

**ANNUAL STATEMENT**

**OF THE**

**BLUE CROSS & BLUE SHIELD OF RHODE ISLAND**

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**of PROVIDENCE COUNTY**

**STATE OF RHODE ISLAND**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF RHODE ISLAND**

**FOR THE YEAR ENDED**

**December 31, 2022**

**HEALTH**

**2022**



53473202220100100

# ANNUAL STATEMENT

For the Year Ended December 31, 2022  
OF THE CONDITION AND AFFAIRS OF THE

## BLUE CROSS & BLUE SHIELD OF RHODE ISLAND

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

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

Country of Domicile USA

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

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

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

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

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

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

Internet Web Site Address WWW.BCBSRI.COM

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

### OFFICERS

	Name	Title
1.	MARTHA L. WOFFORD	PRESIDENT & CEO
2.	MICHELE B. LEDERBERG	EVP. CHIEF ADMIN OFFICER & CHIEF LEGAL OFFICER
3.	MARK C. STEWART	EXECUTIVE VICE PRESIDENT & CFO

### VICE-PRESIDENTS

Name	Title	Name	Title
ANASTASIA BERGMAN #	VP - CHIEF PEOPLE OFFICER	CHRISTOPHER G. BUSH	SVP - NETWORK MANAGEMENT
MATTHEW COLLINS M.D.	EVP - CHIEF MEDICAL OFFICER	DAVID COMELLA	VP - CHIEF INFORMATION OFFICER
MELISSA B. CUMMINGS	EVP - CHIEF CUSTOMER OFFICER	TARA L. DEMOURA	SVP - EMPLOYER SEGMENT
JEREMY S. DUNCAN	VP - MARKETING	JON FREDRICKSON #	VP & CHIEF RISK OFFICER
NICK LEFEBER #	SVP - VALUE BASED CARE	MICHAEL J. MARRONE	SVP - FINANCE
KRISTEN MCLEAN #	VP & GENERAL COUNSEL	MICHAEL MENARD #	VP - MEDICARE
CHRISTINE MUSIAL	VP - SHARED SERVICES	CHRISTINA PITNEY	SVP - GOVERNMENT PROGRAMS
RENA SHEEHAN	VP - CLINICAL INTEGRATION	LINDA WINFREY	VP - CHIEF AUDITOR

### DIRECTORS OR TRUSTEES

ROSAMARIA AMOROS JONES	CHRISTOPHER BUFFERY #	STEPHEN COHAN	CHRISTOPHER CROSBY
NICHOLAS DENICE	JOSEPH DIAZ M.D.	MICHAEL DICHIRO	LOUIS GIANCOLA
KAREN HAMMOND	MARGARET HOLLAND MCDUFF #	DONNA HUNTLEY-NEWBY	MICHAEL A ISRAELITE
SHARON MORRIS	WILLIAM MURRAY #	DEBRA PAUL	PETER QUATTROMANI
ROBERT A. SANDERS			

State of RHODE ISLAND

County of PROVIDENCE ss

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

(Signature) <u>MARTHA L. WOFFORD</u> (Printed Name) 1.	(Signature) <u>MICHELE B. LEDERBERG</u> (Printed Name) 2.	(Signature) <u>MARK C. STEWART</u> (Printed Name) 3.
PRESIDENT & CEO (Title)	EVP. CHIEF ADMIN OFFICER & CHIEF LEGAL OFFICER (Title)	EXECUTIVE VICE PRESIDENT & CFO (Title)

Subscribed and sworn to (or affirmed) before me this on this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by

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

## ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	458,106,866		458,106,866	454,436,000
2. Stocks (Schedule D):				
2.1 Preferred stocks	26,068,041		26,068,041	29,154,345
2.2 Common stocks	81,865,522		81,865,522	109,558,644
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 \$ 43,915,033 encumbrances)	42,583,869		42,583,869	43,572,107
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ (6,778,410), Schedule E - Part 1), cash equivalents (\$ 2,459,281, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	(4,319,130)		(4,319,130)	35,669,597
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	25,285,654		25,285,654	25,305,080
9. Receivables for securities	255		255	31,438
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)	629,591,077		629,591,077	697,727,211
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	3,138,174		3,138,174	2,634,901
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	38,263,591	10,218,684	28,044,907	25,147,888
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ 479,773) and contracts subject to redetermination (\$ 70,609,053)	71,088,826		71,088,826	35,663,237
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	20,480,988		20,480,988	7,721,924
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	79,970,786	718,570	79,252,216	66,683,946
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	36,970,047	36,878,268	91,779	134,138
21. Furniture and equipment, including health care delivery assets (\$ 0)	517,697	517,697		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 46,663,680) and other amounts receivable	49,679,299	3,015,619	46,663,680	40,505,717
25. Aggregate write-ins for other-than-invested assets	79,588,168	35,236,478	44,351,690	48,041,340
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,009,288,653	86,585,316	922,703,337	924,260,302
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	1,009,288,653	86,585,316	922,703,337	924,260,302

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. OTHER RECEIVABLES	33,536,390	1,343,233	32,193,157	34,112,670
2502. PREPAID EXPENSES	33,004,444	33,004,444		
2503. FEP UNPAID CLAIMS	9,499,967		9,499,967	10,441,000
2598. Summary of remaining write-ins for Line 25 from overflow page	3,547,367	888,801	2,658,566	3,487,670
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	79,588,168	35,236,478	44,351,690	48,041,340

NONE

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	139,367,499		139,367,499	136,825,413
2. Accrued medical incentive pool and bonus amounts	42,897,616		42,897,616	50,408,939
3. Unpaid claims adjustment expenses	24,377,316		24,377,316	21,001,037
4. Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Services Act	82,983,616		82,983,616	92,767,146
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves	3,821,000		3,821,000	3,359,000
8. Premiums received in advance	22,209,188		22,209,188	25,834,351
9. General expenses due or accrued	66,332,986		66,332,986	58,079,680
10.1. Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))	759,048		759,048	638,802
10.2. Net deferred tax liability				
11. Ceded reinsurance premiums payable	521,986		521,986	385,306
12. Amounts withheld or retained for the account of others	1,600,471		1,600,471	1,323,385
13. Remittances and items not allocated	3,147,643		3,147,643	3,319,481
14. Borrowed money (including \$ 48,000,000 current) and interest thereon \$ 40,550 (including \$ 0 current)	48,040,550		48,040,550	
15. Amounts due to parent, subsidiaries and affiliates				
16. Derivatives				
17. Payable for securities	2,327,117		2,327,117	
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers)				
20. Reinsurance in unauthorized and certified \$ ( 0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	58,749,961		58,749,961	57,292,852
23. Aggregate write-ins for other liabilities (including \$ 17,769,288 current)	16,612,757		16,612,757	38,332,049
24. Total liabilities (Lines 1 to 23)	513,748,754		513,748,754	489,567,441
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X		
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X		
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	408,954,583	434,692,861
32. Less treasury stock, at cost:				
32.1 0 shares common (value included in Line 26 \$ 0)	X X X	X X X		
32.2 0 shares preferred (value included in Line 27 \$ 0)	X X X	X X X		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	408,954,583	434,692,861
34. Total liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	922,703,337	924,260,302

DETAILS OF WRITE-IN LINES				
2301. OTHER ACCOUNTS PAYABLE	15,608,463		15,608,463	28,281,156
2302. ACCRUED CAPITAL EXPENSES	2,012,398		2,012,398	5,070,211
2303. FEP & MISCELLANEOUS CLAIMS PAYABLES	248,427		248,427	894,768
2398. Summary of remaining write-ins for Line 23 from overflow page	(1,256,531)		(1,256,531)	4,085,914
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	16,612,757		16,612,757	38,332,049
2501. ....	X X X	X X X		
2502. ....	X X X	X X X		
2503. ....	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001. ....	X X X	X X X		
3002. ....	X X X	X X X		
3003. ....	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

NONE

NONE

## STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	4,607,876	4,632,706
2. Net premium income (including \$ 0 non-health premium income)	X X X	1,879,553,710	1,801,705,242
3. Change in unearned premium reserves and reserve for rate credits	X X X	4,044,694	(6,185,138)
4. Fee-for-service (net of \$ 0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. Total revenues (Lines 2 to 7)	X X X	1,883,598,404	1,795,520,104
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits		1,124,423,608	1,064,133,006
10. Other professional services		20,544,369	21,301,483
11. Outside referrals			
12. Emergency room and out-of-area		178,946,167	167,113,518
13. Prescription drugs		233,252,011	216,040,137
14. Aggregate write-ins for other hospital and medical		70,046,440	66,009,766
15. Incentive pool, withhold adjustments and bonus amounts		23,883,396	17,750,554
16. Subtotal (Lines 9 to 15)		1,651,095,991	1,552,348,464
<b>Less:</b>			
17. Net reinsurance recoveries		19,979,956	9,638,725
18. Total hospital and medical (Lines 16 minus 17)		1,631,116,035	1,542,709,739
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 29,124,669 cost containment expenses		59,630,823	58,743,347
21. General administrative expenses		181,846,685	183,427,950
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)		(8,000,000)	1,400,000
23. Total underwriting deductions (Lines 18 through 22)		1,864,593,543	1,786,281,036
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	19,004,861	9,239,068
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		12,198,100	11,562,380
26. Net realized capital gains (losses) less capital gains tax of \$ 0		(4,939,902)	5,946,730
27. Net investment gains (losses) (Lines 25 plus 26)		7,258,198	17,509,110
28. Net gain or (loss) from agents' or premium balances charged off [ (amount recovered \$ 0) (amount charged off \$ 0) ]			
29. Aggregate write-ins for other income or expenses		(5,219,669)	(13,580,656)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	21,043,390	13,167,522
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	21,043,390	13,167,522

DETAILS OF WRITE-IN LINES			
0601.		X X X	
0602.		X X X	
0603.		X X X	
0698. Summary of remaining write-ins for Line 06 from overflow page	<b>NONE</b>	X X X	
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)		X X X	
0701.		X X X	
0702.		X X X	
0703.		X X X	
0798. Summary of remaining write-ins for Line 07 from overflow page	<b>NONE</b>	X X X	
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)		X X X	
1401. MENTAL HEALTH			70,046,440
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)			70,046,440
2901. INCOME HISTORIC TAX CREDITS			180,000
2902. INDIGO COMMISSIONS			14,399
2903. INTEREST EXPENSE IRS			(120,687)
2998. Summary of remaining write-ins for Line 29 from overflow page			(5,293,381)
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			(5,219,669)

## STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2
	Current Year	Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year	434,692,861	415,814,234
34. Net income or (loss) from Line 32	21,043,390	13,167,522
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	(29,027,876)	11,508,124
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	(23,096,236)	(6,361,333)
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	5,342,445	564,314
48. Net change in capital and surplus (Lines 34 to 47)	(25,738,277)	18,878,627
49. Capital and surplus end of reporting year (Line 33 plus 48)	408,954,584	434,692,861

DETAILS OF WRITE-IN LINES		
4701. OTHER POSTEMPLOYMENT BENEFITS	4,096,117	304,273
4702. NON-QUALIFIED PENSION PLAN	1,246,328	260,041
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	5,342,445	564,314

**CASH FLOW**

	1	2
<b>Cash from Operations</b>	Current Year	Prior Year
1. Premiums collected net of reinsurance	1,824,232,228	1,773,613,715
2. Net investment income	12,701,956	12,789,245
3. Miscellaneous income	(19,944,618)	(17,565,583)
4. Total (Lines 1 through 3)	1,816,989,566	1,768,837,377
5. Benefit and loss related payments	1,656,646,133	1,542,424,731
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	227,447,156	201,840,414
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		
10. Total (Lines 5 through 9)	1,884,093,289	1,744,265,145
11. Net cash from operations (Line 4 minus Line 10)	(67,103,723)	24,572,232
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	121,322,874	83,443,732
12.2 Stocks	25,029,838	24,043,107
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds	31,184	129
12.8 Total investment proceeds (Lines 12.1 to 12.7)	146,383,896	107,486,968
13. Cost of investments acquired (long-term only):		
13.1 Bonds	131,507,526	117,605,766
13.2 Stocks	22,112,444	5,488,748
13.3 Mortgage loans		
13.4 Real estate	4,896,070	4,625,423
13.5 Other invested assets	492,173	5,028,294
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	159,008,213	132,748,231
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)	(12,624,317)	(25,261,263)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds	48,040,550	
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(8,301,237)	(21,068,666)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	39,739,313	(21,068,666)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(39,988,727)	(21,757,697)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	35,669,597	57,427,294
19.2 End of year (Line 18 plus Line 19.1)	(4,319,130)	35,669,597

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

20.0001		
20.0002		
20.0003		

### ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	1,879,553,710	834,265,343	58,390,815	29,029,906	844,253	124,961,339	808,184,394		23,877,660	
2. Change in unearned premium reserves and reserve for rate credit	4,044,694					4,044,694				
3. Fee-for-service (net of \$ 0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. Total revenues (Lines 1 to 6)	1,883,598,404	834,265,343	58,390,815	29,029,906	844,253	129,006,033	808,184,394		23,877,660	
8. Hospital/medical benefits	1,124,423,608	414,424,407	47,577,115			82,664,986	562,796,642		16,960,458	X X X
9. Other professional services	20,544,369			20,030,235	514,134					X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area	178,946,167	101,293,611					77,652,556			X X X
12. Prescription drugs	233,252,011	147,046,693	1,390,331			27,298,523	47,669,464		9,847,000	X X X
13. Aggregate write-ins for other hospital and medical	70,046,440	45,040,203				7,924,140	17,082,097			X X X
14. Incentive pool, withhold adjustments and bonus amounts	23,883,396	21,220,890	50,786				2,611,720			X X X
15. Subtotal (Lines 8 to 14)	1,651,095,991	729,025,804	49,018,232	20,030,235	514,134	117,887,649	707,812,479		26,807,458	X X X
16. Net reinsurance recoveries	19,979,956	12,136,982							7,842,974	X X X
17. Total hospital and medical (Lines 15 minus 16)	1,631,116,035	716,888,822	49,018,232	20,030,235	514,134	117,887,649	707,812,479		18,964,484	X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$ 29,124,669 cost containment expenses	59,630,823	24,658,757	2,431,595	1,287,315	135,497	3,575,588	26,887,409		654,662	
20. General administrative expenses	181,846,685	84,632,389	6,978,601	3,694,554	388,872	7,107,375	77,166,033		1,878,861	
21. Increase in reserves for accident and health contracts	(8,000,000)	12,300,000					(20,300,000)			X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. Total underwriting deductions (Lines 17 to 22)	1,864,593,543	838,479,968	58,428,428	25,012,104	1,038,503	128,570,612	791,565,921		21,498,007	
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	19,004,861	(4,214,625)	(37,613)	4,017,802	(194,250)	435,421	16,618,473		2,379,653	

DETAILS OF WRITE-IN LINES										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 05 from overflow page										X X X
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)										X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 06 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301. MENTAL HEALTH	70,046,440	45,040,203				7,924,140	17,082,097			X X X
1302.										X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	70,046,440	45,040,203				7,924,140	17,082,097			X X X



## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 – PREMIUMS

Line of Business	1  Direct Business	2  Reinsurance Assumed	3  Reinsurance Ceded	4  Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) individual	121,424,184		60,051	121,364,133
2. Comprehensive (hospital and medical) group	713,594,562		693,352	712,901,210
3. Medicare Supplement	58,390,815			58,390,815
4. Dental only	29,029,906			29,029,906
5. Vision only	844,253			844,253
6. Federal Employees Health Benefits Plan	129,006,033			129,006,033
7. Title XVIII – Medicare	808,184,394			808,184,394
8. Title XIX – Medicaid				
9. Credit A&H				
10. Disability Income				
11. Long-Term Care				
12. Other health	28,560,046		4,682,386	23,877,660
13. Health subtotal (Lines 1 through 12)	1,889,034,193		5,435,789	1,883,598,404
14. Life				
15. Property/casualty				
16. Totals (Lines 13 to 15)	1,889,034,193		5,435,789	1,883,598,404

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2 – CLAIMS INCURRED DURING THE YEAR

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Dental Only	6 Vision Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Payments during the year:														
1.1 Direct	1,630,695,237	111,432,865	603,515,496	47,558,794	20,147,736	514,170	118,886,666	703,168,343					25,471,167	
1.2 Reinsurance assumed														
1.3 Reinsurance ceded	7,220,892	1,349,712											5,871,180	
1.4 Net	1,623,474,345	110,083,153	603,515,496	47,558,794	20,147,736	514,170	118,886,666	703,168,343					19,599,987	
2. Paid medical incentive pools and bonuses	31,394,718	1,566,623	13,625,628	50,786				16,151,681						
3. Claim liability December 31, current year from Part 2A:														
3.1 Direct	139,367,499	8,616,740	49,930,274	6,949,374	1,024,000	(36)	9,784,848	56,622,299					6,440,000	
3.2 Reinsurance assumed														
3.3 Reinsurance ceded														
3.4 Net	139,367,499	8,616,740	49,930,274	6,949,374	1,024,000	(36)	9,784,848	56,622,299					6,440,000	
4. Claim reserve December 31, current year from Part 2D:														
4.1 Direct	3,821,000	3,821,000												
4.2 Reinsurance assumed														
4.3 Reinsurance ceded														
4.4 Net	3,821,000	3,821,000												
5. Accrued medical incentive pools and bonuses, current year	42,897,616	2,259,528	31,733,446					8,904,642						
6. Net healthcare receivables (a)	6,486,726	89,300	(642,811)		12,501			7,027,736						
7. Amounts recoverable from reinsurers December 31, current	20,480,987	18,372,565											2,108,422	
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct	136,825,415	9,673,000	57,032,972	5,540,722	1,129,000		10,783,865	47,562,147					5,103,709	
8.2 Reinsurance assumed														
8.3 Reinsurance ceded														
8.4 Net	136,825,415	9,673,000	57,032,972	5,540,722	1,129,000		10,783,865	47,562,147					5,103,709	
9. Claim reserve December 31, prior year from Part 2D:														
9.1 Direct	3,359,000	3,359,000												
9.2 Reinsurance assumed														
9.3 Reinsurance ceded														
9.4 Net	3,359,000	3,359,000												
10. Accrued medical incentive pools and bonuses, prior year	50,408,938	4,756,102	23,208,233					22,444,603						
11. Amounts recoverable from reinsurers December 31, prior ye	7,721,924	7,585,295											136,629	
12. Incurred benefits:														
12.1 Direct	1,627,212,595	110,749,305	597,055,609	48,967,446	20,030,235	514,134	117,887,649	705,200,759					26,807,458	
12.2 Reinsurance assumed														
12.3 Reinsurance ceded	19,979,955	12,136,982											7,842,973	
12.4 Net	1,607,232,640	98,612,323	597,055,609	48,967,446	20,030,235	514,134	117,887,649	705,200,759					18,964,485	
13. Incurred medical incentive pools and bonuses	23,883,396	(929,951)	22,150,841	50,786				2,611,720						

(a) Excludes \$ 6,868 loans or advances to providers not yet expensed.

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2A – CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Dental Only	6 Vision Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Reported in Process of Adjustment:														
1.1 Direct	51,740,143	(17,395,128)	40,776,715	1,020,898	304,724	(36)	2,708,106	17,884,864					6,440,000	
1.2 Reinsurance assumed														
1.3 Reinsurance ceded														
1.4 Net	51,740,143	(17,395,128)	40,776,715	1,020,898	304,724	(36)	2,708,106	17,884,864					6,440,000	
2. Incurred but Unreported:														
2.1 Direct	87,627,356	26,011,868	9,153,559	5,928,476	719,276		7,076,742	38,737,435						
2.2 Reinsurance assumed														
2.3 Reinsurance ceded														
2.4 Net	87,627,356	26,011,868	9,153,559	5,928,476	719,276		7,076,742	38,737,435						
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	139,367,499	8,616,740	49,930,274	6,949,374	1,024,000	(36)	9,784,848	56,622,299					6,440,000	
4.2 Reinsurance assumed														
4.3 Reinsurance ceded														
4.4 Net	139,367,499	8,616,740	49,930,274	6,949,374	1,024,000	(36)	9,784,848	56,622,299					6,440,000	

**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) individual	7,710,863	94,757,422	54,023		
2. Comprehensive (hospital and medical) group	48,270,977	552,052,217	1,496,684	48,433,590	49,767,661	57,032,971
3. Medicare Supplement	5,168,134	42,441,447	274,283	6,675,091	5,442,417	5,540,722
4. Dental only	900,688	19,247,048	10,494	1,013,506	911,182	1,129,000
5. Vision only	16,273	497,897		(36)	16,273	
6. Federal Employees Health Benefits Plan	10,074,084	108,830,397	154,222	9,630,626	10,228,306	10,783,865
7. Title XVIII – Medicare	40,609,230	663,793,838	733,598	55,888,701	41,342,828	47,562,147
8. Title XIX – Medicaid						
9. Credit A&H						
10. Disability Income						
11. Long-Term Care						
12. Other health	1,749,846	15,878,347		6,440,000	1,749,846	5,103,709
13. Health subtotal (Lines 1 to 12)	114,500,095	1,497,498,613	2,723,304	140,465,195	117,223,399	140,184,414
14. Health care receivables (a)		49,072,558		596,243		43,182,074
15. Other non-health						
16. Medical incentive pools and bonus amounts	30,351,187	1,043,531	639,825	42,257,792	30,991,012	50,408,938
17. Totals (Lines 13 - 14 + 15 + 16)	144,851,282	1,449,469,586	3,363,129	182,126,744	148,214,411	147,411,278

(a) Excludes \$ 6,868 loans or advances to providers not yet expensed.

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

**Section A – Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	764,361	764,732	764,486	764,403	764,271
2. 2018	675,910	718,756	717,618	717,740	717,661
3. 2019	X X X	662,738	705,347	705,400	705,318
4. 2020	X X X	X X X	606,294	648,665	648,689
5. 2021	X X X	X X X	X X X	659,193	704,448
6. 2022	X X X	X X X	X X X	X X X	637,782

**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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	764,738	764,732	764,486	764,403	764,271
2. 2018	750,454	718,625	717,618	717,740	717,661
3. 2019	X X X	749,695	708,877	705,400	705,318
4. 2020	X X X	X X X	691,736	654,981	648,689
5. 2021	X X X	X X X	X X X	722,943	705,998
6. 2022	X X X	X X X	X X X	X X X	698,599

**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. 2018	869,572	675,910			675,910	77.729			675,910	77.729
2. 2019	860,345	662,738			662,738	77.032			662,738	77.032
3. 2020	807,111	606,294			606,294	75.119			606,294	75.119
4. 2021	837,050	659,193	12,158	1.844	671,351	80.204	1,778	194	673,323	80.440
5. 2022	834,265	637,782	12,158	1.906	649,940	77.906	94,630	10,343	754,913	90.488

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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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	46,654	46,771	46,777	46,781	46,786
2. 2018	42,938	48,800	48,968	48,540	48,553
3. 2019	X X X	44,760	51,452	51,091	51,149
4. 2020	X X X	X X X	41,172	44,594	44,582
5. 2021	X X X	X X X	X X X	43,711	48,770
6. 2022	X X X	X X X	X X X	X X X	42,441

**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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	46,694	46,771	46,777	46,781	46,786
2. 2018	49,788	48,919	48,968	48,540	48,553
3. 2019	X X X	53,420	50,821	51,091	51,149
4. 2020	X X X	X X X	45,763	44,599	44,582
5. 2021	X X X	X X X	X X X	49,248	49,044
6. 2022	X X X	X X X	X X X	X X X	49,117

12MS

**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. 2018	59,572	42,938			42,938	72.077			42,938	72.077
2. 2019	59,740	44,760			44,760	74.925			44,760	74.925
3. 2020	60,681	41,172			41,172	67.850			41,172	67.850
4. 2021	60,351	43,711	834	1.908	44,545	73.810	274	29	44,848	74.312
5. 2022	58,391	42,441	834	1.965	43,275	74.112	6,675	695	50,645	86.734

**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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	21,764	21,771	21,772	21,772	21,772
2. 2018	21,396	22,499	22,505	22,505	22,506
3. 2019	X X X	20,987	22,073	22,083	22,084
4. 2020	X X X	X X X	16,914	17,794	17,807
5. 2021	X X X	X X X	X X X	20,031	20,915
6. 2022	X X X	X X X	X X X	X X X	19,247

**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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	21,780	21,771	21,772	21,772	21,772
2. 2018	22,703	22,506	22,505	22,505	22,506
3. 2019	X X X	22,083	22,077	22,083	22,084
4. 2020	X X X	X X X	18,095	17,802	17,807
5. 2021	X X X	X X X	X X X	21,151	20,926
6. 2022	X X X	X X X	X X X	X X X	20,261

**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. 2018	31,960	21,396			21,396	66.946			21,396	66.946
2. 2019	30,756	20,987			20,987	68.237			20,987	68.237
3. 2020	28,158	16,914			16,914	60.068			16,914	60.068
4. 2021	28,818	20,031	353	1.762	20,384	70.734	10	3	20,397	70.779
5. 2022	29,030	19,247	353	1.834	19,600	67.516	1,014	303	20,917	72.053

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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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	140	140	140	140	140
2. 2018	374	384	384	384	384
3. 2019	X X X	337	342	342	342
4. 2020	X X X	X X X	440	449	449
5. 2021	X X X	X X X	X X X	424	440
6. 2022	X X X	X X X	X X X	X X X	498

**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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	140	140	140	140	140
2. 2018	416	384	384	384	384
3. 2019	X X X	337	342	342	342
4. 2020	X X X	X X X	440	449	449
5. 2021	X X X	X X X	X X X	424	440
6. 2022	X X X	X X X	X X X	X X X	498

**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. 2018	764	374			374	48.953			374	48.953
2. 2019	828	337			337	40.700			337	40.700
3. 2020	953	440			440	46.170			440	46.170
4. 2021	954	424			424	44.444			424	44.444
5. 2022	844	498			498	59.005			498	59.005

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

**Section A – Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	105,801	105,812	105,812	100,637	100,633
2. 2018	100,591	93,085	93,085	105,777	105,773
3. 2019	X X X	102,865	102,865	93,054	93,018
4. 2020	X X X	X X X	95,133	105,493	105,543
5. 2021	X X X	X X X	X X X	105,693	115,646
6. 2022	X X X	X X X	X X X	X X X	108,830

**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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	105,893	105,812	105,796	105,777	100,633
2. 2018	109,997	93,095	93,088	93,054	105,773
3. 2019	X X X	109,992	109,325	109,228	93,018
4. 2020	X X X	X X X	103,078	106,063	105,543
5. 2021	X X X	X X X	X X X	115,907	115,800
6. 2022	X X X	X X X	X X X	X X X	118,461

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. 2018	124,336	100,591			100,591	80.903			100,591	80.903
2. 2019	117,667	102,865			102,865	87.420			102,865	87.420
3. 2020	116,045	95,133			95,133	81.979			95,133	81.979
4. 2021	129,716	105,693	2,084	1.972	107,777	83.087	154	28	107,959	83.227
5. 2022	129,006	108,830	2,084	1.915	110,914	85.976	9,631	1,778	122,323	94.820

**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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	512,163	512,669	512,840	512,908	512,988
2. 2018	469,154	438,955	438,590	438,583	438,517
3. 2019	X X X	472,427	507,508	507,513	507,616
4. 2020	X X X	X X X	498,362	536,807	536,617
5. 2021	X X X	X X X	X X X	587,167	622,520
6. 2022	X X X	X X X	X X X	X X X	665,766

**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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	513,120	512,669	512,840	512,908	512,988
2. 2018	526,004	439,588	438,590	438,583	438,517
3. 2019	X X X	536,386	510,982	507,513	507,616
4. 2020	X X X	X X X	568,671	546,449	536,617
5. 2021	X X X	X X X	X X X	675,496	622,994
6. 2022	X X X	X X X	X X X	X X X	764,813

**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. 2018	600,598	469,154			469,154	78.114			469,154	78.114
2. 2019	604,830	472,427			472,427	78.109			472,427	78.109
3. 2020	669,128	498,362			498,362	74.479			498,362	74.479
4. 2021	714,122	587,167	12,380	2.108	599,547	83.956	1,147	188	600,882	84.143
5. 2022	808,184	665,766	12,380	1.860	678,146	83.910	64,333	10,541	753,020	93.174

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

**Section A – Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	13,177	13,177	13,177	13,177	13,177
2. 2018	15,597	16,874	16,874	16,874	16,874
3. 2019	X X X	14,275	16,317	16,317	16,317
4. 2020	X X X	X X X	13,948	97,935	97,935
5. 2021	X X X	X X X	X X X	17,621	206,663
6. 2022	X X X	X X X	X X X	X X X	15,878

**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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	13,177	13,177	13,177	13,177	13,177
2. 2018	16,410	16,874	16,874	16,874	16,874
3. 2019	X X X	18,137	16,317	16,317	16,317
4. 2020	X X X	X X X	19,767	97,935	97,935
5. 2021	X X X	X X X	X X X	22,725	206,663
6. 2022	X X X	X X X	X X X	X X X	22,318

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. 2018	22,065	15,597			15,597	70.687			15,597	70.687
2. 2019	24,000	14,275			14,275	59.479			14,275	59.479
3. 2020	25,168	13,948			13,948	55.420			13,948	55.420
4. 2021	24,510	17,621	309	1.754	17,930	73.154			17,930	73.154
5. 2022	23,878	15,878	309	1.946	16,187	67.790	6,440	268	22,895	95.883

**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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	1,464,060	1,465,072	1,465,004	1,459,818	1,459,767
2. 2018	1,325,960	1,339,353	1,338,024	1,350,403	1,350,268
3. 2019	X X X	1,318,389	1,405,904	1,395,800	1,395,844
4. 2020	X X X	X X X	1,272,263	1,451,737	1,451,622
5. 2021	X X X	X X X	X X X	1,433,840	1,719,402
6. 2022	X X X	X X X	X X X	X X X	1,490,442

**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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior	1,465,542	1,465,072	1,464,988	1,464,958	1,459,767
2. 2018	1,475,772	1,339,991	1,338,027	1,337,680	1,350,268
3. 2019	X X X	1,490,050	1,418,741	1,411,974	1,395,844
4. 2020	X X X	X X X	1,447,550	1,468,278	1,451,622
5. 2021	X X X	X X X	X X X	1,607,894	1,721,865
6. 2022	X X X	X X X	X X X	X X X	1,674,067

**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. 2018	1,708,867	1,325,960			1,325,960	77.593			1,325,960	77.593
2. 2019	1,698,166	1,318,389			1,318,389	77.636			1,318,389	77.636
3. 2020	1,707,244	1,272,263			1,272,263	74.521			1,272,263	74.521
4. 2021	1,795,521	1,433,840	28,118	1.961	1,461,958	81.422	3,363	442	1,465,763	81.634
5. 2022	1,883,598	1,490,442	28,118	1.887	1,518,560	80.620	182,723	23,928	1,725,211	91.591

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## UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Dental Only	6 Vision Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A & H	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
1. Unearned premium reserves	16,533,927						16,533,927						
2. Additional policy reserves (a)	30,400,000	3,000,000	27,400,000										
3. Reserve for future contingent benefits													
4. Reserve for rate credits or experience rating refunds (including \$ 0 for investment income)	149,689	149,689											
5. Aggregate write-ins for other policy reserves	35,900,000							35,900,000					
6. Totals (gross)	82,983,616	3,149,689	27,400,000				16,533,927	35,900,000					
7. Reinsurance ceded													
8. Totals (Net) (Page 3, Line 4)	82,983,616	3,149,689	27,400,000				16,533,927	35,900,000					
9. Present value of amounts not yet due on claims													
10. Reserve for future contingent benefits	500,000	75,170	424,830										
11. Aggregate write-ins for other claim reserves	3,321,000	3,321,000											
12. Totals (gross)	3,821,000	3,396,170	424,830										
13. Reinsurance ceded													
14. Totals (Net) (Page 3, Line 7)	3,821,000	3,396,170	424,830										

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DETAILS OF WRITE-IN LINES													
0501	RETROSPECTIVE RISK ADJUSTER	35,900,000											
0502													
0503													
0598	Summary of remaining write-ins for Line 05 from overflo												
0599	Totals (Lines 0501 through 0503 plus 0598) (Line 05 ab	35,900,000						35,900,000					
1101	MATERNITY	3,321,000	3,321,000										
1102													
1103													
1198	Summary of remaining write-ins for Line 11 from overflo												
1199	Totals (Lines 1101 through 1103 plus 1198) (Line 11 ab	3,321,000	3,321,000										

(a) Includes \$ 30,400,000 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 (\$ 10,372,246 for occupancy of own building)		76,310	11,207,899		11,284,209
2. Salaries, wages and other benefits	26,287,299	12,375,398	61,856,045		100,518,742
3. Commissions (less \$ 0 ceded plus \$ 0 assumed)			17,030,580		17,030,580
4. Legal fees and expenses			2,386,645		2,386,645
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services	364,300	339,942	14,286,960		14,991,202
7. Traveling expenses	34,845	97,062	567,031		698,938
8. Marketing and advertising	10,018	3,009	3,818,041		3,831,068
9. Postage, express and telephone	229,971	971,009	2,850,880		4,051,860
10. Printing and office supplies	7,153	980,528	2,133,747		3,121,428
11. Occupancy, depreciation and amortization	10,127	85,640	2,537,878		2,633,645
12. Equipment					
13. Cost or depreciation of EDP equipment and software	8,720,518	2,027,970	31,056,452		41,804,940
14. Outsourced services including EDP, claims, and other services	3,772,701	17,209,349	59,365,038		80,347,088
15. Boards, bureaus and association fees	4,135	29,355	1,704,339		1,737,829
16. Insurance, except on real estate			3,481,319		3,481,319
17. Collection and bank service charges					
18. Group service and administration fees			2,541,720		2,541,720
19. Reimbursements by uninsured plans	(10,935,691)	(11,459,141)	(64,275,738)		(86,670,570)
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses				2,438,162	2,438,162
22. Real estate taxes				1,595,685	1,595,685
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			2,280,692		2,280,692
23.2 State premium taxes			18,744,730		18,744,730
23.3 Regulatory authority licenses and fees			3,620,094		3,620,094
23.4 Payroll taxes	1,681,364	742,264	3,430,340		5,853,968
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses	(1,062,071)	7,027,460	1,221,993	1,466,767	8,654,149
26. Total expenses incurred (Lines 1 to 25)	29,124,669	30,506,155	181,846,685	5,500,614	(a) 246,978,123
27. Less expenses unpaid December 31, current year	11,903,764	12,473,552	66,332,986		90,710,302
28. Add expenses unpaid December 31, prior year	10,239,901	10,761,136	58,079,680		79,080,717
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)	27,460,806	28,793,739	173,593,379	5,500,614	235,348,538

DETAILS OF WRITE-IN LINES					
2501. HOME PLAN SERVICE CHARGE		8,168,517			8,168,517
2502. ADMINISTRATIVE ALLOWANCES	1,798,025	1,884,089			3,682,114
2503. AGENCY & PORTFOLIO MANAGEMENT FEES				1,466,767	1,466,767
2598. Summary of remaining write-ins for Line 25 from overflow page	(2,860,096)	(3,025,146)	1,221,993		(4,663,249)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	(1,062,071)	7,027,460	1,221,993	1,466,767	8,654,149

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

## EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 1,057,030	1,159,161
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 11,278,681	11,647,436
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 1,453,127	1,453,127
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates	1,716,342	1,716,358
3. Mortgage loans	(c)	
4. Real estate	(d) 8,643,057	8,642,965
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 367,806	400,176
7. Derivative instruments	(f)	
8. Other invested assets	85,610	85,610
9. Aggregate write-ins for investment income		(1,067,813)
10. Total gross investment income	24,601,653	24,037,020
11. Investment expenses		(g) 5,500,522
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) 6,338,398
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		11,838,920
17. Net investment income (Line 10 minus Line 16)		12,198,100

DETAILS OF WRITE-IN LINES		
0901. INVESTMENT EXPENSES INTERNAL COSTS INVESTING AND INCOME		(708,164)
0902. PROMPT PAY INTEREST		(359,649)
0903.		
0998. Summary of remaining write-ins for Line 09 from overflow page		
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)		(1,067,813)
1501.	<b>NONE</b>	
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 \$ 375,545 accrual of discount less \$ 1,382,674 amortization of premium and less \$ 246,941 paid for accrued interest on purchases.
(b)	Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
(c)	Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
(d)	Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
(e)	Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
(f)	Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
(g)	Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h)	Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
(i)	Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(961,111)	(45,245)	(1,006,356)		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	(2,285,579)	(468,967)	(2,754,546)	(1,745,761)	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)				(6,964,574)	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	1,032,556	(2,124,072)	(1,091,516)	(19,805,942)	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate	(87,484)		(87,484)		
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets				(511,599)	
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	(2,301,618)	(2,638,284)	(4,939,902)	(29,027,876)	

DETAILS OF WRITE-IN LINES					
0901.	<b>NONE</b>				
0902.					
0903.					
0998. Summary of remaining write-ins for Line 09 from overflow page					
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)					



## EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First 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	10,218,684	4,588,227	(5,630,457)
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	718,570	421,179	(297,391)
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	36,878,268	38,746,441	1,868,173
21. Furniture and equipment, including health care delivery assets	517,697	574,647	56,950
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	3,015,619	2,693,315	(322,304)
25. Aggregate write-ins for other-than-invested assets	35,236,478	16,465,271	(18,771,207)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	86,585,316	63,489,080	(23,096,236)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	86,585,316	63,489,080	(23,096,236)

DETAILS OF WRITE-IN LINES			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. PREPAID EXPENSES	33,004,444	14,637,739	(18,366,705)
2502. OTHER RECEIVABLES	1,343,233	352,985	(990,248)
2503. LEASEHOLD IMPROVEMENTS	643,462	1,019,547	376,085
2598. Summary of remaining write-ins for Line 25 from overflow page	245,339	455,000	209,661
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	35,236,478	16,465,271	(18,771,207)

## EXHIBIT 1 – ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations						
2. Provider Service Organizations						
3. Preferred Provider Organizations	210,554	208,701	209,458	210,965	212,199	2,521,176
4. Point of Service						
5. Indemnity Only	715	701	684	647	638	8,098
6. Aggregate write-ins for other lines of business	173,154	173,817	172,932	173,031	173,104	2,078,602
7. Total	384,423	383,219	383,074	384,643	385,941	4,607,876

DETAILS OF WRITE-IN LINES							
0601. DENTAL ONLY		75,646	75,313	74,580	75,092	75,222	900,342
0602. STOP LOSS		46,145	48,095	47,746	46,425	46,227	565,905
0603. MEDICARE SUPPLEMENT		23,582	23,057	22,941	22,612	22,467	274,143
0698. Summary of remaining write-ins for Line 06 from overflow page		27,781	27,352	27,665	28,902	29,188	338,212
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)		173,154	173,817	172,932	173,031	173,104	2,078,602

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices

(1) The Annual Statement has been completed in accordance with the NAIC Accounting Practices and Procedures manual and as prescribed by the State of Rhode Island Department of Business Regulation – Insurance Division.

(2) The Plan's 2022 Annual Statement excludes Administrative Service Contract (ASC) business from revenue, and medical and hospital claims. The ASC reimbursement has been classified as a reduction to claims adjustment and general administrative expenses.

A reconciliation of the Plan's net income and capital surplus between NAIC SAP and practices prescribed and permitted by the State of RI is shown below:

	SSAP #	F/S Page	F/S Line #	2022	2021
Net Income					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 21,043,390	\$ 13,167,522
(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>\$ 21,043,390</u>	<u>\$ 13,167,522</u>
Surplus					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 408,954,583	\$ 434,692,861
(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>\$ 408,954,583</u>	<u>\$ 434,692,861</u>

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

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

#### C. Accounting Policy

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the effective interest rate method.
- (3) Common stocks at fair market value except the investments in stocks of uncombined subsidiaries and affiliates in which the Plan has an interest of 20% or more are carried on the equity basis.
- (4) Preferred stock is stated in accordance with guidance provided in SSAP No. 32.
- (5) The Plan does not have mortgage loans on real estate.
- (6) Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. The prospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative.
- (7) The Plan has a minority interest in International Blue Solutions, LLC with a carrying value of \$1,284,973. The Plan also has a minority interest in Blue Health Intelligence Co, LLC of \$1,338,741. The Plan also has a minority interest in Prime Therapeutics of \$20,794,608. The Plan also has a minority interest in Oak Street Health-RI, LLC of \$0. The Plan also has a minority interest in BCBS Venture Partners, LLC of \$1,867,332.
- (8) The Plan has minor ownership interests in partnerships and limited liability companies. The value of these interests are based on the underlying audited GAAP equity of the investee.
- (9) The Plan does not own derivative investments.
- (10) The Plan considers anticipated investment income as a factor in premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Plan has not modified its capitalization policy from the prior period.
- (13) The Plan's pharmacy benefit manager provides estimated pharmacy rebates on a quarterly basis.

#### D. Going Concern

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

### 2. Accounting Changes and Corrections of Errors

There were no Accounting Changes and Correction of Errors in 2022.

### 3. Business Combinations and Goodwill

There were no Business Combinations and resulting Goodwill in 2022.

#### A. Statutory Purchase Method - Not Applicable

## NOTES TO FINANCIAL STATEMENTS

### 3. Business Combinations and Goodwill (Continued)

- B. Statutory Merger - Not Applicable
- C. Assumption Reinsurance - Not Applicable
- D. Impairment Loss - Not Applicable
- E. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill - Not Applicable

### 4. Discontinued Operations

The Plan did not incur discontinued operations for 2022.

- A. Discontinued Operation Disposed of or Classified as Held for Sale - Not Applicable
- B. Change in Plan of Sale of Discontinued Operation - Not Applicable
- C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal - Not Applicable
- D. Equity Interest Retained in the Discontinued Operation After Disposal - Not Applicable

### 5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans

The Plan did not have any outstanding mortgage loans in 2022.

- (1) Maximum and minimum lending rates for mortgage loans - Not Applicable
- (2) Maximum percentage of any one loan to the value of security - Not Applicable
- (3) Taxes, assessments and any amounts advanced and not included in mortgage loan total - Not Applicable
- (4) Age analysis of mortgage loans and identification of mortgage loans in which the insurer is a participant or co-lender in a mortgage loan agreement - Not Applicable
- (5) Investment in impaired loans with or without allowance for credit losses and impaired loans subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan - Not Applicable
- (6) Investment in impaired loans - average recorded investment, interest income recognized, recorded investment on nonaccrual status and amount of interest income recognized using a cash-basis method of accounting - Not Applicable
- (7) Allowance for credit losses - Not Applicable
- (8) Mortgage loans derecognized as a result of foreclosure - Not Applicable
- (9) Policy for recognizing interest income and impaired loans - Not Applicable

- B. Debt Restructuring

The Plan did not have any debt restructuring in 2022.

- C. Reverse Mortgages

The Plan did not have any reverse mortgages in 2022.

- (1) Accounting policies and methods - Not Applicable
- (2) Commitment under agreement - Not Applicable
- (3) Reserve netted against reverse mortgage assets - Not Applicable
- (4) Investment income or loss recognized as a result of re-estimated cash flows - Not Applicable

- D. Loan-Backed Securities

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

- (2) Loan-backed and structured securities with a recognized other-than-temporary impairment (OTTI)

The Plan did not recognize other-than-temporary impairment (OTTI) for loan-backed securities:

## NOTES TO FINANCIAL STATEMENTS

### 5. Investments (Continued)

	(1) Amortized Cost Basis Before OTTI	(2) OTTI Recognized in Loss	(3) Fair Value (1 - 2)
OTTI Recognized 1st Quarter			
a. Intent to sell	\$ .....	\$ .....	\$ .....
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ .....	\$ .....	\$ .....
c. Total 1st Quarter (a+b)	\$ .....	\$ .....	\$ .....
OTTI Recognized 2nd Quarter			
d. Intent to sell	\$ .....	\$ .....	\$ .....
e. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ .....	\$ .....	\$ .....
f. Total 2nd Quarter (d+e)	\$ .....	\$ .....	\$ .....
OTTI Recognized 3rd Quarter			
g. Intent to sell	\$ .....	\$ .....	\$ .....
h. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ .....	\$ .....	\$ .....
i. Total 3rd Quarter (g+h)	\$ .....	\$ .....	\$ .....
OTTI Recognized 4th Quarter			
j. Intent to sell	\$ .....	\$ .....	\$ .....
k. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis	\$ .....	\$ .....	\$ .....
l. Total 4th Quarter (j+k)	\$ .....	\$ .....	\$ .....
m. Annual aggregate total (c+f+i+l)	\$ .....	\$ .....	\$ .....

- (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

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

(1) CUSIP	(2) Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	(3) Present Value of Projected Cash Flows	(4) Recognized OTTI	(5) Amortized Cost After OTTI	(6) Fair Value at Time of OTTI	(7) Date of Financial Statement Where Reported
Total			\$ .....			

- (4) All impaired securities for which an OTTI has not been recognized in earnings as a realized loss

Loan-backed securities with unrealized losses as of December 31, 2022:

a. The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 6,577,452
2. 12 months or longer	11,009,107
b. The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	\$ 85,131,185
2. 12 months or longer	49,013,555

- (5) The evaluation of impairments is a quantitative and qualitative process, which is subject to risks and uncertainties and is intended to determine whether declines in the fair value of investments should be recognized in the current period. The risks and uncertainties include changes in general economic conditions, the issuer's financial condition or near term recovery prospects, the effects of changes in interest rates or credit spreads and the recovery period. As of December 31, 2022, the Plan does not consider loan-backed securities in an unrealized loss position to be other-than-temporarily impaired as reported in the table above.

#### E. Dollar Repurchase Agreements and/or Securities Lending Transactions

- (1) For repurchase agreements, the Plan ensures that the fair market value of the collateralized security is equal to or exceeds the amount under agreement to repurchase.
- (2) The Plan has investments pledged as collateral. The securities are US Treasury Bonds and Corporate Bonds with a carrying value of \$115,404,783.
- (3) Collateral received  
The Plan has not accepted any collateral.  
(b) Fair value and portion sold or repledged - Not Applicable
- (4) The Plan does not have any securities lending transactions.
- (5) Collateral reinvestment  
The Plan does not have any collateral reinvestment.
- (6) The Plan has not accepted any collateral.

## NOTES TO FINANCIAL STATEMENTS

### 5. Investments (Continued)

(7) Collateral for securities lending transactions that extend beyond one year from the reporting date

The Plan does not have any securities lending transactions.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not Applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale - Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - Not Applicable

J. Real Estate

The Plan does not hold real estate for investment purposes.

(1) Impairment loss - Not Applicable

(2) Real estate sold or classified held for sale - Not Applicable

(3) Changes to a plan of sale for an investment in real estate - Not Applicable

(4) Retail land sales operations - Not Applicable

(5) Participating mortgage loan features - Not Applicable

K. Low-Income Housing Tax Credits (LIHTC)

The Plan does not have any low-income housing credits.

(1) Remaining years of unexpired tax credits - Not Applicable

(2) Amount of LIHTC and other tax benefits - Not Applicable

(3) Balance of investment recognized - Not Applicable

(4) Regulatory reviews - Not Applicable

(5) Significance of an investment - Not Applicable

(6) Impaired assets - Not Applicable

(7) Write-downs and reclassifications - Not Applicable

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	\$ 37,417,000	\$ 31,158,000	\$ 6,259,000		\$ 37,417,000	3.707 %	4.055 %
b. Collateral held under security lending agreements							
c. Subject to repurchase agreements	77,590	12,399	65,191		77,590	0.008	0.008
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	2,382,200	351,800	2,030,400		2,382,200	0.236	0.258
j. On deposit with states							
k. On deposit with other regulatory bodies							
l. Pledged as collateral to FHLB (including assets backing funding agreements)	75,527,993	66,722,094	8,805,899		75,527,993	7.483	8.186
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
<b>o. Total restricted assets (Sum of a through n)</b>	<b>\$ 115,404,783</b>	<b>\$ 98,244,293</b>	<b>\$ 17,160,490</b>	<b>\$</b>	<b>\$ 115,404,783</b>	<b>11.434 %</b>	<b>12.507 %</b>

(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)

Pledged Assets not captured in other categories is not applicable to the Plan.

(3) Detail of other restricted assets (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate)

Other Restricted Assets is not applicable to the Plan.

(4) Collateral received and reflected as assets within the reporting entity's financial statements

The Plan does not have any Collateral received in Assets.

M. Working Capital Finance Investments

The Plan does not have any Working Capital Finance Investments.

(1) Aggregate working capital finance investments (WCFI) book/adjusted carrying value by NAIC designation - Not Applicable

## NOTES TO FINANCIAL STATEMENTS

### 5. Investments (Continued)

- (2) Aggregate maturity distribution on the underlying working capital finance programs - Not Applicable  
 (3) Events of default of working capital finance investments during the reporting period - Not Applicable

#### N. Offsetting and Netting of Assets and Liabilities

The Plan does not offset Assets and Liabilities of Investments.

#### O. 5GI Securities

The Plan does not own only 5GI\* Securities.

#### P. Short Sales

The Plan does not have any short sales.

- (1) Unsettled short sale transactions (outstanding as of reporting date) - Not Applicable  
 (2) Settled short sale transactions - Not Applicable

#### Q. Prepayment Penalty and Acceleration Fees

The Plan did not have any prepayment and acceleration fees in 2022.

#### General Account

- (1) Number of CUSIPs.....  
 (2) Aggregate amount of investment income..... \$.....

#### R. Reporting Entity's Share of Cash Pool by Asset type

Asset Type	Percent Share
(1) Cash.....	(156.900)%
(2) Cash Equivalents.....	56.900 %
(3) Short-Term Investments.....	%
(4) Total.....	<u>(100.000)%</u>

### 6. Joint Ventures, Partnerships and Limited Liability Companies

#### A. Investments in Joint Ventures, Partnerships or Limited Liability Companies that Exceed 10% of Admitted Assets

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

#### B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies - Not Applicable

### 7. Investment Income

#### A. Due and Accrued Income Excluded from Surplus

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

#### B. Total Amount Excluded - Not Applicable

### 8. Derivative Instruments

The Plan does not own any derivative instruments.

#### A. Derivatives under SSAP No. 86 - Derivatives - Not Applicable

#### B. Derivatives under SSAP No. 108 - Derivative Hedging Variable Annuity Guarantees (Life/Fraternal Only) - Not Applicable

### 9. Income Taxes

The Inflation Reduction Act created the Corporate Alternative Minimum Tax (CAMT), which imposes a 15% minimum tax on the adjusted financial statement income of large corporations for taxable years beginning after December 31, 2022. The CAMT generally applies to large corporations with average annual financial statement income exceeding \$1.0 billion. Given the \$1.0 billion dollar threshold, BCBSRI will not be subject to the CAMT.

#### A. Components of the Net Deferred Tax Asset/(Liability)

- (1) Change between years by tax character

	2022			2021			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Gross deferred tax assets.....	\$ 48,674,965	\$ 855,562	\$ 49,530,527	\$ 53,784,992	\$	\$ 53,784,992	\$ (5,110,027)	\$ 855,562	\$ (4,254,465)
(b) Statutory valuation allowance adjustments.....	47,674,883	855,562	48,530,445	45,283,466		45,283,466	2,391,417	855,562	3,246,979
(c) Adjusted gross deferred tax assets (1a - 1b).....	1,000,082	-	1,000,082	8,501,526		8,501,526	(7,501,444)	-	(7,501,444)
(d) Deferred tax assets nonadmitted.....									
(e) Subtotal net admitted deferred tax asset (1c - 1d).....	\$ 1,000,082	\$ -	\$ 1,000,082	\$ 8,501,526	\$	\$ 8,501,526	\$ (7,501,444)	\$ -	\$ (7,501,444)
(f) Deferred tax liabilities.....		1,000,082	1,000,082		8,501,526	8,501,526		(7,501,444)	(7,501,444)
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f).....	\$ 1,000,082	\$ (1,000,082)	\$ -	\$ 8,501,526	\$ (8,501,526)	\$ -	\$ (7,501,444)	\$ 7,501,444	\$ -

## NOTES TO FINANCIAL STATEMENTS

### 9. Income Taxes (Continued)

#### (2) Admission calculation components SSAP No. 101

	2022			2021			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	Total (Col 1+2)	Ordinary	Capital	Total (Col 4+5)	Ordinary (Col 1-4)	Capital (Col 2-5)	Total (Col 7+8)
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$	\$	\$	\$	\$	\$	\$	\$	\$
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (lesser of 2(b)1 and 2(b)2 below)	1,000,082	(1,000,082)	-	8,501,526	(8,501,526)	-	(7,501,444)	7,501,444	-
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date									
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX		XXX	XXX		XXX	XXX	
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities									
(d) Deferred tax assets admitted as the result of application of SSAP No. 101.									
Total (2(a) + 2(b) + 2(c))	\$ 1,000,082	\$ (1,000,082)	\$ -	\$ 8,501,526	\$ (8,501,526)	\$ -	\$ (7,501,444)	\$ 7,501,444	\$ -

#### (3) Ratio used as basis of admissibility

	2022	2021
(a) Ratio percentage used to determine recovery period and threshold limitation amount	637.000 %	686.500 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 63,769,968	\$ 64,516,235

#### (4) Impact of tax-planning strategies

##### (a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage

	2022		2021		Change	
	(1)	(2)	(3)	(4)	(5)	(6)
	Ordinary	Capital	Ordinary	Capital	Ordinary (Col. 1-3)	Capital (Col. 2-4)
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 1,000,082	\$ -	\$ 8,501,526	\$ -	\$ (7,501,444)	\$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	- %	- %	- %	- %	- %	- %
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$ 1,000,082	\$ -	\$ 8,501,526	\$ -	\$ (7,501,444)	\$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	- %	- %	- %	- %	- %	- %

##### (b) Use of reinsurance-related tax-planning strategies

Does the company's tax-planning strategies include the use of reinsurance? NO

#### B. Regarding Deferred Tax Liabilities That Are Not Recognized - Not Applicable

#### C. Major Components of Current Income Taxes Incurred

	(1) 2022	(2) 2021	(3) Change (1-2)
Current income taxes incurred consist of the following major components:			
1. Current Income Tax			
(a) Federal	\$	\$	\$
(b) Foreign			
(c) Subtotal (1a+1b)	\$	\$	\$
(d) Federal income tax on net capital gains			
(e) Utilization of capital loss carry-forwards			
(f) Other			
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	\$	\$	\$



## NOTES TO FINANCIAL STATEMENTS

### 9. Income Taxes (Continued)

	(1) 2022	(2) 2021	(3) Change (1-2)
<b>2. Deferred Tax Assets</b>			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 562,037	\$ 899,439	\$ (337,402)
(2) Unearned premium reserve			
(3) Policyholder reserves			
(4) Investments			
(5) Deferred acquisition costs	5,141,427	5,154,311	(12,884)
(6) Policyholder dividends accrual			
(7) Fixed assets	3,691,319	3,383,555	307,764
(8) Compensation and benefits accrual	5,855,531	5,382,337	473,194
(9) Pension accrual	(717,379)	861,521	(1,578,900)
(10) Receivables - nonadmitted	1,117,780	823,720	294,060
(11) Net operating loss carry-forward	15,191,285	20,267,794	(5,076,509)
(12) Tax credit carry-forward			
(13) Other	17,832,965	17,012,315	820,650
(99) Subtotal (sum of 2a1 through 2a13)	<u>\$ 48,674,965</u>	<u>\$ 53,784,992</u>	<u>\$ (5,110,027)</u>
(b) Statutory valuation allowance adjustment	47,674,883	45,283,466	2,391,417
(c) Nonadmitted			
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	<u>\$ 1,000,082</u>	<u>\$ 8,501,526</u>	<u>\$ (7,501,444)</u>
(e) Capital			
(1) Investments	\$	\$	\$
(2) Net capital loss carry-forward	855,562		855,562
(3) Real estate			
(4) Other			
(99) Subtotal (2e1+2e2+2e3+2e4)	<u>\$ 855,562</u>	<u>\$</u>	<u>\$ 855,562</u>
(f) Statutory valuation allowance adjustment	855,562		855,562
(g) Nonadmitted			
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-		-
(i) Admitted deferred tax assets (2d + 2h)	<u>\$ 1,000,082</u>	<u>\$ 8,501,526</u>	<u>\$ (7,501,444)</u>
	(1) 2022	(2) 2021	(3) Change (1-2)
<b>3. Deferred Tax Liabilities</b>			
(a) Ordinary			
(1) Investments	\$	\$	\$
(2) Fixed assets			
(3) Deferred and uncollected premium			
(4) Policyholder reserves			
(5) Other			
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	<u>\$</u>	<u>\$</u>	<u>\$</u>
(b) Capital			
(1) Investments	\$ 1,000,082	\$ 8,501,526	\$ (7,501,444)
(2) Real estate			
(3) Other			
(99) Subtotal (3b1+3b2+3b3)	<u>\$ 1,000,082</u>	<u>\$ 8,501,526</u>	<u>\$ (7,501,444)</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ 1,000,082</u>	<u>\$ 8,501,526</u>	<u>\$ (7,501,444)</u>
<b>4. Net deferred tax assets/liabilities (2i - 3c)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

#### D. Among the More Significant Book to Tax Adjustments

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

## NOTES TO FINANCIAL STATEMENTS

### 9. Income Taxes (Continued)

	2022	Effective Tax Rate
Income before Taxes (including all realized capital gains/losses).....	\$ 4,419,112	21.000 %
Health Insurer fee.....		
Special 3 month reserve deduction.....	(2,513,741)	-11.946
Change in Unrealized gains/losses.....	(4,973,941)	-23.637
Revisions to estimates.....	3,482,992	16.551
Statutory Valuation Allowance Adjustment.....	3,246,980	15.430
Permanent differences.....	1,108,386	5.267
Change in non-admitted assets.....	(4,850,209)	-23.049
Other.....	80,421	0.382
Total.....	<u>\$ -</u>	<u>- %</u>

	2022	Effective Tax Rate
Federal Income Taxes Incurred.....	\$	%
Change in net deferred income taxes.....		
Total statutory income taxes.....	<u>\$</u>	<u>%</u>

#### E. Operating Loss and Tax Credit Carryforwards

##### (1) Carryforwards, recoverable taxes, and IRC 6603 deposits

Plan has net operating loss carryforwards of \$72,339,452 expiring through calendar years 2032 to 2036.

Plan has contribution carryforwards of \$7,223,670 expiring in calendar year 2026 to 2027.

Plan has capital loss carryforwards of \$4,074,107 expiring in calendar year 2027.

##### (2) Income tax expense available for recoupment

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

##### (3) Deposits admitted under IRS Code Section 6603 - Not Applicable

#### F. Consolidated Federal Income Tax Return

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

(2) Method of allocation - Not Applicable

#### G. Federal or Foreign Income Tax Loss Contingencies

The Plan has not recorded any contingencies related to taxes.

#### H. Repatriation Transition Tax (RTT) - Not Applicable

#### I. Alternative Minimum Tax (AMT) Credit - Not Applicable

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

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

B. BCBSRI made an initial investment in OSH-RI, LLC on November 20, 2018 of \$3,493,000. BCBSRI made additional contributions in OSH-RI, LLC for the periods ended December 31, 2022 and 2021 of \$0 and \$4,141,700, respectively. BCBSRI current carrying value as of December 31, 2022 in OSH-RI, LLC is \$0.

C. Transactions With Related Party Who Are Not Reported on Schedule Y - Not Applicable

D. Amounts Due To or From Related Parties - Not Applicable

E. Management Service Contracts and Cost Sharing Arrangements - Not Applicable

F. Guarantees or Contingencies - Not Applicable

G. Nature of Relationships that Could Affect Operations - Not Applicable

H. Amount Deducted for Investment in Upstream Company - Not Applicable

I. Detail of Investments in Affiliates Greater Than 10% of Admitted Assets - Not Applicable

J. Write-Down for Impairments of Investments in Subsidiary Controlled or Affiliated Companies - Not Applicable

K. Foreign Subsidiary Value Using CARVM - Not Applicable

L. Downstream Holding Company Value Using Look-Through Method - Not Applicable

M. All SCA Investments - Not Applicable

N. Investment in Insurance SCAs - Not Applicable

## NOTES TO FINANCIAL STATEMENTS

### 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties (Continued)

O. SCA and SSAP No. 48 Entity Loss Tracking

	(1)	(2)	(3)	(4)	(5)	(6)
Entity	Reporting Entity's Share of Net Income (Loss)	Accumulated Share of Net Income (Losses)	Reporting Entity's Share of Equity, Including Negative Equity	Reporting Entity's Share of Equity, Including Negative Equity	Guaranteed Obligation / Commitment for Financial Support (Yes / No)	Amount of the Recognized Guarantee Under SSAP No. 5R
OSH-RI, LLC.....	\$ (3,668,433)	\$ (3,668,433)	\$ (1,136,723)	\$ (1,136,723)	NO	\$ -

### 11. Debt

A. Mortgage on Building

- (1) Date issued is January 14, 2008.
- (2) Bank loan for corporate office building.
- (3) The maximum loan amount is \$90,000,000.
- (4) Carrying value of loan is \$43,915,033.
- (5) The rate at which interest accrues is 30-day LIBOR plus an agreed upon spread (basis points).
- (6) The effective interest rate is equivalent to the 30-day LIBOR plus an agreed upon spread (basis points).
- (7) Office building structure.
- (8) Interest paid year to date is \$2,646,288.
- (9) Loan converted to fixed rate mortgage instrument in February 2010.
- (10) Not Applicable
- (11) Not Applicable
- (12) Not Applicable

B. FHLB (Federal Home Loan Bank) Agreements

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

	Total
1. Current Year	
(a) Membership stock - Class A.....	\$ .....
(b) Membership stock - Class B.....	462,200
(c) Activity stock.....	1,920,000
(d) Excess stock.....	.....
(e) Aggregate total (a+b+c+d).....	\$ 2,382,200
(f) Actual or estimated borrowing capacity as determined by the insurer.....	\$ 60,000,000
2. Prior Year-End	
(a) Membership stock - Class A.....	\$ .....
(b) Membership stock - Class B.....	319,800
(c) Activity stock.....	32,000
(d) Excess stock.....	.....
(e) Aggregate total (a+b+c+d).....	\$ 351,800
(f) Actual or estimated borrowing capacity as determined by the insurer.....	\$ 60,000,000

(b) Membership stock (class A and B) eligible and not eligible for redemption

	Eligible for Redemption					
	(1)	(2)	(3)	(4)	(5)	(6)
Membership Stock	Current Year Total (2+3+4+5+6)	Not Eligible for Redemption	Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
1. Class A.....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
2. Class B.....	\$ 462,200	\$ 462,200	\$ .....	\$ .....	\$ .....	\$ .....

## NOTES TO FINANCIAL STATEMENTS

### 11. Debt (Continued)

#### (3) Collateral pledged to FHLB

##### (a) Amount pledged as of reporting date

	(1) Fair Value	(2) Carrying Value	(3) Aggregate Total Borrowing
1. Current year total collateral pledged	\$ 70,964,422	\$ 75,527,993	\$ 48,000,000
2. Prior year-end total collateral pledged	71,102,714	66,722,094	

##### (b) Maximum amount pledged during reporting period

	(1) Fair Value	(2) Carrying Value	(3) Amount Borrowed at Time of Maximum Collateral
1. Current year total maximum collateral pledged	\$ 70,964,422	\$ 75,527,993	\$ 48,000,000
2. Prior year-end total maximum collateral pledged	71,102,714	66,722,094	

#### (4) Borrowing from FHLB

##### (a) Amount as of the reporting date

	Total	Funding Agreements Reserves Established
1. Current Year		
(a) Debt	\$ 48,000,000	XXX
(b) Funding agreements		\$
(c) Other		XXX
(d) Aggregate total (a+b+c)	<u>\$ 48,000,000</u>	<u>\$</u>
2. Prior Year-end		
(a) Debt	\$	XXX
(b) Funding agreements		\$
(c) Other		XXX
(d) Aggregate total (a+b+c)	<u>\$</u>	<u>\$</u>

##### (b) Maximum amount during reporting period (current year)

	Total
1. Debt	\$ 48,000,000
2. Funding agreements	
3. Other	
4. Aggregate total (Lines 1+2+3)	<u>\$ 48,000,000</u>

##### (c) FHLB - Prepayment obligations

	Does the Company Have Prepayment Obligations Under the Following Arrangements? (YES/NO)
1. Debt	NO
2. Funding agreements	NO
3. Other	NO

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

#### A. Defined Benefit Plan

The Plan terminated its defined benefit plan in 2015.

#### Supplemental Executive Retirement Plans (SERP)

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

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

#### Postretirement Benefit Plans

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

## NOTES TO FINANCIAL STATEMENTS

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans (Continued)

#### (1) Change in benefit obligation

The following tables set forth the funding status and amounts recognized in the Plan's Statutory Statements of Admitted Assets, Liabilities and Reserves at December 31, 2022 and 2021 for the Defined Benefit Plan, for the SERP and the Postretirement Benefit Plan:

##### (a) Pension benefits

	Overfunded		Underfunded	
	2022	2021	2022	2021
1. Benefit obligation at beginning of year	\$	\$	\$ 4,381,099	\$ 4,618,317
2. Service cost				
3. Interest cost			116,884	107,930
4. Contribution by plan participants				
5. Actuarial gain (loss)			1,219,962	227,353
6. Foreign currency exchange rate changes				
7. Benefits paid			114,543	117,795
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$	\$	\$ 3,163,478	\$ 4,381,099

##### (b) Postretirement benefits

	Overfunded		Underfunded	
	2022	2021	2022	2021
1. Benefit obligation at beginning of year	\$	\$	\$ 12,881,976	\$ 13,793,021
2. Service cost				
3. Interest cost			289,243	258,571
4. Contribution by plan participants				
5. Actuarial gain (loss)			4,058,707	236,814
6. Foreign currency exchange rate changes				
7. Benefits paid			788,572	932,802
8. Plan amendments				
9. Business combinations, divestitures, curtailments, settlements and special termination benefits				
10. Benefit obligation at end of year	\$	\$	\$ 8,323,940	\$ 12,881,976

#### (2) Change in plan assets

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2022	2021	2022	2021	2022	2021
a. Fair value of plan assets at beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Actual return on plan assets						
c. Foreign currency exchange rate changes						
d. Reporting entity contribution	114,543	117,795	788,572	932,802		
e. Plan participants' contributions						
f. Benefits paid	114,543	117,795	788,572	932,802		
g. Business combinations, divestitures and settlements						
h. Fair value of plan assets at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

#### (3) Funded status

	Pension Benefits		Postretirement Benefits	
	2022	2021	2022	2021
a. Components				
1. Prepaid benefit costs	\$	\$	\$	\$
2. Overfunded plan assets				
3. Accrued benefit costs	3,093,773	3,065,066	9,650,176	10,112,095
4. Liability for pension benefits	69,705	1,316,033	(1,326,236)	2,769,881
b. Assets and liabilities recognized				
1. Assets (nonadmitted)	\$	\$	\$	\$
2. Liabilities recognized	3,163,478	4,381,099	8,323,940	12,881,976
c. Unrecognized liabilities	\$	\$	\$	\$

#### (4) Components of net periodic benefit cost

Net periodic benefit cost for 2022 and 2021 included the following components:

## NOTES TO FINANCIAL STATEMENTS

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans (Continued)

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits Per SSAP No. 11	
	2022	2021	2022	2021	2022	2021
a. Service cost	\$	\$	\$	\$	\$	\$
b. Interest cost	116,884	107,930	289,243	258,571		
c. Expected return on plan assets						
d. Transition asset or obligation						
e. Gains and losses	26,366	32,688	249,760	279,808		
f. Prior service cost or credit			(212,350)	(212,350)		
g. Gain or loss recognized due to a settlement or curtailment						
h. Total net periodic benefit cost	\$ 143,250	\$ 140,618	\$ 326,653	\$ 326,029	\$	\$

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost - Not Applicable

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

(7) Weighted-average assumptions used to determine net periodic benefit cost

Weighted-average assumptions used to determine net periodic benefit cost as of Dec. 31:	2022	2021
a. Weighted-average discount rate	2.710 %	2.370 %
b. Expected long-term rate of return on plan assets	%	%
c. Rate of compensation increase	%	%
d. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	%	%

Weighted-average assumptions used to determine projected benefit obligations as of Dec. 31:	2022	2021
e. Weighted-average discount rate	4.980 %	2.710 %
f. Rate of compensation increase	%	%
g. Interest crediting rates (for cash balance plans and other plans with promised interest crediting rates)	%	%

(8) The accumulated benefit obligation for the SERP was \$3,163,478 and \$4,381,099 as of year ended 2022 and 2021 respectively

(9) The assumed annual rate of increase in the per capita cost of medical benefits is 6.00% in 2022 and is assumed to decrease through years 2030 and remain level at 5.01% through 2040.

(10) Estimated future payments, which reflect expected future service, as appropriate

The following benefit payment, which is reflected expected future services, as appropriate, are expected to be paid.

Year	Amount
a. 2023	\$ 1,012,000
b. 2024	991,000
c. 2025	956,000
d. 2026	921,000
e. 2027	888,000
f. 2028 through 2032	4,099,000

(11) The Plan expects to contribute \$118,000 to its SERP and \$894,000 to its postretirement benefits in 2023.

(12) Amounts and types of securities of the reporting entity and related parties included in plan assets - Not Applicable

(13) Alternative method used to amortize prior service amounts or net gains and losses - Not Applicable

(14) Substantive commitments used as the basis for accounting for the benefit obligation - Not Applicable

(15) Special or contractual termination benefits recognized during the period - Not Applicable

(16) Significant changes in the benefit obligation or plan assets not otherwise disclosed - Not Applicable

(17)

## NOTES TO FINANCIAL STATEMENTS

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans (Continued)

Pension Plans with an accumulated benefit obligation in excess of plan asset:

	SERP		Postretirement	
	2022	2021	2022	2021
Projected benefit obligation	\$ 3,163,478	\$ 4,381,099	\$ 8,323,940	\$12,881,976
Accumulated benefit obligation	3,163,478	4,381,099	8,323,940	12,881,976
Fair value of plan assets	-	-	-	-

Pension Plans with plan asset in excess of accumulated benefit obligations:

	SERP		Postretirement	
	2022	2021	2022	2021
Projected benefit obligation	N/A	N/A	N/A	N/A
Accumulated benefit obligation	N/A	N/A	N/A	N/A
Fair value of plan assets	N/A	N/A	N/A	N/A

(18) Remaining surplus impact during transition period after adoption of SSAP No. 92 and SSAP No. 102 - Not Applicable

**B. Investment Policies and Strategies of Plan Assets**

Not applicable the Plan does not hold any plan assets.

**C. Fair Value of Each Class of Plan Assets**

(1) Fair value measurements of plan assets at reporting date - Not Applicable

(2) Valuation technique(s) and inputs to measure fair value - Not Applicable

**D. Expected Long-Term Rate of Return for the Plan Assets**

The Plan does not hold any plan assets.

**E. Defined Contribution Plans**

Participant contributions to the Plan are derived from voluntary salary reduction agreements with the Employer that is subject to the Internal Revenue Service (IRS) compensation deferral limits. Participants who are at least age 50 before the end of the Plan year may make catch-up contributions equal to any whole number percentage of their eligible compensation or whole dollar amount. Participants may not contribute in excess of the maximum allowed by the Internal Revenue Code (IRC). Employer contributions to the Plan are in an amount equal to 100% of a participant's contributions up to 6% of a participant's eligible compensation.

Upon enrollment in the plan, a participant may direct participant and employer contributions in 1% increments with a minimum contribution of 1% in any of the investment options. Participants may change their contribution percentage and investment selections in accordance with stated plan requirements. Participants that contribute on a pre-tax basis up to 6% an equal amount will be matched by the Plan. Total employer contributions to the 401(k) savings plan in 2022 and 2021 were approximately \$5,121,845 and \$6,322,561, respectively.

**F. Multiemployer Plans - Not Applicable**

**G. Consolidated/Holding Company Plans - Not Applicable**

**H. Postemployment Benefits and Compensated Absences**

The Plan provides for certain postemployment benefits including disability benefits for eligible employees. The Plan has not recorded a liability for these benefits at December 31, 2022 and 2021, respectively.

**I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)**

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

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

A. The Plan does not have any capital stock.

B. The Plan does not have any preferred stock.

C. The Plan does not have any dividend restrictions.

D. The Plan does not have any ordinary dividends.

E. The Plan does not have any paid dividends.

F. The Plan does not have any restrictions on unassigned funds.

G. The Plan does not have any advances to surplus unpaid.

**H. Stock Held for Special Purposes**

The Plan does not have any conversion of preferred stock, employee stock options and stock purchase warrants.

I. Changes in Special Surplus Funds - Not Applicable

**J. Unassigned Funds (Surplus)**

The portion of unassigned funds (surplus) represented was reduced by each of the following item:

a) Nonadmitted assets - \$86,585,316

## NOTES TO FINANCIAL STATEMENTS

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

#### K. Company-Issued Surplus Debentures or Similar Obligations

The Plan does not have any surplus notes.

#### L. Impact of Any Restatement Due to Prior Quasi-Reorganizations

The Plan did not have any quasi-reorganization in 2022.

#### M. The Plan did not have any quasi-reorganization in 2022.

### 14. Liabilities, Contingencies and Assessments

#### A. Contingent Commitments

The Plan is a defendant in several legal proceedings arising in the normal course of business. The Plan also remains a co-defendant in a multi-district litigation, consisting of two distinct assertions, in federal court relating to allegations that the Plan has acted in conspiracy with other Blue Cross and Blue Shield plans in violation of antitrust laws. A settlement was reached, in part, during 2020, for which the Plan's liability was roughly \$16.4 million. While liability for the remaining assertion in this multi-district litigation is presently difficult to estimate, it is management's belief that the outcome is not likely to have a material adverse effect on the Plan's financial position or results of operations, statutory reserves and risk based capital. However, it is possible that a court decision or settlement could have an unanticipated material adverse effect on the Plan's results of operations, and risk-based capital.

(1) Commitments or contingent commitment(s) to an SCA entity, joint venture, partnership, or limited liability company - Not Applicable

(2) Nature and circumstances of guarantee - Not Applicable

(3) Aggregate compilation of guarantee obligations - Not Applicable

#### B. Assessments

The Plan does not have any assessments.

(1) Not Applicable

(2) Assets (Liabilities) recognized from paid and accrued premium tax offsets and policy surcharges - Not Applicable

(3) Guaranty fund liabilities and assets related to long-term care insolvencies - Not Applicable

#### C. Gain Contingencies

The Plan does not have any gain contingencies.

#### D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

The Plan did not have any claims related extra contractual obligation and bad faith losses stemming from lawsuits.

#### E. Joint and Several Liabilities

The Plan did not have any Joint and Several liability arrangements.

#### F. All Other Contingencies

All other contingencies see "A" above.

### 15. Leases

#### A. Lessee Operating Lease

##### (1) Leasing arrangements

The Plan leases office space and ground lease under operating leases. Rent expense for operating leases in 2022 and 2021 was approximately \$572,342 and \$539,997, respectively.

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

###### (a) Minimum aggregate rental commitments at year end

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

<u>Year Ending December 31</u>	<u>Operating Leases</u>
1. 2023 .....	\$ 702,221
2. 2024 .....	430,832
3. 2025 .....	375,097
4. 2026 .....	375,097
5. 2027 .....	358,002
6. Thereafter .....	.....
7. Total (sum of 1 through 6) .....	<u>\$ 2,241,249</u>

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

The Plan has a long-term service contract with NTT, whose scope of services to the Plan are claims processing, enrollment, provider and member call center support (for the commercial lines of business), business analysis, project management, credentialing services, application development support and maintenance. These services are provided at Plan facilities, however, certain functions may be provided outside of Rhode Island as well as offshore under the direction of NTT staff. Services include operational services for technology and claims operations and business project services.



## NOTES TO FINANCIAL STATEMENTS

### 15. Leases (Continued)

The agreement is in effect through March 31, 2024, unless terminated earlier or extended in accordance with contract terms. The agreement included continuous improvement, innovation and cost management activities to drive average annual expense reductions of \$18,900,000 for years 2018-2023. The expected future payments of the contract, net of expense reductions, total approximately \$68,720,000 as of December 31, 2022.

In January of 2016, the Plan furthered the partnership with NTT and agreed to make a three-year investment into Data and Analytics capabilities. In 2018, the Plan extended this partnership through 2023. The Data & Analytics investment will total \$22,000,000 over this eight-year period.

The contract provides for termination of the agreement between the parties based on events that may occur during the contract. There are critical service levels that NTT must meet on an ongoing basis. The Plan is obligated to reimburse NTT for services performed in accordance with the contract. The Plan paid approximately \$53,202,000 and \$55,387,000 to NTT for calendar years 2022 and 2021 respectively. Beginning in January 2021, termination fees are no longer applicable.

(b) Sublease minimum rentals to be received - Not Applicable

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

#### B. Lessor Leases

(1) Operating leases

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

(b) Cost and carrying amount of leased property - Not Applicable

(c) Future minimum lease payment receivables under non-cancelable leasing arrangements

Year Ending December 31	Operating Leases
1. 2023 .....	\$ 2,560,977
2. 2024 .....	2,605,473
3. 2025 .....	2,346,222
4. 2026 .....	2,049,902
5. 2027 .....	1,006,800
6. Thereafter .....	1,366,088
7. Total (sum of 1 through 6) .....	<u>\$ 11,935,462</u>

(d) The Plan does not have contingent rentals.

(2) Leveraged leases

The Plan does not have leveraged leases.

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

1. Face Amount of the Company's Financial Instruments with Off-Balance-Sheet Risk

The Plan does not have any swaps or option instruments.

2. The Plan does not have any interest rate swaps to reduce market risk.

3. The Plan does not have any credit related losses.

4. A pool of securities with a combined par value of \$37,417,000 are pledged to satisfy Blue Cross Blue Shield Association membership standards for out-of-area provider claim settlements. The Plan also has pledged corporate and Treasury fixed income securities carrying a combined par value of \$75,780,127 to FHLB as collateral for its line of credit.

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

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

A. Transfers of Receivables Reported as Sales - Not Applicable

B. Transfer and Servicing of Financial Assets - Not Applicable

C. Wash Sales - Not Applicable

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

A. ASO Plans

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

B. ASC Plans

The Plan is an ASC Administrator for uninsured A&H Plans and the uninsured portion of partially insured plans.

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during December 31, 2022:

## NOTES TO FINANCIAL STATEMENTS

### 18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans (Continued)

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 1,098,885,113	\$ -	\$ 1,098,885,113
b. Gross administrative fees accrued	78,396,361	-	78,396,361
c. Total revenue	<u>\$ 1,177,281,474</u>	<u>\$ -</u>	<u>\$ 1,177,281,474</u>
d. Claims incurred	1,098,885,113	-	1,098,885,113
e. Variable cost	25,452,353	-	25,452,353
f. Contribution to fixed overhead	<u>\$ 52,944,008</u>	<u>\$ -</u>	<u>\$ 52,944,008</u>
g. Total fixed overhead	59,388,824	-	59,388,824
h. Total net gain or (loss) from operations	<u>\$ (6,444,816)</u>	<u>\$ -</u>	<u>\$ (6,444,816)</u>

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

The Plan has a Medicare or similarly structured cost based reimbursement contract during 2022 and 2021.

The Medicare Part D program is a partially insured plan. The Plan recorded a receivable in amounts receivable relating to uninsured plans in the statutory basis of admitted assets, liabilities, and capital and surplus of \$45,290,307 as of December 31, 2022 for cost reimbursement under the Medicare Part D program for catastrophic reinsurance, low-income member cost-sharing subsidies and coverage gap discount programs.

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

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

### 20. Fair Value Measurements

#### A. Fair Value Measurement

##### (1) Fair value measurements at reporting date

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

- Level 1 - Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
- Level 2 - Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.
- Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Plan's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The following table provides information as of December 31, 2022 about the Plan's financial assets and liabilities measured at fair value on a recurring basis.

Description for each class of asset or liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
<b>a. Assets at fair value</b>					
Bonds.....	\$ .....	\$ 415,740,494	\$ .....	\$ .....	\$ 415,740,494
Preferred stock-unaffiliated.....	26,068,041	.....	.....	.....	26,068,041
Common stock-affiliated.....	.....	.....	.....	.....	.....
Common stock-unaffiliated.....	78,119,095	2,382,200	26,649,881	.....	107,151,176
Total assets at fair value/NAV.....	<u>\$ 104,187,136</u>	<u>\$ 418,122,694</u>	<u>\$ 26,649,881</u>	<u>\$ .....</u>	<u>\$ 548,959,711</u>
<b>b. Liabilities at fair value</b>					
Line of Credit.....	\$ .....	\$ 48,040,550	\$ .....	\$ .....	\$ 48,040,550
Mortgage Loan.....	.....	46,825,457	.....	.....	46,825,457
Total liabilities at fair value.....	<u>\$ .....</u>	<u>\$ 94,866,007</u>	<u>\$ .....</u>	<u>\$ .....</u>	<u>\$ 94,866,007</u>

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

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

##### (2) Fair value measurements in Level 3 of the fair value hierarchy

The following table presents the changes in our equity securities classified as Level 3 for the year-ended December 31, 2022.

## NOTES TO FINANCIAL STATEMENTS

### 20. Fair Value Measurements (Continued)

Description	Beginning balance as of 01/01/2022	Transfers Into Level 3	Transfers Out of Level 3	Total Gains and (Losses) Included in Net Income	Total Gains and (Losses) Included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2022
a. Assets										
Common stock-affiliated	\$ 2,531,710	\$	\$	\$	\$ (2,531,710)	\$	\$	\$	\$	\$ -
Common stock-unaffiliated	24,345,049				1,919,975	384,857				26,649,881
Total assets	<u>\$ 26,876,759</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (611,735)</u>	<u>\$ 384,857</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 26,649,881</u>
b. Liabilities										
Total liabilities	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

There were unrealized losses of \$611,735 for the period ending December 31, 2022.

(3) There were no transfers between levels as of December 31, 2022.

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

(5) Derivatives - Not Applicable

B. Other Fair Value Disclosures - Not Applicable

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

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 415,740,494	\$ 458,106,866	\$	\$ 415,740,494	\$	\$	\$
Preferred stock-unaffiliated	26,068,041	26,068,041	26,068,041				
Common stock-affiliated							
Common stock-unaffiliated	107,151,176	107,151,176	78,119,095	2,382,200	26,649,881		

D. Not Practicable to Estimate Fair Value - Not Applicable

E. Nature and Risk of Investments Reported at NAV - Not Applicable

### 21. Other Items

A. Unusual or Infrequent Items

The Plan does not have any extraordinary items.

B. Troubled Debt Restructuring

The Plan does not have any troubled debt restructuring.

C. Other Disclosures

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

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

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

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

The Plan has recorded its allocable share of a special reserve fund held in the U.S. Treasury as an asset, with an equivalent amount recorded as a rate stabilization reserve. This amount is \$16,533,927 as of December 31, 2022 and is included in other current assets and other current liabilities in the accompanying consolidated balance sheets.

FEP represented approximately 59.0% of accounts receivable and approximately 6.8% of net revenue as of and for the year ended December 31, 2022, respectively.

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

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

## NOTES TO FINANCIAL STATEMENTS

### 21. Other Items (Continued)

#### D. Business Interruption Insurance Recoveries

The Plan did not have any business interruption insurance recoveries in 2022.

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

- (1) Carrying value of transferable and non-transferable state tax credits gross of any related tax liabilities and total unused transferable and non-transferable state tax credits by state and in total

Description of State Transferable and Non-transferable Tax Credits	State	Carrying Value	Unused Amount
Historic Investment Tax Credit.....	RI.....	\$ 2,460,000	\$ 3,000,000
Total.....		<u>\$ 2,460,000</u>	<u>\$ 3,000,000</u>

- (2) Method of estimating utilization of remaining transferable and non-transferable state tax credits

The Plan estimated the utilization of the remaining non-transferable state tax credits by projecting future premium taking into account policy growth and rate changes, projecting future tax liability based on projected premium, tax rates and tax credits, and comparing projected future tax liability to the availability of remaining non-transferable state tax credits.

- (3) Impairment loss

The Plan did not have any impairment losses for state transferable tax credits in 2022.

- (4) State tax credits admitted and nonadmitted

	Total Admitted	Total Nonadmitted
a. Transferable.....	\$ 2,460,000	\$ .....
b. Non-transferable.....	\$ .....	\$ .....

#### F. Subprime-Mortgage-Related Risk Exposure

- (1) The following is the Plan's narrative description of a subprime investment. A mortgage loan which has one or more of the following attributes: weak credit score high debt-to-income-ratio, high loan-to-value ratio or undocumented income.
- (2) Direct exposure through investments in subprime mortgage loans - Not Applicable
- (3) Direct exposure through other investments - Not Applicable
- (4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage - Not Applicable

#### G. Retained Assets - Not Applicable

#### H. Insurance-Linked Securities (ILS) Contracts

The Plan did not receive proceeds from insurance-linked securities.

#### I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

The Plan has not realized on life insurance policy.

### 22. Events Subsequent

Nonrecognized Subsequent Event:

There are no recognized or non-recognized events subsequent to December 31, 2022, that require recognition or disclosure.

### 23. Reinsurance

#### A. Ceded Reinsurance Report

##### Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?  
Yes ( ) No (X)
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?  
Yes ( ) No (X)

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

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?  
Yes ( ) No (X)
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?  
Yes ( ) No (X)

## NOTES TO FINANCIAL STATEMENTS

### 23. Reinsurance (Continued)

#### Section 3 – Ceded Reinsurance Report – Part B

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

Yes ( ) No (X)

#### B. Uncollectible Reinsurance

The Plan did not experience a write-off for uncollectible reinsurance.

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

The Plan did not experience a commutation of ceded reinsurance.

#### D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - Not Applicable

#### E. Reinsurance Credit - Not Applicable

### 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

#### A. Method Used to Estimate

The Plan estimates accrued retrospective premium adjustments for its group health insurance business based on the Plan's underwriting policies, experience rating practices and claims reserve calculation.

#### B. Method Used to Record

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

#### C. Amount and Percent of Net Retrospective Premiums

The amount of net premiums written by the Plan at December 31, 2022 that are subject to retrospective rating features was \$9,268,117, that represented 0.49% of the total net premiums written. No other net premiums written by the Plan are subject to retrospective rating features.

#### D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

	(1) Individual	(2) Small Group Employer	(3) Large Group Employer	(4) Other Categories with Rebates	(5) Total
<b>Prior Reporting Year</b>					
(1) Medical loss ratio rebates incurred	\$	\$ 1,860,000	\$	\$ (1,599,088)	\$ 260,912
(2) Medical loss ratio rebates paid					
(3) Medical loss ratio rebates unpaid		1,860,000		8,117,912	9,977,912
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 9,977,912
<b>Current Reporting Year-to-Date</b>					
(7) Medical loss ratio rebates incurred	\$	\$ (1,860,000)	\$	\$ –	\$ (1,860,000)
(8) Medical loss ratio rebates paid				8,117,912	8,117,912
(9) Medical loss ratio rebates unpaid					
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$

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

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

- Risk Adjustment - This permanent program is designed to mitigate the potential impact of adverse selection and provide stability for health insurance issuers and applies to all non-grandfathered plans in the individual and small group markets both on and off the insurance exchanges. Premium adjustments pursuant to the risk adjustment program are accounted for as premium subject to redetermination and user fees are accounted for as assessments.
- Risk Corridor - This temporary program was designed to provide aggregate protection for variability for issuers in the individual and small group markets during the 2014 to 2016 time period and applies to qualified health plans (QHPs) in the individual and small group markets both on and off the insurance exchanges. Premium adjustments pursuant to the risk corridor program are accounted for as premium adjustments for retrospectively rated contracts.

The plan has accident and health insurance premiums for CY 2022 subject to the risk sharing provisions of 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

## NOTES TO FINANCIAL STATEMENTS

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

(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).....	\$..... 6,343,000
Liabilities	
2. Risk adjustment user fees payable for ACA risk adjustment.....	\$..... 174,401
3. Premium adjustments payable due to ACA risk adjustment (including high-risk pool premium).....	7,787,587
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA risk adjustment.....	\$..... 1,367,688
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid).....	176,128
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA reinsurance.....	\$..... 18,024,513
2. Amounts recoverable for claims unpaid due to ACA reinsurance (contra liability).....	348,052
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.....	10,787,270
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 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		
					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)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
<b>a. Permanent ACA Risk Adjustment Program</b>											
1. Premium adjustments receivable (including high risk pool payments).....											
	\$ 4,698,364	\$	\$ 9,548,687	\$	\$ (4,850,323)	\$	\$ 4,850,323	\$	A	\$ -	\$
2. Premium adjustments (payable) (including high risk pool premium).....											
		(172,951)		(174,677)		1,726		(1,726)	B		-
3. Subtotal ACA Permanent Risk Adjustment Program.....											
	\$ 4,698,364	\$ (172,951)	\$ 9,548,687	\$ (174,677)	\$ (4,850,323)	\$ 1,726	\$ 4,850,323	\$ (1,726)		\$ -	\$ -
<b>b. Transitional ACA Reinsurance Program</b>											
1. Amounts recoverable for claims paid.....											
	\$ 7,585,295	\$	\$	\$	\$ 7,585,295	\$	\$ 369,361	\$	C	\$ 7,954,656	\$
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.....											
	\$ 7,585,295	\$	\$	\$	\$ 7,585,295	\$	\$ 369,361	\$		\$ 7,954,656	\$
<b>c. Temporary ACA Risk Corridors Program</b>											
1. Accrued retrospective premium.....											
	\$	\$	\$	\$	\$	\$	\$	\$	I	\$	\$
2. Reserve for rate credits or policy experience rating refunds.....											
									J		
3. Subtotal ACA Risk Corridors Program.....											
	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$
<b>d. Total for ACA risk sharing provisions</b>											
	\$ 12,283,659	\$ (172,951)	\$ 9,548,687	\$ (174,677)	\$ 2,734,972	\$ 1,726	\$ 5,219,684	\$ (1,726)		\$ 7,954,656	\$ -

**Explanations of Adjustments**

- A: Risk Adjustment updated based on HHS Notification
- B: Risk Adjustment updated based on HHS Notification
- C: Reinsurance updated based on HHS Notification
- 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 - Not Applicable

(5) ACA risk corridors receivable as of reporting date

Risk Corridors Program Year	(1) Estimated Amount to be Filed or Final Amount Filed with CMS	(2) Nonaccrued Amounts for Impairment or Other Reasons	(3) Amounts Received from CMS	(4) Asset Balance Gross of Nonadmissions (1-2-3)	(5) Nonadmitted Amount	(6) Net Admitted Asset (4-5)
a. 2014.....	\$	\$	\$	\$	\$	\$
b. 2015.....						
c. 2016.....						
d. Total (a+b+c).....	\$	\$	\$	\$	\$	\$

## NOTES TO FINANCIAL STATEMENTS

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

The Plan has Medicare Part D program business that is subject to a retrospective rating feature related to Part D premiums. The Plan has estimated risk corridor as an asset as reported in the amounts receivable relating to the uninsured plans of \$5,956,053. The amount of Part D direct premiums written approximated \$808,184,394 representing 42.9% of total direct premiums written for accident and health contracts net as of December 31, 2022.

### 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, 2021, were \$161,185,000 and as of December 31, 2022, \$178,958,000 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$3,187,000 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive and Medicare lines of insurance. Therefore, there has been a \$20,960,000 unfavorable prior-year development since December 31, 2021, to December 31, 2022. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. The Plan did not experience prior year claim development on retrospectively rated policies.

#### B. Significant Changes in Methodologies and Assumptions Used in Calculating the Liability for Unpaid Claims and Claim Adjustment Expenses - Not Applicable

### 26. Intercompany Pooling Arrangements

The Plan is not part of any intercompany pooling arrangement.

### 27. Structured Settlements - Not Applicable

### 28. Health Care Receivables

#### A. Pharmaceutical Rebate Receivables

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
12/31/2022	\$ 37,110,096	\$ -	\$ -	\$ -	\$ -
09/30/2022	36,568,718	37,460,036	33,759,645	-	-
06/30/2022	32,874,159	36,073,219	32,751,382	-	-
03/31/2022	31,636,681	32,681,956	29,654,008	-	2,690,627
12/31/2021	31,336,332	31,776,515	28,849,647	-	2,926,868
09/30/2021	29,538,173	30,914,907	28,281,638	-	2,633,269
06/30/2021	24,986,123	31,139,343	28,447,671	-	2,691,672
03/31/2021	27,188,744	23,537,822	21,491,545	-	2,046,277
12/31/2020	24,964,261	26,417,376	24,135,779	78,397	2,203,200
09/30/2020	21,201,654	24,809,561	22,596,267	-	2,213,294
06/30/2020	22,159,607	21,488,967	19,244,265	228,727	2,015,975
03/31/2020	19,211,663	22,356,153	20,198,978	196,698	1,961,477

#### B. Risk-Sharing Receivables - Not Applicable

### 29. Participating Policies

Participating policies do not apply to the Plan.

### 30. Premium Deficiency Reserves

The Plan has a statutory premium deficiency reserve (PDR) of \$30,400,000 and \$38,400,000 for the periods ended December 31, 2022 and December 31, 2021, respectively. The PDR related to the Commercial and Medicare Advantage lines of business for the periods ended December 31, 2022 and 2021.

- |   |              |
|---|--------------|
| 1. Liability carried for premium deficiency reserves:             | \$30,400,000 |
| 2. Date of the most recent evaluation of this liability:          | 12/31/2022   |
| 3. Was anticipated investment income utilized in the calculation? | YES          |

### 31. Anticipated Salvage and Subrogation

The amount of undiscounted estimated salvage and subrogation recoverable, taken into account in determining the undiscounted unpaid losses as reported in the Underwriting and Investment Exhibit and Page 3 – Liabilities, Reserves and Special Funds, Line I for December 31, 2022 and 2021, was \$14,012,000 and \$13,517,000, respectively.





## GENERAL INTERROGATORIES

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

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

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

6.2 If yes, give full information:

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

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

7.2 If yes,

7.21 State the percentage of foreign control. \_\_\_\_\_ %

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

1 Nationality	2 Type of Entity

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

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

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

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

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

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

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

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

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

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

## GENERAL INTERROGATORIES

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

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

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

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

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

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
 BRIAN MACKINTOSH IS THE CHIEF ACTUARY OF BLUE CROSS BLUE SHIELD OF RHODE ISLAND. THE ADDRESS IS 500 EXCHANGE STREET, PROVIDENCE RI, 02903.  
 .....  
 .....

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

12.11 Name of real estate holding company	
12.12 Number of parcels involved	
12.13 Total book/adjusted carrying value	\$

12.2 If yes, provide explanation:  
 .....  
 .....  
 .....

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

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

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

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

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

## GENERAL INTERROGATORIES

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules, and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.

Yes  No

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

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

14.2 Has the code of ethics for senior managers been amended?

Yes  No

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

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

14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes  No

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

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

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes  No

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  No

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes  No

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes  No

## FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes  No

## GENERAL INTERROGATORIES

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

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

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

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

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

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

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

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

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment	\$ _____ 11,294,605
22.22 Amount paid as expenses	\$ _____ 1,920,596
22.23 Other amounts paid	\$ _____

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

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

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

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

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

## INVESTMENT

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

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

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

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

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

## GENERAL INTERROGATORIES

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

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

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

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

25.091 Total fair value of 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 [X] No [ ]

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

26.21	Subject to repurchase agreements	\$ <u>77,590</u>
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	\$ <u>2,382,200</u>
26.28	On deposit with states	\$ _____
26.29	On deposit with other regulatory bodies	\$ _____
26.30	Pledged as collateral - excluding collateral pledged to an FHLB	\$ <u>37,417,000</u>
26.31	Pledged as collateral to FHLB - including assets backing funding agreements	\$ <u>75,527,993</u>
26.32	Other	\$ _____

26.3 For category (26.26) provide the following:

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

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

## GENERAL INTERROGATORIES

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

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

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

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

27.41	Special accounting provision of SSAP No. 108	Yes [ ] No [X]
27.42	Permitted accounting practice	Yes [ ] No [X]
27.43	Other accounting guidance	Yes [ ] No [X]

27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [ ] No [X]

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
NORTHERN TRUST	333 S. Wabash Ave., WB-42 Chicago, IL 60604
RELIANCE TRUST	1100 Abernathy Road 500 Northpark, Suite 400 Atlanta, GA 30328-5646

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

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

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

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

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

## GENERAL INTERROGATORIES

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 Firm or Individual	2 Affiliation
BLACKROCK FINANCIAL MANAGEMENT, INC	U

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

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

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

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

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

30.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
024071-81-3	AMERICAN FUNDS BAL R6	10,224
649280-81-5	AMERICAN FUNDS NWLD R6	37,644
256219-10-6	DODGE & COX STCK I	12,712
315911-75-0	FIDELITY 500 INDEX FUND	644,295
315911-72-7	FIDELITY INTERNATIONAL IX	6,870
316146-35-6	FIDELITY US BOND INDEX	3,590
41665H-78-9	HARTFD:SCHR EM E SDR	5,520,729
57630E-87-5	MASSMUTUAL S:BL CH I	88,783
57630E-57-8	MASSMUTUAL S:ST BD I	70,539
57630G-49-0	MASSMUTUAL S:TRP 20 I	20,588
57630G-45-8	MASSMUTUAL S:TRP 25 I	259,835
57630G-41-7	MASSMUTUAL S:TRP 30 I	12,346
57630G-36-7	MASSMUTUAL S:TRP 35 I	7,624
57630G-32-6	MASSMUTUAL S:TRP 40 I	236,033
57630G-27-6	MASSMUTUAL S:TRP 45 I	133,495
552966-80-6	MFS INSTL:INTL EQUITY R6	17,024,140
704329-24-2	PAYDEN:EM MKT BD SI	5,689,003
779562-20-6	T ROWE PRICE NH I	120,859
922908-83-5	VANGUARD MD-CP I INST	108,627
921908-87-7	VANGUARD RE IDX ADM	57,768
922908-87-6	VANGUARD S-C ID INST	73,688
969251-71-9	WM BLAIR:INTL LDRS I	80,242
30.2999 TOTAL		30,219,634



## GENERAL INTERROGATORIES

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
AMERICAN FUNDS BAL R6	Microsoft Corp	10,224	12/31/2022
AMERICAN FUNDS BAL R6	Broadcom Inc	10,224	12/31/2022
AMERICAN FUNDS BAL R6	UnitedHealth Group Inc	10,224	12/31/2022
AMERICAN FUNDS BAL R6	Philip Morris International Inc	10,224	12/31/2022
AMERICAN FUNDS BAL R6	Pfizer Inc	10,224	12/31/2022
AMERICAN FUNDS NWLD R6	Microsoft Corp	37,644	12/31/2022
AMERICAN FUNDS NWLD R6	Taiwan Semiconductor Manufacturing Co	37,644	12/31/2022
AMERICAN FUNDS NWLD R6	MercadoLibre Inc	37,644	12/31/2022
AMERICAN FUNDS NWLD R6	PayPal Holdings Inc	37,644	12/31/2022
AMERICAN FUNDS NWLD R6	Tencent Holdings Ltd	37,644	12/31/2022
DODGE & COX STOCK	Charles Schwab Corp	12,712	12/31/2022
DODGE & COX STOCK	Occidental Petroleum Corp	12,712	12/31/2022
DODGE & COX STOCK	Wells Fargo & Co	12,712	12/31/2022
DODGE & COX STOCK	Sanofi SA ADR	12,712	12/31/2022
DODGE & COX STOCK	MetLife Inc	12,712	12/31/2022
FIDELITY 500 INDEX FUND	Apple Inc	644,295	12/31/2022
FIDELITY 500 INDEX FUND	Microsoft Corp	644,295	12/31/2022
FIDELITY 500 INDEX FUND	Amazon.com Inc	644,295	12/31/2022
FIDELITY 500 INDEX FUND	Alphabet Inc Class A	644,295	12/31/2022
FIDELITY 500 INDEX FUND	Tesla Inc	644,295	12/31/2022
FIDELITY INTERNATIONL IX	Nestle SA	6,870	12/31/2022
FIDELITY INTERNATIONL IX	Novo Nordisk A/S	6,870	12/31/2022
FIDELITY INTERNATIONL IX	ASML Holding NV	6,870	12/31/2022
FIDELITY INTERNATIONL IX	Roche Holding AG	6,870	12/31/2022
FIDELITY INTERNATIONL IX	AstraZeneca PLC	6,870	12/31/2022
FIDELITY US BOND INDEX	United States Treasury Notes 2.75%	3,590	12/31/2022
FIDELITY US BOND INDEX	United States Treasury Notes 1.5%	3,590	12/31/2022
FIDELITY US BOND INDEX	United States Treasury Notes 2.25%	3,590	12/31/2022
FIDELITY US BOND INDEX	Federal Home Loan Mortgage Corporatio	3,590	12/31/2022
FIDELITY US BOND INDEX	United States Treasury Notes 2.625%	3,590	12/31/2022
HARTFD:SCHR EM E SDR	Taiwan Semiconductor Manufacturing Co	5,520,729	12/31/2022
HARTFD:SCHR EM E SDR	Samsung Electronics Co Ltd	5,520,729	12/31/2022
HARTFD:SCHR EM E SDR	Tencent Holdings Ltd	5,520,729	12/31/2022
HARTFD:SCHR EM E SDR	ICICI Bank LTD	5,520,729	12/31/2022
HARTFD:SCHR EM E SDR	JD.com Inc Ordinary Shares - Class A	5,520,729	12/31/2022
MASSMUTUAL S:BL CH I	Microsoft Corp	88,783	12/31/2022
MASSMUTUAL S:BL CH I	Amazon.com Inc	88,783	12/31/2022
MASSMUTUAL S:BL CH I	Apple Inc	88,783	12/31/2022
MASSMUTUAL S:BL CH I	Visa Inc Class A	88,783	12/31/2022
MASSMUTUAL S:BL CH I	Alphabet Inc Class C	88,783	12/31/2022
MASSMUTUAL S:ST BD I	Us 5yr Note (Cbt) Mar23 Xcvt 20230331	70,539	12/31/2022
MASSMUTUAL S:ST BD I	Sws075507 Cds Usd R F 1.00000 2 Ccp	70,539	12/31/2022
MASSMUTUAL S:ST BD I	3 Month Sofr Fut Dec24 Xcme 20250318	70,539	12/31/2022
MASSMUTUAL S:ST BD I	Us Ultra Bond Cbt Mar23 Xcvt 20230322	70,539	12/31/2022
MASSMUTUAL S:ST BD I	Us Long Bond(Cbt) Mar23 Xcvt 2023032	70,539	12/31/2022
MASSMUTUAL S:TRP 20 I	MassMutual Select TRP Large Cap Blen	20,588	12/31/2022
MASSMUTUAL S:TRP 20 I	MassMutual Select TRP Bond Asset I	20,588	12/31/2022
MASSMUTUAL S:TRP 20 I	MassMutual Select TRP Intl Equity I	20,588	12/31/2022
MASSMUTUAL S:TRP 20 I	MassMutual Select TRP Ltd Dur Infl Foc	20,588	12/31/2022
MASSMUTUAL S:TRP 20 I	MassMutual Select TRP Sm&Mid Cap Bl	20,588	12/31/2022
MASSMUTUAL S:TRP 25 I	MassMutual Select TRP Large Cap Blen	259,835	12/31/2022
MASSMUTUAL S:TRP 25 I	MassMutual Select TRP Intl Equity I	259,835	12/31/2022
MASSMUTUAL S:TRP 25 I	MassMutual Select TRP Bond Asset I	259,835	12/31/2022
MASSMUTUAL S:TRP 25 I	MassMutual Select TRP Sm&Mid Cap Bl	259,835	12/31/2022
MASSMUTUAL S:TRP 25 I	MassMutual Select TRP Ltd Dur Infl Foc	259,835	12/31/2022
MASSMUTUAL S:TRP 30 I	MassMutual Select TRP Large Cap Blen	12,346	12/31/2022
MASSMUTUAL S:TRP 30 I	MassMutual Select TRP Intl Equity I	12,346	12/31/2022
MASSMUTUAL S:TRP 30 I	MassMutual Select TRP Bond Asset I	12,346	12/31/2022
MASSMUTUAL S:TRP 30 I	MassMutual Select TRP Sm&Mid Cap Bl	12,346	12/31/2022
MASSMUTUAL S:TRP 30 I	MM S&P 500® Index I	12,346	12/31/2022
MASSMUTUAL S:TRP 35 I	MassMutual Select TRP Large Cap Blen	7,624	12/31/2022
MASSMUTUAL S:TRP 35 I	MassMutual Select TRP Intl Equity I	7,624	12/31/2022

## GENERAL INTERROGATORIES

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
MASSMUTUAL S:TRP 35 I	MassMutual Select TRP Sm&Mid Cap Bl	7,624	12/31/2022
MASSMUTUAL S:TRP 35 I	MassMutual Select TRP Bond Asset I	7,624	12/31/2022
MASSMUTUAL S:TRP 35 I	MM S&P 500® Index I	7,624	12/31/2022
MASSMUTUAL S:TRP 40 I	MassMutual Select TRP Large Cap Blen	236,033	12/31/2022
MASSMUTUAL S:TRP 40 I	MassMutual Select TRP Intl Equity I	236,033	12/31/2022
MASSMUTUAL S:TRP 40 I	MassMutual Select TRP Sm&Mid Cap Bl	236,033	12/31/2022
MASSMUTUAL S:TRP 40 I	MM S&P 500® Index I	236,033	12/31/2022
MASSMUTUAL S:TRP 40 I	MassMutual Select TRP Real Asset I	236,033	12/31/2022
MASSMUTUAL S:TRP 45 I	MassMutual Select TRP Large Cap Blen	133,495	12/31/2022
MASSMUTUAL S:TRP 45 I	MassMutual Select TRP Intl Equity I	133,495	12/31/2022
MASSMUTUAL S:TRP 45 I	MassMutual Select TRP Sm&Mid Cap Bl	133,495	12/31/2022
MASSMUTUAL S:TRP 45 I	MM S&P 500® Index I	133,495	12/31/2022
MASSMUTUAL S:TRP 45 I	MassMutual Select TRP Real Asset I	133,495	12/31/2022
MFS INSTL:INTL EQUITY R6	Nestle SA	17,024,140	12/31/2022
MFS INSTL:INTL EQUITY R6	Roche Holding AG	17,024,140	12/31/2022
MFS INSTL:INTL EQUITY R6	Schneider Electric SE	17,024,140	12/31/2022
MFS INSTL:INTL EQUITY R6	Air Liquide SA	17,024,140	12/31/2022
MFS INSTL:INTL EQUITY R6	LVMH Moet Hennessy Louis Vuitton SE	17,024,140	12/31/2022
PAYDEN:EM MKT BD SI	2 Year Treasury Note Future Dec 22	5,689,003	12/31/2022
PAYDEN:EM MKT BD SI	1MDB Global Investments Ltd. 4.4%	5,689,003	12/31/2022
PAYDEN:EM MKT BD SI	Enfragen Energia Sur S A U / Prime Ener	5,689,003	12/31/2022
PAYDEN:EM MKT BD SI	US Treasury Bond Future Dec 22	5,689,003	12/31/2022
PAYDEN:EM MKT BD SI	Cibanco S A Institucion De Banca Multipl	5,689,003	12/31/2022
T ROWE PRICE NH I	Paylocity Holding Corp	120,859	12/31/2022
T ROWE PRICE NH I	Ceridian HCM Holding Inc	120,859	12/31/2022
T ROWE PRICE NH I	HubSpot Inc	120,859	12/31/2022
T ROWE PRICE NH I	Old Dominion Freight Line Inc Ordinary S	120,859	12/31/2022
T ROWE PRICE NH I	Burlington Stores Inc	120,859	12/31/2022
VANGUARD MD-CP I INST	Cadence Design Systems Inc	108,627	12/31/2022
VANGUARD MD-CP I INST	Amphenol Corp Class A	108,627	12/31/2022
VANGUARD MD-CP I INST	Corteva Inc	108,627	12/31/2022
VANGUARD MD-CP I INST	Nucor Corp	108,627	12/31/2022
VANGUARD MD-CP I INST	Centene Corp	108,627	12/31/2022
VANGUARD RE IDX ADM	Prologis Inc	57,768	12/31/2022
VANGUARD RE IDX ADM	American Tower Corp	57,768	12/31/2022
VANGUARD RE IDX ADM	Equinix Inc	57,768	12/31/2022
VANGUARD RE IDX ADM	Crown Castle Inc	57,768	12/31/2022
VANGUARD RE IDX ADM	Public Storage	57,768	12/31/2022
VANGUARD S-C ID INST	Steel Dynamics Inc	73,688	12/31/2022
VANGUARD S-C ID INST	IDEX Corp	73,688	12/31/2022
VANGUARD S-C ID INST	First Solar Inc	73,688	12/31/2022
VANGUARD S-C ID INST	Targa Resources Corp	73,688	12/31/2022
VANGUARD S-C ID INST	Fair Isaac Corp	73,688	12/31/2022
WM BLAIR:INTL LDRS I	AstraZeneca PLC	80,242	12/31/2022
WM BLAIR:INTL LDRS I	Canadian Pacific Railway Ltd	80,242	12/31/2022
WM BLAIR:INTL LDRS I	Compass Group PLC	80,242	12/31/2022
WM BLAIR:INTL LDRS I	Reliance Industries Ltd	80,242	12/31/2022
WM BLAIR:INTL LDRS I	LVMH Moet Hennessy Louis Vuitton SE	80,242	12/31/2022

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds	458,106,866	415,740,494	(42,366,372)
31.2 Preferred stocks	26,068,041	26,068,041	
31.3 Totals	484,174,907	441,808,535	(42,366,372)

## GENERAL INTERROGATORIES

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

PROVIDED BY RATING SOURCES UTILIZED BY THE CUSTODIAN, NORTHERN TRUST. PRICING SOURCES INCLUDES IDC, ICE, S&P GLOBAL, JPM PRICING, IHS MARKIT, SIX FINANCIAL, NSCC, BLOOMBERG

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

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

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

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  No

33.2 If no, list exceptions:

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

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

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

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

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? Yes  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? Yes  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 the following:

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
- d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.

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

38.1 Does the reporting entity directly hold cryptocurrencies? Yes  No

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

## GENERAL INTERROGATORIES

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

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

39.21 Held directly Yes [ ] No [X]  
 39.22 Immediately converted to U.S. dollars Yes [ ] No [X]

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

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

40.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$ 1,737,830

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

1 Name	2 Amount Paid
STATE OF RHODE ISLAND	\$ 2,006,111
	\$
	\$

41.1 Amount of payments for legal expenses, if any? \$ 2,386,572

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

1 Name	2 Amount Paid
HOGAN LOVELLS US LLP	\$ 1,351,500
	\$
	\$

42.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 2,135,372

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

1 Name	2 Amount Paid
BLUE CROSS BLUE SHIELD ASSOCIATION	\$ 742,223
	\$
	\$

## GENERAL INTERROGATORIES PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
1.2 If yes, indicate premium earned on U.S. business only.	\$	58,390,816
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.	\$	49,018,232
1.6 Individual policies:		
Most current three years:		
1.61 Total premium earned	\$	2,015,083
1.62 Total incurred claims	\$	1,678,093
1.63 Number of covered lives		766
All years prior to most current three years:		
1.64 Total premium earned	\$	39,900,220
1.65 Total incurred claims	\$	33,227,557
1.66 Number of covered lives		15,157
1.7 Group policies:		
Most current three years:		
1.71 Total premium earned	\$	1,283,566
1.72 Total incurred claims	\$	1,099,476
1.73 Number of covered lives		1,152
All years prior to most current three years:		
1.74 Total premium earned	\$	15,191,947
1.75 Total incurred claims	\$	13,013,107
1.76 Number of covered lives		5,392

2. Health Test:

	1		2	
	Current Year		Prior Year	
2.1 Premium Numerator	\$ 1,879,553,710		\$ 1,826,214,813	
2.2 Premium Denominator	\$ 1,879,553,710		\$ 1,801,705,242	
2.3 Premium Ratio (2.1 / 2.2)	1.000		1.014	
2.4 Reserve Numerator	\$ 269,069,732		\$ 277,584,724	
2.5 Reserve Denominator	\$ 269,069,731		\$ 283,360,498	
2.6 Reserve Ratio (2.4 / 2.5)	1.000		0.980	

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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 <input checked="" type="checkbox"/> No <input type="checkbox"/>
4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
5.1 Does the reporting entity have stop-loss reinsurance?		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
5.2 If no, explain:		
5.3 Maximum retained risk (see instructions)		
5.31 Comprehensive Medical	\$	1,500,000
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:  
 RHODE ISLAND STATE INSURANCE LAW MANDATES THE PLAN HAVE TOTAL RESERVES SUFFICIENT TO PAY CLAIMS AND ADMINISTRATIVE EXPENSES FOR NOT LESS THAN ONE MONTH. ALSO, THE PLAN HAS HOLD HARMLESS PROVISIONS IN ITS CONTRACTS WITH PARTICIPATING HOSPITALS AND PROVIDERS.

## GENERAL INTERROGATORIES

### PART 2 - HEALTH INTERROGATORIES

- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [ X ] No [ ]
- 7.2 If no, give details:  
 .....  
 .....  
 .....
8. Provide the following information regarding participating providers:
- |  |       |
|--|-------|
| 8.1 Number of providers at start of reporting year | 4,166 |
| 8.2 Number of providers at end of reporting year   | 4,237 |
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No [ X ]
- 9.2 If yes, direct premium earned:
- |   |  |
|---|--|
| 9.21 Business with rate guarantees between 15-36 months |  |
| 9.22 Business with rate guarantees over 36 months       |  |
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [ ] No [ X ]
- 10.2 If yes:
- |   |          |
|---|----------|
| 10.21 Maximum amount payable bonuses          | \$ _____ |
| 10.22 Amount actually paid for year bonuses   | \$ _____ |
| 10.23 Maximum amount payable withholds        | \$ _____ |
| 10.24 Amount actually paid for year withholds | \$ _____ |
- 11.1 Is the reporting entity organized as:
- |   |                  |
|---|------------------|
| 11.12 A Medical Group/Staff Model,                  | Yes [ ] No [ X ] |
| 11.13 An Individual Practice Association (IPA), or, | Yes [ ] No [ X ] |
| 11.14 A Mixed Model (combination of above)?         | Yes [ ] No [ X ] |
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [ X ] No [ ]
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus:  
 RHODE ISLAND  
 .....  
 .....
- 11.4 If yes, show the amount required. \$ 155,382,795
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [ X ]
- 11.6 If the amount is calculated, show the calculation:  
 TOTAL UNDERWRITING DEDUCTIONS PAGE 4 LINE 23 \$1,864,593,544 DIVIED BY TWELVE (12) MONTHS TO DERIVE THE  
 MINIMUM NET WORTH OF \$155,382,795  
 .....  
 .....

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

1	Name of Service Area

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

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

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

- |      |                         |          |
|------|-------------------------|----------|
| 15.1 | Direct Premium Written  | \$ _____ |
| 15.2 | Total Incurred Claims   | \$ _____ |
| 15.3 | Number of Covered Lives | _____    |

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

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

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

### FIVE – YEAR HISTORICAL DATA

	1	2	3	4	5
	2022	2021	2020	2019	2018
<b>Balance Sheet (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28)	922,703,337	924,260,302	862,104,146	750,982,227	638,242,440
2. Total liabilities (Page 3, Line 24)	513,748,754	489,567,441	446,289,912	379,398,458	339,583,816
3. Statutory minimum capital and surplus requirement	155,382,795	148,856,753	141,627,515	139,107,691	139,333,861
4. Total capital and surplus (Page 3, Line 33)	408,954,583	434,692,861	415,814,234	371,583,769	298,658,624
<b>Income Statement (Page 4)</b>					
5. Total revenues (Line 8)	1,883,598,404	1,795,520,104	1,707,243,198	1,698,166,372	1,708,865,057
6. Total medical and hospital expenses (Line 18)	1,631,116,035	1,542,709,739	1,403,371,707	1,435,930,820	1,417,367,219
7. Claims adjustment expenses (Line 20)	59,630,823	58,743,347	58,190,620	56,563,135	60,188,631
8. Total administrative expenses (Line 21)	181,846,685	183,427,950	207,567,850	170,198,332	196,550,484
9. Net underwriting gain (loss) (Line 24)	19,004,861	9,239,068	7,713,021	28,874,085	36,858,723
10. Net investment gain (loss) (Line 27)	7,258,198	17,509,110	7,857,917	21,129,753	(1,111,740)
11. Total other income (Lines 28 plus 29)	(5,219,669)	(13,580,656)	(9,407,830)	(17,428,226)	(26,337,001)
12. Net income or (loss) (Line 32)	21,043,390	13,167,522	42,421,212	68,833,715	9,411,398
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11)	(67,103,723)	24,572,232	118,444,567	115,715,425	20,013,488
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital	408,954,583	434,692,861	415,814,234	371,583,769	298,658,624
15. Authorized control level risk-based capital	64,201,018	63,315,995	58,616,377	58,232,394	57,430,307
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7)	385,941	384,423	383,138	383,534	390,593
17. Total members months (Column 6, Line 7)	4,607,876	4,632,706	4,615,572	4,615,952	4,711,740
<b>Operating Percentage (Page 4)</b> (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)	86.6	85.9	82.2	84.6	82.9
20. Cost containment expenses	1.5	1.6	1.5	1.5	1.5
21. Other claims adjustment expenses	1.6	1.7	1.9	1.9	2.0
22. Total underwriting deductions (Line 23)	99.0	99.5	99.5	98.3	97.8
23. Total underwriting gain (loss) (Line 24)	1.0	0.5	0.5	1.7	2.2
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5)	148,214,411	124,937,641	129,180,624	101,558,671	106,442,653
25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)]	147,411,278	143,577,383	135,665,500	130,533,385	145,191,887
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
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		2,531,710	3,531,202	1,954,193	19,320,044
32. Total of above Lines 26 to 31		2,531,710	3,531,202	1,954,193	19,320,044
33. Total investment in parent included in Lines 26 to 31 above.					

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

Yes [ ] No [ ]

If no, please explain:

.....

.....

.....

.....



## SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

### Allocated by States and Territories

States, Etc.	1	Active Status (a)	Direct Business Only								
			2	3	4	5	6	7	8	9	10
			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 8	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	951,839,419	807,201,713			129,006,033			1,888,047,165	
41. South Carolina	SC	N									
42. South Dakota	SD	N									
43. Tennessee	TN	N									
44. Texas	TX	N									
45. Utah	UT	N									
46. Vermont	VT	N									
47. Virginia	VA	N									
48. Washington	WA	N									
49. West Virginia	WV	N									
50. Wisconsin	WI	N									
51. Wyoming	WY	N									
52. American Samoa	AS	N									
53. Guam	GU	N									
54. Puerto Rico	PR	N									
55. U.S. Virgin Islands	VI	N									
56. Northern Mariana Islands	MP	N									
57. Canada	CAN	N									
58. Aggregate other alien	OT	X X X									
59. Subtotal		X X X	951,839,419	807,201,713			129,006,033			1,888,047,165	
60. Reporting entity contributions for Employee Benefit Plans		X X X	4,348	982,681						987,029	
61. Totals (Direct Business)		X X X	951,843,767	808,184,394			129,006,033			1,889,034,194	

DETAILS OF WRITE-INS											
5800		X X X									
5800		X X X									
5800		X X X									
5899	Summary of remaining write-ins for Line 58 from overflow page										
5899	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X									

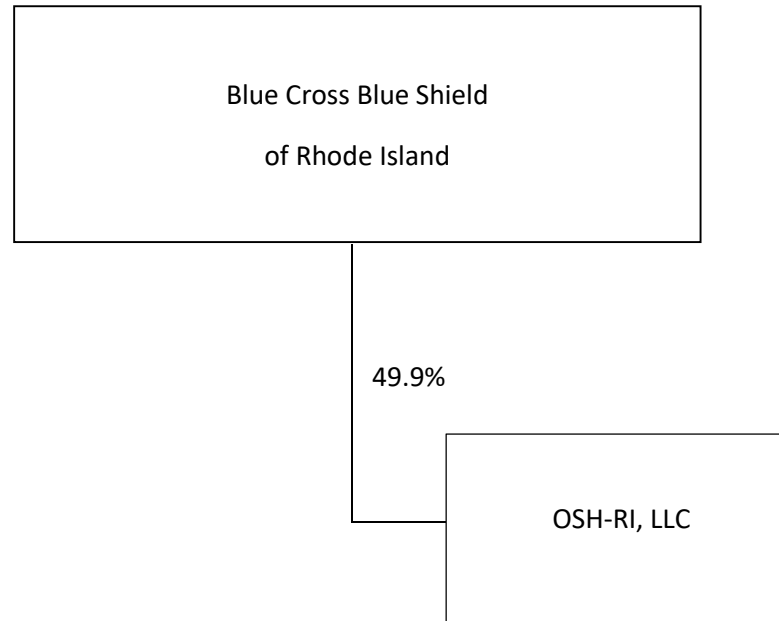
NONE

- (a) Active Status Counts
- 1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG 1
  - 2. R - Registered - Non-domiciled RRGs \_\_\_\_\_
  - 3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state \_\_\_\_\_
  - 4. Q - Qualified - Qualified or accredited reinsurer \_\_\_\_\_
  - 5. N - None of the above - Not allowed to write business in the state or none of the above codes apply 56

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

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

### PART 1 - ORGANIZATIONAL CHART



**OVERFLOW PAGE FOR WRITE-INS**

**Page 2 - Continuation**

**ASSETS**

	Current Year			Prior Year
	1	2	3	4
<b>REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS</b>	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504. HISTORICAL TAX CREDITS	2,460,000		2,460,000	3,280,000
2505. LEASEHOLD IMPROVEMENTS	643,462	643,462		
2506. LOAN & INTEREST RECEIVABLE	245,339	245,339		237
2507. COLLATERAL FUND HOME & HOST	198,566		198,566	207,433
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	3,547,367	888,801	2,658,566	3,487,670

**OVERFLOW PAGE FOR WRITE-INS**

**Page 3 - Continuation**

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
<b>WRITE-INS AGGREGATED AT LINE 23 FOR OTHER LIABILITIES</b>				
2304. UNFUNDED ACCUMULATED BENEFIT OBLIGATION	(1,256,531)		(1,256,531)	4,085,914
2397. Totals (Lines 2304 through 2396) (Page 3, Line 23)	(1,256,531)		(1,256,531)	4,085,914

**OVERFLOW PAGE FOR WRITE-INS**

**Page 4 - Continuation**

**STATEMENT OF REVENUE AND EXPENSES**

WRITE-INS AGGREGATED AT LINE 29 FOR STATEMENT OF REVENUE AND EXPENSES	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
2904. BANK SERVICE CHARGES		(422,496)	(309,785)
2905. HEALTH INFORMATION EXCHANGE		(1,098,132)	(1,147,380)
2906. OTHER INCOME (NET OF PENALTIES)		(3,772,753)	(12,216,438)
2997. Totals (Lines 2901 through 2996) (Page 4, Line 2998)		(5,293,381)	(13,673,603)

**OVERFLOW PAGE FOR WRITE-INS**

**Page 13 - Continuation**

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1	Comprehensive (Hospital & Medical)		4	5	6	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
<b>WRITE-INS AGGREGATED AT LINE 05 FOR UNDERWRITING AND INVESTMENT EXHIBIT</b>	Total			Medicare Supplement	Dental Only	Vision Only							
0597. Totals (Lines 0501 through 0596) (Page 13, Line 0598)													
	1	Comprehensive (Hospital & Medical)		4	5	6	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
<b>WRITE-INS AGGREGATED AT LINE 11 FOR UNDERWRITING AND INVESTMENT EXHIBIT</b>	Total			Medicare Supplement	Dental Only	Vision Only							
1197. Totals (Lines 1101 through 1196) (Page 13, Line 1198)													

**OVERFLOW PAGE FOR WRITE-INS**

**Page 14 - Continuation**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 – ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3	4	5
	1	2			
<b>WRITE-INS AGGREGATED AT LINE 25 FOR UNDERWRITING AND INVESTMENT EXHIBIT</b>	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
2504. MISCELLANEOUS	48,616	35,395	1,221,993		1,306,004
2505. CLAIMS HANDLING EXPENSE		(12,600)			(12,600)
2506. BLUECARD ADMIN FEE INCOME	(2,908,712)	(3,047,941)			(5,956,653)
2597. Totals (Lines 2501 through 2596) (Page 14, Line 2598)	(2,860,096)	(3,025,146)	1,221,993		(4,663,249)

**OVERFLOW PAGE FOR WRITE-INS**

**Page 16 - Continuation**

**EXHIBIT OF NONADMITTED ASSETS**

DETAILS OF WRITE-IN LINES FOR OTHER THAN INVESTED ASSETS AT LINE 25	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. LOAN & INTEREST RECEIVABLE .....	245,339	455,000	209,661
2505. FEP UNPAID CLAIMS .....			
2506. HISTORICAL TAX CREDITS .....			
2507. COLLATERAL FUND HOME & HOST .....			
2597. Totals (Lines 2504 through 2596) (Page 16, Line 2598)	245,339	455,000	209,661



**OVERFLOW PAGE FOR WRITE-INS**

**Page 17 - Continuation**

**EXHIBIT 1 – ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY**

	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
<b>WRITE-INS AGGREGATED AT LINE 06 FOR EXHIBIT 1</b>						
0604. VISION ONLY	17,604	17,607	18,066	19,365	19,715	222,697
0605. MEDICARE PRESCRIPTION DRUG PLAN	10,177	9,745	9,599	9,537	9,473	115,515
0697. Totals (Lines 0601 through 0697) (Page 17, Line 06)	27,781	27,352	27,665	28,902	29,188	338,212