

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).....	116,610,586		116,610,586	95,353,045
2. Stocks (Schedule D):				
2.1 Preferred stocks.....				
2.2 Common stocks.....				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....				
3.2 Other than first liens.....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....				
4.2 Properties held for the production of income (less \$ encumbrances).....				
4.3 Properties held for sale (less \$ encumbrances).....				
5. Cash (\$ 97,316,461, Schedule E - Part 1), cash equivalents (\$ 36,774,802, Schedule E - Part 2) and short-term investments (\$ 65,899,300, Schedule DA).....	199,990,562		199,990,562	110,349,849
6. Contract loans (including \$ premium notes).....				
7. Derivatives (Schedule DB).....				
8. Other invested assets (Schedule BA).....				
9. Receivables for securities.....	1,394,449		1,394,449	338,938
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).....	317,995,597		317,995,597	206,041,832
13. Title plants less \$ charged off (for Title insurers only).....				
14. Investment income due and accrued.....	711,484		711,484	715,499
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	82,182,184	545,094	81,637,091	112,716,667
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....				
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$).....	9,054,984		9,054,984	36,738,586
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	1,099,908		1,099,908	128,505
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.....	38,585,817		38,585,817	19,723,877
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.....	12,014,831	8,251,260	3,763,571	3,583,620
21. Furniture and equipment, including health care delivery assets (\$).....	3,076,153	3,076,153	-	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....				
23. Receivables from parent, subsidiaries and affiliates.....				
24. Health care (\$ 18,947,549) and other amounts receivable.....	18,947,549		18,947,549	21,267,843
25. Aggregate write-ins for other-than-invested assets.....	11,299,708	9,533,992	1,765,716	3,536,487
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	494,968,213	21,406,498	473,561,715	404,452,916
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....				
28. Total (Lines 26 and 27).....	494,968,213	21,406,498	473,561,715	404,452,916
Details of Write-Ins				
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.....	3,881,098	3,881,098	-	
2502. Receivable from State.....	1,765,716		1,765,716	3,051,573
2503. Deposits.....	4,953,000	4,953,000	-	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	699,894	699,894	-	484,914
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	11,299,708	9,533,992	1,765,716	3,536,487

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	158,329,392		158,329,392	137,178,411
2. Accrued medical incentive pool and bonus amounts	28,202,654		28,202,654	2,014,448
3. Unpaid claims adjustment expenses	3,919,347		3,919,347	3,736,548
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act	4,000,000		4,000,000	2,499,996
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	104,534,573		104,534,573	87,634,610
9. General expenses due or accrued	39,785,327		39,785,327	21,645,483
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	8,551,656		8,551,656	27,075,581
13. Remittances and items not allocated				
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ 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 \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans				
23. Aggregate write-ins for other liabilities (including \$ current)	100,325		100,325	19,706
24. Total liabilities (Lines 1 to 23)	347,423,275		347,423,275	281,804,783
25. Aggregate write-ins for special surplus funds	XXX	XXX		
26. Common capital stock	XXX	XXX		
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX		
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX		
31. Unassigned funds (surplus)	XXX	XXX	126,138,440	122,648,134
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	126,138,440	122,648,134
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	473,561,715	404,452,917
Details of Write-Ins				
2301. Unclaimed Property Payable	100,325		100,325	19,706
2302. Penalty and Interest				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	100,325		100,325	19,706
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX		
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	XXX	2,555,041	2,359,899
2. Net premium income (including \$ non-health premium income)	XXX	1,518,921,093	1,390,623,327
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of \$ medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX	1,913,576	1,675,484
7. Aggregate write-ins for other non-health revenues	XXX		
8. Total revenues (Lines 2 to 7)	XXX	1,520,834,669	1,392,298,811
Hospital and Medical:			
9. Hospital/medical benefits		509,458,335	458,116,656
10. Other professional services		326,503,517	292,013,723
11. Outside referrals		204,017,887	202,589,496
12. Emergency room and out-of-area		48,916,032	44,004,295
13. Prescription drugs		235,784,515	220,830,835
14. Aggregate write-ins for other hospital and medical		(3,753,849)	(5,166,595)
15. Incentive pool, withhold adjustments and bonus amounts		27,592,669	489,502
16. Subtotal (Lines 9 to 15)		1,348,519,106	1,212,877,912
Less:			
17. Net reinsurance recoveries		6,193,547	1,149,540
18. Total hospital and medical (Lines 16 minus 17)		1,342,325,559	1,211,728,372
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 23,889,816 cost containment expenses		36,830,486	32,706,670
21. General administrative expenses		131,365,273	126,635,022
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)		1,510,521,318	1,371,070,064
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	10,313,351	21,228,747
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		974,533	1,540,580
26. Net realized capital gains (losses) less capital gains tax of \$		467,872	2,008,874
27. Net investment gains (losses) (Lines 25 plus 26)		1,442,405	3,549,454
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		(8,226,367)	
29. Aggregate write-ins for other income or expenses		(25,000)	
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	3,504,390	24,778,201
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Lines 30 minus 31)	XXX	3,504,390	24,778,201
Details of Write-Ins			
0601. EOHHS Incentive Income	XXX	1,913,576	1,675,484
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	1,913,576	1,675,484
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX		
1401. Stop Loss Recoveries from EOHHS		(3,753,849)	(5,166,595)
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)		(3,753,849)	(5,166,595)
2901. Penalty		(25,000)	
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		(25,000)	

STATEMENT OF REVENUE AND EXPENSES (CONTINUED)

	1	2
CAPITAL & SURPLUS ACCOUNT	Current Year	Prior Year
33. Capital and surplus prior reporting year.....	122,648,133	101,607,297
34. Net income or (loss) from Line 32.....	3,504,390	24,778,201
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....	1,266,064	74,556
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....		
39. Change in nonadmitted assets.....	(1,280,148)	(3,811,921)
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.....		
48. Net change in capital and surplus (Lines 34 to 47).....	3,490,306	21,040,836
49. Capital and surplus end of reporting year (Line 33 plus 48).....	126,138,439	122,648,133
Details of Write-Ins		
4701.....		
4702.....		
4703.....		
4798. Summary of remaining write-ins for Line 47 from overflow page.....		
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above).....		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	1,599,082,694	1,384,599,052
2. Net investment income	1,397,692	1,757,418
3. Miscellaneous income	4,258,871	1,675,484
4. Total (Lines 1 to 3)	1,604,739,256	1,388,031,954
5. Benefit and loss related payments	1,295,957,774	1,198,691,732
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	176,986,423	152,049,807
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Lines 5 through 9)	1,472,944,197	1,350,741,539
11. Net cash from operations (Line 4 minus Line 10)	131,795,059	37,290,415
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	54,522,785	40,732,988
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		27,229
12.7 Miscellaneous proceeds	-	1
12.8 Total investment proceeds (Lines 12.1 to 12.7)	54,522,785	40,760,218
13. Cost of investments acquired (long-term only):		
13.1 Bonds	74,465,532	42,093,433
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	1,055,511	407,955
13.7 Total investments acquired (Lines 13.1 to 13.6)	75,521,043	42,501,388
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)	(20,998,257)	(1,741,170)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(21,156,089)	19,734,349
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(21,156,089)	19,734,349
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)	89,640,713	55,283,594
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	110,349,849	55,066,251
19.2 End of year (Line 18 plus Line 19.1)	199,990,562	110,349,845
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001.		

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 Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non- Health
1. Net premium income.....	1,518,921,093	128,994,242						1,389,926,851		
2. Change in unearned premium reserves and reserve for rate credit.....										
3. Fee-for-service (net of \$ medical expenses).....										XXX
4. Risk revenue.....										XXX
5. Aggregate write-ins for other health care related revenues.....	1,913,576							1,913,576		XXX
6. Aggregate write-ins for other non-health care related revenues.....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. Total revenues (Lines 1 to 6).....	1,520,834,669	128,994,242						1,391,840,427		
8. Hospital/medical benefits.....	509,458,335	35,795,301						473,663,034		XXX
9. Other professional services.....	326,503,517	28,205,597						298,297,920		XXX
10. Outside referrals.....	204,017,887	7,714,410						196,303,477		XXX
11. Emergency room and out-of-area.....	48,916,032	2,983,598						45,932,434		XXX
12. Prescription drugs.....	235,784,515	26,466,821						209,317,694		XXX
13. Aggregate write-ins for other hospital and medical.....	(3,753,849)							(3,753,849)		XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	27,592,669							27,592,669		XXX
15. Subtotal (Lines 8 to 14).....	1,348,519,106	101,165,727						1,247,353,379		XXX
16. Net reinsurance recoveries.....	6,193,547	4,551,026						1,642,521		XXX
17. Total hospital and medical (Lines 15 minus 16).....	1,342,325,559	96,614,700						1,245,710,858		XXX
18. Non-health claims (net).....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 23,889,816 cost containment expenses.....	36,830,486	4,128,088						32,702,398		
20. General administrative expenses.....	131,365,273	16,868,414						114,496,859		
21. Increase in reserves for accident and health contracts.....										XXX
22. Increase in reserves for life contracts.....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22).....	1,510,521,317	117,611,202						1,392,910,115		
24. Net underwriting gain or (loss) (Line 7 minus Line 23).....	10,313,352	11,383,040						(1,069,688)		
Details of Write-Ins										
0501. EOHHS Incentive Income.....	1,913,576							1,913,576		XXX
0502.....										XXX
0503.....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page.....										XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	1,913,576							1,913,576		XXX
0601.....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page.....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301. Stop Loss Recoveries from EOHHS.....	(3,753,849)							(3,753,849)		XXX
1302.....										XXX
1303.....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page.....										XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above).....	(3,753,849)							(3,753,849)		XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 – PREMIUMS

Line of Business		1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1.	Comprehensive (hospital and medical)	129,292,461		298,219	128,994,242
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII – Medicare				
7.	Title XIX – Medicaid	1,394,570,572		4,643,722	1,389,926,851
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	1,523,863,034		4,941,941	1,518,921,093
10.	Life				
11.	Property/casualty				
12.	Totals (Lines 9 to 11)	1,523,863,034		4,941,941	1,518,921,093

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	1,297,462,661	96,410,037						1,201,052,624		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	6,256,738	4,551,026						1,705,711		
1.4 Net	1,291,205,924	91,859,011						1,199,346,913		
2. Paid medical incentive pools and bonuses	1,404,463							1,404,463		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	158,329,392	15,725,075						142,604,318		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	158,329,392	15,725,075						142,604,318		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	28,202,654							28,202,654		
6. Net health care receivables (a)	(2,312,795)	(659,706)						(1,653,089)		
7. Amounts recoverable from reinsurers December 31, current year	65,315							65,315		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	137,178,412	11,629,091						125,549,321		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	137,178,412	11,629,091						125,549,321		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	2,014,448							2,014,448		
11. Amounts recoverable from reinsurers December 31, prior year	128,505							128,505		
12. Incurred benefits:										
12.1 Direct	1,320,926,436	101,165,727						1,219,760,709		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	6,193,548	4,551,026						1,642,521		
12.4 Net	1,314,732,888	96,614,700						1,218,118,188		
13. Incurred medical incentive pools and bonuses	27,592,669							27,592,669		

(a) Excludes \$ 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 and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non- Health
1. Reported in Process of Adjustment:										
1.1 Direct	20,983,906	2,084,095						18,899,811		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	20,983,906	2,084,095						18,899,811		
2. Incurred but Unreported:										
2.1 Direct	137,345,486	13,640,980						123,704,506		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	137,345,486	13,640,980						123,704,506		
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	158,329,392	15,725,075						142,604,318		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	158,329,392	15,725,075						142,604,318		

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).....	(1,230,458)	93,089,469	1,370,962	14,354,113	140,504	11,629,091
2. Medicare Supplement.....						
3. Dental Only.....						
4. Vision Only.....						
5. Federal Employees Health Benefits Plan.....						
6. Title XVIII – Medicare.....						
7. Title XIX – Medicaid.....	61,365,734	1,138,044,369	8,780,120	133,824,197	70,145,855	125,549,320
8. Other health.....						
9. Health subtotal (Lines 1 to 8).....	60,135,277	1,231,133,837	10,151,082	148,178,310	70,286,359	137,178,411
10. Health care receivables (a).....		763,885		18,183,663		21,260,343
11. Other non-health.....						
12. Medical incentive pools and bonus amounts.....	1,404,463		1,183,388	27,019,266	2,587,851	2,014,448
13. Totals (Lines 9-10+11+12).....	61,539,740	1,230,369,952	11,334,471	157,013,912	72,874,210	117,932,516

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

GRAND TOTAL

Section A – Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior.....	106,020	104,648	104,749	103,959	103,958
2.	2017.....	1,091,858	1,210,134	1,218,337	1,218,682	1,218,274
3.	2018.....	XXX	1,149,355	1,230,015	1,235,660	1,234,452
4.	2019.....	XXX	XXX	1,111,933	1,198,913	1,195,799
5.	2020.....	XXX	XXX	XXX	1,118,004	1,209,665
6.	2021.....	XXX	XXX	XXX	XXX	1,208,057

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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior.....	109,842	104,750	104,749	103,959	103,958
2.	2017.....	1,246,048	1,216,798	1,218,337	1,218,682	1,218,273
3.	2018.....	XXX	1,273,818	1,241,077	1,235,660	1,234,452
4.	2019.....	XXX	XXX	1,238,520	1,210,497	1,195,799
5.	2020.....	XXX	XXX	XXX	1,245,613	1,195,279
6.	2021.....	XXX	XXX	XXX	XXX	1,408,975

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

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2+3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2017.....	1,363,672	1,218,274	27,208	2.233	1,245,482	91.333			1,245,482	91.333
2.	2018.....	1,373,688	1,234,452	31,680	2.566	1,266,132	92.170			1,266,132	92.170
3.	2019.....	1,342,355	1,195,799	32,243	2.696	1,228,042	91.484			1,228,042	91.484
4.	2020.....	1,390,623	1,209,665	31,811	2.630	1,241,476	89.275	12,367	261	1,254,104	90.183
5.	2021.....	1,518,922	1,208,057	26,193	2.168	1,234,250	81.258	174,165	3,658	1,412,073	92.965

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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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior.....	6,721	7,230	7,108	7,067	7,067
2.	2017.....	31,319	35,967	37,267	37,364	37,324
3.	2018.....	XXX	58,220	63,521	63,913	63,858
4.	2019.....	XXX	XXX	80,514	82,226	82,934
5.	2020.....	XXX	XXX	XXX	92,569	90,723
6.	2021.....	XXX	XXX	XXX	XXX	93,749

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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior.....	7,074	7,332	7,108	7,067	7,067
2.	2017.....	39,014	37,366	37,267	37,364	37,323
3.	2018.....	XXX	65,523	64,213	63,913	63,858
4.	2019.....	XXX	XXX	87,700	84,030	82,934
5.	2020.....	XXX	XXX	XXX	102,394	92,094
6.	2021.....	XXX	XXX	XXX	XXX	108,103

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

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2+3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2017.....	54,119	37,324	3,207	8.592	40,531	74.892			40,531	74.892
2.	2018.....	100,982	63,858	3,594	5.628	67,452	66.796			67,452	66.796
3.	2019.....	120,710	82,934	3,770	4.546	86,704	71.828			86,704	71.828
4.	2020.....	132,771	90,723	3,997	4.406	94,720	71.341	1,371	34	96,125	72.399
5.	2021.....	128,994	93,749	2,243	2.393	95,992	74.416	14,354	355	110,701	85.819

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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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior.....	NONE				
2. 2017.....					
3. 2018.....					
4. 2019.....			XXX		
5. 2020.....			XXX	XXX	
6. 2021.....			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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior.....	NONE				
2. 2017.....					
3. 2018.....					
4. 2019.....			XXX		
5. 2020.....			XXX	XXX	
6. 2021.....			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. 2017.....	NONE									
2. 2018.....										
3. 2019.....										
4. 2020.....										
5. 2021.....										

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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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior.....	NONE				
2. 2017.....					
3. 2018.....					
4. 2019.....			XXX		
5. 2020.....			XXX	XXX	
6. 2021.....			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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior.....	NONE				
2. 2017.....					
3. 2018.....					
4. 2019.....			XXX		
5. 2020.....			XXX	XXX	
6. 2021.....			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. 2017.....	NONE									
2. 2018.....										
3. 2019.....										
4. 2020.....										
5. 2021.....										

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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 2017	2 2018	3 2019	4 2020	5 2021	
1.	Prior.....	NONE					
2.	2017.....						
3.	2018.....						
4.	2019.....			XXX			
5.	2020.....			XXX	XXX		
6.	2021.....			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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior.....	NONE				
2.	2017.....					
3.	2018.....					
4.	2019.....			XXX		
5.	2020.....			XXX	XXX	
6.	2021.....			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	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2+3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2017.....	NONE									
2.	2018.....										
3.	2019.....										
4.	2020.....										
5.	2021.....										

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

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior.....					
2. 2017.....					
3. 2018.....					
4. 2019.....		XXX			
5. 2020.....	XXX	XXX	XXX		
6. 2021.....	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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior.....					
2. 2017.....					
3. 2018.....					
4. 2019.....		XXX			
5. 2020.....	XXX	XXX	XXX		
6. 2021.....	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. 2017.....										
2. 2018.....										
3. 2019.....										
4. 2020.....										
5. 2021.....										

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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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior.....	NONE				
2. 2017.....					
3. 2018.....					
4. 2019.....			XXX		
5. 2020.....			XXX	XXX	
6. 2021.....			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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior.....	NONE				
2. 2017.....					
3. 2018.....					
4. 2019.....			XXX		
5. 2020.....			XXX	XXX	
6. 2021.....			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. 2017.....	NONE									
2. 2018.....										
3. 2019.....										
4. 2020.....										
5. 2021.....										

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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior.....	99,299	97,418	97,641	96,892	96,891
2.	2017.....	1,060,539	1,174,167	1,181,070	1,181,318	1,180,950
3.	2018.....	XXX	1,091,135	1,166,494	1,171,747	1,170,594
4.	2019.....	XXX	XXX	1,031,419	1,116,687	1,112,865
5.	2020.....	XXX	XXX	XXX	1,025,435	1,118,942
6.	2021.....	XXX	XXX	XXX	XXX	1,114,308

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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior.....	102,768	97,418	97,641	96,892	96,891
2.	2017.....	1,207,034	1,179,432	1,181,070	1,181,318	1,180,950
3.	2018.....	XXX	1,208,295	1,176,864	1,171,747	1,170,594
4.	2019.....	XXX	XXX	1,150,820	1,126,467	1,112,865
5.	2020.....	XXX	XXX	XXX	1,143,219	1,103,185
6.	2021.....	XXX	XXX	XXX	XXX	1,300,872

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

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2+3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2017.....	1,309,553	1,180,950	24,001	2.032	1,204,951	92.012			1,204,951	92.012
2.	2018.....	1,272,706	1,170,594	28,086	2.399	1,198,680	94.184			1,198,680	94.184
3.	2019.....	1,221,645	1,112,865	28,473	2.559	1,141,338	93.426			1,141,338	93.426
4.	2020.....	1,257,852	1,118,942	27,814	2.486	1,146,756	91.168	10,996	227	1,157,979	92.060
5.	2021.....	1,389,928	1,114,308	23,950	2.149	1,138,258	81.893	159,811	3,303	1,301,372	93.629

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

OTHER HEALTH

Section A – Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior.....	NONE				
2.	2017.....					
3.	2018.....					
4.	2019.....			XXX		
5.	2020.....			XXX	XXX	
6.	2021.....			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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior.....	NONE				
2.	2017.....					
3.	2018.....					
4.	2019.....			XXX		
5.	2020.....			XXX	XXX	
6.	2021.....			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	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2+3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2017.....	NONE									
2.	2018.....										
3.	2019.....										
4.	2020.....										
5.	2021.....										

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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									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$ for investment income)									
5. Aggregate write-ins for other policy reserves	4,000,000	4,000,000							
6. Totals (gross)	4,000,000	4,000,000							
7. Reinsurance ceded									
8. Totals (Net) (Page 3, Line 4)	4,000,000	4,000,000							
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. Totals (gross)									
13. Reinsurance ceded									
14. Totals (Net) (Page 3, Line 7)									
Details of Write-Ins									
0501. Risk Adjustment Liability	4,000,000	4,000,000							
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	4,000,000	4,000,000							
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)									

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 – ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building)	45,973	45,973	544,472		636,418
2. Salaries, wages and other benefits	13,488,424	7,318,465	47,922,307		68,729,196
3. Commissions (less \$ ceded plus \$ assumed)					
4. Legal fees and expenses	45,968	23,926	261,322		331,216
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services	990,858	515,743	5,632,955		7,139,556
7. Traveling expenses	5,332	2,775	30,309		38,416
8. Marketing and advertising	344,940	179,542	1,960,957		2,485,439
9. Postage, express and telephone	267,565	139,268	1,521,086		1,927,919
10. Printing and office supplies	200,373	104,295	1,139,107		1,443,775
11. Occupancy, depreciation and amortization	614,416	319,804	3,492,909		4,427,129
12. Equipment	80,863	42,089	459,701		582,653
13. Cost or depreciation of EDP equipment and software	1,559,354	811,645	8,864,807		11,235,806
14. Outsourced services including EDP, claims, and other services	4,884,404	2,542,338	27,767,461		35,194,203
15. Boards, bureaus and association fees	51,043	26,568	290,178		367,789
16. Insurance, except on real estate	138,069	71,865	784,910		994,844
17. Collection and bank service charges	102,226	53,209	95,552	485,593	736,580
18. Group service and administration fees					
19. Reimbursements by uninsured plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes			26,839,684		26,839,684
23.3 Regulatory authority licenses and fees	110,767	57,654	629,703		798,124
23.4 Payroll taxes	754,689	555,164	1,964,990		3,274,843
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses	204,552	130,347	1,162,863		1,497,762
26. Total expenses incurred (Lines 1 to 25)	23,889,816	12,940,670	131,365,273	485,593	(a) 168,681,352
27. Less expenses unpaid December 31, current year		3,919,347	39,785,327		43,704,674
28. Add expenses unpaid December 31, prior year		3,736,548	21,645,483		25,382,031
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)	23,889,816	12,757,871	113,225,429	485,593	150,358,709
Details of Write-Ins					
2501. Conferences, Training, and Tuition	31,027	16,150	176,387		223,564
2502. Recruitment Fees	161,553	84,088	918,415		1,164,056
2503. Meeting	12,138	6,318	69,004		87,460
2598. Summary of remaining write-ins for Line 25 from overflow page	(166)	23,791	(943)		22,682
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	204,552	130,347	1,162,863		1,497,762

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

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) 332,069	384,828
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 988,457	1,001,231
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 112,873	74,067
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	Total gross investment income	1,433,398	1,460,126
11.	Investment expenses		(g) 485,593
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	Total deductions (Lines 11 through 15)		485,593
17.	Net investment income (Line 10 minus Line 16)		974,533
Details of Write-Ins			
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		

- (a) Includes \$ 86,590 accrual of discount less \$ 505,221 amortization of premium and less \$ 109,857 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ 214 accrual of discount less \$ 1,126,488 amortization of premium and less \$ 455,636 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	180,946		180,946	1,266,064	
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)	286,730		286,730		
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)					
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments	196		196		
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)	467,872		467,872	1,266,064	
Details of Write-Ins						
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 – Col. 1)
1. Bonds (Schedule D).....			
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			
2.2 Common stocks.....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			
3.2 Other than first liens.....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale.....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			
6. Contract loans.....			
7. Derivatives (Schedule DB).....			
8. Other invested assets (Schedule BA).....			
9. Receivables for securities.....			
10. Securities lending reinvested collateral assets (Schedule DL).....			
11. Aggregate write-ins for invested assets.....			
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.....	545,094	3,543,549	2,998,455
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			
16.2 Funds held by or deposited with reinsured companies.....			
16.3 Other amounts receivable under reinsurance contracts.....			
17. Amounts receivable relating to uninsured plans.....			
18.1 Current federal and foreign income tax recoverable and interest thereon.....			
18.2 Net deferred tax asset.....			
19. Guaranty funds receivable or on deposit.....			
20. Electronic data processing equipment and software.....	8,251,260	5,478,311	(2,772,949)
21. Furniture and equipment, including health care delivery assets.....	3,076,153	3,663,676	587,523
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.....		25,000	25,000
25. Aggregate write-ins for other-than-invested assets.....	9,533,992	7,415,814	(2,118,178)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	21,406,498	20,126,350	(1,280,148)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
28. Total (Lines 26 and 27).....	21,406,498	20,126,350	(1,280,148)
Details of Write-Ins			
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.....	3,881,098	2,540,835	(1,340,263)
2502. Receivable from State.....			
2503. Deposits.....	4,953,000	4,407,362	(545,638)
2598. Summary of remaining write-ins for Line 25 from overflow page.....	699,894	467,617	(232,277)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	9,533,992	7,415,814	(2,118,178)

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.....	204,632	209,030	213,336	216,752	216,580	2,555,041
2. Provider Service Organizations.....						
3. Preferred Provider Organizations.....						
4. Point of Service.....						
5. Indemnity Only.....						
6. Aggregate write-ins for other lines of business.....						
7. Total.....	204,632	209,030	213,336	216,752	216,580	2,555,041
Details of Write-Ins						
0601.....						
0602.....						
0603.....						
0698. Summary of remaining write-ins for Line 6 from overflow page.....						
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....						

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of Neighborhood Health Plan of Rhode Island (the "Company" or "Neighborhood") have been prepared in conformity with accounting practices prescribed or permitted by the state of Rhode Island for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Rhode Island insurance law. The National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual, ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the state of Rhode Island.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Rhode Island is shown below:

	SSAP #	F/S Page	F/S Line #	2021	2020
Net Income					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 3,504,390	\$ 24,778,201
(2) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
(3) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	<u>\$ 3,504,390</u>	<u>\$ 24,778,201</u>
Surplus					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 126,138,440	\$ 122,648,134
(6) State prescribed practices that are an increase / (decrease) from NAIC SAP:					
(7) State permitted practices that are an increase / (decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	<u>\$ 126,138,440</u>	<u>\$ 122,648,134</u>

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

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

C. Accounting Policy

Health capitation premiums are recognized in the period members are entitled to related health care services. Health care service costs and the related liabilities for claims payable are recorded when medical services are authorized, as well as when services are provided without authorization to the extent such services are expected to be ultimately authorized. Expenses are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost using the scientific interest method. The Company does not have any mandatory convertible securities and SVO-identified investments.
- (3) The Company had no common stock.
- (4) The Company had no preferred stock.
- (5) The Company had no mortgage loans.
- (6) The Company only had loan-backed securities designated with NAIC 1 and 2 designations and are reported at amortized cost.
- (7) The Company had no investments in parent, subsidiary or affiliates.
- (8) The Company had no investments in joint ventures, partnership, and limited liability companies based on the underlying GAAP equity of the investee.
- (9) The Company had no derivatives.
- (10) The Company does utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include amounts determined from claims 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 Company's capitalization policy has not changed.
- (13) The Company's pharmaceutical rebate receivables are estimated based on a historical percentage of gross pharmaceutical claims methodology.

D. Going Concern

Management has evaluated the Company's ability to continue as a going concern. There is no substantial doubt in its ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors - None

3. Business Combinations and Goodwill - None

4. Discontinued Operations - None

Notes to the Financial Statements

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - None
- B. Debt Restructuring - None
- C. Reverse Mortgages - None
- D. Loan-Backed Securities
 - (1) Prepayment assumptions for loan-backed securities were obtained from third party sources.
 - (2) Loan-backed and structured securities with a recognized other-than-temporary impairment (OTTI) - None
 - (3) Securities held that were other-than-temporarily impaired due to the present value of cash flows expected to be collected was less than the amortized cost of securities - None
 - (4) All impaired securities for which an OTTI has not been recognized in earnings as a realized loss - None
 - (5) Support for concluding impairments are not other-than-temporary - None
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
- H. Repurchase Agreements Transactions Accounted for as a Sale - None
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None
- J. Real Estate - None
- K. Low-Income Housing Tax Credits (LIHTC) - None
- L. Restricted Assets
 - (1) Restricted assets (including pledged)

Restricted Asset Category	(1) Total Gross (Admitted & Nonadmitted) Restricted from Current Year	(2) Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	(3) Increase / (Decrease) (1 - 2)	(4) Total Current Year Nonadmitted Restricted	(5) Total Current Year Admitted Restricted (1 - 4)	(6) Gross (Admitted & Nonadmitted) Restricted to Total Assets	(7) Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states	95,222,381	92,161,953	3,060,428		95,222,381	18.786	19.612
k. On deposit with other regulatory bodies							
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total restricted assets	\$ 95,222,381	\$ 92,161,953	\$ 3,060,428	\$	\$ 95,222,381	18.786 %	19.612 %

- (2) Detail of assets pledged as collateral not captured in other categories (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - None
- (3) Detail of other restricted assets (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - None
- (4) Collateral received and reflected as assets within the reporting entity's financial statements - None

- M. Working Capital Finance Investments - None
- N. Offsetting and Netting of Assets and Liabilities - None
- O. 5GI Securities - None
- P. Short Sales - None
- Q. Prepayment Penalty and Acceleration Fees

General Account

- (1) Number of CUSIPs 2
 - (2) Aggregate amount of investment income \$ 13,382
- None

- R. Reporting Entity's Share of Cash Pool by Asset type - None

6. Joint Ventures, Partnerships and Limited Liability Companies - None

Notes to the Financial Statements

7. Investment Income

A. Due and Accrued Income Excluded from Surplus

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default are excluded from surplus.

B. Total Amount Excluded - None

8. Derivative Instruments - None

9. Income Taxes

The Company is a non-profit HMO.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A. , B, & D

A Neighborhood bylaw includes certain Rhode Island Community Health Centers to be "Members of the Corporation" so long as specific criteria continue to be met, which includes having in effect with Neighborhood a contract to provide health care services for Neighborhood's enrollees in exchange for payment. Contracts entered into by and between Neighborhood and the Members of the Corporation provide for capitation-based reimbursement to manage and deliver primary care medical services and fee- for-service based reimbursement to deliver other medical services. For the years ended December 31, 2020 and 2021, medical and hospital expenses included \$34,851,010 and \$34,851,010, respectively, for medical services provided, and incentive arrangements earned, by such Members of the Corporation. At December 31, 2020 and 2021 accrued incentives in the amount of \$3,257,572 and \$28,202,654 were due to members of the Corporation.

C. Transactions With Related Party Who Are Not Reported on Schedule Y - None

E. Management Service Contracts and Cost Sharing Arrangements - None

F. Guarantees or Contingencies - None

G. Nature of Relationships that Could Affect Operations - None

H. Amount Deducted for Investment in Upstream Company - None

I. Detail of Investments in Affiliates Greater Than 10% of Admitted Assets - None

J. Write-Down for Impairments of Investments in Subsidiary Controlled or Affiliated Companies - None

K. Foreign Subsidiary Value Using CARVM - None

L. Downstream Holding Company Value Using Look-Through Method - None

M. All SCA Investments - None

N. Investment in Insurance SCAs - None

O. SCA and SSAP No. 48 Entity Loss Tracking - None

11. Debt - None

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

A. Defined Benefit Plan - None

B. Investment Policies and Strategies of Plan Assets - None

C. Fair Value of Each Class of Plan Assets - None

D. Expected Long-Term Rate of Return for the Plan Assets - None

E. Defined Contribution Plans

Neighborhood sponsors a Safe Harbor 401(k) Profit Sharing Plan and Trust (the Plan) covering employees meeting certain age and length of service requirements. Neighborhood matches one hundred percent of the first three percent of a participant's eligible compensation and fifty percent of the next two percent of a participant's eligible compensation contribution. Employer contributions to the Plan included in administrative expenses, totaled \$1,536,518 and \$1,857,014 for the years ended December 31, 2020 and 2021, respectively. At December 31, 2021, the fair value of plan assets was \$50,576,247.

F. Multiemployer Plans - None

G. Consolidated/Holding Company Plans - None

H. Postemployment Benefits and Compensated Absences - None

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - None

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

A. Outstanding Shares - None

B. Dividend Rate of Preferred Stock - None

C. Dividend Restrictions - None

D. Ordinary Dividends - None

E. Company Profits Paid as Ordinary Dividends - None

F. Surplus Restrictions - None

G. Surplus Advances - None

Notes to the Financial Statements

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations (Continued)

- H. Stock Held for Special Purposes - None
- I. Changes in Special Surplus Funds - None
- J. Unassigned Funds (Surplus)
 Portion of unassigned funds represented or reduced by unrealized gains or losses is \$1,458,360.
- K. Company-Issued Surplus Debentures or Similar Obligations - None
- L. Impact of Any Restatement Due to Prior Quasi-Reorganizations - None
- M. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - None

14. Liabilities, Contingencies and Assessments - None

15. Leases

A. Lessee Operating Lease

(1) Leasing arrangements

- (a) Neighborhood has one operating lease agreement with Smithfield Office Center LLC. In December 2015 the Company entered into a lease with Smithfield Office Center, LLC to rent out 101,267 square feet of administrative office space through November 2025. Neighborhood has the option to extend the term of this lease for two (2) consecutive additional periods of five (5) year each.
- (b) In addition to base rent, Neighborhood pays to Smithfield Office Center, LLC, increases in real estate taxes and operating expenses over the base year amounts, as well as maintenance and insurance costs on all leases. The above operating lease require Neighborhood to pay the lessor security deposits of \$79,363. The security deposits, together with any and all accrued interest, will be held by the lessor during the term of the leases.
- (c) I
- (d) Minimum rent expense related to the leases totaled approximately \$2,667,101 and \$1,512,338 for the years ended December 31, 2020 and 2021 respectively.
- (e) Early termination of lease agreements - None

(2) For leases having initial or remaining noncancelable lease terms in excess of one year

At December 31, 2021 the annual minimum future lease payments under all non-cancelable operating leases with Smithfield Office Center, LLC, , excluding real estate taxes and operating expenses, are \$6,217,118.

(a) Minimum aggregate rental commitments at year end

<u>Year Ending December 31</u>	<u>Operating Leases</u>
1. 2022	\$ 1,541,874
2. 2023	1,573,267
3. 2024	1,604,660
4. 2025	1,497,317
5. 2026	
6. Total	\$

(b) Sublease minimum rentals to be received - None

(3) For sale-leaseback transactions - None

B. Lessor Leases - None

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk - None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities - None

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans - None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators - None

20. Fair Value Measurements

A. Fair Value Measurement

(1) Fair value measurements at reporting date

Fair Value Measurements at reporting date: During 2021, Neighborhood only reports Money Market Mutual Funds in Cash Equivalents at fair value using Level 2. The Company has no other assets or liabilities reported at fair value. Level 1 measurement is the unadjusted quoted price for identical assets or liabilities in active markets accessible at the measurement date, Level 2 measurement requires significant other observable inputs, and Level 3 requires significant unobservable inputs. Neighborhood's investments, comprised principally of bonds, are recorded at amortized cost.

Notes to the Financial Statements

20. Fair Value Measurements (Continued)

Description for each class of asset or liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
a. Assets at fair value					
Money Market Mutual Fund	\$	\$ 36,774,801	\$	\$	\$ 36,774,801
Total assets at fair value/NAV	<u>\$</u>	<u>\$ 36,774,801</u>	<u>\$</u>	<u>\$</u>	<u>\$ 36,774,801</u>
b. Liabilities at fair value					
Total liabilities at fair value	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(2) Fair value measurements in Level 3 of the fair value hierarchy - None

(3) The Company's policy for determining when transfers between levels are recognized is determined at the end of the reporting period.

(4) The valuation techniques and inputs used in the fair value measurement Level 2: The fair value of most securities is priced automatically through Neighborhood's primary pricing vendor: Interactive Data Pricing and Reference Data, Inc., and other industry leading pricing sources like Bloomberg and PricingDirect Inc. In the event an automated price is not available from pricing vendors, other pricing sources, like investment managers and brokers, are used to ensure accurate and timely pricing.

The valuation techniques and inputs used in the fair value measurement Level 3: not applicable.

(5) Derivatives - None

B. Other Fair Value Disclosures - None

C. Fair Values for All Financial Instruments by Level 1, 2 and 3

Type of Financial Instrument	Aggregate Fair Value		Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
	Value	Admitted Assets					
Bonds	\$ 118,882,017	\$ 116,610,586	\$	\$ 118,882,017	\$	\$	\$
Short-term Investments	65,874,809	65,899,300	.....	65,874,809	.....	.....	.....
Cash Equivalents	36,774,801	36,774,801	.....	36,774,801	.....	.....	.....

D. Not Practicable to Estimate Fair Value - None

E. Nature and Risk of Investments Reported at NAV - None

21. Other Items - None

22. Events Subsequent

Type I. – Recognized Subsequent Events

Subsequent events have been considered through February 28, 2022 for the statutory statement issued on December 31, 2021.

None

Type II. – Nonrecognized Subsequent Events

Subsequent events have been considered through February 28, 2022 for the statutory statement issued on December, 31, 2021.

None

The Company is not subject to an annual fee under section 9010 of the Federal Affordable Care Act (ACA) due to being a non-profit HMO with a percentage of Medicaid business being over 80% of total premiums. The annual fee is no longer in effect beginning 2021.

23. Reinsurance

A. Ceded Reinsurance Report - None

B. Uncollectible Reinsurance - None

C. Commutation of Reinsurance Reflected in Income and Expenses - None

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None

E. Reinsurance Credit

(1) Reinsurance contracts subject to A-791 - None

(2) Reinsurance contracts not subject to A-791

The Company has 1 reinsurance contract with Zurich American Insurance Company of IL with risk limiting features. The reinsurance credit was reduced for the risk limiting features.

(3) There are no provisions that delay payment in form or in fact within the contract.

(4) The reinsurance contract with Zurich American Insurance Company of IL meets the risk transfer requirements of SSAP No. 61R. This contract is a stop loss contract with a deductible that does not result in significant surplus relief.

(5) Contracts with ceded risk not subject to A-791 accounted for differently under GAAP and SAP - None

(6) Explanation of the accounting treatment disclosed in Note 23.E(5) if treated differently for GAAP and SAP - None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate - None

B. Method Used to Record - None

Notes to the Financial Statements

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination (Continued)

- C. Amount and Percent of Net Retrospective Premiums - None
- D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act - None
- E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

(1) Accident and health insurance premium subject to the Affordable Care Act risk-sharing provisions

Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions? YES

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

	Amount
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to the ACA risk adjustment (including high-risk pool payments).....	\$.....
Liabilities	
2. Risk adjustment user fees payable for ACA risk adjustment.....	\$..... 80,489
3. Premium adjustments payable due to ACA risk adjustment (including high-risk pool premium).....	4,000,000
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA risk adjustment.....	\$..... (5,813,980)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid).....	80,771
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA reinsurance.....	\$.....
2. Amounts recoverable for claims unpaid due to ACA reinsurance (contra liability).....	.....
3. Amounts receivable relating to uninsured plans for contributions for ACA reinsurance.....	.....
Liabilities	
4. Liabilities for contributions payable due to ACA reinsurance – not reported as ceded premium.....	\$.....
5. Ceded reinsurance premiums payable due to ACA reinsurance.....	.....
6. Liabilities for amounts held under uninsured plans contributions for ACA reinsurance.....	.....
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA reinsurance.....	\$.....
8. Reinsurance recoveries (income statement) due to ACA reinsurance payments or expected payments.....	.....
9. ACA reinsurance contributions - not reported as ceded premium.....	.....
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA risk corridors liabilities.....	\$.....
2. Reserve for rate credits or policy experience rating refunds due to ACA risk corridors.....	.....
Operations (Revenue & Expense)	
3. Effect of ACA risk corridors on net premium income (paid/received).....	\$.....
4. Effect of ACA risk corridors on change in reserves for rate credits.....	.....

Notes to the Financial Statements

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination (Continued)

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

	Accrued During the Prior Year on Business Written Before Dec 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
	(1)	(2)	(3)	(4)	Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program										
1. Premium adjustments receivable (including high risk pool payments)	\$	\$	\$	\$	\$	\$	\$	\$	A	\$
2. Premium adjustments payable (including high risk pool premium)		2,499,996		3,977,525		(1,477,529)			B	(1,477,529)
3. Subtotal ACA Permanent Risk Adjustment Program	\$	2,499,996	\$	3,977,525	\$	(1,477,529)	\$	\$		(1,477,529)
b. Transitional ACA Reinsurance Program										
1. Amounts recoverable for claims paid	\$	\$	\$	\$	\$	\$	\$	\$	C	\$
2. Amounts recoverable for claims unpaid (contra liability)									D	
3. Amounts receivable relating to uninsured plans									E	
4. Liabilities for contributions payable due to ACA reinsurance - not reported as ceded premium									F	
5. Ceded reinsurance premiums payable									G	
6. Liability for amounts held under uninsured plans									H	
7. Subtotal ACA Transitional Reinsurance Program	\$	\$	\$	\$	\$	\$	\$	\$		\$
c. Temporary ACA Risk Corridors Program										
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	I	\$
2. Reserve for rate credits or policy experience rating refunds									J	
3. Subtotal ACA Risk Corridors Program	\$	\$	\$	\$	\$	\$	\$	\$		\$
d. Total for ACA risk sharing provisions	\$	2,499,996	\$	3,977,525	\$	(1,477,529)	\$	\$		(1,477,529)

Explanations of Adjustments

- A: None
- B: Adjustment made based on notification from CMS
- C: None
- D: None
- E: None
- F: None
- G: None
- H: None
- I: None
- J: None

(4) Roll-forward of risk corridors asset and liability balances by program benefit year - None

(5) ACA risk corridors receivable as of reporting date - None

25. Change in Incurred Claims and Claim Adjustment Expenses

A. Reasons for Changes in the Provision for Incurred Claim and Claim Adjustment Expenses Attributable to Insured Events of Prior Years

Reserves as of December 31, 2020 were \$142,929,407. As of December 31, 2021, \$63,912,518 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$12,367,150 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$66,884,208 favorable prior-year development since December 31, 2020 to December 31, 2021. The decrease 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.

B. Significant Changes in Methodologies and Assumptions Used in Calculating the Liability for Unpaid Claims and Claim Adjustment Expenses - None

26. Intercompany Pooling Arrangements - None

27. Structured Settlements - None

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

In accordance with NAIC SAP Statement No. 84, the following is a summary of the required disclosures relating to pharmaceutical rebates:

Notes to the Financial Statements

28. Health Care Receivables (Continued)

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2021	\$ 8,823,606	\$ 8,823,606	\$ -	\$ -	\$ -
09/30/2021	9,044,395	9,044,395	-	-	-
06/30/2021	8,807,823	8,807,823	8,807,823	-	-
03/31/2021	8,618,601	8,618,601	8,618,601	-	-
12/31/2020	9,496,799	9,464,695	9,492,347	-	-
09/30/2020	8,996,989	9,765,622	8,964,720	506,191	-
06/30/2020	8,724,614	9,448,445	-	8,695,786	-
03/31/2020	8,418,712	8,548,723	-	8,418,713	-
12/31/2019	8,965,792	8,799,423	-	7,636,353	72,633
09/30/2019	17,739,287	8,725,555	-	7,570,622	120,785
06/30/2019	4,486,167	8,763,550	-	4,839,234	2,860,590
03/31/2019	4,091,229	8,786,957	-	1,101,101	6,893,542

Pharmaceutical rebate receivables are based on guaranteed amounts including within the a contract with CVS in accordance with SSAP No. 84

B. Risk-Sharing Receivables - None

29. Participating Policies - None

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves: \$
2. Date of the most recent evaluation of this liability:
3. Was anticipated investment income utilized in the calculation?

31. Anticipated Salvage and Subrogation - None

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?..... **NO**
If yes, complete Schedule Y, Parts 1, 1A, 2, and 3.
- 1.2. If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?.....
- 1.3. State Regulating?..... **NA**
- 1.4. Is the reporting entity publicly traded or a member of a publicly traded group?..... **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?..... **NO**
- 2.2. If yes, date of change:.....
- 3.1. State as of what date the latest financial examination of the reporting entity was made or is being made..... 12/31/2017
- 3.2. State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released..... 12/31/2017
- 3.3. State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date)..... 02/28/2019
- 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**
- 3.6. Have all of the recommendations within the latest financial examination report been complied with?..... **YES**
- 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?..... **NO**
 - 4.12. renewals?..... **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?..... **NO**
 - 4.22. renewals?..... **NO**
- 5.1. Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?..... **NO**
If yes, complete and file the merger history data file with the NAIC.
- 5.2. If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	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?..... **NO**
- 6.2. If yes, give full information
- 7.1. Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?..... **NO**
- 7.2. If yes,
 - 7.21. State the percentage of foreign control..... %
 - 7.22. State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1	2
Nationality	Type of Entity

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

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

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

- 8.5. Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the reporting entity?..... NO
- 8.6. If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule?..... NO
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP, 200 Charendon Street, Boston, MA 02116
- 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?..... NO
- 10.2. If the response to 10.1 is yes, provide information related to this exemption:
- 10.3. Has the insurer been granted any exemptions related to 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?..... NO
- 10.4. If the response to 10.3 is yes, provide information related to this exemption:
- 10.5. Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?..... YES
- 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?
Nicole Cullan, Director of Actuarial Services, Neighborhood Health Plan 910 Douglas Pike Smithfield, RI 02917
- 12.1. Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?..... NO
- 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?.....
- 13.3. Have there been any changes made to any of the trust indentures during the year?.....
- 13.4. If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?.....
- 14.1. Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?..... YES
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - c. Compliance with applicable governmental laws, rules and regulations;
 - d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - e. Accountability for adherence to the code.
- 14.11. If the response to 14.1 is no, please explain:
- 14.2. Has the code of ethics for senior managers been amended?..... NO
- 14.21. If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3. Have any provisions of the code of ethics been waived for any of the specified officers?..... NO
- 14.31. If the response to 14.3 is yes, provide the nature of any waiver(s).

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

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?..... YES
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?..... YES
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

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

FINANCIAL

- 19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?..... **NO**
- 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?..... **NO**
- 21.2. If yes, state the amount thereof at December 31 of the current year:
 - 21.21 Rented from others..... \$
 - 21.22 Borrowed from others..... \$
 - 21.23 Leased from others..... \$
 - 21.24 Other..... \$
- 22.1. Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?..... **NO**
- 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?..... **NO**
- 23.2. If yes, indicate any amounts receivable from parent included in the Page 2 amount..... \$
- 24.1. Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days?..... **NO**
- 24.2. If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

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

INVESTMENT

- 25.01. Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03)..... **YES**
- 25.02. If no, give full and complete information, relating thereto
- 25.03. For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 25.04. For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions..... \$
- 25.05. For the reporting entity's securities lending program, report amount of collateral for other programs..... \$
- 25.06. Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?..... **N/A**
- 25.07. Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?..... **N/A**
- 25.08. Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?..... **N/A**
- 25.09. For the reporting entity's securities lending program, state the amount of the following as of December 31 of the current year:
 - 25.091. Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2..... \$
 - 25.092. Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2..... \$
 - 25.093. Total payable for securities lending reported on the liability page..... \$
- 26.1. Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03)..... **YES**
- 26.2. If yes, state the amount thereof at December 31 of the current year:
 - 26.21. Subject to repurchase agreements..... \$
 - 26.22. Subject to reverse repurchase agreements..... \$
 - 26.23. Subject to dollar repurchase agreements..... \$
 - 26.24. Subject to reverse dollar repurchase agreements..... \$
 - 26.25. Placed under option agreements..... \$
 - 26.26. Letter stock or securities restricted as to sale - excluding FHLB Capital Stock..... \$
 - 26.27. FHLB Capital Stock..... \$
 - 26.28. On deposit with states..... \$ **95,222,381**
 - 26.29. On deposit with other regulatory bodies..... \$
 - 26.30. Pledged as collateral - excluding collateral pledged to an FHLB..... \$
 - 26.31. Pledged as collateral to FHLB - including assets backing funding agreements..... \$
 - 26.32. Other..... \$
- 26.3. For category (26.26) provide the following:

1	2	3
Nature of Restriction	Description	Amount
		\$

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

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

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

- 27.3. Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity?..... NO.....
 27.4. If the response to 27.3 is YES, does the reporting entity utilize:
 27.41 Special accounting provision of SSAP No. 108.....
 27.42 Permitted accounting practice.....
 27.43 Other accounting guidance.....
 27.5. By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:
 • The reporting entity has obtained explicit approval from the domiciliary state.
 • Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
 • Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
 • Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

- 28.1. Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?..... NO.....
 28.2. If yes, state the amount thereof at December 31 of the current year..... \$.....
 29. Excluding items in Schedule E- Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the *NAIC Financial Condition Examiners Handbook*?..... YES.....

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

1 Name of Custodian(s)	2 Custodian's Address
Comerica Bank.....	411 West Lafayette, Detroit, MI 48226.....
RBS Citizens Bank.....	One Citizens Plaza, Providence, RI 02903.....

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

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

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

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

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

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

1 Name of Firm or Individual	2 Affiliation
Income Research & Management.....	U.....
RBS Citixen's Bank - Private Wealth.....	U.....

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
124567.....	Silicon Valley Bank.....	.....	SEC.....	DS.....

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

30.2. If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
30.2999 TOTAL		\$.....

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

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

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
		\$	

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1. Bonds.....	\$ 116,610,586	\$ 118,882,017	\$ 2,271,431
31.2. Preferred Stocks.....			
31.3. Totals.....	\$ 116,610,586	\$ 118,882,017	\$ 2,271,431

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

Comerica

32.1. Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? YES

32.2. If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? YES

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

33.1. Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? YES

33.2. If no, list exceptions:

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

35. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
 a. The security was purchased prior to January 1, 2018.
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as 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? NO

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

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:
 a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
 b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
 c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
 d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.
 Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? YES

OTHER

38.1. Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 607,648

38.2. 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
Milliman, Inc.....	\$ 334,620

39.1. Amount of payments for legal expenses, if any? \$ 357,695

39.2. 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
Chace Ruttenberg & Freddman, LLP.....	\$ 135,132
Parker Gallini, LLP.....	91,375

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 40.1. Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any? \$..... 86,400
- 40.2. List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid
Capitol City Group, Ltd	\$..... 86,400

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? NO
- 1.2 If yes, indicate premium earned on U.S. business only \$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
- 1.31 Reason for excluding

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above \$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance \$
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$
- 1.62 Total incurred claims \$
- 1.63 Number of covered lives
- All years prior to most current three years:
- 1.64 Total premium earned \$
- 1.65 Total incurred claims \$
- 1.66 Number of covered lives
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$
- 1.72 Total incurred claims \$
- 1.73 Number of covered lives
- All years prior to most current three years:
- 1.74 Total premium earned \$
- 1.75 Total incurred claims \$
- 1.76 Number of covered lives

2. Health Test:

	1	2
	Current Year	Prior Year
2.1 Premium Numerator	\$ 1,518,921,093	\$ 1,390,623,327
2.2 Premium Denominator	\$ 1,518,921,093	\$ 1,390,623,327
2.3 Premium Ratio (2.1/2.2)	100.000	100.000
2.4 Reserve Numerator	\$ 190,532,046	\$ 141,692,855
2.5 Reserve Denominator	\$ 190,532,046	\$ 141,692,855
2.6 Reserve Ratio (2.4/2.5)	100.000	100.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? NO
- 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
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?
- 5.1 Does the reporting entity have stop-loss reinsurance? YES
- 5.2 If no, explain:

- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$ 615,000
- 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:
The Company has hold harmless clause with all contracted providers
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? YES
- 7.2 If no, give details

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

- 8. Provide the following information regarding participating providers:
 - 8.1 Number of providers at start of reporting year 7,060
 - 8.2 Number of providers at end of reporting year 7,418
- 9.1 Does the reporting entity have business subject to premium rate guarantees? NO
- 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
- 10.2 If yes:
 - 10.21 Maximum amount payable bonuses \$ 28,202,654
 - 10.22 Amount actually paid for year bonuses \$ 40,693
 - 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, NO
 - 11.13 An Individual Practice Association (IPA), or, NO
 - 11.14 A Mixed Model (combination of above)? YES
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? YES
- 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. \$
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? NO
- 11.6 If the amount is calculated, show the calculation

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

1
Name of Service Area
Rhode Island.....

- 13.1 Do you act as a custodian for health savings accounts? NO
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$
- 13.3 Do you act as an administrator for health savings accounts? NO
- 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? N/A
- 14.2. If the answer to 14.1 is yes, please provide the following:

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

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

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

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

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2021	2020	2019	2018	2017
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	473,561,715	404,452,916	354,975,179	333,881,490	382,572,757
2. Total liabilities (Page 3, Line 24)	347,423,275	281,804,783	253,367,882	232,315,200	282,295,189
3. Statutory minimum capital and surplus requirement		97,027,532	96,217,098	99,171,312	95,640,338
4. Total capital and surplus (Page 3, Line 33)	126,138,440	122,648,134	101,607,297	101,566,289	100,277,568
Income Statement (Page 4)					
5. Total revenues (Line 8)	1,520,834,669	1,392,298,811	1,345,930,383	1,377,747,019	1,365,886,563
6. Total medical and hospital expenses (Line 18)	1,342,325,559	1,211,728,372	1,207,417,711	1,239,476,084	1,232,285,769
7. Claims adjustment expenses (Line 20)	36,830,486	32,706,670	32,447,188	31,441,514	29,889,981
8. Total administrative expenses (Line 21)	131,365,273	126,635,022	108,134,171	103,426,579	103,393,547
9. Net underwriting gain (loss) (Line 24)	10,313,351	21,228,747	(2,068,687)	3,402,842	317,266
10. Net investment gain (loss) (Line 27)	1,442,405	3,549,454	3,751,787	3,220,105	2,051,872
11. Total other income (Lines 28 plus 29)	(8,251,367)		1,967,499	(552,279)	(4,032,989)
12. Net income or (loss) (Line 32)	3,504,390	24,778,201	3,650,599	6,070,668	(1,663,851)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	131,795,059	37,290,415	(99,632,488)	(89,690,590)	32,228,958
Risk-Based Capital Analysis					
14. Total adjusted capital	126,138,440	122,648,134	101,607,297	101,566,289	100,277,568
15. Authorized control level risk-based capital	53,359,759	48,513,766	48,108,549	49,588,540	47,820,169
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	216,580	204,632	185,914	193,920	199,639
17. Total members months (Column 6, Line 7)	2,555,041	2,359,899	2,307,846	2,440,979	2,407,779
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 (Lines 18 plus Line 19)	88.4	87.1	89.9	90.2	90.4
20. Cost containment expenses	1.6	1.5	1.5	1.4	1.3
21. Other claims adjustment expenses	0.9	0.9	1.0	0.9	0.9
22. Total underwriting deductions (Line 23)	99.4	98.6	100.4	100.0	100.1
23. Total underwriting gain (loss) (Line 24)	0.7	1.5	(0.2)	0.2	-
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	72,874,210	102,233,602	99,685,725	116,096,898	109,380,174
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	117,932,516	105,765,687	114,268,780	149,249,169	109,932,734
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					
32. Total of above Lines 26 to 31					
33. Total investment in parent included in Lines 26 to 31 above					

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

If no, please explain

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	1	Direct Business Only								
		2	3	4	5	6	7	8	9	10
States, Etc.	Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	CHIP Title XXI	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	129,292,461		1,394,570,572				1,523,863,034	
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. US Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	N								
57. Canada	CAN	N								
58. Aggregate Other Alien	OT	XXX								
59. Subtotal	XXX		129,292,461		1,394,570,572				1,523,863,034	
60. Reporting entity contributions for Employee Benefit Plans	XXX									
61. Total (Direct Business)	XXX		129,292,461		1,394,570,572				1,523,863,034	
Details of Write-Ins										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX									
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX									

(a) Active Status Counts

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG 1 R - Registered - Non-domiciled RRGs -
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state - Q - Qualified - Qualified or accredited reinsurer -
 N - None of the above - Not allowed to write business in the state 56

(b) Explanation of basis of allocation by states, premiums by state, etc
 Premiums were allocated by residence of member.

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

PART 1 - ORGANIZATIONAL CHART

NONE