

ANNUAL STATEMENT

OF THE

BLUE CROSS & BLUE SHIELD OF RHODE ISLAND

of PROVIDENCE COUNTY

STATE OF RHODE ISLAND

TO THE

Insurance Department

OF THE

STATE OF RHODE ISLAND

FOR THE YEAR ENDED

December 31, 2020

HEALTH

2020



53473202020100100

ANNUAL STATEMENT

For the Year Ended December 31, 2020
OF THE CONDITION AND AFFAIRS OF THE

BLUE CROSS & BLUE SHIELD OF RHODE ISLAND

NAIC Group Code 0000 (Current Period) 0000 (Prior Period) NAIC Company Code 53473 Employer's ID Number 05-0158952

Organized under the Laws of RHODE ISLAND, State of Domicile or Port of Entry RI

Country of Domicile USA

Licensed as business type: Life, Accident & Health Property/Casualty Hospital, Medical & Dental Service or Indemnity
 Dental Service Corporation Vision Service Corporation Health Maintenance Organization
 Other Is HMO Federally Qualified? Yes No

Incorporated/Organized February 27, 1939 Commenced Business September 1, 1939

Statutory Home Office 500 EXCHANGE STREET, PROVIDENCE, RI, US 02903
 (Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 500 EXCHANGE STREET (Street and Number)
PROVIDENCE, RI, US 02903 (City or Town, State, Country and Zip Code)
401-459-5886 (Area Code) (Telephone Number)

Mail Address 500 EXCHANGE STREET, PROVIDENCE, RI, US 02903
 (Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 500 EXCHANGE STREET PROVIDENCE, RI, US 02903 401-459-1000
 (Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address WWW.BCBSRI.COM

Statutory Statement Contact MARK C. STEWART 401-459-5886
 (Name) (Area Code) (Telephone Number) (Extension)
MARK.STEWART@BCBSRI.ORG 401-459-1198
 (E-Mail Address) (Fax Number)

OFFICERS

	Name	Title
1.	MICHELE B. LEDERBERG #	INTERIM PRESIDENT & CEO
2.	MONICA A AUCIELLO	INTERIM SECRETARY & VP - GENERAL COUNSEL
3.	MARK C. STEWART	EXECUTIVE VICE PRESIDENT & CFO

VICE-PRESIDENTS

Name	Title	Name	Title
CHRISTOPHER G. BUSH	VP - NETWORK MANAGEMENT	MATTHEW COLLINS M.D.	EVP - CHIEF MEDICAL OFFICER
DAVID COMELLA	VP - CHIEF INFORMATION OFFICER	MELISSA B. CUMMINGS	EVP - CHIEF CUSTOMER OFFICER
TARA L. DEMOURA	VP - EMPLOYER SEGMENT	JEREMY S. DUNCAN	VP - MARKETING
AMARNATH GURIVIREDDYGARI	VP - CHIEF DATA & ANALYTICS OFFICER	MICHAEL J. MARRONE	VP - FINANCE
COREY R. MCCARTY	VP - CONSUMER SEGMENT	CHRISTINA PITNEY	VP - STRATEGIC PLN & PARTNERSHIPS
KEVIN SPLAINE	EVP - CARE INTEGRATION & MGMT	LINDA WINFREY	VP - INTERNAL AUDIT & ERM

DIRECTORS OR TRUSTEES

ERIC BEANE	STEPHEN COHAN	CHRISTOPHER CROSBY	NICHOLAS DENICE
MICHAEL DICHIRO	PAUL DOUGHTY	LOUIS GIANCOLA	KAREN HAMMOND
DONNA HUNTLEY-NEWBY	MICHAEL A ISRAELITE	ELIZABETH B. LANGE M.D.	JOHN C. LANGENUS
WARREN E. LICHT M.D.	CELESTE MARSELLA	DEBRA PAUL	PETER QUATTROMANI
ROBERT A. SANDERS	MERRILL SHERMAN		

State of RHODE ISLAND

County of PROVIDENCE ss

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

DocuSigned by:

 (Signature)
 MICHELE B. LEDERBERG
 (Printed Name)
 1.
 INTERIM PRESIDENT & CEO
 (Title)

DocuSigned by:

 (Signature)
 MONICA A AUCIELLO
 (Printed Name)
 2.
 INTERIM SECRETARY & VP - GENERAL COUNSEL
 (Title)

DocuSigned by:

 (Signature)
 MARK C. STEWART
 (Printed Name)
 3.
 EXECUTIVE VICE PRESIDENT & CFO
 (Title)

Subscribed and sworn to (or affirmed) before me this on this _____ day of _____, 2021, by

- 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			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	421,507,811		421,507,811	385,332,697
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	141,384,708		141,384,708	103,037,605
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 \$ 53,436,527 encumbrances)	41,399,335		41,399,335	39,689,896
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 38,632,495, Schedule E - Part 1), cash equivalents (\$ 18,794,799, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	57,427,294		57,427,294	34,919,970
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	18,793,559		18,793,559	15,109,488
9. Receivables for securities	31,568		31,568	11,686
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)	680,544,275		680,544,275	578,101,342
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	2,538,931		2,538,931	2,447,147
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	35,901,258	6,646,817	29,254,441	33,210,946
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ 21,578) and contracts subject to redetermination (\$ 30,829,881)	30,851,459		30,851,459	37,817,471
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	5,791,936	161,927	5,630,009	62,459
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	38,165,129	440,261	37,724,868	31,705,212
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	28,901,791	28,725,293	176,498	105,389
21. Furniture and equipment, including health care delivery assets (\$ 0)	631,597	631,597		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 35,976,639) and other amounts receivable	38,156,168	2,179,529	35,976,639	36,567,863
25. Aggregate write-ins for other-than-invested assets	57,749,348	18,342,322	39,407,026	30,964,398
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	919,231,892	57,127,746	862,104,146	750,982,227
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	919,231,892	57,127,746	862,104,146	750,982,227

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. OTHER RECEIVABLES	30,101,601	1,054,630	29,046,971	24,432,685
2502. PREPAID EXPENSES	15,796,901	15,796,901		
2503. FEP UNPAID CLAIMS	6,043,081		6,043,081	6,342,430
2598. Summary of remaining write-ins for Line 25 from overflow page	5,807,765	1,490,791	4,316,974	189,283
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	57,749,348	18,342,322	39,407,026	30,964,398

NONE

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	132,505,448		132,505,448	122,513,583
2. Accrued medical incentive pool and bonus amounts	45,991,166		45,991,166	47,167,000
3. Unpaid claims adjustment expenses	19,942,238		19,942,238	16,946,264
4. Aggregate health policy reserves, including the liability of \$ 9,717,000 for medical loss ratio rebate per the Public Health Services Act	92,987,025		92,987,025	53,513,643
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves	3,219,000		3,219,000	3,295,000
8. Premiums received in advance	14,959,303		14,959,303	17,375,834
9. General expenses due or accrued	53,954,894		53,954,894	44,993,073
10.1. Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))	538,104		538,104	436,194
10.2. Net deferred tax liability				
11. Ceded reinsurance premiums payable	151,062		151,062	149,413
12. Amounts withheld or retained for the account of others	1,068,513		1,068,513	199,630
13. Remittances and items not allocated	2,344,908		2,344,908	1,697,505
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers)				
20. Reinsurance in unauthorized and certified \$ (0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	34,567,049		34,567,049	33,199,697
23. Aggregate write-ins for other liabilities (including \$ 39,410,974 current)	44,061,202		44,061,202	37,911,622
24. Total liabilities (Lines 1 to 23)	446,289,912		446,289,912	379,398,458
25. Aggregate write-ins for special surplus funds	X X X	X X X		35,300,000
26. Common capital stock	X X X	X X X		
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X		
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	415,814,234	336,283,769
32. Less treasury stock, at cost:				
32.1 0 shares common (value included in Line 26 \$ 0)	X X X	X X X		
32.2 0 shares preferred (value included in Line 27 \$ 0)	X X X	X X X		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	415,814,234	371,583,769
34. Total liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	862,104,146	750,982,227

DETAILS OF WRITE-IN LINES				
2301. OTHER ACCOUNTS PAYABLE	35,195,639		35,195,639	30,473,456
2302. UNFUNDED ACCUMULATED BENEFIT OBLIGATION	4,650,227		4,650,227	4,331,888
2303. ACCRUED CAPITAL EXPENSES	2,504,350		2,504,350	2,261,902
2398. Summary of remaining write-ins for Line 23 from overflow page	1,710,986		1,710,986	844,376
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	44,061,202		44,061,202	37,911,622
2501. PPACA HEALTH INSURER FEE 2020	X X X	X X X		35,300,000
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		35,300,000
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

NONE

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	4,615,572	4,615,952
2. Net premium income (including \$ 0 non-health premium income)	X X X	1,709,377,994	1,696,205,986
3. Change in unearned premium reserves and reserve for rate credits	X X X	(2,134,796)	1,960,386
4. Fee-for-service (net of \$ 0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. Total revenues (Lines 2 to 7)	X X X	1,707,243,198	1,698,166,372
Hospital and Medical:			
9. Hospital/medical benefits		935,397,089	958,933,390
10. Other professional services		18,582,006	22,318,902
11. Outside referrals			
12. Emergency room and out-of-area		144,800,110	152,383,806
13. Prescription drugs		214,337,579	205,098,168
14. Aggregate write-ins for other hospital and medical		62,706,329	57,050,966
15. Incentive pool, withhold adjustments and bonus amounts		33,588,484	40,034,912
16. Subtotal (Lines 9 to 15)		1,409,411,597	1,435,820,144
Less:			
17. Net reinsurance recoveries		6,039,890	(110,676)
18. Total hospital and medical (Lines 16 minus 17)		1,403,371,707	1,435,930,820
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 25,322,073 cost containment expenses		58,190,620	56,563,135
21. General administrative expenses		207,567,850	170,198,332
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)		30,400,000	6,600,000
23. Total underwriting deductions (Lines 18 through 22)		1,699,530,177	1,669,292,287
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	7,713,021	28,874,085
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		10,622,783	12,658,997
26. Net realized capital gains (losses) less capital gains tax of \$ 0		(2,764,866)	8,470,756
27. Net investment gains (losses) (Lines 25 plus 26)		7,857,917	21,129,753
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 0) (amount charged off \$ 0)]			
29. Aggregate write-ins for other income or expenses		(9,407,830)	(17,428,226)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	6,163,108	32,575,612
31. Federal and foreign income taxes incurred	X X X	(36,258,104)	(36,258,103)
32. Net income (loss) (Lines 30 minus 31)	X X X	42,421,212	68,833,715

DETAILS OF WRITE-IN LINES			
0601.		X X X	
0602.		X X X	
0603.		X X X	
0698. Summary of remaining write-ins for Line 06 from overflow page		X X X	
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)		X X X	
0701.		X X X	
0702.		X X X	
0703.		X X X	
0798. Summary of remaining write-ins for Line 07 from overflow page		X X X	
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)		X X X	
1401. MENTAL HEALTH			62,706,329
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)			62,706,329
2901. WELLNESS WORKS REVENUE			3,177,761
2902. INTEREST EXPENSE IRS			1,100,542
2903. INDIGO COMMISSIONS			17,724
2998. Summary of remaining write-ins for Line 29 from overflow page			(13,703,857)
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			(9,407,830)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2
	Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	371,583,769	298,658,624
34. Net income or (loss) from Line 32	42,421,212	68,833,715
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	13,750,054	6,113,758
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	(36,258,104)	(36,258,104)
39. Change in nonadmitted assets	24,635,642	35,990,741
40. Change in unauthorized and certified reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital Changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	(318,339)	(1,754,965)
48. Net change in capital and surplus (Lines 34 to 47)	44,230,465	72,925,145
49. Capital and surplus end of reporting year (Line 33 plus 48)	415,814,234	371,583,769

DETAILS OF WRITE-IN LINES		
4701. OTHER POSTEMPLOYMENT BENEFITS	134,056	(1,178,586)
4702. NON-QUALIFIED PENSION PLAN	(452,395)	(576,379)
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	(318,339)	(1,754,965)

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	1,705,654,448	1,684,122,883
2. Net investment income	11,365,890	12,708,973
3. Miscellaneous income	(10,575,098)	(1,025,635)
4. Total (Lines 1 through 3)	1,706,445,240	1,695,806,221
5. Benefit and loss related payments	1,391,742,498	1,406,560,097
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	232,516,277	209,787,230
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	(36,258,102)	(36,256,531)
10. Total (Lines 5 through 9)	1,588,000,673	1,580,090,796
11. Net cash from operations (Line 4 minus Line 10)	118,444,567	115,715,425
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	135,318,390	245,893,817
12.2 Stocks	27,241,683	98,325,009
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets	30,503	2,889
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		(11,022)
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	162,590,576	344,210,693
13. Cost of investments acquired (long-term only):		
13.1 Bonds	171,255,716	317,532,136
13.2 Stocks	52,522,177	77,082,505
13.3 Mortgage loans		
13.4 Real estate	4,369,737	4,454,687
13.5 Other invested assets	6,666,265	
13.6 Miscellaneous applications	19,882	8,790
13.7 Total investments acquired (Lines 13.1 to 13.6)	234,833,777	399,078,118
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(72,243,201)	(54,867,425)
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		(25,196,659)
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(23,694,042)	(15,477,137)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(23,694,042)	(40,673,796)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	22,507,324	20,174,204
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	34,919,970	14,745,766
19.2 End of year (Line 18 plus Line 19.1)	57,427,294	34,919,970

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

20.0001		
20.0002		
20.0003		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	1,709,377,994	807,110,634	60,680,703	28,158,222	952,752	118,179,566	669,127,891		25,168,226	
2. Change in unearned premium reserves and reserve for rate credit	(2,134,796)					(2,134,796)				
3. Fee-for-service (net of \$ 0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. Total revenues (Lines 1 to 6)	1,707,243,198	807,110,634	60,680,703	28,158,222	952,752	116,044,770	669,127,891		25,168,226	
8. Hospital/medical benefits	935,397,089	400,689,018	42,506,467			67,651,651	417,979,432		6,570,521	X X X
9. Other professional services	18,582,006			18,084,656	497,350					X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area	144,800,110	87,288,786					57,511,324			X X X
12. Prescription drugs	214,337,579	123,790,701	1,540,983			27,619,289	48,927,984		12,458,622	X X X
13. Aggregate write-ins for other hospital and medical	62,706,329	42,005,690				7,188,221	13,512,418			X X X
14. Incentive pool, withhold adjustments and bonus amounts	33,588,484	14,132,182					19,456,302			X X X
15. Subtotal (Lines 8 to 14)	1,409,411,597	667,906,377	44,047,450	18,084,656	497,350	102,459,161	557,387,460		19,029,143	X X X
16. Net reinsurance recoveries	6,039,890	6,039,890								X X X
17. Total hospital and medical (Lines 15 minus 16)	1,403,371,707	661,866,487	44,047,450	18,084,656	497,350	102,459,161	557,387,460		19,029,143	X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$ 25,322,073 cost containment expenses	58,190,620	23,937,531	2,375,402	1,527,808	54,029	3,842,168	25,688,429		765,253	
20. General administrative expenses	207,567,850	110,762,707	6,921,671	4,451,873	157,435	8,190,928	74,853,368		2,229,868	
21. Increase in reserves for accident and health contracts	30,400,000	5,900,000					24,500,000			X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. Total underwriting deductions (Lines 17 to 22)	1,699,530,177	802,466,725	53,344,523	24,064,337	708,814	114,492,257	682,429,257		22,024,264	
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	7,713,021	4,643,909	7,336,180	4,093,885	243,938	1,552,513	(13,301,366)		3,143,962	

DETAILS OF WRITE-IN LINES										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 05 from overflow page										X X X
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)										X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 06 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301. MENTAL HEALTH	62,706,329	42,005,690				7,188,221	13,512,418			X X X
1302.										X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	62,706,329	42,005,690				7,188,221	13,512,418			X X X

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)	807,110,634			807,110,634
2. Medicare Supplement	60,680,703			60,680,703
3. Dental only	28,158,222			28,158,222
4. Vision only	952,752			952,752
5. Federal Employees Health Benefits Plan	116,044,770			116,044,770
6. Title XVIII – Medicare	669,127,891			669,127,891
7. Title XIX – Medicaid				
8. Other health	26,883,782		1,715,555	25,168,227
9. Health subtotal (Lines 1 through 8)	1,708,958,754		1,715,555	1,707,243,199
10. Life				
11. Property/casualty				
12. Totals (Lines 9 to 11)	1,708,958,754		1,715,555	1,707,243,199

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	1,366,735,397	647,502,475	48,868,342	18,006,229	576,990	101,650,388	533,058,949		17,072,024	
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	472,339	472,339								
1.4 Net	1,366,263,058	647,030,136	48,868,342	18,006,229	576,990	101,650,388	533,058,949		17,072,024	
2. Paid medical incentive pools and bonuses	34,764,317	18,280,004					16,484,313			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	132,505,447	62,526,243	3,959,234	1,185,000	52,662	7,946,775	51,016,824		5,818,709	
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	132,505,447	62,526,243	3,959,234	1,185,000	52,662	7,946,775	51,016,824		5,818,709	
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	3,219,000	3,219,000								
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	3,219,000	3,219,000								
5. Accrued medical incentive pools and bonuses, current year	45,991,167	23,226,280					22,764,887			
6. Net healthcare receivables (a)	828,148	570,917		3,573			253,658			
7. Amounts recoverable from reinsurers December 31, current year	5,630,009	5,630,009								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	122,513,583	56,156,408	8,780,126	1,103,000	132,303	7,138,003	45,342,153		3,861,590	
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	122,513,583	56,156,408	8,780,126	1,103,000	132,303	7,138,003	45,342,153		3,861,590	
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	3,295,000	3,295,000								
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net	3,295,000	3,295,000								
10. Accrued medical incentive pools and bonuses, prior year	47,167,000	27,374,102					19,792,898			
11. Amounts recoverable from reinsurers December 31, prior year	62,459	62,459								
12. Incurred benefits:										
12.1 Direct	1,375,823,113	653,225,393	44,047,450	18,084,656	497,349	102,459,160	538,479,962		19,029,143	
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	6,039,889	6,039,889								
12.4 Net	1,369,783,224	647,185,504	44,047,450	18,084,656	497,349	102,459,160	538,479,962		19,029,143	
13. Incurred medical incentive pools and bonuses	33,588,484	14,132,182					19,456,302			

(a) Excludes \$ 17,937 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A – CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	53,562,123	23,709,078	1,167,970	217,065	52,662	1,806,738	20,789,901		5,818,709	
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	53,562,123	23,709,078	1,167,970	217,065	52,662	1,806,738	20,789,901		5,818,709	
2. Incurred but Unreported:										
2.1 Direct	78,943,324	38,817,165	2,791,264	967,935		6,140,037	30,226,923			
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	78,943,324	38,817,165	2,791,264	967,935		6,140,037	30,226,923			
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	132,505,447	62,526,243	3,959,234	1,185,000	52,662	7,946,775	51,016,824		5,818,709	
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	132,505,447	62,526,243	3,959,234	1,185,000	52,662	7,946,775	51,016,824		5,818,709	

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B – ANALYSIS OF CLAIMS UNPAID – PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
	1. Comprehensive (hospital and medical)	35,168,681	606,293,904	3,459,832		
2. Medicare Supplement	7,696,113	41,172,229	(631,807)	4,591,041	7,064,306	8,780,126
3. Dental only	1,092,573	16,913,656	4,003	1,180,997	1,096,576	1,103,000
4. Vision only	136,494	440,496		52,662	136,494	132,303
5. Federal Employees Health Benefits Plan	6,517,106	95,133,282	1,607	7,945,168	6,518,713	7,138,003
6. Title XVIII – Medicare	34,696,545	498,362,404	61,439	50,955,385	34,757,984	45,342,153
7. Title XIX – Medicaid						
8. Other health	3,123,551	13,948,473		5,818,709	3,123,551	3,861,590
9. Health subtotal (Lines 1 to 8)	88,431,063	1,272,264,444	2,895,074	132,829,373	91,326,137	125,808,583
10. Health care receivables (a)		36,646,158		1,492,073		37,310,083
11. Other non-health						
12. Medical incentive pools and bonus amounts	34,372,587	391,730	3,481,900	42,509,267	37,854,487	47,167,000
13. Totals (Lines 9 - 10 + 11 + 12)	122,803,650	1,236,010,016	6,376,974	173,846,567	129,180,624	135,665,500

(a) Excludes \$ 17,937 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)
Hospital & Medical

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	758,401	758,341	758,009	757,571	757,476
2. 2016	712,867	759,791	760,795	760,488	760,403
3. 2017	X X X	717,259	764,361	764,732	764,486
4. 2018	X X X	X X X	675,910	718,756	717,618
5. 2019	X X X	X X X	X X X	662,738	705,347
6. 2020	X X X	X X X	X X X	X X X	606,294

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	758,401	758,341	758,009	757,571	757,476
2. 2016	712,867	763,390	760,795	760,488	760,403
3. 2017	X X X	776,928	764,738	764,732	764,486
4. 2018	X X X	X X X	750,454	718,625	717,618
5. 2019	X X X	X X X	X X X	749,695	708,877
6. 2020	X X X	X X X	X X X	X X X	691,736

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

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. 2016	907,498	764,183			764,183	84.208			764,183	84.208
2. 2017	903,939	717,259			717,259	79.348			717,259	79.348
3. 2018	869,572	675,910			675,910	77.729			675,910	77.729
4. 2019	860,345	662,738	13,010	1.963	675,748	78.544	3,530	373	679,651	78.997
5. 2020	807,111	606,294	13,010	2.146	619,304	76.731	85,442	9,028	713,774	88.436

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UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
Medicare Supplement

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	45,145	45,159	45,246	45,258	45,270
2. 2016	39,757	44,694	44,828	44,842	44,847
3. 2017	X X X	41,516	46,654	46,771	46,777
4. 2018	X X X	X X X	42,938	48,800	48,968
5. 2019	X X X	X X X	X X X	44,760	51,452
6. 2020	X X X	X X X	X X X	X X X	41,172

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	45,191	43,159	45,246	45,258	45,270
2. 2016	45,684	44,714	44,828	44,842	44,847
3. 2017	X X X	47,439	46,694	46,771	46,777
4. 2018	X X X	X X X	49,788	48,919	48,968
5. 2019	X X X	X X X	X X X	53,420	50,821
6. 2020	X X X	X X X	X X X	X X X	45,763

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

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. 2016	57,632	46,453			46,453	80.603			46,453	80.603
2. 2017	59,551	41,516			41,516	69.715			41,516	69.715
3. 2018	59,572	42,938			42,938	72.077			42,938	72.077
4. 2019	59,740	44,760	991	2.214	45,751	76.584	(632)	(114)	45,005	75.335
5. 2020	60,681	41,172	991	2.407	42,163	69.483	4,591	831	47,585	78.418

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UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
 Dental Only

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior			22,914	22,918	22,919
2. 2016	22,904		22,914	22,918	22,919
3. 2017	20,903		22,076	22,087	22,089
4. 2018	X X X		20,659	21,764	21,771
5. 2019	X X X	X X X		21,396	22,499
6. 2020	X X X	X X X	X X X		20,987
			X X X	X X X	16,914

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	22,730	22,914	22,918	22,919	22,919
2. 2016	22,226	22,095	22,087	22,089	22,089
3. 2017	X X X	21,899	21,780	21,771	21,772
4. 2018	X X X	X X X	22,703	22,506	22,505
5. 2019	X X X	X X X	X X X	22,083	22,077
6. 2020	X X X	X X X	X X X	X X X	18,095

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Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

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. 2016	30,695	21,832			21,832	71.126			21,832	71.126
2. 2017	30,354	20,659			20,659	68.060			20,659	68.060
3. 2018	31,960	21,396			21,396	66.946			21,396	66.946
4. 2019	30,756	20,987	365	1.739	21,352	69.424	4	1	21,357	69.440
5. 2020	28,158	16,914	365	2.158	17,279	61.364	1,181	263	18,723	66.493

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
 Vision Only

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior					
2. 2016					
3. 2017	X X X	140	140		140
4. 2018	X X X	X X X	374		384
5. 2019	X X X	X X X	X X X		337
6. 2020	X X X	X X X	X X X	X X X	440

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior					
2. 2016					
3. 2017	X X X				140
4. 2018	X X X	X X X			416
5. 2019	X X X	X X X	X X X		337
6. 2020	X X X	X X X	X X X	X X X	440

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

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. 2016										
2. 2017										
3. 2018	764	374			374	48.953			374	48.953
4. 2019	828	337			337	40.700			337	40.700
5. 2020	953	440			440	46.170	53	8	501	52.571

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UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
Fed Emp Health Benefits Plan

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	100,632	100,603	100,552	100,554	100,543
2. 2016	93,815	100,538	100,621	100,658	100,651
3. 2017	X X X	94,717	105,801	105,812	105,796
4. 2018	X X X	X X X	100,591	93,085	93,088
5. 2019	X X X	X X X	X X X	102,865	109,323
6. 2020	X X X	X X X	X X X	X X X	95,133

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	101,448	100,603	100,552	100,554	100,543
2. 2016	101,219	100,560	100,621	100,658	100,651
3. 2017	X X X	103,197	105,893	105,812	105,796
4. 2018	X X X	X X X	109,997	93,095	93,088
5. 2019	X X X	X X X	X X X	109,992	109,325
6. 2020	X X X	X X X	X X X	X X X	103,078

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Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

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. 2016	113,836	101,440			101,440	89.111			101,440	89.111
2. 2017	111,865	94,717			94,717	84.671			94,717	84.671
3. 2018	124,336	100,591			100,591	80.903			100,591	80.903
4. 2019	117,667	102,865	2,062	2.005	104,927	89.173	2		104,929	89.175
5. 2020	116,045	95,133	2,062	2.167	97,195	83.756	7,945	1,489	106,629	91.886

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
 Title XVIII - Medicare

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	490,419	490,221	490,007	489,971	489,915
2. 2016	471,134	507,725	508,162	508,037	507,981
3. 2017	X X X	472,389	512,163	512,669	512,840
4. 2018	X X X	X X X	469,154	438,955	438,590
5. 2019	X X X	X X X	X X X	472,427	507,508
6. 2020	X X X	X X X	X X X	X X X	498,362

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	511,298	490,221	490,007	489,971	489,915
2. 2016	525,885	510,571	508,162	508,037	507,981
3. 2017	X X X	529,322	513,120	512,669	512,840
4. 2018	X X X	X X X	526,004	439,588	438,590
5. 2019	X X X	X X X	X X X	536,386	510,982
6. 2020	X X X	X X X	X X X	X X X	568,671

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

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. 2016	581,753	508,980			508,980	87.491			508,980	87.491
2. 2017	590,047	472,389			472,389	80.060			472,389	80.060
3. 2018	600,598	469,154			469,154	78.114			469,154	78.114
4. 2019	604,830	472,427	10,811	2.288	483,238	79.896	3,473	368	487,079	80.532
5. 2020	669,128	498,362	10,811	2.169	509,173	76.095	70,308	7,445	586,926	87.715

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UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
 Title XIX - Medicaid

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior					
2. 2016					
3. 2017	XXX				
4. 2018	XXX	XXX			
5. 2019	XXX	XXX	XXX		
6. 2020	XXX	XXX	XXX	XXX	

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior					
2. 2016					
3. 2017	XXX				
4. 2018	XXX	XXX			
5. 2019	XXX	XXX	XXX		
6. 2020	XXX	XXX	XXX	XXX	

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

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. 2016										
2. 2017										
3. 2018										
4. 2019										
5. 2020										

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

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	13,845	12,561	12,561	12,561	12,561
2. 2016	12,014	13,243	13,243	13,243	13,243
3. 2017	X X X	11,948	13,177	13,177	13,177
4. 2018	X X X	X X X	15,597	16,874	16,874
5. 2019	X X X	X X X	X X X	14,275	16,317
6. 2020	X X X	X X X	X X X	X X X	13,948

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	13,842	12,561	12,561	12,561	12,561
2. 2016	12,745	13,210	13,243	13,243	13,243
3. 2017	X X X	12,407	13,177	13,177	13,177
4. 2018	X X X	X X X	16,410	16,874	16,874
5. 2019	X X X	X X X	X X X	18,137	16,317
6. 2020	X X X	X X X	X X X	X X X	19,767

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Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

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. 2016	24,682	13,243			13,243	53.654			13,243	53.654
2. 2017	23,595	11,948			11,948	50.638			11,948	50.638
3. 2018	22,065	15,597			15,597	70.687			15,597	70.687
4. 2019	24,000	14,275	346	2.424	14,621	60.921			14,621	60.921
5. 2020	25,168	13,948	346	2.481	14,294	56.794	5,819	250	20,363	80.908

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (\$000 Omitted)
Grand Total

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	1,431,346	1,429,799	1,429,293	1,428,834	1,428,684
2. 2016	1,350,490	1,448,067	1,449,736	1,449,357	1,449,214
3. 2017	X X X	1,358,628	1,464,060	1,465,072	1,464,988
4. 2018	X X X	X X X	1,325,960	1,339,353	1,338,027
5. 2019	X X X	X X X	X X X	1,318,389	1,412,362
6. 2020	X X X	X X X	X X X	X X X	1,272,263

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior	1,452,910	1,427,799	1,429,293	1,428,834	1,428,684
2. 2016	1,420,626	1,454,540	1,449,736	1,449,357	1,449,214
3. 2017	X X X	1,491,192	1,465,542	1,465,072	1,464,988
4. 2018	X X X	X X X	1,475,772	1,339,991	1,338,027
5. 2019	X X X	X X X	X X X	1,490,050	1,418,741
6. 2020	X X X	X X X	X X X	X X X	1,447,550

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio

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. 2016	1,716,096	1,456,131			1,456,131	84.851			1,456,131	84.851
2. 2017	1,719,351	1,358,488			1,358,488	79.012			1,358,488	79.012
3. 2018	1,708,867	1,325,960			1,325,960	77.593			1,325,960	77.593
4. 2019	1,698,166	1,318,389	27,585	2.092	1,345,974	79.260	6,377	628	1,352,979	79.673
5. 2020	1,707,244	1,272,263	27,585	2.168	1,299,848	76.137	175,339	19,314	1,494,501	87.539

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UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D – AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	18,674,371					18,674,371			
2. Additional policy reserves (a)	37,000,000	5,900,000					31,100,000		
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$ 0 for investment income)	9,812,654	95,654					9,717,000		
5. Aggregate write-ins for other policy reserves	27,500,000						27,500,000		
6. Totals (gross)	92,987,025	5,995,654				18,674,371	68,317,000		
7. Reinsurance ceded									
8. Totals (Net) (Page 3, Line 4)	92,987,025	5,995,654				18,674,371	68,317,000		
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits	520,000	520,000							
11. Aggregate write-ins for other claim reserves	2,699,000	2,699,000							
12. Totals (gross)	3,219,000	3,219,000							
13. Reinsurance ceded									
14. Totals (Net) (Page 3, Line 7)	3,219,000	3,219,000							

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DETAILS OF WRITE-IN LINES									
0501. RETROSPECTIVE RISK ADJ	27,500,000						27,500,000		
0502.									
0503.									
0598. Summary of remaining write-ins for Line 05 from overflow page									
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)	27,500,000						27,500,000		
1101. MATERNITY	2,699,000	2,699,000							
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)	2,699,000	2,699,000							

(a) Includes \$ 37,000,000 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 – ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ 7,191,713 for occupancy of own building)		65,721	15,029,978		15,095,699
2. Salaries, wages and other benefits	20,128,757	13,607,025	68,391,118		102,126,900
3. Commissions (less \$ 0 ceded plus \$ 0 assumed)			13,801,143		13,801,143
4. Legal fees and expenses			1,626,693		1,626,693
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services	403,923	1,221,969	12,378,372		14,004,264
7. Traveling expenses	2,977	13,545	120,314		136,836
8. Marketing and advertising	4,081	4,576	2,478,152		2,486,809
9. Postage, express and telephone	95,222	738,176	2,429,400		3,262,798
10. Printing and office supplies	9,837	830,831	1,542,151		2,382,819
11. Occupancy, depreciation and amortization	20,289	217,194	3,434,654		3,672,137
12. Equipment					
13. Cost or depreciation of EDP equipment and software	7,761,657	3,980,097	29,262,231		41,003,985
14. Outsourced services including EDP, claims, and other services	5,184,932	16,312,511	53,438,687		74,936,130
15. Boards, bureaus and association fees	86,813	33,441	1,817,960		1,938,214
16. Insurance, except on real estate		1,272	1,946,133		1,947,405
17. Collection and bank service charges					
18. Group service and administration fees			2,103,061		2,103,061
19. Reimbursements by uninsured plans	(8,987,938)	(11,580,766)	(59,918,810)		(80,487,514)
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses				3,040,905	3,040,905
22. Real estate taxes				1,431,888	1,431,888
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			22,056		22,056
23.2 State premium taxes			18,670,929		18,670,929
23.3 Regulatory authority licenses and fees			33,581,320		33,581,320
23.4 Payroll taxes	1,348,620	818,351	3,908,959		6,075,930
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses	(737,097)	6,604,604	1,503,349	1,479,329	8,850,185
26. Total expenses incurred (Lines 1 to 25)	25,322,073	32,868,547	207,567,850	5,952,122	(a) 271,710,592
27. Less expenses unpaid December 31, current year	8,714,190	11,228,048	53,954,894		73,897,132
28. Add expenses unpaid December 31, prior year	7,392,263	9,554,001	44,993,073		61,939,337
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	24,000,146	31,194,500	198,606,029	5,952,122	259,752,797

DETAILS OF WRITE-IN LINES					
2501. ADMINISTRATIVE ALLOWANCES	1,383,359	1,782,428	(5,449)		3,160,338
2502. MISCELLANEOUS	14,774	318,075	1,505,670		1,838,519
2503. HOME PLAN SERVICE CHARGE		7,013,699	3,128		7,016,827
2598. Summary of remaining write-ins for Line 25 from overflow page	(2,135,230)	(2,509,598)		1,479,329	(3,165,499)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	(737,097)	6,604,604	1,503,349	1,479,329	8,850,185

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 1,393,975	1,351,570
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 10,126,326	10,276,185
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	2,367,072	2,367,072
3. Mortgage loans	(c)	
4. Real estate	(d) 5,507,644	5,507,644
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 455,678	440,007
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		(648,653)
10. Total gross investment income	19,850,695	19,293,825
11. Investment expenses		(g) 5,952,122
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h) 2,718,920
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)		8,671,042
17. Net investment income (Line 10 minus Line 16)		10,622,783

DETAILS OF WRITE-IN LINES		
0901. INVESTMENT EXPENSES INTERNAL COSTS INVESTING AND INCOME		(362,802)
0902. PROMPT PAY INTEREST		(285,851)
0903.		
0998. Summary of remaining write-ins for Line 09 from overflow page		
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)		(648,653)
1501.	NONE	
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 \$ 325,194 accrual of discount less \$ 1,389,151 amortization of premium and less \$ 208,385 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	1,421,913		1,421,913		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	(382,714)		(382,714)	33,483	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	(457,543)		(457,543)	13,524,151	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate	(202,411)		(202,411)		
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets	(1,386)	(3,142,725)	(3,144,111)	192,422	
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	377,859	(3,142,725)	(2,764,866)	13,750,056	

DETAILS OF WRITE-IN LINES					
0901.	NONE				
0902.					
0903.					
0998. Summary of remaining write-ins for Line 09 from overflow page					
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 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 lines			
3.2 Other than first lines			
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			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
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	6,646,817	1,662,951	(4,983,866)
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	161,927		(161,927)
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	440,261	16,918	(423,343)
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset		36,258,104	36,258,104
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	28,725,293	25,924,162	(2,801,131)
21. Furniture and equipment, including health care delivery assets	631,597	1,177,832	546,235
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	2,179,529	1,133,577	(1,045,952)
25. Aggregate write-ins for other-than-invested assets	18,342,322	15,589,845	(2,752,477)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	57,127,746	81,763,389	24,635,643
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	57,127,746	81,763,389	24,635,643

DETAILS OF WRITE-IN LINES			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. PREPAID EXPENSES	15,796,901	9,697,528	(6,099,373)
2502. LEASEHOLD IMPROVEMENTS	1,490,791	5,017,155	3,526,364
2503. OTHER RECEIVABLES	1,054,630	875,162	(179,468)
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	18,342,322	15,589,845	(2,752,477)

NONE

EXHIBIT 1 – ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations						
2. Provider Service Organizations						
3. Preferred Provider Organizations	206,695	207,430	206,153	206,599	206,743	2,482,077
4. Point of Service						
5. Indemnity Only	1,119	1,082	1,063	849	817	11,563
6. Aggregate write-ins for other lines of business	175,720	178,378	175,417	176,975	175,578	2,121,932
7. Total	383,534	386,890	382,633	384,423	383,138	4,615,572

DETAILS OF WRITE-IN LINES						
0601. DENTAL ONLY	79,979	81,053	78,412	78,228	77,476	947,527
0602. STOP LOSS	43,438	44,754	44,487	46,094	45,465	543,508
0603. MEDICARE SUPPLEMENT	25,716	25,089	25,142	25,049	24,975	301,098
0698. Summary of remaining write-ins for Line 06 from overflow page	26,587	27,482	27,376	27,604	27,662	329,799
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	175,720	178,378	175,417	176,975	175,578	2,121,932

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

- (1) The Annual Statement has been completed in accordance with the NAIC Accounting Practices and Procedures manual and as prescribed by the State of Rhode Island Department of Business Regulation – Insurance Division.
- (2) The Plan’s 2020 Annual Statement excludes Administrative Service Contract (ASC) business from revenue, and medical and hospital claims. The ASC reimbursement has been classified as a reduction to claims adjustment and general administrative expenses.
- (3) Effective for 2017, the Plan has obtained a permitted practice to fully non-admit its DTA balance related to AMT credits, and to record no impact to its statutory capital and surplus as a result of the accounting for AMT credits, until such time as any amount of the AMT credit is used to offset Federal Income tax obligations or refunded to BCBSRI in cash by the IRS, which did occur in 2020. If the AMT credits were admitted, surplus would increase by \$0 and \$36,258,104, in 2020 and 2019, respectively, and net income would be lower by \$18,129,052 in December 31, 2020 and December 31, 2019.

<u>NET INCOME</u>	SSAP#	F/S State	F/S Line#	<u>Dec 31, 2020</u>	<u>Dec 31, 2019</u>
(1) The Plan’s state basis (RI)	xxx	xxx	xxx	\$42,421,212	\$68,833,715
(2) State prescribed practice that increase/(decrease) NAIC SAP					
(3) State permitted practice that increase/(decrease) NAIC SAP	INT 18-01	4	31	<u>(18,129,052)</u>	<u>(18,129,052)</u>
(4) NAIC SAP	xxx	xxx	xxx	\$24,292,160	\$50,704,663
				<u>Dec 31, 2020</u>	<u>Dec 31, 2019</u>
				\$415,814,234	\$371,583,769
(5) The Plan’s state basis (RI)	xxx	xxx	xxx		
(6) State prescribed practice that increase/(decrease) NAIC SAP					
(7) State permitted practice that increase/(decrease) NAIC SAP	INT 18-01	3	31	<u>0</u>	<u>36,258,104</u>
(8) NAIC SAP	xxx	xxx	xxx	\$415,814,234	\$407,841,873

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

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

C. Accounting Policy

The Plan is subject to an annual fee under section 9010 of the Patient Protection Affordable Care Act (PPACA). The fee is payable based upon the Plan offering health insurance for a specific calendar year commencing January 1, 2014 or thereafter. Per statutory accounting guidance, the entire amount of the annual fee is recognized on January 1st of the fee year in taxes, licenses and fees exclusive of federal income taxes in the statutory financial statements. Under generally accepted accounting principles, the annual fee is reported as a deferred asset on January 1 and amortized to expense on a straight-line basis. Finally, per statutory accounting, the estimated fee for the subsequent year is distributed from unassigned funds and reported as an aggregate write-in for special surplus funds. There is no similar requirement under generally accepted accounting principles.

Income Tax Accounting Implications of the Tax Cuts and Jobs Act

Beginning in calendar tax year 2018, the Tax Cuts and Jobs Act of 2017 (“TCJA”) repealed the corporate AMT. The TCJA made the AMT credit 100% refundable over the years 2018 through 2021. 50% of the total AMT Credit amount was refundable in tax year 2018, with the remainder refunded over the following three tax years.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was enacted into law. The CARES Act included a provision accelerating the ability of companies to recover their AMT credits, permitting companies to claim full refunds starting in 2018 and/or

NOTES TO FINANCIAL STATEMENTS

2019 in order to access additional cash flow during the COVID-19 emergency. BCBSRI filed on April 17, 2020 Form 1139, Corporate Application for Tentative Refund, pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to claim unused Alternative Minimum Tax Credit immediately on its filed 2018 Form 1120-PC. This has resulted in a cash refund of \$ 336,258,104 the entire amount of BCBSRI's remaining AMT credit. The amount has been received from the IRS in 2020 and is reflected in the income statement as a credit to federal and foreign income taxes incurred.

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the effective interest rate method.
- (3) Common stocks at fair market value except the investments in stocks of uncombined subsidiaries and affiliates in which the Plan has an interest of 20% or more are carried on the equity basis.
- (4) Preferred stock is stated in accordance with guidance provided in SSAP No. 32.
- (5) The Plan does not have mortgage loans on real estate.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. The prospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative.
- (7) The Plan has a minority interest in International Blue Solutions, LLC with a carrying value of \$1,281,090. The Plan also has a minority interest in Blue Health Intelligence Co, LLC of \$1,441,816. The Plan also has a minority interest in Prime Therapeutics of \$11,859,312. The Plan also has a minority interest in Oak Street Health-RI, LLC of \$3,531,202. The Plan also has a minority interest in Civica, LLC of \$294,667. The Plan also has a minority interest in BCBS Venture Partners, LLC of \$385,472.
- (8) The Plan has minor ownership interests in partnerships and limited liability companies. The value of these interests are based on the underlying audited GAAP equity of the investee.
- (9) The Plan does not own derivative investments.
- (10) The Plan considers anticipated investment income as a factor in premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Plan has not modified its capitalization policy from the prior period.
- (13) The Plan's pharmacy benefit manager provides estimated pharmacy rebates on a quarterly basis.

D. Going Concern

Management continually evaluates the Plan's ability to continue as a going concern. After considering management's plans, potential events and principal conditions, there is no substantial doubt about the Plan's ability to continue as a going concern.

2. Accounting Changes and Correction of Errors

There were no Accounting Changes and Correction of Errors in 2020.

3. Business Combinations and Goodwill

There were no Business Combinations and resulting Goodwill in 2020.

4. Discontinued Operations

The Plan did not incur discontinued operations for 2020.

5. Investments

- A. The Plan did not have any outstanding mortgage loans in 2020.
- B. The Plan did not have any debt restructuring in 2020.
- C. The Plan did not have any reverse mortgages in 2020.

NOTES TO FINANCIAL STATEMENTS

D. Loan-Backed Securities

- (1) The Plan utilizes the prospective method for loan backed securities. The Plan obtains the prepayment assumptions for mortgage-backed/asset-backed securities from the following hierarchy: Bloomberg median speed; if none, then 6 month historical CPR; if none, then YieldBook prepayment model that runs fixed rate MBS at 100% of the model and Hybrid Arms at 100% of MTB (Model to Balloon). CMBS are run at a 0% constant prepayment rate. If this information is not obtainable from one of these sources then analysts determine the cash flows to be used. The Plan utilizes the fair market value as published by the NAIC Valuation Securities Manual. If the rate is not published by the Securities Valuation Office (SVO), the security is carried at amortized value in accordance with NAIC guidelines.
- (2) The Plan did not recognize other-than-temporary impairment (OTTI) for loan-backed securities:

	1	2	3
	Amortized Cost Basis Before other-than- Temporary- Impairment	Other-than- Temporary- Impairment Recognized in loss	Fair Value 1 - 2
OTTI recognized 4 th Qtr			
j. Intent to sell	--	--	--
l. Total 4 th Qtr	--	--	--
m. Annual Aggregate Total	--	--	--

- (3) The Plan did not recognize OTTI for loan-backed securities see table below:

1	2	3	4	5	6	7
Cusip	Book Adjusted Carrying Value Before Current Period OTTI	Present Value of Projected Cash Flow	Recognized other-than Temporary Impairment	Amortized Cost after Other- Than-Temporary Impairment	Fair Value time of OTTI	Date of Financial where Reported
N/A	--	--	--	--	--	N/A
Total	--	--	--	--	--	

- (4) Loan-backed securities with unrealized losses as of December 31, 2020:

Loan-Backed Securities

- a. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$26,604
2. 12 Months or Longer	\$0

- b. The aggregate related fair value of securities

with unrealized losses:

1. Less than 12 Months	\$1,939,372
2. 12 Months or Longer	\$0

- (5) The evaluation of impairments is a quantitative and qualitative process, which is subject to risks and uncertainties and is intended to determine whether declines in the fair value of investments should be recognized in the current period. The risks and uncertainties include changes in general economic conditions, the issuer's financial condition or near term recovery prospects, the effects of changes in interest rates or credit spreads and the recovery period. As of December 31, 2020, the Plan does not consider loan-backed securities in an unrealized loss position to be other-than-temporarily impaired as reported in the table above.

E. Repurchase Agreements

- 1) For repurchase agreements, the Plan ensures that the fair market value of the collateralized security is equal to or exceeds the amount under agreement to repurchase.
- 2) The Plan has investments pledged as collateral. The securities are US Treasury Bonds and Corporate Bonds with a carrying value of \$88,601,143.
- 3) The Plan has not accepted any collateral.
- 4) The Plan does not have any securities lending transactions.
- 5) The Plan does not have any collateral reinvestment.
- 6) The Plan has not accepted any collateral.
- 7) The Plan does not have any securities lending transactions.

F. Repurchase agreements accounted for as secured borrowing is non-applicable.

G. Reverse repurchase agreements accounted for as secured borrowing is non-applicable.

NOTES TO FINANCIAL STATEMENTS

- H. Repurchase agreements accounted for as a sale is non-applicable.
 I. Reverse repurchase agreements accounted for as sale is non-applicable.
 J. The Plan does not hold real estate for investment purposes.
 K. The Plan does not have any low-income housing credits.
 L. 1) Restricted Assets

Nonadmitted) Restricted from Restricted Asset Category	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Increase/ (Decrease) Prior Year	Year Nonadmitted (1 minus 2)	Total Current Year Admitted Restricted Restricted	Total Current Restricted to Total Assets (1 minus 4)	Gross (Admitted & Nonadmitted) Admitted (a)	Admitted Restricted to Total Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$31,183,000	\$26,107,000	\$5,076,000	\$ --	\$31,183,000	3.39%	3.62%
b. Collateral held under security lending agreements	--	--	--	--	--	--	--
c. Subject to repurchase agreements	14,418	59,330	(44,912)	--	14,418	0.00%	0.00%
d. Subject to reverse repurchase agreements	--	--	--	--	--	--	--
e. Subject to dollar repurchase agreements	--	--	--	--	--	--	--
f. Subject to dollar reverse repurchase agreements	--	--	--	--	--	--	--
g. Placed under option contracts	--	--	--	--	--	--	--
h. Letter stock or securities restricted as to sale	--	--	--	--	--	--	--
i.FHLB capital stock	351,800	356,900	(5,100)	--	351,800	0.04%	0.04%
j.On deposit with states	--	--	--	--	--	--	--
k. On deposit with regulatory bodies	--	--	--	--	--	--	--
l.Pledged as collateral FHLB	57,051,925	64,767,032	(7,715,107)	--	57,051,925	6.21%	6.62%
m. Pledged as collateral not captured in other categories	--	--	--	--	--	--	--
n. Other restricted assets	--	--	--	--	--	--	--
o. Total Restricted Assets	<u>\$88,601,143</u>	<u>\$91,290,262</u>	<u>\$(2,689,119)</u>	<u>\$ --</u>	<u>\$88,601,143</u>	<u>9.64%</u>	<u>10.28%</u>
(a)	Column 1 divided by Asset Page, Column 1, Line 28						
(b)	Column 5 divided by Asset Page, Column 3, Line 28						

- 2) Pledged Assets not captured in other categories is not applicable to the Plan.
 3) Other Restricted Assets is not applicable to the Plan.
 4) The Plan does not have any Collateral received in Assets

- M. The Plan does not have any Working Capital Finance Investments.
 N. The Plan does not offset Assets and Liabilities of Investments.
 O. The Plan does not own only 5GI* Securities.
 P. The Plan does not have any short sales.
 Q. Prepayment Penalty and Acceleration fees

(1) Number of CUSIPs	<u>13</u>
(2) Aggregate Amount of Investment Income	<u>\$229,066</u>

6. Joint Ventures, Partnerships and Limited Liability Companies

The Plan does not have an investment interest in joint ventures, partnerships and limited liability companies that individually exceeds 10% of its admitted assets.

7. Investment Income

The Plan has not excluded from assigned funds (surplus) any investment income due and accrued.

8. Derivative Instruments

The Plan does not own any derivative instruments.

9. Income Taxes

SSAP 101 became effective from January 1, 2012.

- A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

(1)	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>Change</u>
	(000's)		

NOTES TO FINANCIAL STATEMENTS

	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	\$ 51,481	\$ 619	\$ 52,100	\$ 88,655	\$ 0	\$ 88,655	\$ (37,175)	\$ 619	\$ (36,556)
(b) Statutory valuation allow	(45,806)	(619)	(46,425)	(49,644)	0	(49,644)	3,838	(619)	3,219
(c) Adjusted gross deferred tax	\$ 5,675	\$ 0	\$ 5,675	\$ 39,011	\$ 0	\$ 39,011	\$ (33,337)	\$ 0	\$ (33,337)
(d) Deferred tax nonadmitted	0	0	0	(36,258)	0	(36,258)	36,258	0	36,258
(e) subtotal (net deferred tax asset)	\$ 5,675	\$ 0	\$ 5,675	\$ 2,753	\$ 0	\$ 2,753	\$ 2,921	\$ 0	\$ 2,921
(f) deferred tax liabilities	0	(5,675)	(5,675)	0	(2,753)	(2,753)	0	(2,921)	(2,921)
(g) Gross deferred tax asset/(liabil)	\$ 5,675	\$ (5,675)	\$ 0	\$ 2,753	\$ (2,753)	\$ 0	\$ 2,921	\$ (2,921)	\$ 0

(2) Admission calculation components:

	12/31/2020			12/31/2019			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Admitted pursuant to 11.a. loss carrybacks)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(b) Admitted pursuant to 11.b. Realization per 11.b.i	\$ 5,675	\$ (5,675)	\$ 0	\$ 2,753	\$ (2,753)	\$ 0	\$ 2,921	\$ (2,921)	\$ 0
Limitation per 11.b.ii.	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	\$ N/A	\$ N/A	\$ 0	\$ N/A	\$ N/A	\$ 0	\$ N/A	\$ N/A	\$ 0
(c) SSAP No. 10R, Parag 10.eii.a	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
(d) SSAP No. 10R, Parag 10.eii.b	\$ 5,675	\$ (5,675)	\$ 0	\$ 2,753	\$ (2,753)	\$ 0	\$ 2,921	\$ (2,921)	\$ 0

(3) Used in 11.b.

	2020	2019
(a) Ratio percentage used to determine recovery Period and threshold limitation amount	709.4%	638.1%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$62,175,218	\$54,544,259

(4) Impact of tax planning strategies (TPS) on adjusted gross DTAs and net admitted DTAs

	12/31/2020			12/31/2019			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Adjusted gross DTAs - percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(b) Admitted gross DTAs -percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(c) Does the Plan's tax planning strategies include the use of reinsurance? Yes ___ No <u>X</u>									

B. Temporary differences for which a DTL has not been established:

N/A

C. Significant components of income taxes incurred.

(1) Current income taxes incurred consist of the following major components:

	12/31/2020	12/31/2019	Change
(1) Current Income Tax			
(a) Federal	(36,258,104)	(36,258,103)	(1)
(b) Foreign	0	0	0
(c) Subtotal	(36,258,104)	(36,258,103)	(1)
(d) Federal Income Tax on net capital gains	0	0	0
(e) Utilization of capital loss carry-forwards	0	0	0
(f) Other	0	0	0
(g) Federal and foreign income taxes incurred	\$ (36,258,104)	\$ (36,258,103)	\$ (1)

(2) Deferred Tax Assets

a. Ordinary	12/31/2020	12/31/2019	Change
(1) Discount of unpaid losses	\$ 626,459	\$ 566,820	\$ 59,639
(2) Unearned premium reserve	0	0	0
(3) Policyholder reserves	0	0	0
(4) Investments	0	0	0
(5) Intangibles	5,162,110	5,185,747	(23,637)
(6) Policyholder dividends accrual	0	0	0
(7) Fixed assets	1,319,020	1,345,727	(26,707)
(8) Compensation and benefits accrual	4,663,440	4,533,811	129,629
(9) Pension accrual	1,232,428	1,357,762	(125,334)
(10) Receivables - nonadmitted	771,628	425,388	346,240
(11) Net operating loss carry-forward	20,620,204	30,381,329	(9,761,125)
(12) Tax credit carry-forward	0	36,258,104	(36,258,104)
(13) Other	17,085,364	8,600,763	8,484,601
(99) Subtotal – Gross ordinary DTAs	\$ 51,480,653	\$ 88,655,451	\$ (37,174,798)
b. Statutory valuation allowance Adjustment	\$ (45,805,674)	\$ (49,643,851)	\$ 3,838,177
c. Nonadmitted	\$ 0	\$ (36,258,104)	\$ 36,258,104
d. Admitted Ordinary Deferred Tax Assets	\$ 5,674,979	\$ 2,753,496	\$ 2,921,483
e. Capital			
(1) Investments	\$ 0	\$ 0	\$ 0
(2) Net capital loss carry-forward	619,178	0	619,178

NOTES TO FINANCIAL STATEMENTS

(3) Real estate	0	0	0
(4) Other	<u>0</u>	<u>0</u>	<u>0</u>
(99) Subtotal - Capital DTAs	\$ 619,178	\$ 0	\$ 619,178
f. Statutory Valuation allowance Adjustment	(619,178)	0	(619,178)
g. Nonadmitted	<u>0</u>	<u>0</u>	<u>0</u>
h. Admitted Capital Deferred Tax Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
i. Admitted Deferred Tax asset	<u>\$ 5,674,979</u>	<u>\$ 2,753,496</u>	<u>\$ 2,921,483</u>

(3) Deferred Taxes Liabilities

	12/31/2020	12/31/2019	Change
a. Ordinary			
(1) Investments	0	0	0
(2) Fixed Assets	0	0	0
(3) Deferred and Uncollected premiums	0	0	0
(4) Policyholder Reserves	0	0	0
(5) Other	<u>0</u>	<u>0</u>	<u>0</u>
(99) Subtotal - Ordinary DTLs	\$ 0	\$ 0	\$ 0
b. Capital			
(1) Investments	5,674,979	2,753,496	2,921,483
(2) Real estate	0	0	0
(3) Other	<u>0</u>	<u>0</u>	<u>0</u>
(99) Subtotal – Capital DTLs	<u>\$ 5,674,979</u>	<u>\$ 2,753,496</u>	<u>\$ 2,921,483</u>
c. Deferred tax liabilities	<u>\$ 5,674,979</u>	<u>\$ 2,753,496</u>	<u>\$ 2,921,483</u>
(4) Net deferred tax assets/liabilities	\$ - -	\$ - -	\$ - -

D. Nature of significant reconciling items for income taxes incurred and change in DTAs and DTLs

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income taxes including realized capital gains/losses. The significant items causing this difference are as follows:

	<u>Amount</u>	<u>Tax Effect</u>	<u>Effective Tax Rate</u>
Income before Taxes (including all realized capital gains/losses)	\$ 6,163,108	\$ 1,294,253	21.00%
Health Insurer fee	30,484,901	6,401,829	103.87%
Special 3 month reserve deduction	(26,914,799)	(5,652,108)	-91.71%
Change in Unrealized gains/losses	13,431,715	2,820,660	45.77%
Revisions to estimates	(137,770)	(28,932)	-0.47%
Statutory Valuation Allowance Adjustment	(15,328,569)	(3,219,000)	-52.23%
Permanent differences	3,874,488	813,642	13.20%
Change in non-admitted assets	(11,622,462)	(2,440,717)	-39.60%
Other	<u>49,388</u>	<u>10,373</u>	<u>0.17%</u>
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>0.00%</u>
21 Federal Income Taxes Incurred		\$ (36,258,104)	-588.31%
Change in net deferred income taxes		<u>36,258,104</u>	<u>588.31%</u>
Total statutory income taxes		<u>\$ 0</u>	<u>0.00%</u>

E. Carryforwards, recoverable taxes, and IRC 6603 deposits

Plan has net operating loss carryforwards of \$98,191,445 expiring through calendar years 2031 to 2036.

Plan has capital loss carryforwards of \$2,948,465 expiring in calendar year 2024.

Income taxes, ordinary capital, available for recoupment in the event of future losses include:

The Plan has no income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses.

Deposits admitted under IRC 6603

N/A

F. Income Tax loss contingencies

The Plan has not recorded any contingencies related to taxes.

G. The Plan's federal income tax return is consolidated with the following entities:

The Plan does not join in the filing of a consolidated federal income tax return.

H. Repatriation Transition Tax (RTT)

NOTES TO FINANCIAL STATEMENTS

Not applicable

I. Alternative Minimum Tax Credit

(1) Gross AMT Credit Recognized as:		
a. Current year recoverable	\$36,258,104	
b. Deferred tax asset (DTA)	\$ --	
(2) Beginning Balance of AMT Credit Carryforward	\$36,258,104	
(3) Amount Recovered	\$36,258,104	
(4) Adjustments	\$ --	
(5) Ending Balance AMT Credit Carryforward	\$ --	
(6) Reduction for Sequestration	\$ --	
(7) Nonadmitted by Reporting Entity	\$ --	
(8) Reporting Entity Ending Balance	\$ --	

10. Information Concerning Parent, Subsidiaries and Affiliates

A. See Schedule Y Part 1 for nature of relationship.

B. BCBSRI made an investment in OSH-RI, LLC on November 20, 2018 of \$3,493,000. BCBSRI made an additional contribution in OSH-RI, LLC for the period ended December 31, 2020 of \$5,943,000. BCBSRI current carrying value as of December 31, 2020 in OSH-RI, LLC is \$3,531,202.

C. – O. Non-Applicable

11. Debt

A.

Mortgage on Building

- (1) Date issued is January 14, 2008.
- (2) Bank loan for corporate office building.
- (3) The maximum loan amount is \$90,000,000.
- (4) Carrying value of loan is \$53,436,527.
- (5) The rate at which interest accrues is 30-day LIBOR plus an agreed upon spread (basis points).
- (6) The effective interest rate is equivalent to the 30-day LIBOR plus an agreed upon spread (basis points).
- (7) Office building structure.
- (8) Interest paid year to date is \$3,189,736.
- (9) Loan converted to fixed rate mortgage instrument in February 2010.
- (10) Non-Applicable
- (11) Non-Applicable
- (12) Non-Applicable

B. FHLB (Federal Home Loan Bank) Agreements

(1) The Plan is a member of the Federal Home Loan Bank (FHLB) of Boston. Through its membership, the Plan has conducted business activity with FHLB. It is part of the Plan's strategy to utilize these funds as backup liquidity if necessary. The Plan has determined the actual maximum borrowing capacity as \$60,000,000. The Plan has calculated this amount with approval from the Plans Board of Directors.

(2) FHLB Capital Stock

a. Aggregate Totals

1. Current Year	<u>Total</u>	
(a) Membership Stock – Class A	\$0	
(b) Membership Stock – Class B	\$319,800	
(c) Activity Stock	\$32,000	
(d) Excess Stock	\$0	
(e) Aggregate Total (a+b+c+d)	\$351,800	
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer	\$60,000,000	

2. Prior Year-end	<u>Total</u>	
(a) Membership Stock – Class A	\$0	
(b) Membership Stock – Class B	\$296,900	
(c) Activity Stock	\$60,000	
(d) Excess Stock	\$0	

NOTES TO FINANCIAL STATEMENTS

- (e) Aggregate Total (a+b+c+d) \$356,900
 (f) Actual or Estimated Borrowing Capacity \$60,000,000
 as Determined by the Insurer
 11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)
 11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

	<u>1</u>	<u>2</u>	Eligible for Redemption			
			<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Member Stock	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
1. Class A	0	0	0	0	0	0
2. Class B	319,800	319,800	0	0	0	0

11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1)

11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(2) Total (Column 1)

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	<u>1</u>	<u>2</u>	<u>3</u>
	Fair Value	Carrying Value	Aggregate Total Borrowing
1. Current Year Total Collateral Pledged	\$61,908,888	\$57,051,925	\$0
2. Prior Year-end Total Collateral Pledged	\$66,868,595	\$64,762,032	\$2,000,000

11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3, respectively)

11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3, respectively)

b. Maximum amount Pledged During Reporting period

	<u>1</u>	<u>2</u>	<u>3</u>
	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
1. Current Year Total Maximum Collateral Pledged	\$67,183,002	\$61,165,521	\$60,000,000
2. Prior Year-end Total Collateral Maximum Pledged	\$66,868,595	\$64,767,032	\$2,000,000

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

	Total	Funding Agreements Reserves Established
1. Current year		
(a) Debt	\$0	xxx
(b) Funding Agreements	\$0	\$0
(c) Other	\$0	xxx
(d) Aggregate Total (a+b+c)	\$0	\$0
2. Prior Year-end		
(a) Debt	\$0	xxx
(b) Funding Agreements	\$0	\$0
(c) Other	\$0	xxx
(d) Aggregate Total (a+b+c)	\$0	\$0

b. Maximum Amount during Reporting period (Current Year)

	Total
1. Debt	\$60,000,000
2. Funding Agreements	\$0
3. Other	\$0
4. Aggregate Total (Lines 1+2+3)	\$60,000,000

11B(4)b4 should be equal to or greater than 11B(4)a1(d)

c. FHLB – Prepayment Obligations

Does the company have prepayment obligations under the following arrangements (YES/NO)?

1. Debt	NO
2. Funding Agreements	NO
3. Other	NO

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

NOTES TO FINANCIAL STATEMENTS

A) Defined Benefit Plan

The Plan terminated its defined benefit plan in 2015.

Supplemental Executive Retirement Plans (SERP)

The Supplemental Executive Retirement Plans (“SERP”) are non-qualified defined benefit pension plans for certain executives as designated by the Board of Directors. There are annuities and installment payments made to retired participants.

Effective January 1, 2014 the SERP was frozen for active executives as designated by the Board of Directors. The designated executives will no longer accrue additional benefits based on pay and service subsequent to December 31, 2013.

Postretirement Benefit Plans

Eligible employees hired prior to January 1, 1992, who retire on or after attaining normal retirement age and who have rendered specific years of service under the provisions of the Blue Cross & Blue Shield of Rhode Island Retirement Plan are entitled to certain postretirement health care, medical coverage and life insurance benefits. The Plan may amend or change the postretirement benefits periodically. Effective January 1, 1993, except for those employees who have an exemption based on circumstances previously existing, these benefits are now subject to copayment provisions and other limitations. Effective April 1, 2013, a plan amendment for retiree insurance benefits was adopted whereby eligible active and former employees that had not attained retirement age of 55 or older and had not been collecting these benefits would not be entitled to these benefits upon retirement. The discontinued retiree benefits were life insurance and a group health insurance subsidy.

- (1) The following tables set forth the funding status and amounts recognized in the Plan’s Statutory Statements of Admitted Assets, Liabilities and Reserves at December 31, 2020 and 2019 for the Defined Benefit Plan, for the SERP and the Postretirement Benefit Plan:

(In Thousands)					
		<u>Overfunded</u>		<u>Underfunded</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
SERP:					
Change in Projected Benefit Obligation:					
(1)	Benefit obligation at beginning of year	\$ --	\$ --	\$4,136	\$3,521
(2)	Service cost	--	--	--	--
(3)	Interest cost	--	--	127	143
(4)	Contributions by plan participants	--	--	--	--
(5)	Actuarial gain (loss)	--	--	473	582
(6)	Foreign currency exchange rate	--	--	--	--
(7)	Benefit and administrative expenses paid	--	--	(118)	(110)
(8)	Plan amendments	--	--	--	--
(9)	Curtailment, settlements, etc.	--	--	--	--
(10)	Benefit obligation at end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$4,618</u>	<u>\$4,136</u>

(In Thousands)					
		<u>Overfunded</u>		<u>Underfunded</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Postretirement Benefits:					
Change in Projected Benefit Obligation:					
(1)	Benefit obligation at beginning of year	\$ --	\$ --	\$14,414	\$13,841
(2)	Service cost	--	--	--	--
(3)	Interest cost	--	--	389	522
(4)	Contributions by plan participants	--	--	--	--
(5)	Actuarial gain (loss)	--	--	(56)	1,157
(6)	Foreign currency exchange rate	--	--	--	--
(7)	Benefit and administrative expenses paid	--	--	(954)	(1,106)
(8)	Plan amendments	--	--	--	--
(9)	Curtailment, settlements, etc.	--	--	--	--
(10)	Benefit obligation at end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$13,793</u>	<u>\$14,414</u>

NOTES TO FINANCIAL STATEMENTS

(2) Change in Plan Assets:

(In Thousands)

	<u>SERP</u>		<u>Postretirement</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
a. Fair value of assets at beginning of year	\$ --	\$ --	\$ --	\$ --
b. Actual return on plan assets	--	--	--	--
c. Foreign currency exchange rate	--	--	--	--
d. Contribution by reporting entity	118	110	954	1,106
e. Contribution by plan participants	--	--	--	--
f. Benefits paid	(118)	(110)	(954)	(1,106)
g. Business combinations & settlements	--	--	--	--
h. Fair value of assets at end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

(3) Funded Status:

(In Thousands)

	<u>SERP</u>		<u>Postretirement</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
a. Components:				
1. Prepaid benefit costs	\$ --	\$ --	\$ --	\$ --
2. Overfunded plan assets	--	--	--	--
3. Accrued benefit costs	3,042	3,012	10,719	11,206
4. Liability for benefits	1,576	1,124	3,074	3,208
b. Assets and liabilities recognized				
1. Assets (nonadmitted)	--	--	--	--
2. Liabilities recognized	4,618	4,136	13,793	14,414
c. Unrecognized liabilities	--	--	--	--

(4) Net periodic benefit cost for 2020 and 2019 included the following components:

(In Thousands)

	<u>SERP</u>		<u>Postretirement</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
a. Service cost	\$ --	\$ --	\$ --	\$ --
b. Interest cost	127	144	389	522
c. Expected return on plan assets	--	--	--	--
d. Transition asset or obligation	--	--	--	--
e. Gains and losses	21	5	290	191
f. Prior service cost or credit	--	--	(212)	(212)
g. G/L due to settlement or curtailment	--	--	--	--
h. Net periodic benefit cost	<u>\$ 148</u>	<u>\$ 149</u>	<u>\$ 467</u>	<u>\$ 501</u>

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

(In Thousands)

	<u>SERP</u>		<u>Postretirement</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
a. Items not yet recognized as a component of net periodic cost – prior year	\$ --	\$ --	\$ --	\$ --
b. Net transition asset or obligation recognized	--	--	--	--
c. Net prior service cost or credit arising during the period	--	--	--	--
d. Net prior service cost or credit recognized	--	--	--	--
e. Net gain and loss arising during the period	--	--	--	--
f. Net gain and loss recognized	--	--	--	--
g. Items not yet recognized as a component of net periodic cost - current year	--	--	--	--

(6) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost

a. Net transition asset or obligation	\$ --	\$ --	\$ --	\$ --
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NOTES TO FINANCIAL STATEMENTS

b. Net prior service cost or credit	--	--	--	--
c. Net recognized gains and losses	--	--	--	--

(7) Actuarial assumptions used in the accounting at the measurement date were:

	SERP		Postretirement	
	2020	2019	2020	2019
Weighted-average assumptions used to determine net periodic benefit cost				
a. Discount Rate	3.13%	4.15%	2.83%	3.95%
b. Expected return on plan assets	-	-	-	-
c. Rate of compensation increase	N/A	N/A	-	-
d. Interest crediting rates	N/A	N/A	N/A	N/A
Weighted-average assumptions used to determine projected benefit obligations				
e. Discount Rate	2.37%	3.13%	1.96%	2.83%
f. Rate of compensation increase	N/A	N/A	-	-
g. Interest crediting rates	N/A	N/A	N/A	N/A

(8) The accumulated benefit obligation for the SERP was \$4,618,317 and \$4,135,926 as of year ended 2020 and 2019 respectively

(9) The assumed annual rate of increase in the per capita cost of medical benefits is 5.88% in 2020 and is assumed to decrease through years 2021 and remain level at 5.29% through 2025.

(10) The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	Year	SERP Pension Benefits	Postretirement Benefits*
a.	2021	\$ 119,000	\$1,109,000
b.	2022	127,000	1,061,000
c.	2023	141,000	1,020,000
d.	2024	153,000	975,000
e.	2025	168,000	909,000
f.	2026 - 2030	941,000	3,920,000

*excludes receivables for Medicare Part D subsidy

(11) The Plan expects to contribute \$119,000 to its SERP and \$1,109,000 to its postretirement benefits in 2021.

(12) Securities type

Asset Category	Plan Assets	
	2020	2019
Equity Securities	0.00%	0.00%
Debt Securities	0.00%	0.00%
Other	0.00%	0.00%
Total	0.00%	0.00%

The Plan does not have any investment assets in the pension plan's.

(13) Not applicable

(14) Not applicable

(15) Not applicable

(16) Not applicable

(17) Pension Plans with an accumulated benefit obligation in excess of plan asset
(In Thousands)

	SERP		Postretirement	
	2020	2019	2020	2019
Projected benefit obligation	\$ 4,618	\$ 4,136	\$ 13,793	\$ 14,414
Accumulated benefit obligation	4,618	4,136	13,793	14,414
Fair value of plan assets	--	--	--	--

Pension Plans with plan asset in excess of accumulated benefit obligation
(In Thousands)

NOTES TO FINANCIAL STATEMENTS

	SERP		Postretirement	
	2020	2019	2020	2019
Projected benefit obligation	N/A	N/A	N/A	N/A
Accumulated benefit obligation	N/A	N/A	N/A	N/A
Fair value of plan assets	N/A	N/A	N/A	N/A

(18) Not applicable

B. Not applicable the Plan does not hold any plan assets.

C. The following table provides information as of December 31, 2020 and 2019 about the Plan's pension plan financial assets by asset category.

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual Funds				
Equity Mutual Funds	\$ --	\$ --	--	\$ --
Fixed Income Mutual Funds	--	--	--	--
General Investment Account	--	--	--	--
Total Assets	\$ --	\$ --	\$ --	\$ --

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Mutual Funds				
Equity Mutual Funds	\$ --	\$ --	--	\$ --
Fixed Income Mutual Funds	--	--	--	--
General Investment Account	--	--	--	--
Total Assets	\$ --	\$ --	\$ --	\$ --

2. Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability;

Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

D. The Plan does not hold any plan assets.

E. Employee Savings Plan

Participant contributions to the plan are derived from voluntary salary reduction agreements with the employer. The participant may, subject to the Internal Revenue Service (IRS) compensation deferral limits, contribute from 1% to 60% of his or her plan compensation, as defined, as a pre-tax basic contribution. The participant may then contribute a supplemental pre-tax contribution which, when combined with the participant's basic contribution, shall not exceed 60% of the participant's plan compensation, as defined. In addition, after-tax contributions up to 8% of the participant's plan compensation, as defined, may be made as long as total contributions do not exceed IRS guidelines. The employer contributes an amount equal to 100% of the participant's basic salary deferral contribution subject to a maximum of 6% of compensation.

Upon enrollment in the plan, a participant may direct participant and employer contributions in 1% increments with a minimum contribution of 1% in any of the investment options. Participants may change their contribution percentage and investment selections in accordance with stated plan requirements. Participants that contribute on a pre-tax basis up to 6% an equal amount will be matched by the Plan. Total employer contributions to the 401(k) savings plan in 2020 and 2019 were approximately \$4,291,000 and \$3,902,000, respectively.

F. Multiemployer Plans is not applicable.

G. Holding company Plans is not applicable

NOTES TO FINANCIAL STATEMENTS

H. Postemployment Benefits

The Plan provides for certain postemployment benefits including disability benefits for eligible employees. The Plan has not recorded a liability for these benefits at December 31, 2020 and 2019, respectively.

I. Impact of Medicare Modernization Act on Postretirement Benefits is no longer applicable as of 2010.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- A) The Plan does not have any capital stock.
- B) The Plan does not have any preferred stock.
- C) The Plan does not have any dividend restrictions.
- D) The Plan does not have any ordinary dividends.
- E) The Plan does not have any paid dividends.
- F) The Plan does not have any restrictions on unassigned funds.
- G) The Plan does not have any advances to surplus unpaid.
- H) The Plan does not have any conversion of preferred stock, employee stock options and stock purchase warrants.
- I) The Plan has reported \$0 and \$35,300,000 as separate surplus fund Page 3, Line 25 relating to the PPACA Health Insurer fee that will be recognized in CY 2020 and CY 2019, respectively.
- J) The portion of unassigned funds (surplus) represented was reduced by each of the following item:
 - a) Nonadmitted assets - \$57,127,746
- K) The Plan does not have any surplus notes.
- L) The Plan did not have any quasi-reorganization in 2020.
- M) The Plan did not have any quasi-reorganization in 2020.

14. Contingencies

A) Contingent Commitments

The Plan is a defendant in several legal proceedings arising in the normal course of business. The Plan also remains a co-defendant in a multi-district litigation in federal court relating to allegations that the Plan has acted in conspiracy with other Blue Cross and Blue Shield plans in violation of antitrust laws. While the Plan's ultimate liability in the disposition of this matter is presently difficult to estimate, it is management's belief that the outcome is not likely to have a material adverse effect on the Plan's financial position or results of operations, statutory reserves and risk based capital. However, it is possible that a court decision or settlement could have an unanticipated material adverse effect on the Plan's results of operations, and risk based capital.

- B) The Plan does not have any assessments.
- C) The Plan does not have any gain contingencies.
- D) The Plan did not have any claims related extra contractual obligation and bad faith losses stemming from lawsuits.
- E) The Plan did not have any Joint and Several liability arrangements.
- F) All other contingencies see "A" above.

15. Leases

- A) 1) The Plan leases office space and ground lease under operating leases. Rent expense for operating leases in 2020 and 2019 was approximately \$1,399,302 and \$1,433,752, respectively.

2) The Plan is committed, under long-term noncancelable operating leases and installment purchase agreements to minimum payments as follows:

	Leases
	Operating
2021	\$ 694,470
2022	366,464
2023	271,092
2024	306,715
2025	306,715

NOTES TO FINANCIAL STATEMENTS

Less interest	--
Total minimum future payments	<u>\$ 1,945,456</u>

Certain rental commitments e.g. ground lease is a 97 year agreement through the year 2108 with two successive 75 year renewal options. Some of these renewals are subject to adjustments in future periods.

In December of 2015, the Plan expanded the scope of services with their long-term partner, NTT. NTT will continue to provide claims processing, enrollment and application development support and maintenance services. In 2016, NTT began providing provider and member call center support (for the commercial lines of business), business analysis, project management and credentialing services.

As stipulated in the contract, the services shall be provided at Plan facilities, however, certain functions may be provided outside of Rhode Island as well as offshore under the direction of NTT staff. Services include operational services for technology and claims operations and business project services.

The agreement is in effect through March 31, 2023, unless terminated earlier or extended in accordance with contract terms. The expected future payments of the contract, net of expense reductions, total approximately \$139,000,000.

In January of 2016, the Plan furthered the partnership with NTT and agreed to a make a three-year investment into Data and Analytics capabilities. In 2018, the Plan extended this partnership through 2021. The Data & Analytics investment will total \$17,000,000 over six years.

There are critical service levels that NTT must meet on an ongoing basis. The Plan is obligated to reimburse NTT for services performed in accordance with the contract. The Plan paid approximately \$53,979,000 and \$48,716,000 to NTT for calendar years 2020 and 2019 respectively.

3) The Plan is not involved in material sales – leaseback transactions.

B) 1) Lessor Leases

a) The Plan has several lease agreements for the use of its Corporate Office. The total rental square footage leased is 71,330 sq ft. The lease terms range from 88 months to 127 months with lease termination dates ranging from March 2025 through August 2029. Each arrangement is a triple net lease and lessees are responsible for electricity usage for the specific rented space.

b) non-applicable

c) Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, 2020 are as follows:

Years Ended <u>December 31</u>	<u>Operating Leases</u>
2021	\$ 2,453,414
2022	2,498,366
2023	2,560,977
2024	2,605,473
2025	<u>2,346,222</u>
Total	<u>\$12,464,452</u>

d) The Plan does not have contingent rentals.

(2) The Plan does not have leveraged leases

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

1) The Plan does not have any swaps or option instruments.

NOTES TO FINANCIAL STATEMENTS

- 2) The Plan does not have any interest rate swaps to reduce market risk.
- 3) The Plan does not have any credit related losses.
- 4) A pool of securities with a combined par value of \$31,183,000 are pledged to satisfy Blue Cross Blue Shield Association membership standards for out-of-area provider claim settlements.

The Plan also has pledged corporate and Treasury fixed income securities carrying a combined par value of \$57,138,900 to FHLB as collateral for its line of credit.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

The Plan did not have a sale, transfer and servicing of financial assets and extinguishments of liabilities.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

- A) The Plan is not an ASO Administrator for uninsured A&H Plans and the uninsured portion of partially insured plans.
- B) The Plan is an ASC Administrator for uninsured A&H Plans and the uninsured portion of partially insured plans.

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

	<u>ASC</u> <u>Uninsured</u> <u>Plans</u>	<u>Uninsured</u> <u>Portion of</u> <u>Partially</u> <u>Insured Plans</u>	<u>Total</u> <u>ASC</u>
a. Gross reimbursement for medical cost incurred	\$ 963,640,861	- -	\$ 963,640,861
b. Gross administrative fees accrued	<u>80,487,514</u>	- -	<u>80,487,514</u>
c. Total revenue	1,044,128,375	- -	1,044,128,375
d. Claims incurred	963,640,861	- -	963,640,861
e. Variable cost	<u>26,152,622</u>	- -	<u>26,152,622</u>
f. Contribution to fixed overhead	54,334,892	- -	54,334,892
g. Total fixed overhead	<u>55,574,322</u>	- -	<u>55,574,322</u>
h. Total net gain or (loss) from operations	<u>\$ (1,239,430)</u>	- -	<u>\$ (1,239,430)</u>

- C) The Plan has a Medicare or similarly structured cost based reimbursement contract during 2020 and 2019.

The Medicare Part D program is a partially insured plan. The Plan recorded a receivable in amounts receivable relating to uninsured plans for in the statutory basis statements of admitted assets, liabilities and capital and surplus of \$14,227,000 as of December 31, 2020 for cost reimbursement under the Medicare Part D program for the catastrophic reinsurance, low-income member cost-sharing subsidies and coverage gap discount programs.

NOTES TO FINANCIAL STATEMENTS

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

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

20. Fair Value Measurements

A1) The following table provides information as of December 31, 2020 about the Plan's financial assets and liabilities measured at fair value on a recurring basis.

	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets					
Bonds	\$ --	\$450,180,442	\$ --	\$ --	\$450,180,442
Preferred Stock-unaffiliated	--	--	--	--	--
Common Stock -affiliated	--	--	3,531,202	--	3,531,202
Common Stock -unaffiliated	<u>\$139,474,284</u>	<u>351,800</u>	<u>16,820,981</u>	--	<u>156,647,065</u>
Total Assets	<u>\$139,474,284</u>	<u>\$450,532,242</u>	<u>\$ 20,352,183</u>	<u>\$ --</u>	<u>\$610,358,709</u>

The fair value of the Plan's equity securities categorized as Level 1 is based on quoted market prices for identical securities traded in active markets that are readily and regularly available to the Plan.

The fair value of the Plan's equity securities classified as Level 3 consist of private placement stocks for three companies for which there are limited or no observable valuation inputs. The fair value of these Level 3 equities is based upon analytics derived by the respective companies for which a fair value per share is published in the Securities Valuation Office manual.

A2) The following table presents the changes in our equity securities classified as Level 3 for the year-ended December 31, 2020.

	Beginning Balance 1/1/2020	Total gains and (losses) included in Net Income	Total gains and losses included in Surplus	Purchases	Sales	Ending Balance at 12/31/2020
Assets						
Common Stock-affiliated	\$ 1,954,193	0	(4,365,991)	5,943,000	0	\$ 3,531,202
Common Stock-unaffiliated	<u>14,492,543</u>	<u>0</u>	<u>1,605,173</u>	<u>723,265</u>	<u>0</u>	<u>16,820,981</u>
Total Assets	<u>\$16,446,736</u>	<u>0</u>	<u>(2,760,818)</u>	<u>6,666,265</u>	<u>0</u>	<u>\$20,352,183</u>

There were unrealized losses of \$2,760,818 for the period ending December 31, 2020.

A3) There were no transfers between levels as of December 31, 2020.

A4 & A5) The Plan carries certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stock when carried at the lower of cost or market.

The Plan's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by FASB ASC 820, *Fair Value Measurements and Disclosures*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

- Level 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.

NOTES TO FINANCIAL STATEMENTS

- Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.
- Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Plan's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

B) Not applicable.

C)	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Assets							
Bonds	\$450,180,442	\$421,507,811	\$ --	\$450,180,442	\$ --	\$ --	\$ --
Preferred Stock-unaffiliated	--	--	--	--	--	--	--
Common Stock-affiliated	3,531,202	3,531,202	--	--	3,531,202	--	--
Common Stock-unaffiliated	<u>156,647,065</u>	<u>156,647,065</u>	<u>139,474,284</u>	<u>351,800</u>	<u>16,820,981</u>	<u>\$ --</u>	<u>--</u>
Total Assets	<u>\$610,358,709</u>	<u>\$581,686,078</u>	<u>\$139,474,284</u>	<u>\$450,532,242</u>	<u>\$20,352,183</u>	<u>\$ --</u>	<u>\$ --</u>

D) Not required for not practicable (carrying value assets)

E) Not applicable

21. Other Items

A) The Plan does not have any extraordinary items.

B) The Plan does not have any troubled debt restructuring.

C) The Plan participates in the Federal Employee Health Benefits Program (FEHBP) with other Blue Cross Blue Shield Plans. This program includes a fully-insured experience-rated contract, commonly known as the Federal Employee Program (FEP), between the Office of Personnel Management (OPM) and BCBSA, which acts as an agent for the participating Blue Cross Blue Shield plans. Each participating plan, including the Plan, executes a contract with BCBSA which obligates these plans to underwrite FEP benefits in its service area.

Premium rates are developed by BCBSA and negotiated with OPM annually. These are the rates which each participating Blue Cross Blue Shield will receive to provide insurance to Federal employees that enrolled with Blue Cross Blue Shield FEP. The excess of gross premiums over the charges for the life of the program on an accrual basis is accounted for as a rate stabilization reserve (commonly referred to as the special reserve), as required by the contract between OPM and BCBSA.

Each year, OPM also allocates a portion of the premiums to a contingency reserve which may be utilized by participating plans in the event annual premiums paid to the insurance carrier are insufficient or the rate stabilization reserve falls below certain levels prescribed by OPM. Premiums paid to the carrier and available to each participating Blue Cross Blue Shield plan, including the special reserve and contingency reserve, including amounts unused from prior periods are held at the U.S. Treasury. Any premiums that remain in the rate stabilization reserve upon termination of the BCBSA contract, after the claims run-out and reimbursement of the allowable administrative expenses, would be returned to OPM for the benefit of the FEHBP. The FEP contract automatically renews each year unless written notice of termination is given by either party.

In accordance with the FEP contract, premium funds that exceed daily operating needs are held on behalf of the Plan in letter of credit accounts at the U.S. Treasury to provide funding for claims, administrative expenses, and other charges to the contract. The Plan, along with other Blue Cross Blue Shield plans who participate in the FEHBP contract, has an unrestricted right to draw funds held in the U.S. Treasury.

The Plan has recorded its allocable share of a special reserve fund held in the U.S. Treasury as an asset, with an equivalent amount recorded as a rate stabilization reserve. This amount is \$18,674,371 as of December 31, 2020 and is included in other current assets and other current liabilities in the accompanying consolidated balance sheets.

NOTES TO FINANCIAL STATEMENTS

FEP represented approximately 63.8% of accounts receivable and approximately 6.8% of net revenue as of and for the year ended December 31, 2020, respectively.

Additionally, the Center for Medicare & Medicaid Services (CMS) adjusts payments to Medicare Advantage plans and Medicare Part D plans according to the predicted health status of each beneficiary as supported by data from health care providers. The Plan collects claim and encounter data from providers whom the Plan generally relies to appropriately code claim submissions and document applicable medical records. CMS then determines the risk score and payment amount for each enrolled member based on the health care data submitted and member demographic information.

CMS and the Office of Inspector General for Health and Human Services periodically perform RADV audits of selected Medicare health plans to validate the coding practices of and supporting documentation maintained by health care providers. Such audits have in the past resulted in, and in the future could result in, retrospective adjustments to payments made to the Plan, fines, corrective action plans or other adverse action by CMS.

- D) The Plan did not have any business interruption insurance recoveries in 2020.
 E) 1) Carrying value of transferable and non-transferable State Tax Credits gross of any related tax liabilities and total unused transferable and non-transferable state tax credits by state and in total:

<u>Description of State transferable and non-transferable tax credits</u>	<u>State</u>	<u>Carrying Value</u>	<u>Unused Amount</u>
Historic Investment Tax Credit	RI	\$4,100,000	\$5,000,000

- 2) The Plan estimated the utilization of the remaining non-transferable state tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining non-transferable state tax credits.
 3) The Plan did not have any impairment losses for state transferable tax credits in 2020.
 4) State Tax Credits Admitted and Nonadmitted:

	Total Admitted	Total Nonadmitted
a. Transferable	\$4,100,000	--
b. Non-transferable	--	--

- F) Subprime Mortgage Related Risk Exposure
 (1) The following is the Plan's narrative description of a subprime investment. A mortgage loan which has one or more of the following attributes: weak credit score high debt-to-income-ratio, high loan-to-value ratio or undocumented income.
 (2) Non-applicable
 (3) Non-applicable
 (4) Non-applicable
 G) Retained Assets is not applicable.
 H) The Plan did not receive proceeds from insurance-linked securities.
 I) The Plan has not realized on life insurance policy.

22. Events Subsequent

Nonrecognized Subsequent Event:

January 1, 2021, the Plan will not be subject to an annual fee under section 9010 of the Affordable Care Act (ACA) the fee was suspended for calendar year 2021. Therefore the Plan is not subject to the fee for 2021.

	<u>Dec 31, 2020</u>	<u>Dec 31, 2019</u>
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care act (YES/NO)	Yes	Yes
B. ACA fee assessment payable for the upcoming year	\$ --	\$ 35,300,000
C. ACA fee assessment paid	30,484,901	--
D. Premium written subject to ACA 9010 assessment	1,593,715,659	--

NOTES TO FINANCIAL STATEMENTS

E. Total Adjusted Capital before surplus adjustment	415,814,234
F. Total Adjusted Capital after surplus adjustment	415,814,234
G. Authorized Control Level	58,616,377
H. Would reporting the ACA assessment as of December 31, 2020 have triggered an RBC action level (Yes/No)?	No

23. Reinsurance

A. Ceded Insurance Report

Section 1 – General Interrogatories

- (1) The Plan does not own or control any of the reinsurers listed on Schedule S.
- (2) There are no policies issued by the Plan that are reinsured with a company chartered in a country other than the United States that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business.

Section 2 – Ceded Reinsurance Report – Part A

- (1) The Plan does not 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.
- (2) The Plan does not have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies.

Section 3 – Ceded Reinsurance Report – Part B

- (1) 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 or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, is not applicable to the Plan since it does not cede its reinsurance.
- (2) The Plan has not executed or amended any existing agreements, 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.

- B) The Plan did not experience a write-off for uncollectible reinsurance.
- C) The Plan did not experience a commutation of ceded reinsurance.
- D) Certified Reinsurer Rating downgraded is not applicable.
- E) Reinsurance Credit in not applicable.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A) The Plan estimates accrued retrospective premium adjustments for its group health insurance business based on the Plan's underwriting polices, experience rating practices and claims reserve calculation.
- B) The Plan records accrued retrospective premium as an adjustment to earned premium.
- C) The amount of net premiums written by the Plan at December 31, 2020 that are subject to retrospective rating features was \$7,582,800, that represented 0.44% of the total net premiums written. No other net premiums written by the Plan are subject to retrospective rating features.
- D) Medical loss ratio rebates required pursuant to the Public Health Service Act.

NOTES TO FINANCIAL STATEMENTS

	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	--	--	--	2,118,475	2,118,475
(2) Medical loss ratio rebates paid	--	--	--	2,118,475	2,118,475
(3) Medical loss ratio rebates unpaid	--	--	--	--	--
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	--
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	--	--	--	9,717,000	9,717,000
(8) Medical loss ratio rebates paid	--	--	--	--	--
(9) Medical loss ratio rebates unpaid	--	--	--	9,717,000	9,717,000
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	9,717,000

E) Risk Sharing Provisions of the Affordable Care Act (ACA)

Effective January 1, 2014, the ACA imposed fees and premium stabilization provisions on health insurance issuers offering commercial health insurance. The three premium stabilization programs are commonly referred to as the 3R's – risk adjustment, risk corridor and reinsurance.

Risk Adjustment- This permanent program is designed to mitigate the potential impact of adverse selection and provide stability for health insurance issuers and applies to all non-grandfathered plans in the individual and small group markets both on and off the insurance exchanges. Premium adjustments pursuant to the risk adjustment program are accounted for as premium subject to redetermination and user fees are accounted for as assessments.

Risk Corridor – This temporary program was designed to provide aggregate protection for variability for issuers in the individual and small group markets during the 2014 to 2016 time period and applies to qualified health plans (QHPs) in the individual and small group markets both on and off the insurance exchanges. Premium adjustments pursuant to the risk corridor program are accounted for as premium adjustments for retrospectively rated contracts.

Reinsurance – This temporary program from 2014 – 2016 was designed to protect issuers in the individual market both on and off exchange from anticipated increases in high cost claimants due to the elimination of the pre-existing condition limitation. The traditional reinsurance program applies to all issuers of major medical commercial products and third party administrators. Contributions attributable to enrollees in individual plans, including program administrative costs are accounted for as ceded premium and payments received are accounted for as ceded benefit recoveries. The amount of the individual contributions assigned for the U. S Treasury is accounted for as an assessment. Contributions initiated for enrollees in fully insured plans other than individual plans, including administrative costs and payments to the U. S. Treasury, are recorded as assessments.

The plan has accident and health insurance premiums for CY 2020 subject to the risk sharing provisions of ACA.

- (1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk sharing provisions (YES/NO)? YES
- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year
- a. Permanent ACA Risk Adjustment Program
- Assets
- 1) Premium adjustments receivable due to ACA Risk Adjustment (including high-risk pool payments) \$4,455,132
- Liabilities
- 2) Risk adjustment user fees payable for ACA Risk Adjustment \$124,768
- 3) Premium adjustments payable due to ACA Risk Adjustment (including High-risk pool premium) \$0
- Operations (Revenue & Expense)
- 4) Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment \$1,141,408
- 5) Reported in expenses as ACA risk adjustment user fees (incurred/paid) \$134,350
- b. Transitional ACA Reinsurance Program

NOTES TO FINANCIAL STATEMENTS

Assets		
1) Amounts recoverable for claims paid due to ACA Reinsurance		\$5,592,848
2) Amounts recoverable for claims unpaid due to ACA Reinsurance		\$0
3) Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance		\$0
Liabilities		
4) Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium		\$0
5) Ceded reinsurance premiums payable due to ACA Reinsurance		\$0
6) Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance		\$0
Operations (Revenue & Expense)		
7) Ceded reinsurance premiums due to ACA Reinsurance		\$0
8) Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments		\$5,592,848
9) ACA Reinsurance contributions – not reported as ceded premium		\$0
c. Temporary ACA Risk Corridors Program		
Assets		
1) Accrued retrospective premium due to ACA Risk Corridors		\$0
Liabilities		
2) Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors		\$0
Operations (Revenue & Expense)		
3) Effect of ACA Risk Corridors on net premium income (paid/received)		\$6,750,290
4) Effect of ACA Risk Corridors on change in reserves for rate credits		\$0

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance. Table in (\$000)

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
	1	2	3	4	Prior Year Accrued Less Payments (Col 1 - 3) 5	Prior Year Accrued Less Payments (Col 2 - 4) 6	To Prior Year Balances 7	To Prior Year Balances 8		9	10
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high-risk pool payments)	\$10,591	\$ --	\$8,595	\$ --	\$1,996	\$ --	\$(1,996)	\$ --	A	\$ --	\$ --
2. Premium adjustments (payable) (including high-risk pool premiums)	--	(100)	--	(108)	--	8	--	(8)	B	--	--
3. Subtotal ACA Permanent Risk Adjustment Program	10,591	(100)	8,595	(108)	1,996	8	(1,996)	(8)		--	--
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	--	--	--	--	--	--	--	--	C	--	--
2. Amounts recoverable for claims unpaid (contra liability)	--	--	--	--	--	--	--	--	D	--	--
3. Amounts receivable relating to uninsured plans	--	--	--	--	--	--	--	--	E	--	--
4. Liabilities for contributions payable due to ACA Reinsurance-not reported as ceded premiums	--	--	--	--	--	--	--	--	F	--	--
5. Ceded reinsurance premiums payable	--	--	--	--	--	--	--	--	G	--	--
6. Liability for amounts held under uninsured plans	--	--	--	--	--	--	--	--	H	--	--
7. Subtotal ACA Transitional Reinsurance Program	--	--	--	--	--	--	--	--		--	--
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	--	--	6,570	--	(6,570)	--	6,570	--	I	--	--
2. Reserve for rate credits of policy experience rating refunds	--	--	--	--	--	--	--	--	J	--	--
3. Subtotal ACA Risk Corridors	--	--	--	--	--	--	--	--		--	--

NOTES TO FINANCIAL STATEMENTS

Program	--	--	6,570	--	(6,570)	--	6,570	--	--	--
d. Total for ACA Risk Sharing Provisions	10,591	(100)	15,165	(108)	(4,574)	8	4,574	(8)	--	--

Explanations of Adjustments

- A ACA Risk Adjustment updated based on HHS Notification
- B ACA Risk Adjustment updated based on HHS Notification
- C Non Applicable
- D Non Applicable
- E Non Applicable
- F Non Applicable
- G Non Applicable
- H Non Applicable
- I ACA Risk Corridor updated based on HHS Notification
- J Non Applicable

(4) Roll-forward of Risk Corridors Receivable as of Reporting Date

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
	1	2	3	4	Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)
	Receivable	(Payable)	Receivable	(Payable)	5	6	7	8		9	10
a. 2014											
1. Accrued retrospective premium	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	A	\$ --	\$ --
2. Reserve for rate credits or policy experience rating refunds	--	--	--	--	--	--	--	--	B	--	--
b. 2015											
1. Accrued retrospective premium	--	--	--	--	--	--	--	--	C	--	--
2. Reserve for rate credits or policy experience rating refunds	--	--	--	--	--	--	--	--	D	--	--
c. 2016											
1. Accrued retrospective premium	--	--	6,570	--	(6,570)	--	6,570	--	E	--	--
2. Reserve for rate credits or policy experience rating refunds	--	--	--	--	--	--	--	--	F	--	--
d. Total for Risk Corridors	--	--	6,570	--	(6,570)	--	6,570	--		--	--

Explanations of Adjustments

- A Non Applicable
- B Non Applicable
- C Non Applicable
- D Non Applicable
- E ACA Risk Corridor updated based on HHS Notification
- F Non Applicable

(5) ACA Risk Corridors Receivable as of Reporting Date

	1	2	3	4	5	6
Risk Corridors Program Year	Estimated Amount to be filed or Final Amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Asset Balance (Gross Amounts Received from CMS)	of Non-admission (1-2-3)	Non-admitted Amount	NetAdmitted Asset (4-5)
a. 2014	--	--	--	--	--	--
b. 2015	--	--	--	--	--	--
c. 2016	--	--	--	--	--	--
d. Total (a+b+c)	--	--	--	--	--	--

The Plan has Medicare Part D program business that is subject to a retrospective rating feature related to Part D premiums. The Plan has estimated aggregate health policy reserves related to certain Part D premiums based on CMS promulgated guidance of \$850,000. The amount of Part D direct premiums written approximated \$669,127,891 representing 39.2% of total direct premiums written for accident and health contracts net as of December 31, 2020.

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2019 were \$142,755,000 and as of December 31, 2020, \$142,379,000 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$3,321,000 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive and Medicare lines of insurance. Therefore, there has been a \$2,945,000 unfavorable prior-year development since December 31, 2019 to December 31, 2020. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. The Plan did not experience prior year claim development on retrospectively rated policies.

26. Intercompany Pooling Arrangements

The Plan is not part of any intercompany pooling arrangement.

27. Structured Settlements

Not Applicable for Health Insurance entities.

NOTES TO FINANCIAL STATEMENTS

28. Health Care Receivables

A) Pharmaceutical Rebate Receivables

Quarter	<u>Estimated Pharmacy Rebates as Reported on Financial Statements</u>	<u>Pharmacy Rebates as Invoiced/Confirmed</u>	<u>Actual Rebates Collected Within 90 Days of Invoicing/Confirmation</u>	<u>Actual Rebates Collected Within 91 to 180 Days of Invoicing/Confirmation</u>	<u>Actual Rebates Collected More Than 180 Days After Invoicing/Confirmation</u>
12/31/20	\$24,964,261	\$ --	\$ --	\$ --	\$ --
09/30/20	21,201,654	25,106,390	22,596,267	--	--
06/30/20	22,159,607	21,505,182	19,244,265	228,727	--
03/31/20	19,211,663	22,655,690	20,198,977	195,698	1,701,822
12/31/19	\$18,897,646	\$19,410,769	\$17,161,635	\$2,022,689	\$ 226,445
09/30/19	18,515,645	18,667,976	16,929,568	1,781,146	(42,738)
06/30/19	17,711,278	19,001,769	16,762,439	2,045,446	193,884
03/31/19	15,740,224	18,002,271	16,052,023	1,915,408	34,840
12/31/18	\$14,643,111	\$16,407,503	\$14,518,863	\$1,767,740	\$ 120,900
09/30/18	14,164,472	15,053,179	13,212,791	1,719,298	121,090
06/30/18	15,671,040	16,893,591	14,825,463	1,835,409	232,719
03/31/18	15,192,446	16,059,323	14,096,361	1,757,413	205,549

B) Risk Share Receivables

Calendar Year	Evaluation Per Year-End	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year	Actual Risk Sharing Amounts Received Second Year	Actual Risk Sharing Amounts Received All Others
2020	2020	N/A	\$ -	\$ -	\$ -	\$ -	\$ -		
	2021	N/A	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
2019	2019	N/A	\$ -	\$ -	\$ -	\$ -	\$ -		
	2020	N/A	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
2018	2018	N/A	\$ -	\$ -	\$ -	\$ -	\$ -		
	2019	N/A	\$ -	N/A	N/A	N/A	N/A	N/A	N/A

29. Participating Policies

Participating policies do not apply to the Plan.

30. Premium Deficiency Reserves

The Plan has a statutory premium deficiency reserve (PDR) of \$37,000,000 and \$6,600,000 for the periods ended December 31, 2020 and December 31, 2019, respectively. The PDR related to the Commercial and Medicare Advantage lines of business for the period ended December 31, 2020 and to the Medicare Advantage lines of business for the period ended December 31, 2019.

1. Liability carried for premium deficiency reserves \$37,000,000
2. Date of the most recent evaluation of this liability 12/31/2020
3. Was anticipated investment income utilized in the calculation Yes No

31. Anticipated Salvage and Subrogation

The amount of undiscounted estimated salvage and subrogation recoverable, taken into account in determining the undiscounted unpaid losses as reported in the Underwriting and Investment Exhibit and Page 3 – Liabilities, Reserves and Special Funds, Line I for December 31, 2020 and 2019, was \$10,732,000 and \$10,037,000, respectively.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No]
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No] N/A]
- 1.3 State Regulating? _____
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes No]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2018 _____
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____ 12/31/2018 _____
- 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). _____ 09/03/2019 _____
- 3.4 By what department or departments?
 RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION - INSURANCE DIVISION

- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No] N/A]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No] N/A]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No]
- 4.12 renewals? Yes No]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No]
- 4.22 renewals? Yes No]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No]
- If yes, complete and file the merger history data file with the NAIC.

GENERAL INTERROGATORIES

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

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

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

6.2 If yes, give full information:

.....

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

7.2 If yes,

7.21 State the percentage of foreign control. _____ %

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

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

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

.....

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

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

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

Deloitte & Touche LLP, 185 Asylum Street, City Place I, 33rd Floor, Hartford, CT 06103

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

.....

GENERAL INTERROGATORIES

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

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [] No [X] 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?
 BRIAN MACKINTOSH IS THE CHIEF ACTUARY OF BLUE CROSS BLUE SHIELD OF RHODE ISLAND. THE ADDRESS IS 500 EXCHANGE STREET, PROVIDENCE RI, 02903.

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 [X]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]

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

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?
 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. Yes [X] No []

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

GENERAL INTERROGATORIES

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 the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

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

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

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

FINANCIAL

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

- 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: \$ _____

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [] No [X]
- 24.02 If no, give full and complete information, relating thereto:

- 24.03 For 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)

- 24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk Based Capital Instructions. \$ _____
- 24.05 For the reporting entity's securities lending program report amount of collateral for other programs. \$ _____
- 24.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
- 24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 24.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]
- 24.09 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- | | | |
|--|--|----------|
| | 24.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ _____ |
| | 24.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ _____ |
| | 24.093 Total payable for securities lending reported on the liability page | \$ _____ |
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No []

GENERAL INTERROGATORIES

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

	25.21 Subject to repurchase agreements	\$ 14,418
	25.22 Subject to reverse repurchase agreements	\$ _____
	25.23 Subject to dollar repurchase agreements	\$ _____
	25.24 Subject to reverse dollar repurchase agreements	\$ _____
	25.25 Placed under option agreements	\$ _____
	25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ _____
	25.27 FHLB Capital Stock	\$ 351,800
	25.28 On deposit with states	\$ _____
	25.29 On deposit with other regulatory bodies	\$ _____
	25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ 31,183,000
	25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ 57,051,925
	25.32 Other	\$ _____

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

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

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

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

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

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

	26.41 Special accounting provision of SSAP No. 108	Yes [] No [X]
	26.42 Permitted accounting practice	Yes [] No [X]
	26.43 Other accounting guidance	Yes [] No [X]

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

- 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.

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

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

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

GENERAL INTERROGATORIES

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

1 Name of Custodian(s)	2 Custodian's Address
NORTHERN TRUST	50 S. LASALLE ST. M-27, CHICAGO, IL 60603
RELIANCE TRUST	2600 KELLY RD SUITE 210, WARRINGTON, PA 18976

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

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

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

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

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

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

1 Name Firm or Individual	2 Affiliation
BLACKROCK FINANCIAL MANAGEMENT, INC	U

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

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

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

1 Name Firm or Individual	2 Central Registration Depository Number	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107105	BlackRock Financial	549300LVXYIVJKE13M84	SECURITIES EXCHANGE COMMISS	No

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
256219-10-6	DODGE & COX STOCK	4,005
315911-75-0	FIDELITY 500 INDEX FUND	325,500
41665H-78-9	HARTFD:SCHR EM E SDR	13,521,181

GENERAL INTERROGATORIES

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
464287-20-0	ISHARES:CORE S&P 500	56,075,383
464288-68-7	ISHARES:PREF AND INC SEC	29,770,156
552966-80-6	MFS INSTL:INTL EQUITY	25,834,097
57630E-57-8	MASSMUTUAL S:ST BD I	811,007
57630E-87-5	MASSMUTUAL S:BL CH I	81,366
57630G-27-6	MASSMUTUAL S:TRP 45 I	57,741
57630G-32-6	MASSMUTUAL S:TRP 40 I	159,390
57630G-36-7	MASSMUTUAL S:TRP 35 I	68,926
57630G-41-7	MASSMUTUAL S:TRP 30 I	274,388
57630G-45-8	MASSMUTUAL S:TRP 25 I	192,241
57630G-49-0	MASSMUTUAL S:TRP 20 I	21,831
649280-81-5	AMERICAN FUNDS NWLD R6	22,679
704329-24-2	PAYDEN:EM MKT BD SI	12,026,077
779562-20-6	T ROWE PRICE NH I	129,761
921908-87-7	VANGUARD RE IDX ADM	7,385
922908-83-5	VANGUARD MD-CP I INST	39,444
922908-87-6	VANGUARD S-C ID INST	17,577
969251-71-9	WM BLAIR:INTL LDRS I	34,149
29.2999 TOTAL		139,474,284

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
DODGE & COX STOCK	Charles Schwab Corp	170	12/31/2020
DODGE & COX STOCK	Wells Fargo & Co	158	12/31/2020
DODGE & COX STOCK	Comcast Corp Class A	149	12/31/2020
DODGE & COX STOCK	Alphabet Inc Class C	133	12/31/2020
DODGE & COX STOCK	HP Inc	131	12/31/2020
FIDELITY 500 INDEX FUND	Apple Inc	20,572	12/31/2020
FIDELITY 500 INDEX FUND	Microsoft Corp	17,414	12/31/2020
FIDELITY 500 INDEX FUND	Amazon.com Inc	14,517	12/31/2020
FIDELITY 500 INDEX FUND	Facebook Inc A	7,161	12/31/2020
FIDELITY 500 INDEX FUND	Alphabet Inc A	5,664	12/31/2020
HARTFD:SCHR EM E SDR	Tencent Holdings Ltd	1,031,666	12/31/2020
HARTFD:SCHR EM E SDR	Taiwan Semiconductor Manufac	1,012,736	12/31/2020
HARTFD:SCHR EM E SDR	Alibaba Group Holding Ltd ADR	904,567	12/31/2020
HARTFD:SCHR EM E SDR	Samsung Electronics Co Ltd	638,200	12/31/2020
HARTFD:SCHR EM E SDR	SK Hynix Inc	590,876	12/31/2020
ISHARES:CORE S&P 500	Apple Inc	3,745,836	12/31/2020
ISHARES:CORE S&P 500	Microsoft Corp	2,971,995	12/31/2020
ISHARES:CORE S&P 500	Amazon.com Inc	2,456,102	12/31/2020
ISHARES:CORE S&P 500	Facebook Inc A	1,160,760	12/31/2020
ISHARES:CORE S&P 500	Tesla Inc	947,674	12/31/2020
ISHARES:PREF AND INC SEC	Broadcom Inc Broadcom Inc 8	705,553	12/31/2020
ISHARES:PREF AND INC SEC	BlackRock Cash Funds Treasur	646,012	12/31/2020
ISHARES:PREF AND INC SEC	Wells Fargo & Co 7 1/2 % Non	491,208	12/31/2020
ISHARES:PREF AND INC SEC	Bank of America Corp 7 1/4 %	416,782	12/31/2020
ISHARES:PREF AND INC SEC	GMAC Capital Trust I Pfd Secs	381,058	12/31/2020
MFS INSTL:INTL EQUITY	Nestle Sa	955,862	12/31/2020
MFS INSTL:INTL EQUITY	Schneider Electric Se	888,693	12/31/2020
MFS INSTL:INTL EQUITY	Roche Holding Ag Dividend Rig	798,274	12/31/2020
MFS INSTL:INTL EQUITY	Aia Group Ltd	767,273	12/31/2020
MFS INSTL:INTL EQUITY	Air Liquide Sa	725,938	12/31/2020
MASSMUTUAL S:ST BD I	Us 5yr Note (Cbt) Mar21 Xcbt 2	386,688	12/31/2020
MASSMUTUAL S:ST BD I	Us 10yr Note (Cbt)mar21 Xcbt 2	249,709	12/31/2020
MASSMUTUAL S:ST BD I	Us Long Bond(Cbt) Mar21 Xcbt	73,153	12/31/2020
MASSMUTUAL S:ST BD I	Euro-Bund Future Mar21 Xeur 2	64,799	12/31/2020
MASSMUTUAL S:ST BD I	United States Treasury Notes 0.	46,876	12/31/2020
MASSMUTUAL S:BL CH I	Amazon.com Inc	7,559	12/31/2020
MASSMUTUAL S:BL CH I	Facebook Inc A	4,792	12/31/2020
MASSMUTUAL S:BL CH I	Microsoft Corp	3,678	12/31/2020
MASSMUTUAL S:BL CH I	Visa Inc Class A	3,425	12/31/2020

GENERAL INTERROGATORIES

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
MASSMUTUAL S:BL CH I	Alphabet Inc Class C	3,092	12/31/2020
MASSMUTUAL S:TRP 45 I	MassMutual Select TRP Large	23,039	12/31/2020
MASSMUTUAL S:TRP 40 I	MassMutual Select TRP Intl Eq	44,055	12/31/2020
MASSMUTUAL S:TRP 35 I	MassMutual Select TRP Sm&Mi	10,683	12/31/2020
MASSMUTUAL S:TRP 30 I	MM S&P 500® Index I	22,610	12/31/2020
MASSMUTUAL S:TRP 25 I	MassMutual Select TRP Bond A	6,036	12/31/2020
MASSMUTUAL S:TRP 40 I	MassMutual Select TRP Large	42,079	12/31/2020
MASSMUTUAL S:TRP 40 I	MassMutual Select TRP Intl Eq	34,747	12/31/2020
MASSMUTUAL S:TRP 40 I	MassMutual Select TRP Bond A	21,374	12/31/2020
MASSMUTUAL S:TRP 40 I	MassMutual Select TRP Sm&Mi	20,035	12/31/2020
MASSMUTUAL S:TRP 40 I	MM S&P 500® Index I	18,330	12/31/2020
MASSMUTUAL S:TRP 35 I	MassMutual Select TRP Large	21,939	12/31/2020
MASSMUTUAL S:TRP 35 I	MassMutual Select TRP Intl Eq	16,501	12/31/2020
MASSMUTUAL S:TRP 35 I	MassMutual Select TRP Sm&Mi	9,498	12/31/2020
MASSMUTUAL S:TRP 35 I	MM S&P 500® Index I	7,285	12/31/2020
MASSMUTUAL S:TRP 35 I	MassMutual Select TRP Bond A	6,417	12/31/2020
MASSMUTUAL S:TRP 30 I	MassMutual Select TRP Large	72,439	12/31/2020
MASSMUTUAL S:TRP 30 I	MassMutual Select TRP Intl Eq	59,817	12/31/2020
MASSMUTUAL S:TRP 30 I	MassMutual Select TRP Bond A	36,795	12/31/2020
MASSMUTUAL S:TRP 30 I	MassMutual Select TRP Sm&Mi	34,491	12/31/2020
MASSMUTUAL S:TRP 30 I	MM S&P 500® Index I	31,555	12/31/2020
MASSMUTUAL S:TRP 25 I	MassMutual Select TRP Large	41,447	12/31/2020
MASSMUTUAL S:TRP 25 I	MassMutual Select TRP Intl Eq	37,410	12/31/2020
MASSMUTUAL S:TRP 25 I	MassMutual Select TRP Bond A	33,930	12/31/2020
MASSMUTUAL S:TRP 25 I	MM S&P 500® Index I	21,223	12/31/2020
MASSMUTUAL S:TRP 25 I	MassMutual Select TRP Sm&Mi	20,935	12/31/2020
MASSMUTUAL S:TRP 20 I	MassMutual Select TRP Bond A	4,493	12/31/2020
MASSMUTUAL S:TRP 20 I	MassMutual Select TRP Large	4,039	12/31/2020
MASSMUTUAL S:TRP 20 I	MassMutual Select TRP Intl Eq	3,652	12/31/2020
MASSMUTUAL S:TRP 20 I	MM S&P 500® Index I	2,039	12/31/2020
MASSMUTUAL S:TRP 20 I	MassMutual Select TRP Sm&Mi	2,006	12/31/2020
AMERICAN FUNDS NWLD R6	Microsoft Corp	492	12/31/2020
AMERICAN FUNDS NWLD R6	MercadoLibre Inc	479	12/31/2020
AMERICAN FUNDS NWLD R6	Reliance Industries Ltd	426	12/31/2020
AMERICAN FUNDS NWLD R6	Kweichow Moutai Co Ltd	420	12/31/2020
AMERICAN FUNDS NWLD R6	Tencent Holdings Ltd	417	12/31/2020
PAYDEN:EM MKT BD SI	The Republic of Peru 6.95%	222,482	12/31/2020
PAYDEN:EM MKT BD SI	Russian Federation 6.9%	158,744	12/31/2020
PAYDEN:EM MKT BD SI	1MDB Global Investments Ltd.	153,934	12/31/2020
PAYDEN:EM MKT BD SI	Uruguay (Republic of) 3.88%	151,529	12/31/2020
PAYDEN:EM MKT BD SI	Ghana, Republic of 10.75%	150,326	12/31/2020
T ROWE PRICE NH I	T. Rowe Price Gov. Reserve	5,087	12/31/2020
T ROWE PRICE NH I	Paylocity Holding Corp	3,465	12/31/2020
T ROWE PRICE NH I	Old Dominion Freight Line Inc O	3,400	12/31/2020
T ROWE PRICE NH I	Eurofins Scientifi	3,179	12/31/2020
T ROWE PRICE NH I	Waste Connections Inc	3,114	12/31/2020
VANGUARD RE IDX ADM	Vanguard Real Estate II Index	905	12/31/2020
VANGUARD RE IDX ADM	American Tower Corp	535	12/31/2020
VANGUARD RE IDX ADM	Prologis Inc	396	12/31/2020
VANGUARD RE IDX ADM	Crown Castle International Corp	369	12/31/2020
VANGUARD RE IDX ADM	Equinix Inc	340	12/31/2020
VANGUARD MD-CP I INST	Twitter Inc	292	12/31/2020
VANGUARD MD-CP I INST	IDEXX Laboratories Inc	288	12/31/2020
VANGUARD MD-CP I INST	KLA Corp	268	12/31/2020
VANGUARD MD-CP I INST	Amphenol Corp Class A	264	12/31/2020
VANGUARD MD-CP I INST	Digital Realty Trust Inc	264	12/31/2020

GENERAL INTERROGATORIES

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	421,507,811	450,181,148	28,673,337
30.2 Preferred stocks			
30.3 Totals	421,507,811	450,181,148	28,673,337

30.4 Describe the sources or methods utilized in determining the fair values:
 PROVIDED BY RATING SOURCES UTILIZED BY THE CUSTODIAN, NORTHERN TRUST. PRICING SOURCES
 INCLUDE IDC, ICE, IDC, IHS MARKIT, SIX FINANCIAL, NSCC, BLOOMBERG.

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

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

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

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

32.2 If no, list exceptions:

33 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]

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

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

GENERAL INTERROGATORIES

36. By rolling/renewing short-term or cash-equivalent investments with continued reporting on Schedule DA, part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:
- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
 - b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
 - c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
 - d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a - 36.c are reported as long-term investments.

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

OTHER

37.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$ 1,938,214

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

1 Name	2 Amount Paid
BLUE CROSS AND BLUE SHIELD ASSOCIATION	\$ 1,015,258
.....	\$
.....	\$

38.1 Amount of payments for legal expenses, if any? \$ 1,646,195

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

1 Name	2 Amount Paid
HOGAN LOVELLS US LLP	\$ 1,646,195
.....	\$
.....	\$

39.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 296,827

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

1 Name	2 Amount Paid
STATE OF RHODE ISLAND	\$ 176,068
CHRISTOPHER BOYLE	\$ 120,000
.....	\$

GENERAL INTERROGATORIES PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [X] No []
- 1.2 If yes, indicate premium earned on U.S. business only. \$ 60,680,703
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ _____
- 1.31 Reason for excluding
.....
.....
.....
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ _____
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 44,047,450
- 1.6 Individual policies:
- Most current three years:
- | | |
|------------------------------|---------------------|
| 1.61 Total premium earned | \$ <u>2,769,330</u> |
| 1.62 Total incurred claims | \$ <u>2,002,304</u> |
| 1.63 Number of covered lives | <u>1,112</u> |
- All years prior to most current three years:
- | | |
|------------------------------|----------------------|
| 1.64 Total premium earned | \$ <u>40,797,073</u> |
| 1.65 Total incurred claims | \$ <u>29,497,430</u> |
| 1.66 Number of covered lives | <u>16,378</u> |
- 1.7 Group policies:
- Most current three years:
- | | |
|------------------------------|---------------------|
| 1.71 Total premium earned | \$ <u>1,087,927</u> |
| 1.72 Total incurred claims | \$ <u>797,637</u> |
| 1.73 Number of covered lives | <u>815</u> |
- All years prior to most current three years:
- | | |
|------------------------------|----------------------|
| 1.74 Total premium earned | \$ <u>16,026,374</u> |
| 1.75 Total incurred claims | \$ <u>11,750,079</u> |
| 1.76 Number of covered lives | <u>6,670</u> |

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	\$ <u>1,709,377,994</u>	\$ <u>1,696,205,986</u>
2.2 Premium Denominator	\$ <u>1,709,377,994</u>	\$ <u>1,696,205,986</u>
2.3 Premium Ratio (2.1 / 2.2)	<u>1.000</u>	<u>1.000</u>
2.4 Reserve Numerator	\$ <u>274,702,639</u>	\$ <u>229,416,205</u>
2.5 Reserve Denominator	\$ <u>274,702,639</u>	\$ <u>226,489,226</u>
2.6 Reserve Ratio (2.4 / 2.5)	<u>1.000</u>	<u>1.013</u>

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]
- 3.2 If yes, give particulars:
.....
.....
.....
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No [X]
- 5.2 If no, explain:
THE COMPANY EVALUATES THE NEED FOR REINSURANCE BY REVIEWING AT RISK LINES OF BUSINESS AND POLICY HOLDER CONTRACTS IN FORCE. FOR CALENDAR YEAR 2020, THERE WAS NOT A NEED TO ENTER INTO A STOP-LOSS REINSURANCE AGREEMENT.
.....
.....

- 5.3 Maximum retained risk (see instructions)
- | | |
|---------------------------------|----------|
| 5.31 Comprehensive Medical | \$ _____ |
| 5.32 Medical Only | \$ _____ |
| 5.33 Medicare Supplement | \$ _____ |
| 5.34 Dental and vision | \$ _____ |
| 5.35 Other Limited Benefit Plan | \$ _____ |
| 5.36 Other | \$ _____ |

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
STATE INSURANCE LAW MANDATES THE PLAN HAVE TOTAL RESERVES SUFFICIENT TO PAY CLAIMS AND ADMINISTRATIVE EXPENSES FOR NOT LESS THAN ONE MONTH. ALSO, THE PLAN HAS HOLD HARMLESS PROVISIONS IN ITS CONTRACTS WITH PARTICIPATING HOSPITALS AND PROVIDERS.
.....
.....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No []
- 7.2 If no, give details:

8. Provide the following information regarding participating providers:
- | | |
|--|-------|
| 8.1 Number of providers at start of reporting year | 4,078 |
| 8.2 Number of providers at end of reporting year | 4,154 |
- 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 | \$ _____ |
- 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:
 RHODE ISLAND

- 11.4 If yes, show the amount required. \$ 141,627,515
- 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:
 TOTAL UNDERWRITING DEDUCTIONS PAGE 4 LINE 23 \$1,704,102,088 DIVIDED BY TWELVE (12) MONTHS TO DERIVE THE
 MINIMUM NET WORTH OF \$142,008,507.33

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

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).
- | | |
|------------------------------|----------|
| 15.1 Direct Premium Written | \$ _____ |
| 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)

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

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

FIVE – YEAR HISTORICAL DATA

	1	2	3	4	5
	2020	2019	2018	2017	2016
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	862,104,146	750,982,227	638,242,440	627,155,028	618,389,546
2. Total liabilities (Page 3, Line 24)	446,289,912	379,398,458	339,583,816	334,158,151	351,918,965
3. Statutory minimum capital and surplus requirement	142,008,507	139,107,691	139,333,861	142,597,822	144,657,555
4. Total capital and surplus (Page 3, Line 33)	415,814,234	371,583,769	298,658,624	292,996,877	266,470,581
Income Statement (Page 4)					
5. Total revenues (Line 8)	1,707,243,198	1,698,166,372	1,708,865,057	1,719,351,097	1,714,135,582
6. Total medical and hospital expenses (Line 18)	1,403,371,707	1,435,930,820	1,417,367,219	1,477,136,192	1,479,912,238
7. Claims adjustment expenses (Line 20)	58,190,620	56,563,135	60,188,631	63,259,817	63,576,377
8. Total administrative expenses (Line 21)	207,567,850	170,198,332	196,550,484	168,677,852	192,402,050
9. Net underwriting gain (loss) (Line 24)	7,713,021	28,874,085	36,858,723	8,177,236	(21,755,083)
10. Net investment gain (loss) (Line 27)	7,857,917	21,129,753	(1,111,740)	17,090,061	3,843,968
11. Total other income (Lines 28 plus 29)	(9,407,830)	(17,428,226)	(26,337,001)	(2,271,683)	(16,579,341)
12. Net income or (loss) (Line 32)	42,421,212	68,833,715	9,411,398	22,616,368	(34,532,762)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	118,444,567	115,715,425	20,013,488	72,648,812	23,046,774
Risk-Based Capital Analysis					
14. Total adjusted capital	415,814,234	371,583,769	298,658,624	292,996,877	266,470,581
15. Authorized control level risk-based capital	58,616,377	58,232,394	57,430,307	58,588,774	58,058,830
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	383,138	383,534	390,593	402,276	340,153
17. Total members months (Column 6, Line 7)	4,615,572	4,615,952	4,711,740	4,816,302	4,090,732
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)	82.2	84.6	82.9	85.9	86.3
20. Cost containment expenses	1.5	1.5	1.5	1.5	1.5
21. Other claims adjustment expenses	1.9	1.9	2.0	2.2	2.2
22. Total underwriting deductions (Line 23)	99.5	98.3	97.8	99.5	101.3
23. Total underwriting gain (loss) (Line 24)	0.5	1.7	2.2	0.5	(1.3)
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	129,180,624	101,558,671	106,442,653	112,580,824	116,456,304
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	135,665,500	130,533,385	145,191,887	133,387,323	118,794,023
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated	3,531,202	1,954,193	19,320,044	16,517,308	9,328,363
32. Total of above Lines 26 to 31	3,531,202	1,954,193	19,320,044	16,517,308	9,328,363
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 [X]

If no, please explain:

.....
.....
.....
.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	N							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	N							
6. Colorado	CO	N							
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. District of Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	N							
15. Indiana	IN	N							
16. Iowa	IA	N							
17. Kansas	KS	N							
18. Kentucky	KY	N							
19. Louisiana	LA	N							
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	N							
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	N							
27. Montana	MT	N							
28. Nebraska	NE	N							
29. Nevada	NV	N							
30. New Hampshire	NH	N							
31. New Jersey	NJ	N							
32. New Mexico	NM	N							
33. New York	NY	N							
34. North Carolina	NC	N							
35. North Dakota	ND	N							
36. Ohio	OH	N							
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	N							
40. Rhode Island	RI	L	923,781,364	668,045,710	116,044,770			1,707,871,844	
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	N							
44. Texas	TX	N							
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	N							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate other alien	OT	X X X							
59. Subtotal		X X X	923,781,364	668,045,710	116,044,770			1,707,871,844	
60. Reporting entity contributions for Employee Benefit Plans		X X X	4,729	1,082,181				1,086,910	
61. Totals (Direct Business)		X X X	923,786,093	669,127,891	116,044,770			1,708,958,754	

DETAILS OF WRITE-INS									
58001.		X X X							
58002.		X X X							
58003.		X X X							
58998.	Summary of remaining write-ins for Line 58 from overflow page								
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X							

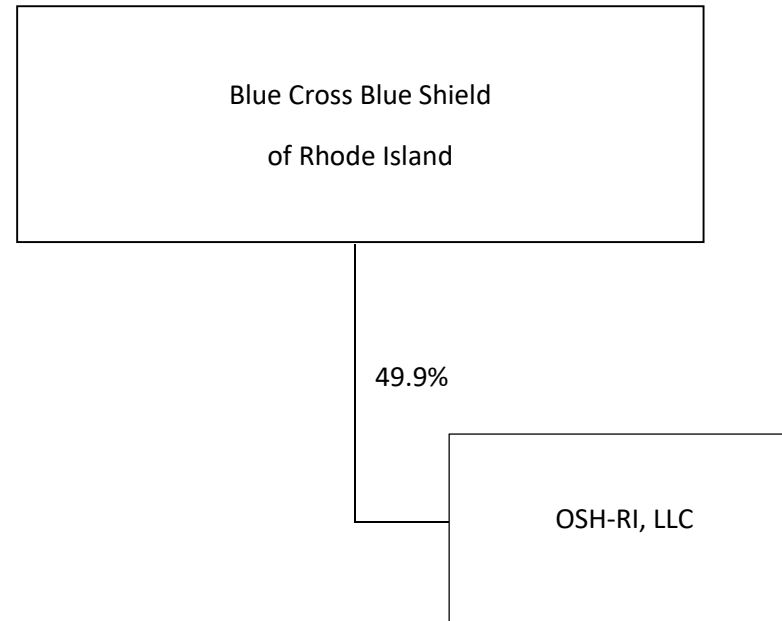
NONE

- (a) Active Status Counts
- L - Licensed or Chartered - Licensed i 1
 - E - Eligible - Reporting entities eligible _____
 - R - Registered - Non-domiciled RRGs _____
 - Q - Qualified - Qualified or accredited r _____
 - N - None of the above - Not allowed t 56

(b) **Explanation of basis of allocation of premiums by states, etc.**
 ALL PREMIUMS ARE ALLOCATED TO RHODE ISLAND

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

PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

Page 2 - Continuation**ASSETS**

	Current Year			Prior Year
	1	2	3	4
REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504. HISTORICAL TAX CREDITS	4,100,000		4,100,000	
2505. LEASEHOLD IMPROVEMENTS	1,490,791	1,490,791		
2506. COLLATERAL FUND HOME & HOST	216,974		216,974	189,283
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	5,807,765	1,490,791	4,316,974	189,283

OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
WRITE-INS AGGREGATED AT LINE 23 FOR OTHER LIABILITIES				
2304. FEP & MISCELLANEOUS CLAIMS PAYABLES	1,710,986		1,710,986	844,376
2397. Totals (Lines 2304 through 2396) (Page 3, Line 23)	1,710,986		1,710,986	844,376

OVERFLOW PAGE FOR WRITE-INS

Page 4 - Continuation**STATEMENT OF REVENUE AND EXPENSES**

WRITE-INS AGGREGATED AT LINE 29 FOR STATEMENT OF REVENUE AND EXPENSES	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
2904. GAIN HISTORIC TAX CREDITS			630,000
2905. PREMIUM ASSISTANCE PROGRAM		(6,905)	(600)
2906. INTEREST EXPENSE LINE OF CREDIT		(76,300)	(199,324)
2907. BANK SERVICE CHARGES		(283,709)	(269,519)
2908. HEALTH INFORMATION EXCHANGE		(1,185,612)	(1,238,088)
2909. WELLNESS WORKS EXPENSE		(2,063,048)	(2,272,330)
2910. OTHER INCOME (NET OF PENALTIES)		(10,088,283)	(16,866,957)
2997. Totals (Lines 2901 through 2996) (Page 4, Line 2998)		(13,703,857)	(20,216,818)

OVERFLOW PAGE FOR WRITE-INS

Page 13 - Continuation

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D – AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
WRITE-INS AGGREGATED AT LINE 05 FOR UNDERWRITING AND INVESTMENT EXHIBIT	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
0597. Totals (Lines 0501 through 0596) (Page 13, Line 0598)									
WRITE-INS AGGREGATED AT LINE 11 FOR UNDERWRITING AND INVESTMENT EXHIBIT	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1197. Totals (Lines 1101 through 1196) (Page 13, Line 1198)									

OVERFLOW PAGE FOR WRITE-INS

Page 14 - Continuation

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 – ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
WRITE-INS AGGREGATED AT LINE 25 FOR UNDERWRITING AND INVESTMENT EXHIBIT					
2504. AGENCY & PORTFOLIO MANAGEMENT FEES				1,479,329	1,479,329
2505. CLAIMS HANDLING EXPENSE		241,600			241,600
2506. BLUECARD ADMIN FEE INCOME	(2,135,230)	(2,751,198)			(4,886,428)
2597. Totals (Lines 2501 through 2596) (Page 14, Line 2598)	(2,135,230)	(2,509,598)		1,479,329	(3,165,499)

OVERFLOW PAGE FOR WRITE-INS

Page 16 - Continuation

EXHIBIT OF NONADMITTED ASSETS

<p style="text-align: center;">DETAILS OF WRITE-IN LINES FOR OTHER THAN INVESTED ASSETS AT LINE 25</p>	<p style="text-align: center;">1 Current Year Total Nonadmitted Assets</p>	<p style="text-align: center;">2 Prior Year Total Nonadmitted Assets</p>	<p style="text-align: center;">3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)</p>
2504. FEP UNPAID CLAIMS			
2505. HISTORICAL TAX CREDITS			
2506. COLLATERAL FUND HOME & HOST			
2597. Totals (Lines 2504 through 2596) (Page 16, Line 2598)			

OVERFLOW PAGE FOR WRITE-INS

Page 17 - Continuation

EXHIBIT 1 – ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
WRITE-INS AGGREGATED AT LINE 06 FOR EXHIBIT 1						
0604. VISION ONLY	14,580	16,069	15,979	16,200	16,263	192,919
0605. MEDICARE PRESCRIPTION DRUG PLAN	12,007	11,413	11,397	11,404	11,399	136,880
0697. Totals (Lines 0601 through 0697) (Page 17, Line 06)	26,587	27,482	27,376	27,604	27,662	329,799