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ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2023
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
Is HMO Federally Qualified? Yes ( ) No ( )

Hospital, Medical and Dental Service or Indemnity
Other

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)
Healther Anastasia Lang (Assistant Secretary)
Nyle Brent Cottington (Vice President)

DIRECTORS OR TRUSTEES

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

State of ____________ } SS
County of ____________

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 Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	223,244,572		223,244,572	223,925,341
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ .... encumbrances)				
4.2 Properties held for the production of income (less $ .... encumbrances)				
4.3 Properties held for sale (less $ .... encumbrances)				
5. Cash ($ .... 28,498,078 , Schedule E-Part 1), cash equivalents ($ .... 38,778,236 , Schedule E-Part 2) and short-term investments ($ .... ,Schedule DA)	67,276,314		67,276,314	91,593,111
6. Contract loans (including $ .... premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities	107,691		107,691	
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	290,628,577		290,628,577	315,518,452
13. Title plants less $ .... charged off (for Title insurers only)				
14. Investment income due and accrued	1,381,038		1,381,038	1,410,828
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	14,100,140		14,100,140	2,289,671
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	1,059,537		1,059,537	
18.2 Net deferred tax asset	4,343,728		4,343,728	25,438
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets ($ ....)	20,574	20,574		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	3,311,843		3,311,843	
24. Health care ($ .... 15,243,894) and other amounts receivable	1,143,754		1,143,754	82,500
25. Aggregate write-ins for other-than-invested assets	1,180,921	759,660	421,261	
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	317,170,112	780,234	316,389,878	319,326,889
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	317,170,112	780,234	316,389,878	319,326,889
DETAILS OF WRITE-INS				
1101. Prepaids				
1102. Security deposits				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaids	1,180,921	759,660	421,261	
2502. Security Deposit				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,180,921	759,660	421,261	

LIABILITIES, CAPITAL AND SURPLUS

	Current Year 1 Covered	Current Year 2 Uncovered	Current Year 3 Total	Prior Year 4 Total
1. Claims unpaid (less $ .... reinsurance ceded)	57,716,815		57,716,815	64,302,948
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	1,042,986		1,042,986	1,256,843
4. Aggregate health policy reserves, including the liability of $ .... for medical loss ratio rebate per the Public Health Service Act	111,965,805		111,965,805	87,136,058
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	1,685,911		1,685,911	4,858,823
9. General expenses due or accrued	3,061,716		3,061,716	5,045,064
10.1 Current federal and foreign income tax payable and interest thereon (including $ .... on realized capital gains (losses))				1,500,915
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				99,035
14. Borrowed money (including $ .... current) and interest thereon $ .... (including $ .... current)				
15. Amounts due to parent, subsidiaries and affiliates	320,698		320,698	12,534,128
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)	105,331		105,331	146,853
24. Total liabilities (Lines 1 to 23)	175,899,262		175,899,262	176,880,667
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	110,490,616	112,446,222
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 31 minus Line 32)	XXX	XXX	140,490,616	142,446,222
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	316,389,878	319,326,889
DETAILS OF WRITE-INS				
2301. UNMC & FMP				
2302. Accrued Reimbursement				
2303. Unclaimed Property	105,331		105,331	146,853
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	105,331		105,331	146,853
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX		
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	XXX	44,800,935	46,475,516
2. Net premium income (including $ ..... non-health premium income)	XXX	904,329,935	1,000,220,021
3. Change in unearned premium reserves and reserve for rate credits	XXX	(22,519,226)	(85,848,155)
4. Fee-for-service (net of $ ..... medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX	62,277	
7. Aggregate write-ins for other non-health revenues	XXX		
8. Total revenues (Lines 2 to 7)	XXX	881,872,986	914,371,866
Hospital and Medical:			
9. Hospital/medical benefits		751,099,563	767,251,824
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 (Lines 9 to 15)		751,099,563	767,251,824
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)		751,099,563	767,251,824
19. Non-health claims (net)			
20. Claims adjustment expenses, including $ ..... (213,857) cost containment expenses		(213,857)	452,873
21. General administrative expenses		109,423,319	108,074,009
22. Increase in reserves for life and accident and health contracts (including $ ..... increase in reserves for life only)		19,785,195	
23. Total underwriting deductions (Lines 18 through 22)		880,094,220	875,778,706
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	1,778,766	38,593,160
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		8,066,661	3,899,632
26. Net realized capital gains (losses) less capital gains tax of $		(71,452)	(901,402)
27. Net investment gains (losses) (Lines 25 plus 26)		7,995,209	2,998,230
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 (Lines 24 plus 27 plus 28 plus 29)	XXX	9,773,975	41,591,390
31. Federal and foreign income taxes incurred	XXX	5,725,225	9,512,684
32. Net income (loss) (Lines 30 minus 31)	XXX	4,048,750	32,078,706
DETAILS OF WRITE-INS			
0601. Miscellaneous income	XXX	62,277	
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	62,277	
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting year	142,446,222	138,801,651
34. Net income or (loss) from Line 32	4,048,750	32,078,705
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	4,318,288	(554,116)
39. Change in nonadmitted assets	(322,644)	5,119,982
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 Tranferred from capital		
46. Dividends to stockholders	(10,000,000)	(33,000,000)
47. Aggregate write-ins for gains or (losses) in surplus		
48. Net change in capital and surplus (Lines 34 to 47)	(1,955,606)	3,644,571
49. Capital and surplus end of reporting year (Line 33 plus 48)	140,490,616	142,446,222
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	899,422,619	996,847,865
2. Net investment income	6,987,888	4,835,757
3. Miscellaneous income		
4. Total (Line 1 through Line 3)	906,410,507	1,001,683,622
5. Benefit and loss related payments	783,576,697	825,230,866
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	111,474,947	113,830,450
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	8,266,685	9,068,388
10. Total (Line 5 through Line 9)	903,318,329	948,129,704
11. Net cash from operations (Line 4 minus Line 10)	3,092,178	53,553,918
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	15,650,921	28,790,972
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds	161,897	
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	15,812,818	28,790,972
13. Cost of investments acquired (long-term only):		
13.1 Bonds	15,935,383	57,486,611
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	(22,288)	
13.6 Miscellaneous applications	107,691	(560,749)
13.7 Total investments acquired (Line 13.1 through Line 13.6)	16,020,786	56,925,862
14. Net increase/(decrease) in contract loans and premium note		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(207,968)	(28,134,890)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders	10,000,000	33,000,000
16.6 Other cash provided (applied)	(17,201,007)	(34,125,010)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(27,201,007)	(67,125,010)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(24,316,797)	(41,705,982)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	91,593,111	133,299,093
19.2 End of year (Line 18 plus Line 19.1)	67,276,314	91,593,111

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		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13	14
		2	3				Federal Employees Health Benefits	Title	Title					
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Plan	XVIII Medicare	XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Net premium income	904,329,935								904,329,935					
2. Change in unearned premium reserves and reserve for rate credit	(22,519,225)								(22,519,225)					
3. Fee-for-service (net of $ medical expenses)														XXX
4. Risk revenue														XXX
5. Aggregate write-ins for other health care related revenues	62,277								62,277					XXX
6. Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. Total revenues (Lines 1 to 6)	881,872,987								881,872,987					
8. Hospital/medical benefits	751,099,712								751,099,712					XXX
9. Other professional services														XXX
10. Outside referrals														XXX
11. Emergency room and out-of-area														XXX
12. Prescription drugs														XXX
13. Aggregate write-ins for other hospital and medical														XXX
14. Incentive pool, withhold adjustments, and bonus amounts														XXX
15. Subtotal (Lines 8 to 14)	751,099,712								751,099,712					XXX
16. Net reinsurance recoveries														XXX
17. Total hospital and medical (Lines 15 minus 16)	751,099,712								751,099,712					XXX
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $ cost containment expenses	(213,857)								(213,857)					
20. General administrative expenses	109,423,319								109,423,319					
21. Increase in reserves for accident and health contracts	19,785,195								19,785,195					XXX
22. Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	880,094,369								880,094,369					
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	1,778,618								1,778,618					
DETAILS OF WRITE-INS														
0501. Miscellaneous income	62,277								62,277					XXX
0502.														XXX
0503.														XXX
0598. Summary of remaining write-ins for Line 5 from overflow page														XXX
0599. Total (Lines 0501 through 0503 plus 0598) (Line 5 above)	62,277								62,277					XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. Total (Lines 0601 through 0603 plus 0698) (Line 6 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301.														XXX
1302.														XXX
1303.														XXX
1398. Summary of remaining write-ins for Line 13 from overflow page														XXX
1399. Total (Lines 1301 through 1303 plus 1398) (Line 13 above)														XXX

UNDERWRITING AND INVESTMENT EXHIBIT

Part 1 - Premiums

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) individual				
2. Comprehensive (hospital and medical) group				
3. Medicare Supplement				
4. Vision only				
5. Dental only				
6. Federal Employees Health Benefits Plan				
7. Title XVIII - Medicare				
8. Title XIX - Medicaid	903,412,744			903,412,744
9. Credit A&H				
10. Disability Income				
11. Long-Term Care				
12. Other health				
13. Health subtotal (Lines 1 through 12)	903,412,744			903,412,744
14. Life				
15. Property/casualty				
16. Totals (Lines 13 to 15)	903,412,744			903,412,744

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13	14
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Payments during the year:														
1.1 Direct	757,685,669								757,685,669					
1.2 Reinsurance assumed														
1.3 Reinsurance ceded														
1.4 Net	757,685,669								757,685,669					
2. Paid medical incentive pools and bonuses														
3. Claim liability December 31, current year from Part 2A:														
3.1 Direct	57,716,815								57,716,815					
3.2 Reinsurance assumed														
3.3 Reinsurance ceded														
3.4 Net	57,716,815								57,716,815					
4. Claim reserve December 31, current year from Part 2D:														
4.1 Direct														
4.2 Reinsurance assumed														
4.3 Reinsurance ceded														
4.4 Net														
5. Accrued medical incentive pools and bonuses, current year														
6. Net health care receivables (a)														
7. Amounts recoverable from reinsurers December 31, current year														
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct	64,302,890								64,302,890					
8.2 Reinsurance assumed														
8.3 Reinsurance ceded														
8.4 Net	64,302,890								64,302,890					
9. Claim reserve December 31, prior year from Part 2D:														
9.1 Direct														
9.2 Reinsurance assumed														
9.3 Reinsurance ceded														
9.4 Net														
10. Accrued medical incentive pools and bonuses, prior year														
11. Amounts recoverable from reinsurers December 31, prior year														
12. Incurred benefits:														
12.1 Direct	751,099,594								751,099,594					
12.2 Reinsurance assumed														
12.3 Reinsurance ceded														
12.4 Net	751,099,594								751,099,594					
13. Incurred medical incentive pools and bonuses														

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

	1	Comprehensive (Hospital and Medical)		4	5	6	7	8	9	10	11	12	13	14
		2	3											
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:														
1.1 Direct														
1.2 Reinsurance assumed														
1.3 Reinsurance ceded														
1.4 Net														
2. Incurred but Unreported:														
2.1 Direct	57,716,815								57,716,815					
2.2 Reinsurance assumed														
2.3 Reinsurance ceded														
2.4 Net	57,716,815								57,716,815					
3. Amounts Withheld from Paid Claims and Capitations:														
3.1 Direct														
3.2 Reinsurance assumed														
3.3 Reinsurance ceded														
3.4 Net														
4. TOTALS:														
4.1 Direct	57,716,815								57,716,815					
4.2 Reinsurance assumed														
4.3 Reinsurance ceded														
4.4 Net	57,716,815								57,716,815					

UNDERWRITING AND INVESTMENT EXHIBIT

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

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
Line of Business	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	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical) individual						
2. Comprehensive (hospital and medical) group						
3. Medicare Supplement						
4. Vision Only						
5. Dental Only						
6. Federal Employees Health Benefits Plan						
7. Title XVIII - Medicare						
8. Title XIX - Medicaid	55,467,488	702,218,181	3,327,850	54,388,965	58,795,338	64,302,890
9. Credit A&H						
10. Disability Income						
11. Long-Term Care						
12. Other health						
13. Health subtotal (Lines 1 to 12)	55,467,488	702,218,181	3,327,850	54,388,965	58,795,338	64,302,890
14. Healthcare receivables (a)						
15. Other non-health						
16. Medical incentive pools and bonus amounts						
17. Totals (Lines 13-14+15+16)	55,467,488	702,218,181	3,327,850	54,388,965	58,795,338	64,302,890

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Grand Total

	Cumulative Net Amounts Paid				
	1	2	3	4	5
Year in Which Losses Were Incurred	2019	2020	2021	2022	2023
1. Prior	26,027	637	8	(78)	(10)
2. 2019	537,291	30,861	97	(16)	693
3. 2020	XXX	470,048	38,909	465	122
4. 2021	XXX	XXX	641,372	63,411	42
5. 2022	XXX	XXX	XXX	704,426	56,475
6. 2023	XXX	XXX	XXX	XXX	686,549

Section B - Incurred Health Claims - Grand Total

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1	2	3	4	5
Year in Which Losses Were Incurred	2019	2020	2021	2022	2023
1. Prior	26,629	637	8	(78)	(10)
2. 2019	570,547	30,861	97	(16)	693
3. 2020	XXX	502,217	38,909	465	122
4. 2021	XXX	XXX	652,859	63,411	42
5. 2022	XXX	XXX	XXX	703,470	56,475
6. 2023	XXX	XXX	XXX	XXX	686,549

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

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019	712,907	563,418			563,418	0.790			563,418	0.790
2. 2020	838,055	501,546			501,546	0.598			501,546	0.598
3. 2021	845,587	680,458			680,458	0.805			680,458	0.805
4. 2022	914,372	768,207			768,207	0.840			768,207	0.840
5. 2023	881,811	757,686			757,686	0.859	57,717	1,043	816,446	0.926

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Dental Only

	Cumulative Net Amounts Paid				
	1	2	3	4	5
Year in Which Losses Were Incurred	2019	2020	2021	2022	2023
1. Prior					
2. 2019					
3. 2020	XXX				
4. 2021	XXX	XXX			
5. 2022	XXX	XXX	XXX		
6. 2023	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Dental Only

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1	2	3	4	5
Year in Which Losses Were Incurred	2019	2020	2021	2022	2023
1. Prior					
2. 2019					
3. 2020	XXX				
4. 2021	XXX	XXX			
5. 2022	XXX	XXX	XXX		
6. 2023	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Dental Only

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019										
2. 2020										
3. 2021										
4. 2022										
5. 2023										

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

	Cumulative Net Amounts Paid				
	1	2	3	4	5
Year in Which Losses Were Incurred	2019	2020	2021	2022	2023
1. Prior	26,027	637	8	(78)	(10)
2. 2019	537,291	30,861	97	(16)	693
3. 2020	XXX	470,048	38,909	465	122
4. 2021	XXX	XXX	641,372	63,411	42
5. 2022	XXX	XXX	XXX	704,426	56,475
6. 2023	XXX	XXX	XXX	XXX	686,549

Section B - Incurred Health Claims - Title XIX Medicaid

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1	2	3	4	5
Year in Which Losses Were Incurred	2019	2020	2021	2022	2023
1. Prior	26,629	637	8	(78)	(10)
2. 2019	570,547	30,861	97	(16)	693
3. 2020	XXX	502,217	38,909	465	122
4. 2021	XXX	XXX	652,859	63,411	42
5. 2022	XXX	XXX	XXX	703,470	56,475
6. 2023	XXX	XXX	XXX	XXX	686,549

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX Medicaid

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019	712,907	563,418			563,418	0.790			563,418	0.790
2. 2020	838,055	501,546			501,546	0.598			501,546	0.598
3. 2021	845,587	680,458			680,458	0.805			680,458	0.805
4. 2022	914,372	768,207			768,207	0.840	3,328		771,535	0.844
5. 2023	881,811	757,686			757,686	0.859	54,389	1,043	813,118	0.922

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

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other
1. Unearned premium reserves													
2. Additional policy reserves (a)													
3. Reserve for future contingent benefits													
4. Reserve for rate credits or experience rating refunds (including $ for investment income)	92,180,610								92,180,610				
5. Aggregate write-ins for other policy reserves	19,785,195								19,785,195				
6. Totals (gross)	111,965,805								111,965,805				
7. Reinsurance ceded													
8. Totals (Net) (Page 3, Line 4)	111,965,805								111,965,805				
9. Present value of amounts not yet due on claims													
10. Reserve for future contingent benefits													
11. Aggregate write-ins for other claim reserves													
12. Totals (gross)													
13. Reinsurance ceded													
14. Totals (Net) (Page 3, Line 7)													
DETAILS OF WRITE-INS													
0501. (a) Includes $19,785,195 premium deficiency reserve.	19,785,195								19,785,195				
0502.													
0503.													
0598. Summary of remaining write-ins for Line 5 from overflow page													
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	19,785,195								19,785,195				
1101.													
1102.													
1103.													
1198. Summary of remaining write-ins for Line 11 from overflow page													
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)													

(a) Includes $ ... 19,785,195 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($ .... for occupancy of own building)			566,627		566,627
2. Salaries, wages and other benefits	(213,857)		19,828,584		19,614,727
3. Commissions (less $ .... ceded plus $ .... assumed)					
4. Legal fees and expenses			97,624		97,624
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services			149,588		149,588
7. Traveling expenses			69,701		69,701
8. Marketing and advertising			74,467		74,467
9. Postage, express, and telephone			2,101,833		2,101,833
10. Printing and office supplies			1,249,445		1,249,445
11. Occupancy, depreciation and amortization			512,238		512,238
12. Equipment			43,779		43,779
13. Cost or depreciation of EDP equipment and software			563,864		563,864
14. Outsourced services including EDP, claims, and other services			71,782,020		71,782,020
15. Boards, bureaus and association fees			352,924		352,924
16. Insurance, except on real estate			34,584		34,584
17. Collection and bank service charges			158,832		158,832
18. Group service and administration fees					
19. Reimbursements by uninsured accident and health plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			(100,891)		(100,891)
23.2 State premium taxes			12,037,200		12,037,200
23.3 Regulator authority licenses and fees					
23.4 Payroll taxes					
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere				114,757	114,757
25. Aggregate write-ins for expenses					
26. Total expenses incurred (Line 1 to Line 25)	(213,857)		109,522,419	114,757	(a) 109,423,319
27. Less expenses unpaid December 31, current year			3,061,716		3,061,716
28. Add expenses unpaid December 31, prior year			5,045,064		5,045,064
29. Amounts receivable relating to uninsured plans, prior year			82,500		82,500
30. Amounts receivable relating to uninsured plans, current year					
31. Total expenses paid (Line 26 minus Line 27 plus Line 28 minus Line 29 plus Line 30)	(213,857)		111,423,267	114,757	111,324,167
DETAILS OF WRITE-INS					
2501.					
2502.					
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)					

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 426,131	427,230
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 5,086,745	5,166,572
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 2,597,616	2,597,616
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	8,110,492	8,191,418
11. Investment expenses		(g) 114,757
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h) 10,000
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		124,757
17. Net investment income (Line 10 minus Line 16)		8,066,661
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		

(a) Includes $ 467,310 accrual of discount less $ 1,342,095 amortization of premium and less $ 95,357 paid for accrued interest on purchases.
(b) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued dividends on purchases.
(c) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.
(d) Includes $ for company's occupancy of its own buildings; and excludes $ interest on encumbrances.
(e) Includes $ 65,075 accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.
(f) Includes $ accrual of discount less $ amortization of premium.
(g) Includes $ investment expenses and $ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ interest on surplus notes and $ interest on capital notes.
(i) Includes $ depreciation on real estate and $ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets	(71,452)		(71,452)		
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	(71,452)		(71,452)		
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets	759,660	415,257	(344,403)
12. Subtotals, cash and invested assets (Lines 1 to 11)	759,660	415,257	(344,403)
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	20,574	41,147	20,573
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable		1,187	1,187
25. Aggregate write-ins for other-than-invested assets			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	780,234	457,591	(322,643)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	780,234	457,591	(322,643)
DETAILS OF WRITE-INS			
1101. Prepaid expenses	759,660	415,257	(344,403)
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	759,660	415,257	(344,403)
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)			

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

	Total Members at End of					6
	1	2	3	4	5	
Source of Enrollment	Prior Year	First Quarter	Second Quarter	Third Quarter	Current Year	Current Year Member Months
1. Health Maintenance Organizations						
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business	3,974,205	4,036,736	3,823,306	3,525,088	3,200,956	44,800,935
7. Total	3,974,205	4,036,736	3,823,306	3,525,088	3,200,956	44,800,935
DETAILS OF WRITE-INS						
0601. Agency State Contracts	3,974,205	4,036,736	3,823,306	3,525,088	3,200,956	44,800,935
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	3,974,205	4,036,736	3,823,306	3,525,088	3,200,956	44,800,935

MCNA INSURANCE COMPANY

NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023, AND 2022

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, Nebraska 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 2023 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:

	SSAP #	F/S Page	F/S Line #	2023	2022
NET INCOME					
(1) MCNA Insurance Company state basis				$ 4,048,750	$ 32,078,706
(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)				$ 4,048,750	$ 32,078,706
SURPLUS					
(5) MCNA Insurance Company state basis				$ 140,490,616	$ 142,446,222
(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)				$ 140,490,616	$ 142,446,222

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 year ended December 31, 2023, the Company recorded net capitation fees of $881,872,986. Current period changes to health policy reserves under various state contracts offset net capitation revenues by $22,519,226.

During the second quarter of 2022, the Company prospectively adopted deposit accounting related to its reinsurance treaty on its Texas contract; therefore, the Company did not take a reserve credit for ceded reinsurance as of June 30, 2022, and continues to follow deposit accounting principles.

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

NOTES TO FINANCIAL STATEMENTS

(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;

(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 December 31, 2023, 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 year ended December 31, 2023, the Company's cost for dental services was $751,099,753, with no amounts recognized as ceded.

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.

(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:

<u>ASSETS</u>

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).

- **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 years ended December 31, 2023, and 2022. Management believes the amount of claims unpaid is a best estimate for the Company's liability for unpaid claims as of December 31, 2023; 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.

CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS

- **Restricted Cash Reserves** — The Company is in compliance with the various states' regulatory deposit requirements as of December 31, 2023, and 2022, 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, the Company has established and maintains a minimum cash deposit of $2,182,783. This reserve is included in cash in the financial statements. Interest earned on this deposit accrues to the Company (see Note 5).

  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 December 31, 2023 and 2022, respectively. 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 $90,341,271 and $100,022,002, for December 31, 2023, and 2022, respectively.

  The Company is in compliance with the minimum required capital and surplus amounts where it is licensed to do business, as of December 31, 2023, and 2022.

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.

- **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 period 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 — In the normal course of business, the Company seeks to limit its exposure to aggregate losses on certain insured business and to recover a portion of benefits paid by ceding premium to a reinsurer under a specific risk sharing agreement. The Company remains primarily liable as the direct insurer on the risks reinsured (see Note 23).

- **Amounts Recoverable from Reinsurers** — Prior to the transition to deposit accounting for reinsurance treatment in Q2 2022, the Company recorded amounts recoverable from its reinsurer which represented amounts contractually due to the Company as net reinsurance (recoveries) incurred in the financial statements. The Company no longer recognizes amounts recoverable from its reinsurer under the reinsurance agreement.

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 years ended December 31, 2023, and 2022.

  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 December 31, 2023, and also as of December 31, 2022. Direct premiums written from the Louisiana Department of Health as a percentage of total direct premiums written is 13% as of December 31, 2023, and also as of December 31, 2022. 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.

- **Reclassifications** — Certain 2022 amounts in the financial statements have been reclassified to conform to the 2023 presentation. Specifically, the 2022 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 2022 financial statements have been reclassified to conform with the 2023 presentation (see Note 2). The impact of the reclassification of the 2022 financial statements is as follows:

- **Recently Issued Accounting Standards** —The Company reviewed all recently issued guidance in 2023 and 2022 that has been adopted for 2023 or subsequent years' implementation and has determined that none of the items would have a significant impact to the financial statements.

2. **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

During 2022, the Company agreed with the TDI to change its method of accounting to the deposit accounting method for the Company's reinsurance contract covering the dental Medicaid program for enrolled members in the State of Texas. This change did not impact the net underwriting gain results for the years ending December 31, 2023, and 2022.

3. BUSINESS COMBINATIONS AND GOODWILL

A–E. The Company was not party to a business combination during the years ended December 31, 2023, and 2022, 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 2023 and 2022.

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. The gross realized gains and losses on sales of long-term investments were $71,351 and ($161,795), respectively, for 2023 and $6,633 and $1,014,560, respectively, for 2022. The were no gross realized gains and losses on sales of short-term investments for 2023 and 2022. Net realized losses are included in net realized capital gains (losses) less taxes. In 2023 and 2022, total proceeds on the sale of long-term investments were $15,650,921 and $18,134,478, respectively; and for short-term investments $2,225,000 and $0, respectively.

As of December 31, 2023, and 2022, the book/adjusted carrying value, fair value, and gross unrecognized unrealized gains and losses of the Company's investments, excluding cash and cash equivalents of $38,778,236 and $16,248,773, respectively, are disclosed in the table below:

NOTES TO FINANCIAL STATEMENTS

	2023				
	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 year	Gross Unrecognized Unrealized Losses > 1 year	Fair Value
U.S. government and agency securities	$ 57,680,963	$ 9,621	$ 55,099	$ 6,356,422	$ 51,279,083
State and agency municipalities	22,849,271	7,751	-	2,171,460	20,685,562
City and county municipal securities	15,943,138	87,035	-	1,256,913	14,773,260
Corporate debt securities	126,771,180	116,720	30,987	8,552,618	118,304,295
Total bonds, short-term investments, preferred stocks, and other invested assets	$ 223,244,572	$ 221,127	$ 86,086	$ 18,337,413	$ 205,042,200

	2022				
	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 year	Gross Unrecognized Unrealized Losses > 1 year	Fair Value
Less than one year	$ 3,375,470	$ -	$ 36,652	$ -	$ 3,338,818
One to five years	113,065,907	29,796	1,386,834	8,915,105	102,793,764
Five to ten years	39,475,296	3,315	51,200	6,485,098	32,942,313
Over ten years	68,982,068	34,540	346,951	7,829,666	60,839,991
Total bonds, short-term investments, preferred stocks, and other invested assets	$ 224,898,741	$ 67,651	$ 1,821,637	$ 23,229,869	$ 199,914,886

Included in U.S. government and agency securities and corporate debt securities in the tables above are mortgage-related loan—backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities' final maturity date and at a book/adjusted carrying value of $73,331,411 and a fair value of $66,106,897 as of December 31,2023, and at a book/adjusted carrying value of $73,003,316 and fair value of $ 64,276,301 as of December 31, 2022.

NOTES TO FINANCIAL STATEMENTS

The following table illustrates the fair value and gross unrecognized unrealized losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrecognized unrealized loss position as of December 31, 2023, and 2022:

	2023					
	< 1 year		> 1 year		Total	
	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses
U.S. government and agency securities	$ 6,132,788	$ 55,099	$ 43,275,229	$ 6,356,422	$ 49,408,017	$ 6,411,520
State and agency municipalities	-	-	19,820,677	2,171,460	19,820,677	2,171,460
City and county municipal securities	-	-	10,853,084	1,256,913	10,853,084	1,256,913
Corporate debt securities	7,832,868	30,987	95,659,180	8,552,618	103,492,047	8,583,605
Total bonds, short-term investments, and equity (including marketable common stocks)	$ 13,965,656	$ 86,086	$ 169,608,170	$ 18,337,413	$ 183,573,825	$ 18,423,498

	2022					
	< 1 year		> 1 year		Total	
	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses
U.S. government and agency securities	$ 12,486,208	$ 505,440	$ 35,215,005	$ 6,833,530	$ 47,701,213	$ 7,338,970
State and agency municipalities	241,248	17,326	18,959,895	3,159,404	19,201,143	3,176,730
City and county municipal securities	2,953,163	72,942	10,405,229	1,774,501	13,358,392	1,847,443
Corporate debt securities	30,084,778	1,225,929	76,800,924	11,462,434	106,885,702	12,688,363
Total bonds, short-term investments, and equity (including marketable common stocks)	$ 45,765,397	$ 1,821,637	-	-	$ 187,146,450	$ 25,051,506

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 December 31, 2023, and 2022, 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 recorded an OTTI of and $0 and $8,636 as of December 31, 2023, and 2022, respectively, which is included in net realized capital gains (losses) less taxes.

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 December 31, 2023.

(3) The Company did not have any loan-backed securities with OTTIs to report by CUSIP as of December 31, 2023, or 2022.

(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 December 31, 2023, and 2022:

NOTES TO FINANCIAL STATEMENTS

	December 31, 2023
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

	December 31, 2022
The aggregate amount of unrealized losses:	
1. Less than 12 months	$ 4,304,128
2. 12 months or longer	5,121,353
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	32,924,409
2. 12 months or longer	31,606,144

(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 December 31, 2023, 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 December 31, 2023, 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.

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

NOTES TO FINANCIAL STATEMENTS

(1) Restricted assets, including pledged securities as of December 31, 2023, and 2022, are presented below:

	1	2	3	4	5	6	7
Restricted Asset Category	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)	Admiteed Restricted in Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	$ -	$ -	$ -	$ -	$ -	$ -	$ -
b. Collateral held under security leding	-	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-
f. Subject to dollar reservse 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	2,909,692	2,921,309	(11,617)	-	2,909,692	0.9%	0.9%
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	2,182,783	1,698,481	484,302	-	2,182,783	0.7%	0.7%
o. **Total Restricted Assets**	$ 5,092,475	$ 4,619,790	$ 472,685	$ -	$ 5,092,475	1.6%	1.6%

(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 December 31, 2023, or 2022.

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.

O. 5GI Securities

The Company does not have any investments with an NAIC designation of 5GI as of December 31, 2023, and 2022.

P. Short Sales — Not applicable.

Q. Prepayment Penalty and Acceleration Fees

There were no prepayment penalty and acceleration fees during 2023. The following table illustrates prepayment penalty and acceleration fees as of December 31, 2022:

	General Account	
1. Number of CUSIPs		2
2. Aggregate Amount of Investment Income	$	8,248

R. 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. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset/(liability) at December 31, 2023, and 2022 are as follows:

	2023			2022			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col 4 + 5) Total	(7) (Col 1 - 4) Ordinary	(8) (Col 2 - 5) Capital	(9) (Col 7 + 8) Total
(a) Gross deferred tax assets	$ 4,472,900	$ -	$ 4,472,900	$25,440	$ -	$25,440	$4,447,460	$ -	$4,447,460
adjustments	-	-	-	-	-	-	-	-	-
assets (1a-1b)	4,472,900	-	4,472,900	25,440	-	25,440	$4,447,460	-	$4,447,460
nonadmitted	-	-	-	-	-	-	-	-	-
deferred tax asset (1c-1d)	4,472,900	-	4,472,900	25,440	-	25,440	4,447,460	-	4,447,460
(f) Deferred tax liabilities	129,172	-	129,172	-	-	-	129,172	-	129,172
asset/(net deferred tax liability)	$ 4,343,728	$ -	$ 4,343,728	$ 25,440	$ -	$ 25,440	$ 4,318,288	$ -	$ 4,318,288

NOTES TO FINANCIAL STATEMENTS

(2) The components of the adjusted gross deferred tax assets admissibility calculation under SSAP No. 101, *Income Taxes,* are as follows:

Admission Calculation Components SSAP No. 101	2023 (1) Ordinary	2023 (2) Capital	2023 (3) (Col 1 + 2) Total	2022 (4) Ordinary	2022 (5) Capital	2022 (6) (Col 4 + 5) Total	Change (7) Ordinary	Change (8) Capital	Change (9) (Col 7 + 8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ 4,472,900	$ -	$4,472,900	$ 25,440	$ -	$ 25,440	$ 4,447,460	$ -	$ 4,447,460
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2	-	-	-	-	-	-	-	-	-
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	-	-	-	-	-	-	-	-	-
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	20,442,033	XXX	XXX	21,704,507	XXX	XXX	(1,262,474)
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	-	-	-	-	-	-	-	-	-
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total (2(a)+2(b)+2(c))	$ 4,472,900	$ -	$ 4,472,900	$25,440	$ -	$25,440	$4,447,460	$ -	$4,447,460

(3) The ratio percentage and adjusted capital and surplus used to determine the recovery period and threshold limitations for the admissibility calculation are presented below:

	2023	2022
(a) Ratio percentage used to determine recovery period and threshold limitation amount	411%	-%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	$ 136,146,888	$ 142,446,222

(4) The impact to the gross deferred tax asset balances as a result of tax-planning strategies as of December 31, 2023, and 2022 is presented below:

Impact of Tax-Planning Strategies	2023 (1) Ordinary Percent	2023 (2) Capital Percent	2022 (3) Ordinary Percent	2022 (4) Capital Percent	Change (5) (Col 1 - 3) Ordinary Percent	Change (6) (Col 2 - 4) Capital Percent
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.	-%	-%	-%	-%	-%	-%
1. Adjusted gross DTAs amount from Note 9A1(c)	$ 4,472,900	$ -	$ 25,440	$ -	$ 4,447,460	$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax-planning strategies	-%	-%	-%	-%	-%	-%
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	$ 4,472,900	$ -	$ 25,440	$ -	$ 4,447,460	$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax-planning strategies.	-%	-%	-%	-%	-%	-%
(b) Does the Company's tax-planning strategies include the use of reinsurance?	Yes	X				

B. Unrecognized Deferred Tax Liabilities

(1–4) There are no unrecognized deferred tax liabilities for the years ended December 31, 2023, and 2022.

C. Significant Components of Income Taxes

(1) The current federal and foreign income taxes incurred (benefit) for the years ended December 31, 2023, and 2022 are as follows:

	(1) 2023	(2) 2022	(3) (Col 1 - 2) Change
1.Current income tax			
(a) Federal	$ 5,725,227	$ 9,512,684	$(3,787,457)
(b) Foreign	-	-	-
(c) Subtotal	5,725,227	9,512,684	(3,787,457)
(d) Federal income tax on net capital losses	(18,993)	(232,980)	213,987
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	$ 5,706,234	$ 9,279,704	$(3,573,470)

(2–4) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2023, and 2022, are as follows:

NOTES TO FINANCIAL STATEMENTS

	(1) 2023	(2) 2022	(3) (Col 1 - 2) Change
2. Deferred tax assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 127,501	$ -	$ 127,501
(2) Unearned premium reserve	70,808	-	70,808
(3) Policyholder reserves	4,154,891	-	4,154,891
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	-	25,440	(25,440)
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other	119,700	-	119,700
(99) Subtotal	4,472,900	25,440	4,447,460
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	4,472,900	25,440	4,447,460
(e) Capital			
(1) Investments	-	-	-
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other	-	-	-
(99) Subtotal	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
(i) Admitted deferred tax assets (2d + 2h)	4,472,900	25,440	4,447,460
3. Deferred tax liabilities:			
(a) Ordinary			
(1) Investments	-	-	-
(2) Fixed assets	4,321	-	4,321
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other	124,851	-	124,851
(99) Subtotal	129,172	-	129,172
(b) Capital			
(1) Investments	-	-	-
(2) Real estate	-	-	-
(3) Other	-	-	-
(99) Subtotal	-	-	-
(c) Deferred tax liabilities (3a99 + 3b99)	129,172	-	129,172
4. Net deferred tax assets/liabilities (2i - 3c)	$ 4,343,728	$ 25,440	$ 4,318,288

The Company assessed the potential realization of the gross deferred tax asset and as a result no statutory valuation allowance was required and no allowance was established as of December 31, 2023, and 2022.

NOTES TO FINANCIAL STATEMENTS

D. The provision for federal income taxes incurred (benefit) is different from that which would be obtained by applying the statutory federal income tax rate of approximately 21% to net income (loss) before federal income taxes incurred (benefit), less capital gains tax (benefit). A summarization of the significant items causing this difference as of December 31, 2023, and 2022 is as follows:

	2023		2022	
Description	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Tax provision at the federal statutory rate	$ 2,048,546	21%	$ 8,780,508	21%
Tax-exempt interest	(30,918)	-%	-	-%
Health insurer fee	-	-%	-	-%
Current year tax credit	-	-%	-	-%
Other current year items	-	-%	-	-%
Tax effect of nonadmitted assets	(67,755)	-1%	1,046,678	1%
Prior year true-up	(561,927)	-6%	0	-%
Deferred corrections	-	-%	0	-%
Change in statutory valuation allowance	-	-%	-	-%
Change in tax law	-	-%	-	-%
Offset to prior year true-up	-	-%	6,632	-%
Total statutory income taxes	$ 1,387,946	14%	$ 9,833,818	24%
Federal income taxes incurred	$ 5,725,227	59%	$ 9,512,684	23%
Capital gains tax	(18,993)	-1%	(232,980)	-1%
Change in net deferred income tax	(4,318,288)	-44%	554,114	1%
Total statutory income taxes	$ 1,387,946	14%	$ 9,833,818	24%

E. At December 31, 2023, the Company had no net operating loss carryforwards.

Current federal income taxes recoverable of $1,059,537 and payable of ($1,500,915) existed as of December 31, 2023, and 2022, respectively, and are included in the accompanying financial statements. Federal income taxes paid, net of refunds, were $8,266,685 and $9,068,388 in 2023 and 2022, respectively.

Federal income taxes incurred (benefit) of $6,211,462 and $9,283,685 for 2023, and 2022, respectively, are available for recoupment in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 ("Deposits made to suspend running of interest on potential underpayments, etc.") of the Internal Revenue Service ("IRS") Code.

F. On November 17, 2020, MCNA Health Care Holdings, LLC ("Parent") and the Company, a wholly owned subsidiary of its parent, was acquired by United Health Group automatically triggering the termination of the Company's qualified S corporation election under sec. 1361(b) of the United States Federal Income Tax Code. The Company is now treated as a C Corporation for U.S. federal tax purposes.

As of the acquisition date, The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in the NAIC Statutory Statement Schedule Y - Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, 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 return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The U.S. IRS has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2016 and prior. UnitedHealth Group's 2017 through 2020 tax returns are under review by the IRS under its Compliance Assurance Program. UnitedHealth Group is no longer subject to income tax examinations prior to the 2014 tax year. In general, the Company is subject to examination in non-U.S. jurisdictions for years 2015 and forward.

G. Tax Contingencies — Not applicable.

H. Repatriation Transition Tax — Not applicable.

I. Alternative Minimum Tax Credit — Not applicable.

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 dividends of $10,000,000 and $33,000,000 in 2023 and 2022, respectively, to its parent (see Note 13).

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

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 December 31, 2023, and 2022, the Company reported $3,311,843 and $0, respectively, as receivables from parent, subsidiaries and affiliates and $320,698 and $12,534,128, 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.

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 years ended December 31, 2023, and 2022, which meet the disclosure requirements pursuant to SSAP No. 25, regardless of the effective date of the contract:

	2023	2022
1. MCNA HCH	$ 13,136,839	$ 14,268,698
2. MCNA FL	63,688,901	63,097,109

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.

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 2023 and 2022.

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 paid an ordinary cash dividend to MCNA HCH of $10,000,000 on December 19, 2023, which required no regulatory approval and was recorded as a reduction to unassigned surplus in the financial statements.

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.

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

	2023	2022	Change
Net deferred income tax (liability) asset	4,343,728	25,438	4,318,290
Nonadmitted assets	(780,235)	(457,668)	(322,567)
Total	$ 3,563,493	$ (432,230)	$ 3,995,723

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.

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.

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 December 31, 2023 and 2022, except as 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 2023 and 2022.

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

The Company does not have any Medicare cost reimbursement contracts in 2023 and 2022.

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 2023 and 2022.

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

The following tables present information about the Company's financial assets that are measured and reported at fair value at December 31, 2023, and 2022, in the financial statements according to the valuation techniques the Company used to determine their fair values:

(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 December 31, 2023, and 2022, in the financial statements according to the valuation techniques the Company used to determine their fair values:

NOTES TO FINANCIAL STATEMENTS

Description for Each	**December 31, 2023**				
Class of Asset or Liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at Fair Value					
Bonds					
U. S. Government	$ -	$ -	$ -	$ -	$ -
Industrial and Misc	-	-	-	-	-
Hybrid Securities	-	-	-	-	-
Parent, Subsidiaries & Affiliates	-	-	-	-	-
Total Bonds	-	-	-	-	-
Total Common Stock	-	-	-	-	-
Total Derivative Assets	-	-	-	-	-
Money-market funds	1,920	-	-	-	1,920
Qualified cash pool	-	-	-	-	-
Other Invested Assets	-	-	-	-	-
Separate account assets	-	-	-	-	-
Additional write-ins	-	-	-	-	-
Total Assets at Fair Value/NAV	$ 1,920	$ -	$ -	$ -	$ 1,920
b. Liabilities at Fair Value					
Derivative liabilities	-	-	-	-	-
Additional write-ins	-	-	-	-	-
Total Liabilities at Fair Value	$ -	$ -	$ -	$ -	$ -

Description for Each	**December 31, 2022**				
Class of Asset or Liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (Nav)	Total
a. Assets at Fair Value					
Bonds					
U. S. Government	$ -	$ -	$ -	$ -	$ -
Industrial and Misc	-	-	-	-	-
Hybrid Securities	-	-	-	-	-
Parent, Subsidiaries & Affiliates	-	-	-	-	-
Total Bonds	-	-	-	-	-
Total Common Stock	-	-	-	-	-
Total Derivative Assets	-	-	-	-	-
Money-market funds	74,370,939	-	-	-	74,370,939
Qualified cash pool	-	-	-	-	-
Other Invested Assets	-	-	-	-	-
Separate account assets	-	-	-	-	-
Additional write-ins	-	-	-	-	-
Total Assets at Fair Value/NAV	$74,370,939	$ -	$ -	$ -	$74,370,939
b. Liabilities at Fair Value					
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 years ended December 31, 2023, or 2022.

(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 December 31, 2023, and 2022 is presented in the table below:

	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	$ 51,279,085	$ 57,680,984	$ 12,262,632	$ 39,016,453	$ -	$ -	$ -
State and agency municipal securities	20,685,561	22,849,271	-	20,685,561	-	-	-
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	$243,820,437	$262,022,809	$ 51,040,868	$192,779,569	$ -	$ -	$ -

	December 31, 2022						
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	$ 47,701,213	$ 55,040,183	$ 12,514,143	$ 35,187,070	$ -	$ -	$ -
State and agency municipal securities	19,201,143	22,377,873	-	19,201,143	-	-	-
City and county municipal securities	15,434,040	17,252,016	-	15,434,040	-	-	-
Corporate debt securities (I&M Bonds)	117,578,490	130,228,669	-	117,578,490	-	-	-
Cash equivalents	74,370,939	74,370,939	74,370,939	-	-	-	-
Total bonds, short-term investments, and cash equivalents	$274,285,825	$299,269,680	$ 86,885,082	$187,400,743	$ -	$ -	$ -

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

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

21. OTHER ITEMS

COVID-19 Trends and Uncertainties

During the year ended December 31, 2023, overall care was near normal baseline levels, with certain areas of care at or approaching seasonal baselines. Future care patterns and acuity may temporarily rise due to missed regular care. Future developments, such as the severity of new COVID-19 variants, could introduce new uncertainties to care patterns and the Company's business.

A. Unusual or Infrequent Items

The Company did not encounter any unusual or infrequent items for the years ended December 31, 2023, and 2022.

NOTES TO FINANCIAL STATEMENTS

B. Troubled Debt Restructuring: Debtors

The Company has no troubled debt restructurings as of December 31, 2023, and 2022.

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 2023 and 2022.

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 December 31, 2023, and 2022.

G. Retained Assets

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

H. Insurance-Linked Securities Contracts

As of December 31, 2023, 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 February 27, 2023, which is the date these financial statements were available for issuance.

<u>TYPE I — Recognized Subsequent Events</u>

Any material Type I events subsequent to December 31, 2023, have been recognized in the financial statements and corresponding disclosures.

<u>TYPE II — Non-Recognized Subsequent Events</u>

On June 30, 2024, the Company's contract with the Iowa Department of Health and Human Services to provide dental services to its Medicaid members terminates. This contract currently approximates 4.3% of the Companies revenue.

23. REINSURANCE

Reinsurance Agreements — In the normal course of business, the Company seeks to reduce potential losses that may arise from catastrophic events that cause unfavorable underwriting results by reinsuring certain levels of such risk with affiliated and other nonaffiliated reinsurers. The Company remains primarily liable as the direct insurer on all risks reinsured. Reinsurance contracts do not relieve the Company from its obligations to policyholders and failure of reinsurers to honor their obligations could result in losses to the Company.

The Company does not have any affiliated reinsurance agreements in place as of December 31, 2023, or 2022. The Company had a reinsurance agreement with a nonaffiliated entity to cover aggregate dental claims in excess of defined limits for its largest block of business. This agreement recognized reinsurance related transactions in the financial statements using deposit accounting and reinsurance accounting for the year ended December 31, 2023, and 2022, respectively. The agreement was effective since 2012 and terminated as of December 31, 2022.

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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)

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.

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2023.

(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 2023 and 2022, there were no uncollectible reinsurance recoverable.

C. Commutation of Ceded Reinsurance — There was no commutation of reinsurance in 2023 or 2022.

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 December 31, 2023, or 2022.

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.

During 2023, the Company incurred an experience rebate of $21,091,039 and paid $32,226,577 on January 3, 2024; for 2022 the Company incurred approximately $55,244,000 and paid approximately $37,921,000. As of December 31, 2023, and 2022, the Company has an experience rebate accrued liability of $32,213,266 and approximately $17,323,000, respectively. 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.

During 2023, the Company incurred and paid a profit cap settlement of $14,258,520 related to the SFY22. During 2022, the Company incurred and paid approximately $7,235,000 related to the profit cap settlement. As of December 31, 2023, and 2022, the Company has an accrued profit cap liability of $1,457,735 and $1,333,690 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 2023, the Company incurred $31,235,000 and paid $21,563,999 for contracts where dental benefit payments did not equal or exceed the required minimum dental loss ratios. During 2022, the Company incurred $31,235,000 and paid $40,787,000 for certain contracts where dental benefit payments did not equal or exceed the required minimum dental loss ratio thresholds. As of December 31, 2023, and 2022, the Company's accrued health policy reserve liabilities of approximately $59,967,000 and $65,945,000, respectively.

E. Risk-Sharing Provisions of the Affordable Care Act

(1–5) The Company did not write accident and health premiums in 2023 and 2022 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 years ended December 31, 2023, and 2022:

	2023		
	Current Year Incurred Claims	Prior Year Incurred Claims	Total
Beginning of year claim reserve	$ -	$ 64,302,890	$ 64,302,890
Paid claims - net of health care receivables collected	702,218,181	55,467,488	757,685,669
End of year claim reserve	54,388,965	3,327,850	57,716,815
Incurred claims excluding the change in health care receivables collected (as presented below)	756,607,146	(5,507,552)	751,099,594
Beginning of year health care receivables	-	-	-
End of year health care receivables	-	-	-
Total incurred claims	$ 756,607,146	$ (5,507,552)	$ 751,099,594

	2022		
	Current Year Incurred Claims	Prior Year Incurred Claims	Total
Beginning of year claim reserve	$ -	$ 65,258,515	$ 65,258,515
Paid claims - net of health care receivables collected	704,104,087	64,103,308	768,207,395
End of year claim reserve	60,779,943	3,522,947	64,302,890
Incurred claims excluding the change in health care receivables collected (as presented below)	764,884,084	2,367,740	767,251,824
Beginning of year health care receivables	-	-	-
End of year health care receivables	-	-	-
Total incurred claims	$ 764,884,084	$ 2,367,740	$ 767,251,824

As of December 31, 2023, and 2022, the Company accrued $57,716,815 and $64,302,890, respectively, for unpaid service provider cost. Service provider expenses for the years ended December 31, 2023, and 2022 totaled $751,099,594 and $767,251,824, respectively.

For the year ended December 31, 2023, the Company paid $55,467,488 and has a reserve of $3,327,850 for claims attributable to insured events incurred in prior years, resulting in a favorable variance of $5,507,552. For the year ended December 31, 2022, the Company paid $64,103,308 and has a reserve of $3,522,947 for claims attributable to insured events incurred in prior years, resulting in an unfavorable variance of $2,367,740. The primary driver for 2023 consists of favorable development because of a change in retroactivity resulting in lower utilization. The unfavorable variance in 2022 is attributed to higher utilization and increased average costs.

The Company incurred CAE of ($213,857) and $452,873 in 2023 and 2022, respectively.

The following table discloses paid CAE, incurred CAE, and the balance in unpaid CAE reserve for

2023 and 2022:

	2023	2022
Total claims adjustment expenses	$ (213,857)	$ 452,873
Less: current year unpaid claims adjustment expenses	(1,042,986)	(1,256,843)
Add: prior year unpaid claims adjustment expenses	1,256,843	1,323,128
Total claims adjustment expenses paid	$ 2,023	$ 521,180

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 2023.

26. INTERCOMPANY POOLING GGARRANGEMENTS

A–G. The Company did not have any intercompany pooling arrangements in 2023 or 2022.

27. STRUCTURED SETTLEMENTS

A–G. The Company did not have structured settlements in 2023 or 2022.

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 2023 or 2022.

30. PREMIUM DEFICIENCY RESERVES

During the fourth quarter of 2023, the Company recorded a PDR of $19,785,193. The Company did consider anticipated investment income when calculating its PDR. A PDR was not required at December 31, 2022.

31. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written, the Company has no salvage. As of December 31, 2023, and 2022, 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 2022 financial statements have been reclassified to conform with the 2023 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 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (X) No ( )

If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes (X) No ( ) N/A ( )

1.3 State Regulating? Texas

1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes (X) No ( )

1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
0000731766

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 (X) No ( )

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2020

3.2 State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2020

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/14/2022

3.4 By what department or departments?
Texas Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes ( ) No ( ) N/A (X)

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes (X) No ( ) N/A ( )

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes ( ) No (X)
4.12 renewals? Yes ( ) No (X)

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes ( ) No (X)
4.22 renewals? Yes ( ) No (X)

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ( ) No (X)

If yes, complete and file the merger history data file with the NAIC.

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

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes ( ) No (X)

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes ( ) No (X)

7.2 If yes,
7.21 State the percentage of foreign control %

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? Yes ( ) No (X)

8.2 If response to 8.1 is yes, please identify the name of the DIHC.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes (X) No ( )

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
Optum Bank, Inc.	Salt Lake City, Utah	NO	NO	YES	NO

8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company? Yes ( ) No (X)

8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? Yes ( ) No (X) N/A ( )

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes ( ) No (X)

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes ( ) No (X)

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with domiciliary state insurance laws? Yes (X) No ( ) N/A ( )

10.6 If the response to 10.5 is no or n/a, please explain:

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Wen-hong Wang, United Health Services, 9900 Bren Road East #MN950-1000, Minnetonka, MN 55343, Employee of an affiliated entity

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes ( ) No (X)

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value $

12.2 If yes, provide explanation

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

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes ( ) No ( )

13.3 Have there been any changes made to any of the trust indentures during the year? Yes ( ) No ( )

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes ( ) No ( ) N/A ( )

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes (X) No ( )
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

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

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

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

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

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

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

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

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes ( ) No (X)

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes (X) No ( )

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes (X) No ( )

FINANCIAL

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

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers $ ....
20.12 To stockholders not officers $ ....
20.13 Trustees, supreme or grand (Fraternal only) $ ....

20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers $ ....
20.22 To stockholders not officers $ ....
20.23 Trustees, supreme or grand (Fraternal only) $ ....

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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

21.21	Rented from others	$
21.22	Borrowed from others	$
21.23	Leased from others	$
21.24	Other	$

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

22.2 If answer is yes:

22.21	Amount paid as losses or risk adjustment	$
22.22	Amount paid as expenses	$
22.23	Other amounts paid	$

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

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

24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? Yes ( ) No (X)

24.2 If the response to 24.1 is yes, identify the third party that pays the agents and whether they are a related party.

1 Name of Third-Party	2 Is the Third-Party Agent a Related Party (Yes/No)

INVESTMENT

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

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

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

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

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

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

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

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

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

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

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

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

26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03) Yes (X) No ( )

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

26.21	Subject to repurchase agreements	$
26.22	Subject to reverse repurchase agreements	$
26.23	Subject to dollar repurchase agreements	$
26.24	Subject to reverse dollar repurchase agreements	$
26.25	Placed under option agreements	$
26.26	Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	$
26.27	FHLB Capital Stock	$
26.28	On deposit with states	$ 2,909,989
26.29	On deposit with other regulatory bodies	$
26.30	Pledged as collateral - excluding collateral pledged to an FHLB	$
26.31	Pledged as collateral to FHLB - including assets backing funding agreements	$
26.32	Other	$ 2,182,783

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

27.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes ( ) No (X)

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

27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes ( ) No (X)

27.4 If the response to 27.3 is YES, does the reporting entity utilize:

27.41 Special accounting provision of SSAP No. 108 Yes ( ) No ( )
27.42 Permitted accounting practice Yes ( ) No ( )
27.43 Other accounting guidance Yes ( ) No ( )

27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following Yes ( ) No ( )

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

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

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

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

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

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

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

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

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

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
US Bank	Bank of new York Mellon	10/01/2022	Automation/Economies of Scale

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

1 Name of Firm or Individual	2 Affiliation
Goldman Sachs Asset Management LLP	U
Internally managed	I

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identified (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107738	Goldman Sachs Asset Management, L.P.	FF5M58QA35CFPUX7OH17	SEC	No

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

30.2 If yes, complete the following schedule:

1 CUSIP Number	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value

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

1 Name of Mutual Fund (from question 30.2)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds	$ 223,244,572	$ 205,078,846	$ (18,165,726)
31.2 Preferred Stocks	$	$	$
30.3 Totals	$ 223,244,572	$ 205,078,846	$ (18,165,726)

31.4 Describe the sources or methods utilized in determining the fair values:
0

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

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

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
0

33.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes (X) No ( )

33.2 If no, list exceptions:
0

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

a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.

b. Issuer or obligor is current on all contracted interest and principal payments.

c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes ( ) No (X)

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

a. The security was purchased prior to January 1, 2018.

b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.

c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.

d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes ( ) No (X)

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

a. The shares were purchased prior to January 1, 2019.

b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.

c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.

d. The fund only or predominantly holds bonds in its portfolio.

e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.

f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

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

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

a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.

b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.

c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.

d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

38.1 Does the reporting entity directly hold cryptocurrencies? Yes ( ) No (X)

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

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

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

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

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

OTHER

40.1 Amount of payments to Trade associations, service organizations and statistical or Rating Bureaus, if any? $ ....

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

1 Name	2 Amount Paid

41.1 Amount of payments for legal expenses, if any? $ 97,624

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes ( ) No (X)

1.2 If yes, indicate premium earned on U.S. business only. $ ....

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $ ....

1.31 Reason for excluding:

0

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above $ ....

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ ....

1.6 Individual policies:

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

1.7 Group polices:

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

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 904,329,935	$ 999,076,474
2.2	Premium Denominator	$ 904,329,935	$ 999,076,474
2.3	Premium Ratio (2.1 / 2.2)	.... 1.000	.... 1.000
2.4	Reserve Numerator	$ 169,682,619	$ 156,297,829
2.5	Reserve Denominator	$ 169,682,619	$ 156,297,829
2.6	Reserve Ratio (2.4 / 2.5)	.... 1.000	.... 1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes ( ) No (X)

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes (X) No ( )

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes ( ) No (X)

5.1 Does the reporting entity have stop-loss reinsurance? Yes ( ) No (X)

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31	Comprehensive Medical	$ ....
5.32	Medical Only	$ ....
5.33	Medicare Supplement	$ ....
5.34	Dental & Vision	$ 12,000
5.35	Other Limited Benefit Plan	$ ....
5.36	Other	$ ....

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes (X) No ( )

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1	Number of providers at start of reporting year	 10,269
8.2	Number of providers at end of reporting year	 9,840

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes ( ) No (X)

9.2 If yes, direct premium earned:

9.21	Business with rate guarantees between 15-36 months	....
9.22	Business with rate guarantees over 36 months	....

10.1 Does the reporting entity have Incentive Pool, Withhold, or Bonus Arrangements in its provider contracts? Yes ( ) No (X)

10.2 If yes:

10.21	Maximum amount payable bonuses	$ ....
10.22	Amount actually paid for year bonuses	$ ....
10.23	Maximum amount payable withholds	$ ....
10.24	Amount actually paid for year withholds	$ ....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

11.1 Is the reporting entity organized as:

11.12	A Medical Group / Staff Model,	Yes ( ) No (X)
11.13	An Individual Practice Association (IPA), or	Yes ( ) No (X)
11.14	A Mixed Model (combination of above)?	Yes ( ) No (X)

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes (X) No ( )

11.3 If yes, show the name of the state requiring such minimum capital and surplus. Texas

11.4 If yes, show the amount required. $ 90,341,271

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes ( ) No (X)

11.6 If the amount is calculated, show the calculation

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

1 Name of Service Area

13.1 Do you act as a custodian for health savings accounts? .... Yes ( ) No (X)

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. .... $

13.3 Do you act as an administrator for health savings accounts? .... Yes ( ) No (X)

13.4 If yes, please provide the balance of the funds administered as of the reporting date. .... $

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? . Yes ( ) No ( ) N/A (X)

14.2 If the answer to 14.1 is yes, please provide the following:

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

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

15.1	Direct Premiums Written	$ ....
15.2	Total Incurred Claims	$ ....
15.3	Number of Covered Lives	....

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

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes (X) No ( )

16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes ( ) No (X)

FIVE - YEAR HISTORICAL DATA

	1 2023	2 2022	3 2021	4 2020	5 2019
BALANCE SHEET (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	316,389,878	310,326,889	340,542,030	292,206,118	201,664,229
2. Total liabilities (Page 3, Line 24)	175,899,261	176,880,667	201,751,395	183,549,963	73,382,066
3. Statutory minimum capital and surplus requirement	90,341,271	100,022,002	83,667,042	69,600,000	69,500,000
4. Total capital and surplus (Page 3, Line 33)	140,490,616	142,446,222	138,790,665	108,656,155	128,706,432
INCOME STATEMENT (Page 4)					
5. Total revenues (Line 8)	881,872,986	914,371,886	584,586,314	696,306,931	694,778,652
6. Total medical and hospital expenses (Line 18)	751,166,415	767,251,824	428,006,695	509,248,072	557,266,790
7. Claims adjustment expenses (Line 20)	(213,857)	452,873	37,218	1,285,910	
8. Total administrative expenses (Line 21)	109,423,319	108,074,009	115,578,029	163,625,484	118,119,152
9. Net underwriting gain (loss) (Line 24)	1,778,766	38,593,159	40,964,372	22,147,465	19,392,710
10. Net investment gain (loss) (Line 27)	7,995,209	2,998,230	1,066,676	7,517,417	4,800,997
11. Total other income (Line 28 plus Line 29)					
12. Net income or (loss) (Line 32)	4,048,750	32,078,705	33,489,639	30,604,882	24,193,707
CASH FLOW (Page 6)					
13. Net cash from operations (Line 11)	3,092,178	59,553,918	71,362,030	92,521,426	62,322,739
RISK-BASED CAPITAL ANALYSIS					
14. Total adjusted capital	141,084,339	142,446,222	138,790,665	108,656,155	126,282,164
15. Authorized control level risk-based capital	33,276,409	36,145,428	20,504,848	24,384,009	26,543,798
ENROLLMENT (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	3,200,956	3,974,205	3,755,131	4,344,908	3,748,992
17. Total members months (Column 6, Line 7)	44,800,935	48,475,516	43,393,567	49,112,539	45,667,632
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Line 2, Line 3, and Line 5) X 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Line 3 plus Line 5)	100.000 %	100.000 %	100.000 %	100.000 %	100.000 %
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)	85.180 %	83.910 %	73,215.000 %	73,136.000 %	80,200.000 %
20. Cost containment expenses	0.012 %	0.050 %	0.006 %	0.019 %	
21. Other claims adjustment expenses					
22. Total underwriting deductions (Line 23)	99.810 %	95.779 %	92.993 %	96.819 %	97.200 %
23. Total underwriting gain (loss) (Line 24)	0.002 %	4.221 %	7.007 %	3.181 %	2.800 %
UNPAID CLAIMS ANALYSIS (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5)	58,795,395	67,626,256	29,833,385	32,498,232	26,629,357
25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)]	64,302,947	73,982,085	33,669,620	28,282,837	31,909,458
INVESTMENTS IN PARENT, SUBSIDIARIES, AND AFFILIATES					
26. Affiliated bonds (Schedule D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Schedule D Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Schedule D Summary, Line 24, Col. 1)					
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31					
33. Total investment in parent included in Lines 26 to 31 above					

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

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.		1 Active Status (a)	Direct Business Only Year to Date 2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Plan Premiums	7 Life and Annuity Premiums and Other Considerations	8 Property/ Casualty Premiums	9 Total Column 2 Through Column 7	10 Deposit-Type Contracts
1. Alabama	AL	L									
2. Alaska	AK	N			70,566,884					70,566,884	
3. Arizona	AZ	N									
4. Arkansas	AR	L									
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			73,725,722					73,725,722	
14. Illinois	IL	L									
15. Indiana	IN	N									
16. Iowa	IA	L			39,354,760					39,354,760	
17. Kansas	KS	N									
18. Kentucky	KY	N									
19. Louisiana	LA	L			118,067,084					118,067,084	
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			83,530,190					83,530,190	
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			498,826,804					498,826,804	
45. Utah	UT	L			19,341,300					19,341,300	
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	XXX									
59. Subtotal		XXX			903,412,744					903,412,744	
60. Reporting entity contributions for Employee Benefit Plans		XXX									
61. Total (Direct Business)		XXX			903,412,744					903,412,744	
DETAILS OF WRITE-INS											
58001.											
58002.											
58003.											
58998. Summary of remaining write-ins for Line 58 from overflow page											
58999. Total (Line 58001 through Line 58003 plus Line 58998) (Line 58 above)											

(a) Active Status Counts:

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

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