus (Stock Dividend) .....			
44.3 Transferred to surplus .....			
45. Surplus adjustments:			
45.1 Paid in .....			
45.2 Transferred to capital (Stock Dividend) .....			
45.3 Transferred from capital .....			
46. Dividends to stockholders .....			(10,000,000)
47. Aggregate write-ins for gains or (losses) in surplus .....			
48. Net change in capital and surplus (Line 34 to Line 47) .....	1,456,210	6,180,155	(1,955,606)
49. Capital and surplus end of reporting period (Line 33 plus Line 48) .....	141,946,826	148,626,378	140,490,616
<b>DETAILS OF WRITE-INS</b>			
4701 .....			
4702 .....			
4703 .....			
4798 Summary of remaining write-ins for Line 47 from overflow page .....			
4799 Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above) .....			

**CASH FLOW**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance	112,839,264	270,355,490	899,422,619
2. Net investment income	1,921,189	2,047,296	6,987,888
3. Miscellaneous income	(154,857,959)		
4. Total (Line 1 through Line 3)	(40,097,506)	272,402,786	906,410,507
5. Benefit and loss related payments		201,790,835	783,576,697
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	21,820,649	30,382,187	111,474,947
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		491,519	8,266,685
10. Total (Line 5 through Line 9)	21,820,649	232,664,541	903,318,329
11. Net cash from operations (Line 4 minus Line 10)	(61,918,155)	39,738,245	3,092,178
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	4,182,099	3,412,066	15,650,921
12.2 Stocks			
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			161,897
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	4,182,099	3,412,066	15,812,818
13. Cost of investments acquired (long-term only):			
13.1 Bonds		2,773,419	15,935,383
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets	(107,691)		(22,288)
13.6 Miscellaneous applications			107,691
13.7 Total investments acquired (Line 13.1 through Line 13.6)	(107,691)	2,773,419	16,020,786
14. Net increase or (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	4,289,790	638,647	(207,968)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds	10,041,667		
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			10,000,000
16.6 Other cash provided (applied)	11,041,249	(24,343,760)	(17,201,007)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	21,082,916	(24,343,760)	(27,201,007)
<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 Line 15 plus Line 17)	(36,545,449)	16,033,132	(24,316,797)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	67,276,314	91,593,111	91,593,111
19.2 End of period (Line 18 plus Line 19.1)	30,730,865	107,626,243	67,276,314

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

20.0001			
20.0002			
20.0003			
20.0004			
20.0005			
20.0006			
20.0007			
20.0008			
20.0009			
20.0010			

STATEMENT AS OF March 31, 2024 OF THE MCNA Insurance Company

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1 Total	Comprehensive (Hospital and Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
Total Members at end of														
1. Prior Year .....	3,200,866								3,200,866					
2. First Quarter .....	2,739,175								2,739,175					
3. Second Quarter .....														
4. Third Quarter .....														
5. Current Year .....														
6. Current Year Member Months .....	2,739,175								2,739,175					
Total Member Ambulatory Encounters for Period														
7. Physician .....														
8. Non-Physician .....														
9. Total .....														
10. Hospital Patient Days Incurred .....														
11. Number of Inpatient Admissions .....														
12. Health Premiums Written (a) .....	166,937,244								166,937,244					
13. Life Premiums Direct .....														
14. Property/Casualty Premiums Written .....														
15. Health Premiums Earned .....	166,445,279								166,445,279					
16. Property/Casualty Premiums Earned .....														
17. Amount Paid for Provision of Health Care Services .....	154,857,869								154,857,869					
18. Amount Incurred for Provision of Health Care Services .....	152,471,749								152,471,749					

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ .....

STATEMENT AS OF March 31, 2024 OF THE MCNA Insurance Company

**CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Individually listed claims unpaid						
Individually listed claims unpaid	31,745,406	5,524,719	5,556,145	667,728	681,146	44,175,142
0199999 - Individually listed claims unpaid	31,745,406	5,524,719	5,556,145	667,728	681,146	44,175,142
0499999 - Subtotals	31,745,406	5,524,719	5,556,145	667,728	681,146	44,175,142
0799999 - Total claims unpaid						44,175,142

STATEMENT AS OF March 31, 2024 OF THE MCNA Insurance Company

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

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 plus 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) individual .....						
2. Comprehensive (hospital and medical) group .....						
3. Medicare Supplement .....						
4. Vision only .....						
5. Dental only .....						
6. Federal Employees Health Benefits Plan .....						
7. Title XVIII - Medicare .....	43,756,888	122,266,733	11,365,122	32,810,020	55,121,810	57,716,815
8. Title XIX - Medicaid .....						
9. Credit A&H .....						
10. Disability income .....						
11. Long-term care .....						
12. Other health .....						
13. Health subtotal (Line 1 to Line 8) .....	43,756,888	122,266,733	11,365,122	32,810,020	55,121,810	57,716,815
14. Health care receivables (a) .....						
15. Other non-health .....						
16. Medical incentive pools and bonus amounts .....						
17. Totals (Lines 13-14+15+16) .....	43,756,888	122,266,733	11,365,122	32,810,020	55,121,810	57,716,815

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

**NOTES TO FINANCIAL STATEMENTS**

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**MCNA INSURANCE COMPANY****NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS  
AS OF AND FOR THE THREE MONTHS ENDED MARCH 31, 2024, AND 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES AND GOING CONCERN****Organization and Operation**

MCNA Insurance Company (the "Company"), was incorporated on January 20, 2011, under the laws of the State of Texas. The Company was issued a Certificate of Authority ("COA") to transact the business of Accident and Health insurance by the Texas Department of Insurance ("TDI") on May 4, 2011, and currently has an active COA from fifteen additional states. The Company has Medicaid and Children's Health Insurance Program ("CHIP") contracts with state agencies in the states of Texas, Arkansas, Idaho, Iowa, Louisiana, and Utah. Under these contracts, the Company provides access to dental services (health insurance) for enrolled members through the Company's network of contracted providers. All of these contracts have been renewed through the middle of 2024 or beyond and are subject to separate renewal provisions.

The Company is a wholly owned subsidiary of MCNA Health Care Holdings, LLC ("MCNA HCH"). MCNA HCH is a wholly owned subsidiary of Marlin Holding Company LLC ("Marlin Holding"), Marlin Holding is a wholly owned subsidiary of Specialty Benefits, LLC ("Specialty Benefits"), Specialty Benefits is a wholly owned subsidiary of United HealthCare Services, Inc. ("UHS"), a management corporation that provides services to the Company under the terms of a management agreement (the "Agreement"). UHS is a wholly owned subsidiary of UnitedHealth Group Incorporated ("UnitedHealth Group"). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

**A. Accounting Practices**

The statutory basis financial statements (herein referred to as "financial statements") are presented on the basis of accounting practices prescribed or permitted by the TDI, for determining and reporting the financial condition and results of operations of an accident and health insurer, for determining its solvency under Texas Insurance Law. The State prescribes the use of the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP") in effect for the accounting periods covered in the financial statements.

No significant differences exist between the practices prescribed or permitted by the State of Texas and the NAIC SAP which materially affect the statutory basis net income and capital and surplus, as illustrated in the table below:

## NOTES TO FINANCIAL STATEMENTS

	SSAP #	F/S Page	F/S Line #	2024	2023
<b>NET INCOME</b>					
(1) MCNA Insurance Company state basis				\$ 6,234,504	\$ 4,048,750
(2) State Prescribed Practices that increase/(decrease) NAIC SAP: None				-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP: None				-	-
(4) NAIC SAP (1-2-3=4)				<u>\$ 6,234,504</u>	<u>\$ 4,048,750</u>
<b>SURPLUS</b>					
(5) MCNA Insurance Company state basis				\$ 141,946,826	\$ 140,490,616
(6) State Prescribed Practices that increase/(decrease) NAIC SAP: None				-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP: None				-	-
(8) NAIC SAP (5-6-7=8)				<u>\$ 141,946,826</u>	<u>\$ 140,490,616</u>

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

The preparation of these financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to hospital and medical benefits, claims unpaid, aggregate health policy reserves (including medical loss ratio ("MLR") rebates), risk corridor, and risk adjustment estimates. The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income in the period in which the estimate is adjusted.

### C. Accounting Policy

**Basis of Presentation** — The Company prepares its financial statements on the basis of accounting practices prescribed or permitted by the TDI. These statutory practices differ from accounting principles generally accepted in the United States of America ("GAAP").

Based on the Company's Medicaid contracts with various state agencies, capitation fees are recorded as revenue except for those deemed to be advances under the terms of the contract. Advance premiums are reflected as unearned and recognized as revenue when earned. For the three months ended March 31, 2024, the Company recorded net capitation fees of \$118,512,402. Current period changes to aggregate health policy reserves under various state contracts increased net capitation revenues by \$47,932,877.

Accounting policy disclosures that are required by the NAIC Annual Statement instructions are as follows:

(1–2) Bonds and Short-term investments consist of liquid investments that are stated at book/adjusted carrying value if they meet NAIC designation of one or two and stated at the lower of book/adjusted carrying value or fair value if they meet an NAIC designation of three or higher. The Company does not have any mandatory convertible securities or Investment Analysis Office of the NAIC ("IAO") identified funds (i.e.: exchange traded funds or bond mutual funds) in its bond portfolio. Amortization of bond premium or accretion of discount is calculated using the constant yield interest method. Bonds and short-term investments are valued and reported using market prices published by the IAO in accordance with the NAIC Valuation of Securities manual prepared by the IAO or an external pricing service.

(3–4) The Company holds no common stock or preferred stock;

(5) The Company holds no mortgage loans on real estate;

**NOTES TO FINANCIAL STATEMENTS**

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- (6) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in nonagency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets. Total combined investments in mortgage-backed securities and asset-backed securities cannot exceed more than 30% of total cash and invested assets;
- (7) The Company holds no investments in subsidiaries, controlled, or affiliated entities;
- (8) The Company has no investment interests with respect to joint ventures, partnerships, or limited liability companies;
- (9) The Company holds no derivatives;
- (10) Premium deficiency reserves ("PDR"), inclusive of conversion reserves, and the related expenses are recognized when it is probable that expected future health care expenses, claims adjustment expenses ("CAE"), direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts, and are recorded as aggregate health policy reserves in the financial statements. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts, and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, CAE and direct administration costs are considered. The data and assumptions underlying such estimates and the resulting reserves are periodically updated, and any adjustments are reflected as an increase (or decrease) in reserves for Accident and Health contracts in the financial statements in the period in which the change in estimate is identified. The Company does include investment income as a factor in the PDR calculation (see Note 30);
- (11) CAE are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the Agreement (see Note 10), the Company pays a management fee to its affiliate, MCNA HCH, in exchange for administrative and management services. A detailed review of the administrative expenses of the Company and MCNA HCH is performed to determine the allocation between CAE and general administrative expenses ("GAE") to be reported in the financial statements. It is the responsibility of MCNA HCH to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid CAE associated with incurred but unpaid claims, which is included in unpaid CAE in the financial statements. Management believes the amount of the liability for unpaid CAE as of March 31, 2024, is adequate to cover the Company's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid CAE are reflected in operating results in the period in which the change in estimate is identified;

The Company records the cost of services provided by the dentists and specialists in its network based on actual fee-for-service claims submitted, plus an estimate for the cost of services incurred but not reported. For the Three Months ended March 31, 2023, the Company's cost for dental services was \$152,471,749, with no amounts recognized as ceded.

In 2023, one of the Company's contracts includes a Direct Payment Arrangement ("DPA") which requires a supplemental payment for covered dental services made for certain services provided, or supervised, by faculty or staff members of a certain academic dentistry institution of a specified public university. Under this arrangement, the Company will pay the customary rate when adjudicating claims. The basis for the supplemental payments is based on a specified calculation, whose terms are solely to facilitate certain defined payments to the university. The Company treats this as a "pass-through" transaction, by creating a liability when amounts are received, but it has no financial impact on net income.

At year end, the Company's estimate for the cost of dental services incurred but not reported is computed by an actuary using standard actuarial methodologies. While management believes the amounts for such liabilities are adequate, these liabilities are based on assumptions and estimates with the ultimate liability being in excess of or less than the amount provided.

## NOTES TO FINANCIAL STATEMENTS

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- (12) Maintenance and repairs that do not improve or extend the life of the respective assets are expensed in the period incurred and included in general administrative expenses ("GAE") in the financial statements. The Company has not modified its capitalization policy from the prior period;
- (13) The Company has receivables from certain state contracts for administrative services provided and invoiced. The Company does not have any pharmaceutical rebates receivable. Health care and other amounts receivable are considered nonadmitted assets under the NAIC SAP if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the financial statements (see Note 28).

The Company has also deemed the following to be significant accounting policies:

### **ASSETS**

#### ***Cash and Invested Assets***

- Bonds include securities with a maturity of greater than one year at the time of purchase;
- Cash represents cash held by the Company in disbursement accounts and certificates of deposit with a maturity date of less than one year from acquisition. Claims and other payments are made from the disbursement daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments;
- Cash equivalents include securities that have original maturity dates of three months or less from the date of acquisition. Cash equivalents, excluding money-market funds, are reported at cost or book/adjusted carrying value depending on the nature of the underlying security, which approximates fair value. Money-market funds are reported at fair value or net asset value ("NAV") as a practical expedient;
- Short-term investments include securities that have a maturity of greater than three months but less than one year at the time of purchase;
- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses are reported as net realized capital gains (losses) less capital gains tax (benefit) ("net realized capital gains (losses) less taxes") in the financial statements;
- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital gains (losses) less taxes in the financial statements. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for loan-backed securities for periods subsequent to the loss recognition (see Note 5).

#### ***Other Assets***

- **Uncollected Premiums** — The Company reports uncollected premium balances from state Medicaid agencies as uncollected premiums in the financial statements. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential.
- **Current Federal Income Tax Recoverable** — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. A current federal income tax recoverable is recognized when the Company's allocated intercompany estimated payments are more than its actual calculated obligation based on the Company's stand-alone federal income tax return (see Note 9).

**NOTES TO FINANCIAL STATEMENTS**

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- **Other Assets** – Other assets include state income tax recoverable amounts that are expected to be recovered as a result of an overpayment of estimated tax carrybacks, or items for which the reporting entity has authority to recover under a state regulation or statute. Other assets also include premium tax recoverable that are recorded when the estimated payments have exceeded the premium tax liability for the year, security deposits and other prepaid items.

**LIABILITIES**

- **Claims Unpaid** —The Company contracts with various independent dentists and other providers of dental care under capitated or discounted fee for service arrangements to provide dental services to covered enrollees. The Company reimburses dentistry and specialty providers on a fee for service basis. Claims unpaid include amounts owed under the fee for service arrangements but not paid as of the end of the reporting period, claims processed but not yet paid, estimates for claims received but not yet processed, and estimates for the costs of dental care services enrollees have received, but for which claims have not yet been submitted.

The estimates for incurred but not reported claims are developed using actuarial methods based upon historical submission and payment data, cost trends, customers and product mix, seasonality, utilization of dental services, contracted service rates, and other relevant factors including product changes. The estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during the three months ended March 31, 2024 and for the year ended December 31, 2023. Management believes the amount of claims unpaid is a best estimate for the Company's liability for unpaid claims as of March 31, 2024; however, actual claim payments may differ from those established estimates.

- **Aggregate Health Policy Reserves** — Aggregate health policy reserves includes a PDR, MLR, risk corridor, and risk adjustment rebates for state Medicaid plans, payable to the Texas Department of Health and Human Services (TX HHS), and various other state Medicaid agencies.
- Premium adjustments for the risk corridors, estimated MLR rebates, and Full Medicaid Pricing ("FMP") payments from various state Medicaid agencies. Risk corridor programs are accounted for as premium adjustments subject to retrospectively rated features (see Note 24).
- **General Expenses Due or Accrued** — General expenses that are due as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent period are reported as general expenses due or accrued in the financial statements.
- **Current Federal Income Tax Payable** — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. A liability for federal income taxes payable is recognized when its allocated intercompany estimated payments are less than its actual calculated obligation based on the Company's stand-alone federal income tax return (see Note 9).
- **Amounts due to Parent, Subsidiaries, and Affiliates** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts owed as amounts payable to parent, subsidiaries, and affiliates, in the financial statements.

**Other Liabilities** – Other liabilities consist of items such as unclaimed property where the Company still owes an amount to an individual, but a claim has not been made after a specified period of time. Other liabilities also include certain amounts due to educational institutions under contracts. |

**NOTES TO FINANCIAL STATEMENTS**

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**CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS**

- **Restricted Cash Reserves** — The Company is in compliance with the various states' regulatory deposit requirements as of March 31, 2024, and December 31, 2023, respectively, for qualification purposes as a domestic and foreign insurer. These restricted cash reserves are stated at book/adjusted carrying value, which approximates fair value. These restricted deposits are included in bonds in the financial statements. Interest earned on these deposits accrues to the Company (see Note 5).

Under the contract with the Nebraska Department of Health and Human Service in effect until December 31, 2023, the Company had established and maintains a minimum cash deposit of \$859,852. This reserve is included in cash in the financial statements. Interest earned on this deposit accrues to the Company (see Note 5). As of April 2024, this amount is no longer restricted and funds have been transferred to the Company.

The Company has established a deposit in the form of an operating account for the protection of enrollees. The deposit, carried at book/adjusted carrying value is in compliance with the requirement at March 31, 2024. This deposit is included in cash in the financial statements. Interest earned on these securities accrues to the Company (see Note 5).

- **Minimum Capital and Surplus** — Under the laws of the Company's domiciliary state, the TDI requires the Company to maintain a minimum capital and surplus equal to the greater of \$20,000,000 or the lesser of ten percent (10%) of the annual gross written premium revenue and three hundred and fifty percent (350%) of the annual authorized control level risk-based capital. The minimum capital and surplus requirement was \$66,304,006 and \$90,341,271, for March 31, 2024 and December 31, 2023, respectively.

The Company is in compliance with the minimum required capital and surplus amounts where it is licensed to do business, as of March 31, 2024.

**STATEMENTS OF OPERATIONS**

- **Net Premium Income and Change in Unearned Premium Reserves** — Revenues consist of net premium income that is recognized in the period in which enrollees are entitled to receive dental care services.

The various state Medicaid dental plans are subject to experience rated rebates, including MLRs and risk corridor programs, based on various utilization measures. The Company records premium adjustments for the changes to the estimates for experience rated rebates, risk corridors and MLR requirement which are reflected in change in unearned premium reserves and reserve for rate credits and for the risk adjustment program and performance guarantees which are reflected in net premium income in the financial statements (see Note 24). Net premium income also includes amounts paid by state and federal governments on a per member basis in exchange for the provision and administration of medical benefits under the Medicaid and/or Children's Health Insurance Program ("CHIP"). Premiums are contractual and are recognized in the coverage period in which members are entitled to receive services, except in the case of maternity payments.

- **Dental Benefits Expenses** — Dental benefits expenses include fee for service claims paid, processed claims but not yet paid, estimates for claims received but not yet processed, and estimates for the costs of dental care services enrollees have received but for which claims have not yet been submitted. These expenses are reflected in the hospital/medical benefits line in the financial statements.

## NOTES TO FINANCIAL STATEMENTS

- General Administrative Expenses** — General expenses that have been paid as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent date are reported as general administrative expenses. Pursuant to the terms of the Management Agreement (see Note 10) effective October 27, 2011, the Company pays a management fee to MCNA HCH in exchange for administrative and management services. Also, pursuant to the terms of the Dental and Administrative Services Agreement (DASA) with an affiliate, Managed Care of North America, Inc. (MCNA FL), the Company pays an administrative fee to MCNA FL for operations support in the states where the Company conducts business. Costs for items not included within the scope of these agreements are directly expensed as incurred. State income taxes are also a component of general administrative expenses (“GAE”). A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and GAE to be reported in the financial statements. A detailed review of MCNA HCH's and the Company's management agreement, stipulates it is the responsibility of MCNA HCH to pay CAE in the event the Company ceases operations.

Administrative fee revenues consist primarily of fees derived from services performed for the Oklahoma Health Care Authority (“OHCA”) that retains the risk on the dental care costs of its enrolled members. Under this contract, the Company recognizes revenue in the period in which the related services are performed. The OHCA retains the risk of dental care costs for its enrolled members, and the Company provides claims review services. As the Company has neither the obligation for funding the dental care costs, nor the primary responsibility for providing the dental care, the Company does not recognize net premium income and hospital/medical expenses under accident and health contracts for this arrangement. Administrative fee revenue and related expenses are netted against GAE in the financial statements (see Note 18).

- Net Investment Income Earned** — Net investment income earned includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income earned (see Note 7).
- Federal Income Taxes Incurred** — The provision for federal income taxes incurred is calculated based on applying the statutory federal income tax rate of approximately 21% to net income (loss) before federal income taxes and net realized capital gains (losses) subject to certain adjustments (see Note 9).

### REINSURANCE

**Reinsurance Ceded** — The Company has no active reinsurance treaties

### OTHER

- Vulnerability Due to Certain Concentrations** — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company's existing products in new markets and offerings of new products, both of which may restrict the Company's ability to expand its business. The loss, or certain changes to any of the Company's contracts, or changes in healthcare laws could have a materially adverse impact on the Company's financial condition and operations.

The Company has no commercial customers for the three months ended March 31, 2024 and for the year ended December 31, 2023.

Direct premiums written and uncollected premiums from the TX HHS as a percentage of total direct premiums written and total uncollected premiums is 55% as of March 31, 2024. Direct premiums written from the Louisiana Department of Health as a percentage of total direct premiums written is 17% as of March 31, 2024, and 13% as of December 31, 2023. Effective December 31, 2023, the Company's contract with Nebraska Department of Health and Human Services ended. This contract was approximately 9% of the Company's revenue during 2023.

- Reclassifications** — Certain 2023 amounts in the financial statements have been reclassified to conform to the 2024 presentation. Specifically, the 2023 statements have been reclassified to be consistent with the Company's annual statement presentation. These reclassifications had no effect on statutory basis net income or total statutory basis capital and surplus as previously reported. The 2023 financial statements have been reclassified to conform with the 2024 presentation (see Note 2).
- Recently Issued Accounting Standards** — The Company reviewed all recently issued guidance in 2024 and 2023 that has been adopted for 2024 or subsequent years' implementation and has determined that none of the items would have a significant impact to the financial statements.

**NOTES TO FINANCIAL STATEMENTS**

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**D. Going Concern**

The Company has the ability and will continue to operate for a period of time sufficient to carry out its commitments, obligations and business objectives.

**2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS**

The Company did not undertake changes in its accounting methods, and had no error corrections during the three months ended March 31, 2024.

**3. BUSINESS COMBINATIONS AND GOODWILL**

**A–E.** The Company was not party to a business combination during the three months ended March 31, 2024, and does not carry goodwill in its financial statements.

**4. DISCONTINUED OPERATIONS****A. Discontinued Operation Disposed of or Classified as Held for Sale**

**(1–4)** The Company did not have any discontinued operations disposed of or classified as held for sale during 2024.

**B. Change in Plan of Sale of Discontinued Operation** — Not applicable.

**C. Nature of any Significant Continuing Involvement with Discontinued Operations after Disposal** — Not applicable.

**D. Equity Interest Retained in the Discontinued Operation after Disposal** — Not applicable.

**5. INVESTMENTS**

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used, and net realized losses are included in net realized capital gains (losses) less taxes. For the three months ended March 31, 2024, the gross realized gains and losses on sales of long-term investments were \$40,952 and (\$2,909), respectively. There were no realized gains or losses on long-term investments for the three months ended March 31, 2023. For the three months ended March 31, 2024, and 2023, total proceeds on the sale of long-term investments were \$4,182,099 and \$3,412,066, respectively. The Company did not acquire any long-term bonds during the three months ended March 31, 2024. Long-term bonds acquired during the three months ended March 31, 2023 totaled \$2,773,419. There were no gross realized gains and losses on sales of short-term investments for the three months ended March 31, 2024, and 2023.

As of March 31, 2024, cash and cash equivalents totaled \$25,259,756 and \$5,471,109, respectively; these amounts totaled \$28,498,078 and \$38,778,236 at December 31, 2023, respectively.

The unrecognized unrealized losses on investments in U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities at March 31, 2024, were mainly caused by interest rate fluctuations and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its book/adjusted carrying value. The contractual cash flows of the U.S. government and agency securities are guaranteed either by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company assessed the credit quality of the state and agency municipal securities, city and county municipal securities and corporate debt securities, noting whether a significant deterioration since purchase or other factors that may indicate an other-than temporary impairment ("OTTI"), such as the length of time and extent to which fair value has been less than cost, the financial condition, and near term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment.

Additionally, the Company evaluated its intent and ability to retain loan-backed securities for a period of time sufficient to recover the amortized cost. As a result of these reviews, the Company did not need to record an OTTI as of March 31, 2024.

**NOTES TO FINANCIAL STATEMENTS**

**A–C.** The Company has no mortgage loans, real estate loans, restructured debt, or reverse mortgages. The Company also has no real estate property occupied by the Company, real estate property held for the production of income, or real estate property held for sale.

**D. Loan-Backed Securities**

- (1) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.
- (2) The Company did not recognize any OTTIs on loan-backed securities as of March 31, 2024. The Company classifies loan-backed securities that have other-than-temporary impairments (“OTTIs”) as available for sale. For the remaining loan-backed securities, the Company has the intent and ability to retain the investment in the security for a period of time sufficient to recover the amortized cost basis and determined that the present value of cash flows to be collected is equal to or exceeds the amortized cost basis of the security as of March 31, 2024. Since the Company had no OTTIs it has excluded the table that would illustrate the aggregate OTTIs recognized on loan-backed securities.
- (3) The Company did not have any loan-backed securities with OTTIs to report by CUSIP as of March 31, 2024.
- (4) The following table illustrates the fair value, gross unrecognized unrealized losses, and length of time that the loan-backed securities have been in a continuous unrecognized unrealized loss position as of March 31, 2024, and December 31, 2023.:

	<b>March 31, 2024</b>
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 84,612
2. 12 months or longer	7,750,997
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	10,064,410
2. 12 months or longer	46,001,321
	<b>December 31, 2023</b>
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 46,339
2. 12 months or longer	7,199,383
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	4,643,329
2. 12 months or longer	54,257,885

- (5) The Company believes that it will continue to collect timely the principal and interest due on its loan-backed securities that have an amortized cost in excess of fair value. The unrealized losses were primarily caused by interest rate changes and not by unfavorable changes in the credit quality associated with these securities that impacted the assessment on collectability of principal and interest. At each reporting period, the Company evaluates available-for-sale debt securities for any credit-related impairment when the fair value of the investment is less than its amortized cost. The Company evaluated the expected cash flows and the underlying credit quality and credit ratings of the issuers, noting no significant credit deterioration since purchase. As of March 31, 2024, the unrealized loss on any security that the Company classified as available for sale was not material to the Company's investment portfolio. Any other securities in an unrealized loss position as of March 31, 2024, the Company considers to be temporary.

**E. Dollar Repurchase Agreements and/or Securities Lending Transactions** — Not applicable.

**F. Repurchase Agreements Transactions Accounted for as Secured Borrowing** — Not applicable.

## NOTES TO FINANCIAL STATEMENTS

- G. **Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing** — Not applicable.
- H. **Repurchase Agreements Transactions Accounted for as a Sale** — Not applicable.
- I. **Reverse Repurchase Agreements Transactions Accounted for as a Sale** — Not applicable.
- J. **Real Estate** — Not applicable.
- K. **Low-Income Housing Tax Credits (“LIHTC”)** — Not applicable.
- L. **Restricted Assets**

(1) Restricted assets, including pledged securities as of March 31, 2024, and December 31, 2023, are presented below:

Restricted Asset Category	1	2	3	4	5	6	7
	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nondmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted in Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Collateral held under security ledging	-	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-
f. Subject to dollar reserve repurchase agreements	-	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-	-
i. FHLB capital stock	-	-	-	-	-	-	-
j. On deposit with states	2,695,000	2,909,692	(214,692)	-	2,695,000	1.0%	1.0%
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-
n. Other restricted assets	859,852	2,182,783	(1,322,931)	-	859,852	0.3%	0.3%
<b>o. Total Restricted Assets</b>	<b>\$ 3,554,852</b>	<b>\$ 5,092,475</b>	<b>\$ (1,537,623)</b>	<b>\$ -</b>	<b>\$ 3,554,852</b>	<b>1.3%</b>	<b>1.3%</b>

(a) Column 1 divided by Asset Page, Column 1, Line 28  
(b) Column 5 divided by Asset Page, Column 3, Line 28

(2–4) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of March 31, 2024, and December 31, 2023.

- M. **Working Capital Finance Investments** — Not applicable.
- N. **Offsetting and Netting of Assets and Liabilities**

The Company does not have any offsetting or netting of assets and liabilities as it relates to derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending activities.

**NOTES TO FINANCIAL STATEMENTS**

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**O. 5GI Securities**

The Company does not have any investments with an NAIC designation of 5GI as of March 31, 2024.

**P. Short Sales — Not applicable.****Q. Prepayment Penalty and Acceleration Fees**

There were no prepayment penalty and acceleration fees during 2024.

**Reporting Entity's Share of Cash Pool by Asset Type — Not applicable.**

**6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES**

**A–B.** The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of admitted assets and did not recognize any impairment write-down for its investments in joint ventures, partnerships, and limited liability companies during the statement periods.

**7. INVESTMENT INCOME**

**A.** The Company excludes all investment income due and accrued amounts that are over 90 days past due from the financial statements.

**B.** There were no investment income amounts excluded from the financial statements.

**8. DERIVATIVE INSTRUMENTS**

**A–B.** The Company has no derivative instruments.

**9. INCOME TAXES**

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act. Included in the Inflation Reduction Act was a new corporate alternative minimum tax ("CAMT"). The CAMT is calculated as 15% of adjusted financial statement income and applies only to corporations with average annual adjusted financial statement income in excess of \$1 billion for three prior taxable years. The applicability of the CAMT is determined on a tax-controlled group basis.

The Company is included in the consolidated federal Income tax return with its ultimate parent, UnitedHealth Group Incorporated which constitutes a controlled group. The controlled group's expected federal income tax will exceed the CAMT and therefore the Company does not expect to be subject to the minimum tax.

The controlled group has not made any material modifications to the methodology used to project the CAMT.

**A–I.** No significant changes.

**10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES**

**A–B.** In the ordinary course of business, the Company contracts with several affiliates to provide a wide variety of services to the Company's members. These agreements are filed with and approved by the TDI according to Management's understanding of the current requirements and standards. Within the confines of the applicable filed and approved agreements (including subsequent amendments thereto), the amount and types of services provided by these affiliated entities can change year over year.

The Company has a tax-sharing agreement with UnitedHealth Group (see Note 9).

The Company paid no dividends for the three months ended March 31, 2024, and 2023.

**C. Transactions With Related Parties Who Are Not Reported on Schedule Y**

**NOTES TO FINANCIAL STATEMENTS**

The Company has no material related party transactions that meet the disclosure requirements pursuant to SSAP No. 25, *Affiliates and Other Related Parties* ("SSAP No. 25") that are not included in NAIC Statutory Statement Schedule Y—Part 2 Summary of Insurer's Transactions with Any Affiliates.

- D. At March 31, 2024, and December 31, 2023, the Company reported \$3,448,706 and \$3,311,843, respectively, as receivables from parent, subsidiaries and affiliates and \$13,490,101 and \$320,698, respectively, as amounts due to parent, subsidiaries, and affiliates, which are included in the accompanying financial statements. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

Effective April 1, 2023, the Company entered into a new subordinated revolving credit agreement with United HealthCare Services, Inc. at an interest rate of Fed Funds Target rate – Upper Bound plus 50 basis point. The Company's subordinated credit agreement limit equals \$75,000,000. This agreement has been approved by the TDI. As of March 31, 2024, the total amount outstanding was \$10,000,000, and interest paid or accrued on all borrowings was \$123,539.

- E. The third-party administrative services and management fees provided by affiliates are calculated using the following methods: a percentage of premiums and per member per month ("PMPM"), respectively. These amounts are components of GAE and CAE in the financial statements. The following table identifies the amounts reported for the third-party administrative services and management provided by related parties for the three months ended March 31, 2024, and 2023, which meet the disclosure requirements pursuant to SSAP No. 25, regardless of the effective date of the contract:

	2024	2023
1. MCNA HCH	\$ 2,503,115	\$ 3,587,004
2. MCNA FL	12,128,591	16,359,859

MCNA HCH provides, or arranges for the provision of, management and other services deemed necessary or appropriate for MCNA HCH to provide management to the Company. The services can include, but are not limited to, the categories of management services outlined in the Agreement, such as executive management, legal, facilities, general administration, treasury and investment functions, financial reporting oversight and expenses incurred for new business that will be effective in the subsequent year.

MCNA FL provides administrative and other services deemed necessary or appropriate for MCNA FL to provide administrative and operational support to the Company. The services can include, but are not limited to, the categories of management and operational services outlined in the Agreement, such as human resources, legal, facilities, general administration, treasury and investment functions, claims adjudication and payment, benefit administration, disease management, health care decision support, medical management, credentialing, preventative health services, utilization management reporting and expenses incurred for new business that will be effective in the subsequent year.

- F. The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party. The Company's parent provides a guarantee to the TDI that the premium to surplus ratio for the Company is not more than ten-to-one.
- G. The Company is part of an insurance holding company system with UnitedHealth Group as the ultimate parent. Management believes that the Company's transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.
- H. The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.

**NOTES TO FINANCIAL STATEMENTS**

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- I. The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.
- J. The Company does not have any investments in impaired subsidiaries, controlled, or affiliated entities.
- K. The Company does not have any investments in impaired subsidiaries, controlled, or affiliated entities.
- L. The Company does not hold any investments in a downstream noninsurance holding company.
- M. The Company does not have any investments in noninsurance subsidiaries, controlled, or affiliated entities.
- N. The Company does not have any investments in insurance subsidiaries, controlled, or affiliated entities.
- O. The Company does not have any investments in subsidiary, controlled, or affiliated entities or joint ventures, partnerships and limited liability companies in which the Company's share of losses exceeds the investment.

**11. DEBT**

- A–B.** The Company had no outstanding debt with third-parties or outstanding Federal Home Loan Bank agreements during 2024.

**12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS**

- A–I.** The Company has no defined benefit plans, defined contribution plans, multiemployer plans, consolidated/holding company plans, postemployment benefits, or compensated absences plans and is not impacted by the Medicare Modernization Act on postretirement benefits, since all personnel are employees of UHS, which provides services to the Company under the terms of the Agreement (see Note 10).

**13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS**

- A–B.** The Company has 1,000,000 shares authorized and 700,000 shares issued and outstanding of \$2,000,000 no par value stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, MCNA HCH.
- C.** Dividend payment requirements are outlined in the domiciliary state statutes and may be further restricted by the TDI.
- D.** The Company has not paid ordinary cash dividends for the three months ended March 31, 2024.
- E.** The amount of ordinary dividends that may be paid out during any given period is subject to certain restrictions as specified by state statute.
- F.** There are no restrictions placed on the Company's unassigned surplus.
- G.** The Company is not a mutual reciprocal or a similarly organized entity and does not have advances to surplus not repaid.
- H.** The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options, or stock purchase warrants.
- I.** The Company does not have any special surplus funds.

**NOTES TO FINANCIAL STATEMENTS**

- J.** The portion of unassigned surplus, excluding correction of errors, net income, and dividends, represented (or reduced) by each item below is as follows:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Net deferred income tax (liability) asset	2,660,078	4,343,728	(1,683,650)
Non-admitted assets	(3,874,877)	(780,235)	(3,094,642)
Total	<u>\$ (1,214,799)</u>	<u>\$ 3,563,493</u>	<u>\$ (4,778,292)</u>

- K-M.** The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

**14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS****A. Contingent Commitments**

The Company has no contingent commitments.

**B. Assessments**

The Company is not aware of any guaranty fund assessments or premium tax offsets, potential or accrued, that could have a material financial effect on the operations of the entity.

**C. Gain Contingencies**

The Company is not aware of any gain contingencies that should be disclosed in the financial statements.

**D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits**  
— Not applicable.**E. Joint and Several Liabilities** — Not applicable.**F. All Other Contingencies**

The Company's business is regulated at the federal, state, and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and administer its services.

The Company has been, or is currently involved, in various governmental investigations, audits and reviews. These include routine, regular and special investigations, audits and reviews by state insurance and health and welfare departments and other governmental authorities. The Company cannot reasonably estimate the range of loss, if any, that may result from any material government investigations, audits, and reviews in which it is currently involved given the inherent difficulty in predicting regulatory action, fines and penalties, if any, and the various remedies and levels of judicial review available to the Company in the event of an adverse finding.

Because of the nature of its businesses, the Company is frequently made party to a variety of legal actions and regulatory inquiries, including class actions and suits brought by members, care providers, consumer advocacy organizations, customers, and regulators, relating to the Company's businesses, including management and administration of health benefit plans and other services.

**NOTES TO FINANCIAL STATEMENTS**

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The Company records liabilities for its estimates of probable costs resulting from these matters where appropriate. Estimates of costs resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters involve: indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility, or it is probable that a loss may be incurred. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the financial statements of the Company.

The Company routinely evaluates the collectability of all receivable amounts included in the financial statements. Impairment reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's statutory basis financial condition.

There are no assets that the Company considers to be impaired at March 31, 2024 and at December 31, 2023, except as may be disclosed in Note 5 and Note 20.

**15. LEASES**

**A–B.** According to the Agreement between the Company and UHS (see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of UHS. Fees associated with the lease agreements are included as a component of the Company's management fee.

**16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK**

**(1–4)** The Company does not hold any financial instruments with off-balance-sheet risk or have any concentrations of credit risk.

**17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES**

**A–C.** The Company did not participate in any transfer of receivables, financial assets or wash sales.

**18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS****A. Administrative Services Only (ASO) Plans**

The Company entered an ASO agreement with the Oklahoma Health Care Authority ("OHCA") effective during the first quarter of 2022. Pursuant to the agreement with OHCA, the Company provided dental claim review support services for a nominal monthly fee. Effective on December 31, 2023, this agreement ended.

**B. Administrative Services Contract (ASC) Plans**

The Company has no operations from ASC Plans in 2024.

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

The Company does not have any Medicare cost reimbursement contracts in 2024.

**19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS**

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2024.

## NOTES TO FINANCIAL STATEMENTS

### 20. FAIR VALUE MEASUREMENTS

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

*Level 1* — Quoted (unadjusted) prices for identical assets in active markets.

*Level 2* — Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.);
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.);
- Inputs that are derived principally from or corroborated by other observable market data.

*Level 3* — Unobservable inputs that cannot be corroborated by observable market data.

The estimated fair values of bonds, cash equivalents and short-term investments (collectively "investment holdings") are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service ("pricing service"), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors.

Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company's internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

#### A. Fair Value

##### (1) Fair Value Measurements at Reporting Date

The following tables present information about the Company's financial assets that are measured and reported at fair value at March 31, 2024, and December 31, 2023, in the financial statements according to the valuation techniques the Company used to determine their fair values:

## NOTES TO FINANCIAL STATEMENTS

Description for Each Class of Asset or Liability	March 31, 2024				
	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
<b>a. Assets at Fair Value</b>					
Bonds					
U. S. Government	\$ -	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	-	-	-	-	-
Hybrid Securities	-	-	-	-	-
Parent, Subsidiaries & Affiliates	-	-	-	-	-
Total Bonds	-	-	-	-	-
Total Common Stock	-	-	-	-	-
Total Derivative Assets	-	-	-	-	-
Money-market funds	5,471,109	-	-	-	5,471,109
Qualified cash pool	-	-	-	-	-
Other Invested Assets	-	-	-	-	-
Separate account assets	-	-	-	-	-
Additional write-ins	-	-	-	-	-
Total Assets at Fair Value/NAV	\$ 5,471,109	\$ -	\$ -	\$ -	\$ 5,471,109
<b>b. Liabilities at Fair Value</b>					
Derivative liabilities	-	-	-	-	-
Additional write-ins	-	-	-	-	-
Total Liabilities at Fair Value	\$ -	\$ -	\$ -	\$ -	\$ -

  

Description for Each Class of Asset or Liability	December 31, 2023				
	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
<b>a. Assets at Fair Value</b>					
Bonds					
U. S. Government	\$ -	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	-	-	-	-	-
Hybrid Securities	-	-	-	-	-
Parent, Subsidiaries & Affiliates	-	-	-	-	-
Total Bonds	-	-	-	-	-
Total Common Stock	-	-	-	-	-
Total Derivative Assets	-	-	-	-	-
Money-market funds	38,778,236	-	-	-	38,778,236
Qualified cash pool	-	-	-	-	-
Other Invested Assets	-	-	-	-	-
Separate account assets	-	-	-	-	-
Additional write-ins	-	-	-	-	-
Total Assets at Fair Value/NAV	\$ 38,778,236	\$ -	\$ -	\$ -	\$ 38,778,236
<b>b. Liabilities at Fair Value</b>					
Derivative liabilities	-	-	-	-	-
Additional write-ins	-	-	-	-	-
Total Liabilities at Fair Value	\$ -	\$ -	\$ -	\$ -	\$ -

(2) The Company does not have any financial assets with a fair value hierarchy of Level 3 that were measured and reported at fair value.

(3) Transfers between fair value hierarchy levels, if any, are recorded as of the beginning of the reporting period in which the transfer occurs. There were no transfers between Levels 1, 2 or 3 of any financial assets or liabilities during the three months ended March 31, 2024.

(4) The framework the Company has established for determining the fair value of the investment holdings is outlined above.

(5) The Company has no derivative assets and liabilities to disclose.

**B. Fair Value Combination** — Not applicable.

**C. Aggregate Fair Value Hierarchy**

The aggregate fair value by hierarchy of all financial instruments as of March 31, 2024, and December 31, 2023, is presented in the table below:

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024							
Type of Financial Investment	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
U.S. government and agency securities	\$ 49,167,613	\$ 56,302,247	\$ 11,735,518	\$ 37,432,095	\$ -	\$ -	\$ -
State and agency municipal securities	20,652,980	22,817,608	-	20,652,980	-	-	-
City and county municipal securities	12,232,653	13,508,989	-	12,232,653	-	-	-
Corporate debt securities (I&M Bonds)	117,736,166	126,235,046	-	117,736,166	-	-	-
Cash equivalents	5,471,109	5,471,109	5,471,109	-	-	-	-
Total bonds, short-term investments, and cash equivalents	<u>\$205,260,521</u>	<u>\$224,334,999</u>	<u>\$ 17,206,627</u>	<u>\$188,053,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023							
Type of Financial Investment	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
U.S. government and agency securities	\$ 51,279,083	\$ 57,680,983	\$ 12,262,630	\$ 39,016,453	\$ -	\$ -	\$ -
State and agency municipal securities	20,685,562	22,849,271	-	20,685,562	-	-	-
City and county municipal securities	14,773,260	15,943,138	-	14,773,260	-	-	-
Corporate debt securities (I&M Bonds)	118,304,295	126,771,180	-	118,304,295	-	-	-
Cash equivalents	38,778,236	38,778,236	38,778,236	-	-	-	-
Total bonds, short-term investments, and cash equivalents	<u>\$243,820,436</u>	<u>\$262,022,808</u>	<u>\$ 51,040,866</u>	<u>\$192,779,570</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

D. **Not Practicable to Estimate Fair Value** — Not applicable.

E. **Investments Measured Using the NAV Practical Expedient** — Not applicable

## 21. OTHER ITEMS

### A. Unusual or Infrequent Items

The Company did not encounter any unusual or infrequent items for the three months ended March 31, 2024.

### B. Troubled Debt Restructuring: Debtors

The Company has no troubled debt restructurings as of March 31, 2024.

### C. Other Disclosures

The Company does not have any amounts not recorded in the financial statements that represent segregated funds held for others. The Company also does not have any exposures related to forward commitments that are not derivative instruments.

### D. Business Interruption Insurance Recoveries

The Company has not received any business interruption insurance recoveries during 2024.

### E. State Transferable and Non-transferable Tax Credits

The Company has no transferable or non-transferable state tax credits.

### F. Sub-Prime Mortgage-Related Risk Exposure

(1-4) The investment policy for the Company limits investments in loan-backed securities, which can include sub-prime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes sub-prime issuers. The Company does not have any sub-prime mortgage-related risk exposure as of March 31, 2024.

## NOTES TO FINANCIAL STATEMENTS

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### G. Retained Assets

The Company does not have any retained asset accounts for beneficiaries.

### H. Insurance-Linked Securities Contracts

As of March 31, 2024, the Company is not aware of any possible proceeds of insurance-linked securities.

### 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 — Not applicable.

## 22. EVENTS SUBSEQUENT

Subsequent events have been evaluated through May 15, 2024, which is the date these financial statements were available for issuance.

### TYPE I — Recognized Subsequent Events

Any material Type I events subsequent to March 31, 2024, have been recognized in the financial statements and corresponding disclosures.

### TYPE II — Non-Recognized Subsequent Events

There are no material non-recognized Type II events that require disclosure.

## 23. REINSURANCE

**Reinsurance Agreements** — The Company does not have any reinsurance agreements in place as of March 31, 2024.

### 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)

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

Yes ( )      No (X)

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

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

Yes ( )      No (X)

- (2) Does the reporting entity have any reinsurance agreements in effect 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)

**NOTES TO FINANCIAL STATEMENTS****Section 3 — Ceded Reinsurance Report — Part B**

- (1) What is the estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force, or which had existing reserves established by the Company as of the effective date of the agreement?

Yes ( )      No (X)

- B. Uncollectible Reinsurance** — During 2024, there were no uncollectible reinsurance recoverable.
- C. Commutation of Ceded Reinsurance** — There was no commutation of reinsurance in 2024.
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation** — Not applicable.
- E. Reinsurance Credit** – Not applicable.

**24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION**

- A–C.** The Company does not have any retrospectively rated contracts or contracts subject to redetermination as of March 31, 2024.
- D.** The Company's contract with the Texas state Medicaid agency ("HHSC") requires payment of an Experience Rebate if pre-tax income as a percentage of revenues (Rebate Percentage) is greater than 3%, as measured by the HHSC Financial Statistical Report. The experience rebate is calculated using a graduated scale. No obligation for rebate exists if the Rebate Percentage is less than, or equal to, 3%. The graduated scale was updated for the state fiscal year ended August 2020 and beyond, whereby for every incremental increase of the Rebate Percentage scale, up to 6%, the Company's, rebate obligation increases by 20%. When the Rebate Percentage exceeds 6%, all of the excess is owed to HHSC.

For the three months ended March 31, 2024, and 2023, the Company incurred an experience rebate of \$13,310 and \$9,674,415; respectively. The Company did not require an accrued experience rebate liability at March 31, 2024. As of December 31, 2023, the Company had an accrued experience rebate liability of \$32,213,266. These amounts are included on the accompanying statutory-basis statements of admitted assets, liabilities and capital and surplus in the caption accrued health policy reserves.

Commencing with state fiscal contract year 2022, the Companies contract with Nebraska Department of Health and Human Services was amended to include a Profit Cap/MLR calculation. If contractual pre-tax income, as a percentage of revenues (Rebate Percentage), is greater than 3%, as measured against certain specified metrics, MCNA will reimburse the state.

As of March 31, 2024, and December 31, 2023, the Company has an accrued profit cap liability of \$999,947 and \$1,457,735 respectively. These amounts are included in the accompanying financial statements in the caption accrued health policy reserves.

**Minimum Dental Loss Ratio**

Certain state contracts require member dental benefit payments to range between 85% and 88% of earned program revenues (85% - 88% DLR). To the extent a related program's DLR is less than the required minimum, the shortfall will be reimbursed to the state. During the three months ended March 31, 2024, the Company recorded a reduction in DLR of \$4,190,211 for contracts where dental benefit payments exceed risk corridor thresholds. For the three months ended March 31, 2023 the Company recorded \$7,345,665 as DLR percentages were less than the required minimums. As of March 31, 2024, and December 31, 2023, the Company's accrued health policy reserves total \$44,247,733 and \$59,967,344, respectively.

**NOTES TO FINANCIAL STATEMENTS****E. Risk-Sharing Provisions of the Affordable Care Act**

(1-5) The Company did not write accident and health premiums in 2024 subject to the risk-sharing provisions of the ACA.

**25. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES**

A. Changes in estimates related to the prior year incurred claims are included in the current year in the financial statements. The following tables discloses paid claims, incurred claims, and the balance in claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, health care and other amounts receivable for the three months ended March 31, 2024:

	March 31, 2024		
	Current Year Incurred Claims	Prior Year Incurred Claims	Total
Beginning of year claim reserve	\$ -	\$ 57,716,815	\$ 57,716,815
Paid claims - net of health care receivables collected	122,256,733	43,756,688	166,013,421
End of year claim reserve	32,810,020	11,365,122	44,175,142
Incurred claims excluding the change in health care receivables collected (as presented below)	155,066,753	(2,595,005)	152,471,748
Beginning of year health care receivables	-	-	-
End of year health care receivables	-	-	-
Total incurred claims	<u>\$ 155,066,753</u>	<u>\$ (2,595,005)</u>	<u>\$ 152,471,748</u>

As of March 31, 2024, and December 31, 2023, the Company accrued \$44,175,142 and \$57,716,815, respectively, for unpaid service provider cost. Service provider expenses for the three months ended March 31, 2024, and 2023, totaled \$152,471,748 and \$197,902,379, respectively.

For the three months ended March 31, 2024, the Company paid \$43,756,688 and has a reserve of \$11,365,122 for claims attributable to insured events incurred in prior years, resulting in a favorable variance of \$2,595,005. For the Three Months ended March 31, 2023, the Company paid \$49,081,311 and has a reserve of \$12,722,483 for claims attributable to insured events incurred in prior years, resulting in an unfavorable variance of \$5,654,450. The primary driver for 2024 consists of favorable development because of a change in retroactivity resulting in lower utilization. The unfavorable variance in 2023 is attributed to higher utilization and increased average costs.

The Company incurred CAE of \$2,024 and \$2,023 in 2024 and 2023, respectively. The following table discloses paid CAE, incurred CAE, and the balance in unpaid CAE reserve for 2024 and 2023:

	2024	2023
Total claims adjustment expenses	\$ (55,957)	\$ 235,013
Less: current year unpaid claims adjustment expenses	(987,029)	(1,491,856)
Add: prior year unpaid claims adjustment expenses	1,042,986	1,256,843
Total claims adjustment expenses paid	<u>\$ 2,024</u>	<u>\$ 2,023</u>

B. The Company did not make any significant changes in methodologies and assumptions used in the calculation of the liability for claims unpaid and unpaid CAE in 2024.

**NOTES TO FINANCIAL STATEMENTS**

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**26. INTERCOMPANY POOLING GGARRANGEMENTS**

**A–G.** The Company did not have any intercompany pooling arrangements in 2024 or 2023.

**27. STRUCTURED SETTLEMENTS**

**A–G.** The Company did not have structured settlements in 2024 or 2023.

**28. HEALTH CARE RECEIVABLES**

**A.** The Company does not have any pharmacy rebates receivable.

**B.** The Company does not have any risk-sharing receivables.

**29. PARTICIPATING POLICIES**

The Company did not have any participating contracts in 2024.

**30. PREMIUM DEFICIENCY RESERVES**

During the three months ended March 31, 2024 , the Company amortized \$11,155,463 of the \$19,785,193 PDR recorded at December 31, 2023. The reserve balance at March 31, 2024 totals of \$8,629,732. The Company did consider anticipated investment income when calculating its PDR.

**31. ANTICIPATED SALVAGE AND SUBROGATION**

Due to the type of business being written, the Company has no salvage. As of March 31, 2024, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

**32. RECLASSIFICATION OF FINANCIAL STATEMENTS**

Certain amounts within the 2023 financial statements have been reclassified to conform with the 2024 presentation (see Note 1). These reclassifications had an immaterial effect statutory basis net income, total statutory basis capital and surplus as previously reported, or statutory basis cash flows.

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

#### GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes ( ) No (X)
- 1.2 If yes, has the report been filed with the domiciliary state? Yes ( ) No ( )
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes ( ) No (X)
- 2.2 If yes, date of change:
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (X) No ( )  
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes (X) No ( )
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.  
01/26/2024 - Healthplex Dental Services, Inc., 01/26/2024 - Preferred Care Network of FL, Inc. surrendered their health licenses. 03/04/2024 - PacifiCare of CO, Inc. merged with UHC Benefits of T
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes (X) No ( )
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 0000731766
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ( ) No (X)
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
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5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes ( ) No (X) N/A ( )  
If yes, attach an explanation
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2020
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2020
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/14/2022
- 6.4 By what department or departments?
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes ( ) No ( ) N/A (X)
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes ( ) No ( ) N/A (X)
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes ( ) No (X)
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes ( ) No (X)
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes (X) No ( )
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency (i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
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- Optum Bank, Inc. .... Salt Lake City, Utah ..... NO ..... NO ..... YES ..... NO .....
- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes (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.
- 9.11 If the response to 9.1 is No, please explain.
- 9.2 Has the code of ethics for senior managers been amended? Yes ( ) No (X)
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes ( ) No (X)
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**

**FINANCIAL**

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes (X) No ( )  
 10.2 If yes, indicate the amounts receivable from parent included in the Page 2 amount: \$ ..... 3,448,706

**INVESTMENT**

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes ( ) No (X)  
 11.2 If yes, give full and complete information relating thereto:  
 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ .....  
 13. Amount of real estate and mortgages held in short-term investments: \$ .....  
 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes ( ) No (X)  
 14.2 If yes, please complete the following:

	1 Prior Year-End Book/ Adjusted Carrying Value	2 Current Quarter Book/ Adjusted Carrying Value
14.21 Bonds	\$ .....	\$ .....
14.22 Preferred Stock	\$ .....	\$ .....
14.23 Common Stock	\$ .....	\$ .....
14.24 Short-Term Investments	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate	\$ .....	\$ .....
14.26 All Other	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26)	\$ .....	\$ .....
14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above	\$ .....	\$ .....

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes ( ) No (X)  
 15.2 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.  
 16. For the reporting entity's security lending program, state the amount of the following as of current statement date:  
 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....  
 16.2 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$ .....  
 16.3 Total payable for securities lending reported on the liability page \$ .....  
 17. 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 ( )  
 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
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Bank of New York Mellon ..... Global Liquidity Services, 1 Wall St, 14th Floor, New York NY 10286  
 Northern trust ..... 50 S LaSalle, Chicago, IL 60675

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
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- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes ( ) No (X)  
 17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
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- 17.5 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. "A" ... that have access to the investment accounts; "U" ... handle securities\*

1 Name of Firm or Individual	2 Affiliation
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Goldman Sachs Asset Management, L.P. .... U .....  
 Internally Managed ..... I .....

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes (X) No ( )  
 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes (X) No ( )

- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
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107738 ..... Goldman Sachs Asset Management, L.P. .... CF5M58QA35CFPUX70H17 SEC ..... No .....

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

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- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes  No
- 18.2 If no, list exceptions:
19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:
- 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.
  - Issuer or obligor is current on all contracted interest and principal payments.
  - 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
20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
- The security was purchased prior to January 1, 2018.
  - The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
  - 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.
  - 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
21. 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:
- The shares were purchased prior to January 1, 2019.
  - The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
  - 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.
  - The fund only or predominantly holds bonds in its portfolio.
  - 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.
  - 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

**GENERAL INTERROGATORIES****PART 2 - HEALTH**


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1.	Operating Percentages:		
1.1	A&H loss percent	..... 91.6	%
1.2	A&H cost containment percent	..... 13.2	%
1.3	A&H expense percent excluding cost containment expenses	.....	%
2.1	Do you act as a custodian for health savings accounts?	Yes ( ) No (X)	
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.	\$ .....	
2.3	Do you act as an administrator for health savings accounts?	Yes ( ) No (X)	
2.4	If yes, please provide the balance of the funds administered as of the reporting date.	\$ .....	
3.	Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?	Yes (X) No ( )	
3.1	If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?	Yes ( ) No (X)	

STATEMENT AS OF March 31, 2024 OF THE MCNA Insurance Company

**SCHEDULE S - CEDED REINSURANCE**

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Business Ceded	8 Type of Reinsurer	9 Certified Reinsurer Rating (1 through 6)	10 Effective Date of Certified Reinsurer Rating
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**NONE**

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories

States, Etc	1 Active Status (a)	Direct Business Only								
		2 Accident & Health Premiums	3 Medicare Title XVII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Program Premiums	7 Life & Annuity Premiums & Other Considerations	8 Property/Casualty Premiums	9 Total Columns 2 Through 8	10 Deposit-Type Contracts
1. Alabama	AL	L								
2. Alaska	AK	N								
3. Arizona	AZ	N								
4. Arkansas	AR	L		15,833,473				15,833,473		
5. California	CA	N								
6. Colorado	CO	N								
7. Connecticut	CT	N								
8. Delaware	DE	N								
9. District of Columbia	DC	N								
10. Florida	FL	N								
11. Georgia	GA	N								
12. Hawaii	HI	N								
13. Idaho	ID	L		16,023,869				16,023,869		
14. Illinois	IL	L								
15. Indiana	IN	N								
16. Iowa	IA	L		8,555,538				8,555,538		
17. Kansas	KS	N								
18. Kentucky	KY	N								
19. Louisiana	LA	L		28,388,862				28,388,862		
20. Maine	ME	N								
21. Maryland	MD	N								
22. Massachusetts	MA	N								
23. Michigan	MI	L								
24. Minnesota	MN	N								
25. Mississippi	MS	N								
26. Missouri	MO	L								
27. Montana	MT	N								
28. Nebraska	NE	L		221,925				221,925		
29. Nevada	NV	L								
30. New Hampshire	NH	N								
31. New Jersey	NJ	N								
32. New Mexico	NM	N								
33. New York	NY	N								
34. North Carolina	NC	L								
35. North Dakota	ND	N								
36. Ohio	OH	N								
37. Oklahoma	OK	L								
38. Oregon	OR	N								
39. Pennsylvania	PA	N								
40. Rhode Island	RI	L								
41. South Carolina	SC	L								
42. South Dakota	SD	N								
43. Tennessee	TN	N								
44. Texas	TX	L		91,725,721				91,725,721		
45. Utah	UT	L		3,787,169				3,787,169		
46. Vermont	VT	N								
47. Virginia	VA	N								
48. Washington	WA	L								
49. West Virginia	WV	N								
50. Wisconsin	WI	L								
51. Wyoming	WY	N								
52. American Samoa	AS	N								
53. Guam	GU	N								
54. Puerto Rico	PR	N								
55. U. S. Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	N								
57. Canada	CAN	N								
58. Aggregate Other Alien	OT	X X X								
59. Subtotal		X X X		164,536,577				164,536,577		
60. Reporting entity contributions for Employee Benefit Plans		X X X								
61. Total (Direct Business)		X X X		164,536,577				164,536,577		
<b>DETAILS OF WRITE-INS</b>										
58001		X X X								
58002		X X X								
58003		X X X								
58998	Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999	Total (Line 58001 through Line 58003 plus 58998) (Line 58 above)	X X X								

(a) Active Status Counts:

- |   |    |   |    |
|---|----|---|----|
| 1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG                    | 18 | 4. Q - Qualified - Qualified or accredited reinsurer                  |    |
| 2. R - Registered - Non-domiciled RRGs  |    | 5. N - None of the above - Not allowed to write business in the state | 39 |
| 3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state |    |   |    |