



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018
OF THE CONDITION AND AFFAIRS OF THE

UnitedHealthcare of New England, Inc.

NAIC Group Code 0707 0707 NAIC Company Code 95149 Employer's ID Number 05-0413469
(Current) (Prior)

Organized under the Laws of Rhode Island, State of Domicile or Port of Entry RI

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [] No [X]

Incorporated/Organized 11/14/1984 Commenced Business 12/27/1984

Statutory Home Office 475 Kilvert Street, Suite 310, Warwick, RI, US 02886-1392
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 4 Research Drive, 5th Floor
(Street and Number)
Shelton, CT, US 06484, 203-447-4444
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 4 Research Drive, 5th Floor, Shelton, CT, US 06484
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 4 Research Drive, 5th Floor
(Street and Number)
Shelton, CT, US 06484, 203-447-4444
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.unitedhealthcare.com

Statutory Statement Contact Joseph James Dewey, 203-447-4444
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OFFICERS

President Stephen John Farrell Chief Financial Officer Craig Andrew Stillman
 Secretary Christina Regina Palme-Krizak Treasurer Peter Marshall Gill #

OTHER

Steven Marc Burstein, Assistant Secretary Patrice Evelyn Cooper, Vice President, Medicaid Operations Nyle Brent Cottingham, Vice President
Heather Anastasia Lang, Assistant Secretary Mary Rachel Snyder #, Chief Executive Officer Jessica Leigh Zuba, Assistant Secretary

DIRECTORS OR TRUSTEES

Patrice Evelyn Cooper Stephen John Farrell Mary Rachel Snyder #

State of Rhode Island SS:
 County of Kent

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.

Stephen John Farrell Christina Regina Palme-Krizak Craig Andrew Stillman
 President Secretary Chief Financial Officer

Subscribed and sworn to before me this _____ day of _____

a. Is this an original filing? Yes [X] No []
 b. If no,
 1. State the amendment number.....
 2. Date filed
 3. Number of pages attached.....

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	214,926,319		214,926,319	210,263,005
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks	11,621,975		11,621,975	52,576,719
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$			0	0
encumbrances)				
4.2 Properties held for the production of income (less			0	0
\$				
encumbrances)				
4.3 Properties held for sale (less \$			0	0
encumbrances)				
5. Cash (\$				
(1,571,400), Schedule E - Part 1), cash equivalents				
(\$				
7,234,801, Schedule E - Part 2) and short-term				
investments (\$				
0, Schedule DA)	5,663,402		5,663,402	1,527,465
6. Contract loans, (including \$			0	0
premium notes)				
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)			0	0
9. Receivables for securities	0		0	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	232,211,696	0	232,211,696	264,367,189
13. Title plants less \$			0	0
charged off (for Title insurers				
only)				
14. Investment income due and accrued	1,314,782		1,314,782	1,174,329
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	21,948,877	368,382	21,580,495	7,206,714
15.2 Deferred premiums and agents' balances and installments booked but				
deferred and not yet due (including \$				
earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums (\$				
) and				
contracts subject to redetermination (\$				
43,170,090)	43,170,090		43,170,090	23,560,854
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	749,162		749,162	917,439
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts	14,583		14,583	0
17. Amounts receivable relating to uninsured plans	2,243,427	7,188	2,236,239	1,351,442
18.1 Current federal and foreign income tax recoverable and interest thereon			0	4,107,209
18.2 Net deferred tax asset	3,278,398		3,278,398	3,657,760
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets			0	0
(\$				
)				
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$				
26,267,445) and other amounts receivable	31,424,867	5,157,422	26,267,445	20,050,971
25. Aggregate write-ins for other than invested assets	157,044	4,763	152,281	0
26. Total assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25)	336,512,926	5,537,755	330,975,171	326,393,907
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts			0	0
28. Total (Lines 26 and 27)	336,512,926	5,537,755	330,975,171	326,393,907
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Premium Tax Receivable	152,281		152,281	0
2502. Miscellaneous Receivable	4,169	4,169	0	0
2503. Prepaid Expenses	594	594	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	157,044	4,763	152,281	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 1,735,739 reinsurance ceded)	112,847,609		112,847,609	98,791,096
2. Accrued medical incentive pool and bonus amounts	5,225,174		5,225,174	3,912,050
3. Unpaid claims adjustment expenses	916,943		916,943	965,946
4. Aggregate health policy reserves, including the liability of \$ 2,190,529 for medical loss ratio rebate per the Public Health Service Act	11,267,481		11,267,481	18,277,441
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves	593,484		593,484	738,039
8. Premiums received in advance	50,528,510		50,528,510	59,194,373
9. General expenses due or accrued	3,801,850		3,801,850	6,338,586
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized capital gains (losses))	1,170,238		1,170,238	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	553,531		553,531	1,068,238
12. Amounts withheld or retained for the account of others	156,925		156,925	162,925
13. Remittances and items not allocated	34,355		34,355	14,880
14. Borrowed money (including \$ current) and interest thereon \$ (including current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	334,718		334,718	6,042,024
16. Derivatives			0	0
17. Payable for securities	4,001,250		4,001,250	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$ companies)			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	6,932,065		6,932,065	17,018,808
23. Aggregate write-ins for other liabilities (including \$ 6,253 current)	6,253	0	6,253	3,561
24. Total liabilities (Lines 1 to 23)	198,370,386	0	198,370,386	212,527,967
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	21,259,771
26. Common capital stock	XXX	XXX	5,862,835	5,862,835
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	12,000,000	12,000,000
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	114,741,950	74,743,334
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	132,604,785	113,865,940
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	330,975,171	326,393,907
DETAILS OF WRITE-INS				
2301. Unclaimed Property	6,253		6,253	3,561
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	6,253	0	6,253	3,561
2501. Section 9010 ACA Subsequent Fee Year Assessment	XXX	XXX	0	21,259,771
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	21,259,771
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	1,845,237	1,708,301
2. Net premium income (including \$ non-health premium income)	XXX	1,154,259,736	994,568,917
3. Change in unearned premium reserves and reserve for rate credits	XXX	6,583,052	(20,112,315)
4. Fee-for-service (net of \$ medical expenses)	XXX	0	
5. Risk revenue	XXX	0	
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	1,160,842,788	974,456,602
Hospital and Medical:			
9. Hospital/medical benefits		848,885,968	714,480,386
10. Other professional services		3,265,513	958,328
11. Outside referrals		0	
12. Emergency room and out-of-area		0	
13. Prescription drugs		123,815,807	127,482,727
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		6,220,316	3,654,056
16. Subtotal (Lines 9 to 15)	0	982,187,604	846,575,497
Less:			
17. Net reinsurance recoveries		5,398,471	12,215,438
18. Total hospital and medical (Lines 16 minus 17)	0	976,789,133	834,360,059
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$28,650,802 cost containment expenses		49,941,411	41,030,276
21. General administrative expenses		111,860,474	65,809,703
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	1,138,591,018	941,200,038
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	22,251,770	33,256,564
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		6,220,543	4,746,325
26. Net realized capital gains (losses) less capital gains tax of \$8,565		(8,890)	(213,664)
27. Net investment gains (losses) (Lines 25 plus 26)	0	6,211,653	4,532,661
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$116,520) (amount charged off \$478,009)]		(361,489)	(394,253)
29. Aggregate write-ins for other income or expenses	0	0	(9,768)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	28,101,934	37,385,204
31. Federal and foreign income taxes incurred	XXX	9,705,173	13,757,765
32. Net income (loss) (Lines 30 minus 31)	XXX	18,396,761	23,627,439
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901. Fines and Penalties		0	(9,768)
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	(9,768)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	113,865,940	119,023,095
34. Net income or (loss) from Line 32.....	18,396,761	23,627,439
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....	99,234	(715)
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	(379,362)	(1,236,755)
39. Change in nonadmitted assets.....	622,212	(747,124)
40. Change in unauthorized and certified reinsurance.....	0	0
41. Change in treasury stock.....	0	0
42. Change in surplus notes.....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	0	0
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		(26,800,000)
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	18,738,845	(5,157,155)
49. Capital and surplus end of reporting period (Line 33 plus 48)	132,604,785	113,865,940
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	1,110,604,343	1,021,389,077
2. Net investment income	6,943,678	5,954,059
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	1,117,548,021	1,027,343,136
5. Benefit and loss related payments	967,018,331	837,902,198
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	175,811,351	90,264,164
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses)	4,436,291	9,418,941
10. Total (Lines 5 through 9)	1,147,265,973	937,585,303
11. Net cash from operations (Line 4 minus Line 10)	(29,717,952)	89,757,833
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	41,045,729	57,472,140
12.2 Stocks	1,188,192,047	1,039,993,544
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	4,001,250	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,233,239,026	1,097,465,684
13. Cost of investments acquired (long-term only):		
13.1 Bonds	46,504,393	69,251,480
13.2 Stocks	1,147,237,303	1,079,943,472
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	592,714
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,193,741,696	1,149,787,666
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	39,497,330	(52,321,982)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	26,800,000
16.6 Other cash provided (applied)	(5,643,441)	(17,906,482)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(5,643,441)	(44,706,482)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	4,135,937	(7,270,631)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	1,527,465	8,798,096
19.2 End of year (Line 18 plus Line 19.1)	5,663,402	1,527,465

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

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ANNUAL STATEMENT FOR THE YEAR 2018 OF THE UnitedHealthcare of New England, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	1,154,259,736	3,996,018					625,112,571	525,151,147		
2. Change in unearned premium reserves and reserve for rate credit	6,583,052	1,013					6,484,485	97,554		
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	1,160,842,788	3,997,031	0	0	0	0	631,597,056	525,248,701	0	0
8. Hospital/medical benefits	848,885,968	6,547,479					482,431,997	359,906,492		XXX
9. Other professional services	3,265,513	19,627					3,245,886			XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription drugs	123,815,807	932,738					28,373,646	94,509,423		XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	6,220,316	232,803					4,305,639	1,681,874		XXX
15. Subtotal (Lines 8 to 14)	982,187,604	7,732,647	0	0	0	0	518,357,168	456,097,789	0	XXX
16. Net reinsurance recoveries	5,398,471	4,637,345					(191,609)	952,735		XXX
17. Total medical and hospital (Lines 15 minus 16)	976,789,133	3,095,302	0	0	0	0	518,548,777	455,145,054	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 28,650,802 cost containment expenses	49,941,411	324,134					26,870,752	22,746,525		
20. General administrative expenses	111,860,474	331,758					57,843,510	53,685,206		
21. Increase in reserves for accident and health contracts	0	0					0	0		XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	1,138,591,019	3,751,195	0	0	0	0	603,263,039	531,576,785	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	22,251,769	245,836	0	0	0	0	28,334,017	(6,328,084)	0	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	9,770,334		5,774,316	3,996,018
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	0			0
6. Title XVIII - Medicare	625,746,990		634,418	625,112,572
7. Title XIX - Medicaid	526,685,355		1,534,208	525,151,147
8. Other health				0
9. Health subtotal (Lines 1 through 8)	1,162,202,679	0	7,942,942	1,154,259,737
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	1,162,202,679	0	7,942,942	1,154,259,737

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	967,507,898	6,781,092					507,496,933	453,229,873		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	5,256,954	3,854,262					1,083,061	319,631		
1.4 Net	962,250,944	2,926,830	0	0	0	0	506,413,872	452,910,242	0	0
2. Paid medical incentive pools and bonuses	4,767,509	42,486					3,924,973	800,050		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	114,583,347	1,419,329	0	0	0	0	74,395,338	38,768,680	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	1,735,739	767,436	0	0	0	0	0	968,303	0	0
3.4 Net	112,847,608	651,893	0	0	0	0	74,395,338	37,800,377	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	609,004	25,866					101,361	481,777		
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	15,520	15,520								
4.4 Net	593,484	10,346	0	0	0	0	101,361	481,777	0	0
5. Accrued medical incentive pools and bonuses, current year	5,225,174	81,939					4,072,873	1,070,362		
6. Net healthcare receivables (a)	5,622,681	(92,605)					6,776,501	(1,061,215)		
7. Amounts recoverable from reinsurers December 31, current year	749,162	749,106					56			
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	100,354,255	801,464	0	0	0	0	61,086,395	38,466,396	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	1,563,160	314,638	0	0	0	0	913,323	335,199	0	0
8.4 Net	98,791,095	486,826	0	0	0	0	60,173,072	38,131,197	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	756,027	17,585					79,207	659,235		
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	17,987	10,960					7,027			
9.4 Net	738,040	6,625	0	0	0	0	72,180	659,235	0	0
10. Accrued medical incentive pools and bonuses, prior year	3,912,050	31,304					3,692,208	188,538		
11. Amounts recoverable from reinsurers December 31, prior year	917,439	563,063					354,376			
12. Incurred Benefits:										
12.1 Direct	975,967,286	7,499,843	0	0	0	0	514,051,529	454,415,914	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	5,258,789	4,497,663	0	0	0	0	(191,609)	952,735	0	0
12.4 Net	970,708,497	3,002,180	0	0	0	0	514,243,138	453,463,179	0	0
13. Incurred medical incentive pools and bonuses	6,080,633	93,121	0	0	0	0	4,305,638	1,681,874	0	0

(a) Excludes \$ 0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	45,694,831	295,398					28,790,016	16,609,417		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	94,017	94,017								
1.4 Net	45,600,814	201,381	0	0	0	0	28,790,016	16,609,417	0	0
2. Incurred but Unreported:										
2.1 Direct	67,862,491	1,119,056					44,584,172	22,159,263		
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	1,641,722	673,419						968,303		
2.4 Net	66,220,769	445,637	0	0	0	0	44,584,172	21,190,960	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	1,026,025	4,875					1,021,150			
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	1,026,025	4,875	0	0	0	0	1,021,150	0	0	0
4. TOTALS:										
4.1 Direct	114,583,347	1,419,329	0	0	0	0	74,395,338	38,768,680	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	1,735,739	767,436	0	0	0	0	0	968,303	0	0
4.4 Net	112,847,608	651,893	0	0	0	0	74,395,338	37,800,377	0	0

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE UnitedHealthcare of New England, Inc.

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	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	180,088	2,560,699	16,995	645,244	197,083	493,451
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	43,278,460	463,489,733	1,448,040	73,048,659	44,726,500	60,245,252
7. Title XIX - Medicaid	35,299,523	417,610,719	832,286	37,449,869	36,131,809	38,790,432
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	78,758,071	883,661,151	2,297,321	111,143,772	81,055,392	99,529,135
10. Healthcare receivables (a)	2,396,049	27,434,978		1,593,841	2,396,049	25,802,187
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	4,051,635	715,875	499,720	4,725,454	4,551,355	3,912,050
13. Totals (Lines 9 - 10 + 11 + 12)	80,413,657	856,942,048	2,797,041	114,275,385	83,210,698	77,638,998

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	(219)	(219)	(217)	(216)	(213)
2.	2014	4,308	3,932	3,938	3,940	3,940
3.	2015	XXX	7,223	6,869	6,874	6,894
4.	2016	XXX	XXX	7,424	7,154	7,134
5.	2017	XXX	XXX	XXX	3,529	3,184
6.	2018	XXX	XXX	XXX	XXX	3,311

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

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 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	(185)	(219)	(217)	(216)	(213)
2.	2014	4,941	3,958	3,938	3,940	3,940
3.	2015	XXX	8,633	6,899	6,874	6,894
4.	2016	XXX	XXX	8,746	7,191	7,134
5.	2017	XXX	XXX	XXX	4,017	3,207
6.	2018	XXX	XXX	XXX	XXX	4,033

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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. 2014	4,683	3,940	104	2.6	4,044	86.4			4,044	86.4
2. 2015	8,192	6,894	480	7.0	7,374	90.0			7,374	90.0
3. 2016	7,430	7,134	1,243	17.4	8,377	112.7			8,377	112.7
4. 2017	4,390	3,184	1,080	33.9	4,264	97.1	23		4,287	97.7
5. 2018	3,997	3,311	297	9.0	3,608	90.3	721	8	4,337	108.5

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	25,984	25,722	25,518	25,484	25,484
2.	2014	159,671	179,942	179,745	179,630	179,622
3.	2015	XXX	172,558	196,699	196,577	196,531
4.	2016	XXX	XXX	234,780	267,705	267,888
5.	2017	XXX	XXX	XXX	328,111	374,232
6.	2018	XXX	XXX	XXX	XXX	464,092

Section B - Incurred Health Claims - Title XVIII

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 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	27,678	25,722	25,518	25,484	25,484
2.	2014	185,349	180,769	179,745	179,630	179,622
3.	2015	XXX	202,123	197,715	196,577	196,531
4.	2016	XXX	XXX	286,713	269,230	267,888
5.	2017	XXX	XXX	XXX	390,524	376,174
6.	2018	XXX	XXX	XXX	XXX	540,720

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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. 2014	228,778	179,622	8,511	4.7	188,133	82.2			188,133	82.2
2. 2015	253,246	196,531	9,711	4.9	206,242	81.4			206,242	81.4
3. 2016	353,851	267,888	13,038	4.9	280,926	79.4			280,926	79.4
4. 2017	454,190	374,232	17,055	4.6	391,287	86.2	1,942	15	393,244	86.6
5. 2018	631,597	464,092	23,227	5.0	487,319	77.2	76,628	585	564,532	89.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	15,153	14,426	10,749	10,707	10,690
2.	2014	330,046	375,869	373,029	373,004	372,996
3.	2015	XXX	371,912	462,209	461,404	461,173
4.	2016	XXX	XXX	420,674	449,668	450,194
5.	2017	XXX	XXX	XXX	445,746	481,745
6.	2018	XXX	XXX	XXX	XXX	417,471

Section B - Incurred Health Claims - Title XIX

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 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	16,046	14,426	10,749	10,707	10,690
2.	2014	408,800	397,241	373,029	373,004	372,996
3.	2015	XXX	451,762	463,177	461,404	461,173
4.	2016	XXX	XXX	467,098	450,321	450,194
5.	2017	XXX	XXX	XXX	483,072	482,360
6.	2018	XXX	XXX	XXX	XXX	456,209

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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. 2014	457,848	372,996	7,516	2.0	380,512	83.1			380,512	83.1
2. 2015	507,232	461,173	15,848	3.4	477,021	94.0			477,021	94.0
3. 2016	505,335	450,194	20,300	4.5	470,494	93.1			470,494	93.1
4. 2017	515,876	481,745	18,188	3.8	499,933	96.9	615	5	500,553	97.0
5. 2018	525,249	417,471	19,790	4.7	437,261	83.2	38,738	304	476,303	90.7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	40,918	39,929	36,051	35,975	35,961
2.	2014	494,025	559,743	556,712	556,574	556,558
3.	2015	XXX	551,693	665,777	664,855	664,598
4.	2016	XXX	XXX	662,878	724,527	725,216
5.	2017	XXX	XXX	XXX	777,386	859,161
6.	2018	XXX	XXX	XXX	XXX	884,874

Section B - Incurred Health Claims - Grand Total

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 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	43,539	39,929	36,051	35,975	35,961
2.	2014	599,090	581,968	556,712	556,574	556,558
3.	2015	XXX	662,518	667,790	664,855	664,598
4.	2016	XXX	XXX	762,557	726,742	725,216
5.	2017	XXX	XXX	XXX	877,613	861,741
6.	2018	XXX	XXX	XXX	XXX	1,000,962

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	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. 2014	691,309	556,558	16,131	2.9	572,689	82.8	0	0	572,689	82.8
2. 2015	768,670	664,598	26,039	3.9	690,637	89.8	0	0	690,637	89.8
3. 2016	866,616	725,216	34,581	4.8	759,797	87.7	0	0	759,797	87.7
4. 2017	974,456	859,161	36,323	4.2	895,484	91.9	2,580	20	898,084	92.2
5. 2018	1,160,843	884,874	43,314	4.9	928,188	80.0	116,087	897	1,045,172	90.0

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UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	824	824							
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including \$) for investment income	11,129,470						3,436,411	7,693,059	
5. Aggregate write-ins for other policy reserves	137,187	137,187	0	0	0	0	0	0	0
6. Totals (gross)	11,267,481	138,011	0	0	0	0	3,436,411	7,693,059	0
7. Reinsurance ceded	0	0							
8. Totals (Net)(Page 3, Line 4)	11,267,481	138,011	0	0	0	0	3,436,411	7,693,059	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	609,004	25,866					101,361	481,777	
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	609,004	25,866	0	0	0	0	101,361	481,777	0
13. Reinsurance ceded	15,520	15,520							
14. Totals (Net)(Page 3, Line 7)	593,484	10,346	0	0	0	0	101,361	481,777	0
DETAILS OF WRITE-INS									
0501. Risk Adjustment Payable	109,884	109,884							
0502. High-Cost Risk Pool Payable	27,303	27,303							
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	137,187	137,187	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building)	770,022	624,445	2,085,687		3,480,154
2. Salary, wages and other benefits	13,717,365	11,124,027	37,154,955		61,996,347
3. Commissions (less \$ ceded plus \$ assumed)			12,200,299		12,200,299
4. Legal fees and expenses	156,255	126,714	423,232		706,201
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services	1,315,829	1,067,065	3,576,012		5,958,906
7. Traveling expenses	422,870	342,924	1,145,389		1,911,183
8. Marketing and advertising	811,094	657,753	2,196,936		3,665,783
9. Postage, express and telephone	791,602	641,945	2,144,138		3,577,685
10. Printing and office supplies	861,509	698,636	2,333,490		3,893,635
11. Occupancy, depreciation and amortization	364,381	295,493	986,966		1,646,840
12. Equipment	112,549	91,271	304,851		508,671
13. Cost or depreciation of EDP equipment and software	1,565,925	1,269,879	4,241,475		7,077,279
14. Outsourced services including EDP, claims, and other services	4,051,372	2,006,125	3,689,002		9,746,499
15. Boards, bureaus and association fees	22,444	18,201	60,791		101,436
16. Insurance, except on real estate	111,923	90,764	303,156		505,843
17. Collection and bank service charges	70,370	57,066	190,603		318,039
18. Group service and administration fees	362,113	293,653	1,303,387		1,959,153
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes	14,071	5,798	98,361		118,230
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			619,503		619,503
23.2 State premium taxes			10,746,935		10,746,935
23.3 Regulatory authority licenses and fees			20,088,815		20,088,815
23.4 Payroll taxes	607,302	370,740	1,635,228		2,613,270
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere				135,704	135,704
25. Aggregate write-ins for expenses	2,521,806	1,508,110	4,331,263	0	8,361,179
26. Total expenses incurred (Lines 1 to 25)	28,650,802	21,290,609	111,860,474	135,704	(a) 161,937,589
27. Less expenses unpaid December 31, current year	526,039	390,904	3,801,850		4,718,793
28. Add expenses unpaid December 31, prior year	586,601	379,345	6,338,586		7,304,532
29. Amounts receivable relating to uninsured plans, prior year			1,351,442		1,351,442
30. Amounts receivable relating to uninsured plans, current year			2,236,239		2,236,239
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	28,711,364	21,279,050	115,282,007	135,704	165,408,125
DETAILS OF WRITE-INS					
2501. Information Technology	70,755	57,378	191,648		319,781
2502. Interest	12,614	10,229	97,132		119,975
2503. Managed Care & Network Access	15,556	9,741	34,362		59,659
2598. Summary of remaining write-ins for Line 25 from overflow page	2,422,881	1,430,762	4,008,121	0	7,861,764
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	2,521,806	1,508,110	4,331,263	0	8,361,179

(a) Includes management fees of \$ 72,793,022 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) 697,541	811,613
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 3,975,379	4,018,556
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	1,399,305	1,399,305
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract Loans		
6. Cash, cash equivalents and short-term investments	(e) 126,773	126,773
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	6,198,998	6,356,247
11. Investment expenses		(g) 135,704
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		135,704
17. Net investment income (Line 10 minus Line 16)		6,220,543
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 94,503 accrual of discount less \$ 988,759 amortization of premium and less \$ 64,315 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ 660 accrual of discount less \$ amortization of premium and less \$ 762 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	0	0	0	99,232	0
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	364	(690)	(326)	0	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	0	0	0	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	364	(690)	(326)	99,232	0
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	368,382	303,484	(64,898)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	7,188	57,446	50,258
18.1 Current federal and foreign income tax recoverable and interest thereon		0	0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	5,157,422	5,751,339	593,917
25. Aggregate write-ins for other than invested assets	4,763	47,698	42,935
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	5,537,755	6,159,967	622,212
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	5,537,755	6,159,967	622,212
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Miscellaneous receivables	4,169	47,058	42,889
2502. Prepaid expenses	594	640	46
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	4,763	47,698	42,935

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	1,989	1,864	1,751	1,698	1,448	20,827
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business	142,107	152,209	151,753	151,920	152,301	1,824,410
7. Total	144,096	154,073	153,504	153,618	153,749	1,845,237
DETAILS OF WRITE-INS						
0601. Medicare	47,175	57,001	58,479	60,364	61,674	706,824
0602. Medicaid	94,932	95,208	93,274	91,556	90,627	1,117,586
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	142,107	152,209	151,753	151,920	152,301	1,824,410

UNITEDHEALTHCARE OF NEW ENGLAND, Inc.

**NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

Organization and Operation

UnitedHealthcare of New England, Inc. (the “Company”), licensed as a health maintenance organization (“HMO”), offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is a wholly owned subsidiary of United HealthCare Services, Inc. (“UHS”), a management corporation that provides services to the Company under the terms of a management agreement (the “Agreement”). UHS is a wholly owned subsidiary of UnitedHealth Group Incorporated (“UnitedHealth Group”). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company was incorporated on November 14, 1984, as an HMO and operations commenced on December 27, 1984. The Company is certified as an HMO by the Rhode Island Department of Business Regulation (the “Department”), Massachusetts Division of Insurance, New Hampshire Insurance Department, Vermont Department of Financial Protection – Insurance Division, and Pennsylvania Insurance Department. The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees.

The Company offers comprehensive commercial products to individual and employer groups. Each contract outlines the coverage provided and renewal provisions. Effective January 1, 2017, the Company exited the Affordable Care Act (“ACA”) individual and small group exchange market in Rhode Island.

The Company serves as a plan sponsor offering Medicare Advantage and Medicare Part D prescription drug insurance coverage (collectively “Medicare program”) under a contract with the Centers for Medicare and Medicaid Services (“CMS”). Under the Medicare program, there are seven separate elements of payment received by the Company either during the year or at settlement in the subsequent year. These payment elements are CMS premium, member premium, CMS low-income premium subsidy, CMS catastrophic reinsurance subsidy, CMS low-income member cost-sharing subsidy, CMS risk share, and the CMS coverage gap discount program (“CGDP”). Each component of the Medicare program is further defined throughout Note 1.

The Company has a contract with the State of Rhode Island and Providence Plantations, Department of Human Services, to provide health care services to Medicaid eligible beneficiaries in Rhode Island. The current contract is effective through June 30, 2019, with one-year renewal option periods.

A. Accounting Practices

The statutory basis financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Department.

The Department recognizes only statutory accounting practices, prescribed or permitted by the State of Rhode Island (the “State”), for determining and reporting the financial condition and results of operations of an HMO, for determining its solvency under Rhode Island Insurance Law. The State prescribes the use of the National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures manual (“NAIC SAP”) in effect for the accounting periods covered in the statutory basis financial statements.

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

	SSAP #	F/S Page #	F/S Line #	2018	2017
Net Income					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 18,396,761	\$ 23,627,439
(2) State prescribed practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(3) State permitted practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	<u>\$ 18,396,761</u>	<u>\$ 23,627,439</u>
Capital and Surplus					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 132,604,785	\$ 113,865,940
(6) State prescribed practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(7) State permitted practices that are an increase/(decrease) from NAIC SAP: Not Applicable				-	-
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	<u>\$ 132,604,785</u>	<u>\$ 113,865,940</u>

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

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

C. Accounting Policy

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

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

- (1–2) Bonds and short-term investments are stated at book/adjusted carrying value if they meet NAIC designation of one or two and stated at the lower of book/adjusted carrying value or fair value if they meet an NAIC designation of three or higher. The Company does not have any mandatory convertible securities or Securities Valuation Office of the NAIC ("SVO") identified funds (i.e.: exchange traded funds or bond mutual funds) in its bond portfolio. Amortization of bond premium or accretion of discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the SVO in accordance with the NAIC Valuation of Securities manual prepared by the SVO or an external pricing service;
- (3–4) Common stock consists of the Company's share of an investment pool sponsored and administered by UHS. The investment pool consists principally of investments with original maturities of less than one year, with the average life of the individual investments being less than 60 days. The Company's share of the pool represents an undivided ownership interest in the pool and is immediately convertible to cash at no cost or penalty. The participants within the pool have an individual fund number to track those investments owned by the Company. In addition, the Company is listed as a participant in the executed custodial agreement between UHS and the custodian whereby the Company's share in the investment pool is segregated and separately maintained. The pool is primarily invested in government obligations, commercial paper, certificates of deposit, and short-term agency notes and is recorded at cost or book/adjusted carrying value. Interest income from the pool accrues daily to participating members based upon ownership percentage;
- (5) The Company holds no mortgage loans on real estate;
- (6) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the

determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in nonagency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets. Total combined investments in mortgage-backed securities and asset-backed securities cannot exceed more than 30% of total cash and invested assets;

- (7) The Company holds no investments in subsidiaries, controlled, or affiliated entities;
- (8) The Company has no investment interests with respect to joint ventures, partnerships, or limited liability companies;
- (9) The Company holds no derivatives;
- (10) Premium deficiency reserves (inclusive of conversion reserves) and the related expenses are recognized when it is probable that expected future health care expenses, claims adjustment expenses ("CAE"), direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts, and are recorded as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts, and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, CAE, and direct administration costs are considered. The methods for making such estimates and for establishing the resulting reserves are periodically reviewed and updated, and any adjustments are reflected as an increase in reserves for accident and health contracts in the statutory basis statements of operations in the period in which the change in estimate is identified. The Company anticipates investment income as a factor in the premium deficiency calculation (see Note 30);
- (11) CAE are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the Agreement (see Note 10), the Company pays a management fee to its affiliate, UHS, in exchange for administrative and management services. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and general administrative expenses ("GAE") to be reported in the statutory basis statements of operations. It is the responsibility of UHS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid CAE associated with incurred but unpaid claims, which is included in unpaid CAE in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid CAE as of December 31, 2018 is adequate to cover the Company's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid CAE are reflected in operating results in the period in which the change in estimate is identified;
- (12) The Company does not carry any fixed assets on the statutory basis financial statements;
- (13) Health care and other amounts receivable consist of pharmacy rebates receivable estimated based on the most currently available data from the Company's claims processing systems and from data provided by the Company's affiliated pharmaceutical benefit manager, OptumRx, Inc. ("OptumRx"). Health care and other amounts receivable also include receivables for amounts due to the Company for provider advances and claim overpayments to providers, hospitals and other health care organizations Health care and other amounts receivable are considered nonadmitted assets under the NAIC SAP if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

The Company has also deemed the following to be significant accounting policies and/or differences between statutory practices and GAAP:

ASSETS

Cash and Invested Assets

- Bonds include U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities, with a maturity of greater than one year at the time of purchase;

- Certain debt investments categorized as available-for-sale or held-to-maturity under GAAP are presented at the lower of book/adjusted carrying value or fair value in accordance with the NAIC designations in the statutory basis financial statements, whereas under GAAP, these investments are shown at fair value or book/adjusted carrying value, respectively;
- Investments in common stocks consist solely of the Company's share of an investment pool sponsored and administered by UHS. The investment pool consists principally of investments with original maturities of less than one year, with the average life of the individual investments being less than 60 days. The Company's share of the pool represents an undivided ownership interest in the pool and is immediately convertible to cash at no cost or penalty. The participants within the pool have an individual fund number to track those investments owned by the Company. In addition, the Company is listed as a participant in the executed custodial agreement between UHS and the custodian whereby the Company's share in the investment pool is segregated and separately maintained. The pool is primarily invested in government obligations, commercial paper, certificates of deposit, and short-term agency notes and is recorded at cost or book/adjusted carrying value depending on the composition of the underlying securities. Interest income from the pool accrues daily to participating members based upon ownership percentage. The Company's share of an investment pool sponsored and administered by UHS for the benefit of UHS-owned health plans, are valued by agreement that the pool's net asset value ("NAV") will always equal \$1.00 per share, which is equal to the book/carrying value in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, common stocks are generally reported at fair value;
- Cash overdrafts, cash equivalents, and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash overdrafts, cash equivalents, and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;
- Cash represents cash held by the Company in operating accounts. Claims and other payments are made from the operating accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments;
- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;
- Cash equivalents include money-market funds and U.S. treasury bills. Cash equivalents have original maturity dates of three months or less from the date of acquisition. Cash equivalents, excluding money-market funds are reported at cost or book/adjusted carrying value depending on the nature of the underlying security, which approximates fair value. Money-market funds are reported at fair value or NAV as a practical expedient;
- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses are reported as net realized capital losses less capital gains tax benefit in the statutory basis statements of operations;
- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital losses less capital gains tax benefit in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for loan-backed securities for periods subsequent to the loss recognition. The Company recognized an other-than-temporary impairment ("OTTI") of \$690 for the year ended December 31, 2018. There was no OTTI recorded for the year ended December 31, 2017;
- The statutory basis statements of cash flows reconcile cash overdrafts, cash equivalents, and short-term investments, which includes restricted cash reserves, with original maturities of one year or less from the time of acquisition; whereas under GAAP, pursuant to Accounting Standards Update 2016-18, *Statement of Cash Flows, Restricted Cash*, the statements of cash flows reconcile the corresponding captions of cash, cash equivalents and restricted cash with maturities of three months or less. Short-term investments with a final maturity of one year or less from the balance sheet date are not included in the reconciliation of GAAP cash flows. In addition, there are classification differences within the presentation of the cash flow categories between GAAP and statutory reporting. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

Other Assets

- **Investment Income Due and Accrued** — Investment income earned and due as of the reporting date, in addition to investment income earned but not paid or collected until subsequent periods, is reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and accrued and amounts determined to be uncollectible are written off in the period in which the determination is made. In addition, the remaining balance is assessed for admissibility and any balance greater than 90 days past due is considered a nonadmitted asset.
- **Premiums and Considerations** — The Company reports uncollected premium balances from its insured members as premiums and considerations in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential. Premiums and considerations also include the following:
 - a) CMS risk adjustment receivables. The risk adjustment model apportions premiums paid to all health plans according to the health severity and certain demographic factors of its enrollees. The CMS risk adjustment model pays more for members whose medical history indicates they have certain medical conditions. Under this risk adjustment methodology, CMS calculates the risk-adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, and physician treatment settings. The Company and health care providers collect, capture, and submit the necessary and available diagnosis data to CMS within prescribed deadlines. The Company estimates risk adjustment revenues based upon the diagnosis data submitted and expected to be submitted to CMS. The Company recognizes such changes when the amounts become determinable and supportable and collectability is reasonably assured. Premium adjustments for the CMS risk adjustment programs are accounted for as premium adjustments subject to redetermination (see Note 24);
 - b) Medicaid performance guarantee receivables for the pay for performance program. The pay for performance program is based upon the Company's performance against various quality and operational measures established in the Company's contract with the State which is based on a stated percentage of total direct premiums written. Premium adjustments for the Medicaid performance guarantee program are accounted for as premium adjustments subject to redetermination (see Note 24); and
 - c) The Rhode Island risk share program's estimated accrued retrospective premiums. The Company has a risk share arrangement with the Rhode Island Executive Office of Health and Human Services that mitigates the amount of financial risk to both the State of Rhode Island and to the Company. The Company records a receivable from the Rhode Island risk share program for estimated retrospective premium adjustments due to the Company based on the underlying contractual terms that are recorded as a change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations (See Note 24).

Premium adjustments for the CMS risk adjustment programs and Medicaid pay for performance programs are accounted for as premium adjustments subject to redetermination. Premium adjustments for the Rhode Island risk share programs are accounted for as premium adjustments subject to retrospectively rated features (see Note 24).

- **Amounts Receivable Relating to Uninsured Plans** —The ACA mandates consumer discounts of 50% on brand name prescription drugs for Part D plan participants in the coverage gap. As part of the CGDP, the Company records a receivable from the pharmaceutical manufacturers for reimbursement of the discounts which is included in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. There are no similar subsidies for employer group members. Related cash flows are presented within operating expenses paid within net cash used in operations in the statutory basis statements of cash flows. The Company solely administers the application of these funds and has no insurance risk.

Amounts receivable relating to uninsured plans also include the cost reimbursement for the cost-sharing reduction components of the ACA. The Company is fully reimbursed by the federal government for costs incurred related to these provisions. The Company receives advances that are applied to eligible claims. If the Company incurs costs in excess of these subsidies, a corresponding receivable is recorded as amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Current Federal Income Tax Recoverable** — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. A current federal income tax recoverable is recognized when the Company's allocated intercompany estimated payments are more than its actual calculated obligation based on the Company's stand-alone federal income tax return (see Note 9).
- **Net Deferred Tax Asset** — The NAIC SAP provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). In addition, under the NAIC SAP, the change in deferred tax assets is recorded directly to unassigned surplus in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under the NAIC SAP, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheet.
- **Premium Tax Recoverable**— The Company pays premium taxes on insurance premiums collected in various states. Many states require estimated payments throughout the year, generally based on prior year insurance premium collections. The Company reports premium tax recoverable in the statutory basis statements of admitted assets, liabilities and capital and surplus when estimated payments exceed the premium tax liability for the year.

LIABILITIES

- **Claims Unpaid and Aggregate Health Claim Reserves** — Claims unpaid and aggregate health claim reserves include claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

The estimates for incurred but not yet reported claims are developed using an actuarial process that is consistently applied, centrally controlled, and automated. The actuarial models consider factors such as historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The Company estimates such liabilities for physician, hospital, and other medical cost disputes based upon an analysis of potential outcomes, assuming a combination of litigation and settlement strategies. These estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during 2018 and 2017. Management believes the amount of claims unpaid and aggregate health claim reserves is a best estimate of the Company's liability for unpaid claims and aggregate health claim reserves as of December 31, 2018; however, actual payments may differ from those established estimates.

The reserves ceded to reinsurers for claims unpaid and aggregate health claim reserves have been reported as reductions of the related reserves rather than as assets, which would be required under GAAP.

The Company contracts with hospitals, physicians, and other providers of health care under capitated or discounted fee for service arrangements, including a hospital per diem to provide medical care services to enrollees. Some of these contracts are with related parties (see Note 10). Capitated providers are at risk for the cost of medical care services provided to the Company's enrollees; however, the Company is ultimately responsible for the provision of services to its enrollees should the capitated provider be unable to provide the contracted services.

- **Accrued Medical Incentive Pool and Bonus Amounts**—The Company has agreements with certain independent physicians and physician network organizations that provide for the establishment of a fund into which the Company places monthly premiums payable for members assigned to the physician. The Company manages the disbursement of funds from this account as well as reviews the utilization of nonprimary care medical services of members assigned to the physicians. Any surpluses in the fund are shared by the Company and the physician based upon predetermined risk-sharing percentage and the liability is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has incentive and bonus arrangements with providers that are based on quality, utilization, and/or various health outcome measures. The estimated amount due to providers that

meet the established metrics is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Aggregate Health Policy Reserves**—The Company establishes a liability, net of ceded reinsurance, for estimated accrued retrospective and redetermination premiums due from the Company based on the actuarial method and assumptions for each respective contract. Aggregate health policy reserves also includes:
 - a) risk adjustment payables as defined in Section 1343 of the ACA. Premium adjustments are based upon the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. Effective for 2018 benefit plan year, the risk adjustments and distributions are calculated using a high-cost risk pool which adds a reinsurance-like element to this program. A risk adjustment payable is recorded when the Company estimates its average actuarial risk score for policies included in this program is less than the average actuarial risk scores in that market and state risk pool (see Note 24);
 - b) CMS risk corridor payables for which adjustments are based on whether the ultimate per member per month (“PMPM”) benefit costs of any Medicare program plan varies more than 5% below the level estimated in the original bid submitted by the Company and approved by CMS (see Note 24);
 - c) CMS risk adjustment payables. The risk adjustment model apportions premiums paid to all health plans according to the health severity and certain demographic factors of its enrollees. The CMS risk adjustment model pays more for members whose medical history indicates they have certain medical conditions. Under this risk adjustment methodology, CMS calculates the risk-adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, and physician treatment settings. The Company and health care providers collect, capture, and submit the necessary and available diagnosis data to CMS within prescribed deadlines. If diagnosis data submitted to CMS needs to be corrected or deleted, the revised diagnosis data can be re-submitted. The Company estimates reductions to risk adjustment revenues and corresponding change in CMS risk adjustment payables based upon the diagnosis data submitted and expected to be submitted to CMS. The Company recognizes such changes when the amounts become determinable and supportable (see Note 24);
 - d) estimated rebates payable on the Medicare products, if the medical loss ratios on these fully insured products, as calculated under the definitions of the ACA (see Note 14) and implementing regulations, fall below certain targets. The Company is required to rebate the ratable portions of the premiums annually (see Note 24);
 - e) unearned premiums are established for the portion of premiums received during the current period that are partially unearned at the end of the period and are included in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus; and
 - f) the Rhode Island risk share program’s estimated accrued retrospective premiums were recorded in aggregate health policy reserves. The risk share arrangement with the Rhode Island Executive Office of Health and Human Services mitigates the amount of financial risk to both the State of Rhode Island and to the Company.
- **Premiums Received in Advance** — Premiums received in full for the policies processed during the current period, but prior to the commencement of the service period, are recorded as premiums received in advance in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **General Expenses Due or Accrued** — General expenses that are due as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent period are reported as general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. General expenses due or accrued also include the amounts for unpaid assessments, premium taxes, state income taxes and the unpaid portion of the contributions required under the ACA risk adjustment and reinsurance programs (see Note 24).
- **Current Federal Income Taxes Payable** — The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. A liability for federal income taxes payable is recognized

when its allocated intercompany estimated payments are less than its actual calculated obligation based on the Company's stand-alone federal income tax return (see Note 9).

- **Amounts Due to Parent, Subsidiaries, and Affiliates, Net** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts owed as amounts due to parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Payable for Securities** — The Company reports payable for securities when investments are traded at the end of an accounting period for which the settlement does not occur until the following month in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Liability for Amounts Held Under Uninsured Plans** — Liability for amounts held under uninsured plans represents costs incurred that are less than the cost reimbursement under the Medicare program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy for the individual members. The Company is fully reimbursed by CMS for costs incurred for these contract elements, and accordingly, there is no insurance risk to the Company. Subsidies for individual members are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. If the Company incurs costs less than these subsidies, a corresponding liability is recorded in liability for amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within net cash used in operations in the statutory basis statements of cash flows. For employer group members, the cost reimbursement under the Medicare program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy for employer group members are only received at settlement which is in the subsequent year. The ACA mandates consumer discounts of 50% on brand name prescription drugs for Part D plan participants in the coverage gap. These discounts are pre-funded for the individual members by CMS and a liability for the amount subject to recoupment is recorded in liability for amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. There are no similar subsidies for employer group members. Related cash flows are presented within operating expenses paid within net cash used in operations in the statutory basis statements of cash flows. The Company solely administers the application of these funds and has no insurance risk.

CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS

- **Nonadmitted Assets** — Certain assets, including certain aged premium receivables, certain health care and other amounts receivable, certain deferred tax assets, prepaid expenses, provider advances, and amounts receivable relating to uninsured plans, are considered nonadmitted assets under the NAIC SAP and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus and charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheet.
- **Restricted Cash Reserves** — The Company is exempt from the State of Rhode Island minimum regulatory deposit requirements, but it currently holds \$126,015 in deposits. The Company is required by the State of Massachusetts to maintain a minimum regulatory deposit and is currently holding \$1,039,160 in deposits, and was in compliance with this requirement as of December 31, 2018. This restricted cash reserve consists principally of government obligations and are stated at book/adjusted carrying cost, which approximates fair value. This reserve is included in bonds in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on this reserve accrues to the Company.
- **Minimum Capital and Surplus** — Under the laws of the State, the Department requires the Company to maintain a minimum capital and surplus of \$2,500,000. Additionally, the Company has an agreement with the State to maintain above 275% of the risk-based capital ("RBC") Authorized Control Level ("ACL"). The minimum capital and surplus requirement is \$97,956,905 and \$76,316,848 for December 31, 2018 and 2017, respectively. Under the laws of the State of Massachusetts, the Division of Insurance requires the company to maintain a minimum capital and surplus equal to \$1,000,000 or 2% of the first \$150,000,000 annual premium revenue and 1% of annual premium revenue in excess of \$150,000,000 or an amount equal to the sum of 3 months uncovered health care expenditures as reported on the most recent financial statement filed with the commissioner or an amount equal to the sum of 8 percent of annual health care expenditures except those paid on a capitated basis or managed hospital payment basis as reported on the most recent financial statement filed with the commissioner; and 4 percent of annual hospital expenditures paid on a managed hospital payment basis as reported on the most recent financial statement filed with the commissioner. The Company has \$132,604,785 and \$113,865,940 in total statutory basis capital and surplus as of December 31, 2018 and 2017, respectively, which is in compliance with the required amount.

RBC is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. The Massachusetts Division of Insurance requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above or the company action level as calculated by the RBC formula or the level needed to avoid action pursuant to the trend test in the RBC formula. The Company is in compliance with the required amount.

The Company is also subject to minimum capital and surplus requirements in other states where it is licensed to do business.

- **Section 9010 ACA subsequent fee year assessment** — The Company is subject to the Section 9010 ACA subsequent fee year assessment. Under the NAIC SAP, an amount equal to the estimated subsequent year fee must be apportioned out of unassigned surplus and reported as Section 9010 ACA subsequent fee year assessment, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, no such special surplus designation is required. In accordance with the 2019 Health Insurer Fee (“HIF”) moratorium, no HIF will be payable in 2019, therefore no amounts were apportioned out of unassigned surplus in the 2018 statutory basis statements of admitted assets, liabilities, and capital and surplus.

STATEMENTS OF OPERATIONS

- **Net Premium Income and Change in Unearned Premium Reserves and Reserve for Rate Credits** — Revenues consist of net premium income that is recognized in the period in which enrollees are entitled to receive health care services. Net premium income is shown net of reinsurance premiums paid and reinsurance premiums incurred but not paid in the statutory basis statements of operations. The corresponding change in unearned premium from year to year is reflected as a change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations. Under GAAP, the change in unearned premium from year to year is reported through premium income.

Comprehensive commercial health plans with medical loss ratios on fully insured products, as calculated under the definitions in the ACA (see Note 14) and implementing regulations, that fall below certain targets are required to rebate ratable portions of premiums annually. The Company classifies its estimated rebates as change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

Pursuant to Section 1343 of the ACA, the Company records premium adjustments for changes to the risk adjustment balances which are reflected in net premium income in the statutory basis statements of operations.

Net premium income includes premium under the Medicare Advantage program, which includes CMS premium and member premium. It also includes premium under the Medicare program, which includes CMS premium, member premium, and CMS low-income premium subsidy for the Company’s insurance risk coverage. Net premium income is recognized ratably over the period in which eligible individuals are entitled to receive health care services and prescription drug benefits.

Net premium income also includes amounts pursuant to the CMS risk adjustment program. The Company recognized \$742,588 and \$678,414 for changes in prior year Medicare risk factor estimates during the years ended December 31, 2018 and 2017, respectively, which is recorded as net premium income in the statutory basis statements of operations.

The Company also records estimates related to the CMS risk corridor program. Changes to these estimates are reflected as change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

Medicare Advantage plans and Part D prescription drug plans are subject to medical loss ratio requirements under the ACA. Plans with medical loss ratios that fall below certain targets are required to rebate ratable portions of premiums annually. The Company classifies its estimated rebates as change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

Net premium income also includes amounts paid by state and federal governments on a per member basis in exchange for the provision and administration of medical benefits under the Medicaid program. Premiums are contractual and are recognized in the coverage period in which members are entitled to receive services, except in the case of maternity payments. Maternity income is billed on contractual rates and recognized as income as each birth case is identified by the Company. Included in net premium income are capitated payments and maternity payments. The majority of net premium income recorded is based on capitated rates, which are monthly premiums paid for each member enrolled. Home nursing risk-sharing income is payable based upon the number of members that qualify for such reimbursement.

The Company has recorded a receivable and payable from the Rhode Island risk share program for estimated retrospective premium adjustments due to the Company based on the underlying contractual terms that are recorded as a change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

- **Total Hospital and Medical Expenses** — Total hospital and medical expenses include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

Total hospital and medical expenses also include amounts incurred for incentive pool, withhold adjustments, and bonus amounts that are based on the underlying contractual provisions with the respective providers. In addition, adjustments to claims unpaid estimates and aggregate health claim reserves are reflected in the period once the change in estimate is identified and included in total hospital and medical expenses in the statutory basis statements of operations.

- **General Administrative Expenses** — Pursuant to the terms of the Agreement (see Note 10), the Company pays a management fee to UHS in exchange for administrative and management services. Costs for items not included within the scope of the Agreement are directly expensed as incurred. State income taxes are also a component of GAE. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and GAE to be reported in the statutory basis statements of operations.

The Company is subject to an annual fee under Section 9010 of the ACA. A health insurance entity's annual fee becomes payable once the entity provides health insurance for any U.S. health risk during the calendar year, which is nondeductible for tax purposes. Under the NAIC SAP, the entire amount of the estimated annual fee expense is recognized on January 1 of the fee year in GAE in the statutory basis statements of operations, whereas under GAAP, a deferred asset is created on January 1 of the fee year which is amortized to expense on a straight-line basis throughout the year.

- **Net Investment Income Earned** — Net investment income earned includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income earned (see Note 7).
- **Federal Income Taxes Incurred** — The provision for federal income taxes incurred is calculated based on applying the statutory federal income tax rate of 21% in 2018 and 35% in 2017 to net income before federal income taxes and net realized capital (losses) gains subject to certain adjustments (see Note 9).
- **Comprehensive Income** — Comprehensive income and its components are not separately presented in the statutory basis financial statements, whereas under GAAP, it is a requirement to present comprehensive income and its components in the financial statements.

REINSURANCE

- **Reinsurance Ceded** — In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding premium to other insurance enterprises or reinsurers under excess coverage contracts or specific transfer of risk agreements. The Company remains primarily liable as the direct insurer on the risks reinsured. Reinsurance premiums paid and reinsurance premiums incurred but not paid are deducted from net premium income in the statutory basis statements of operations. Any amounts due to the Company pursuant to these agreements are recorded as amounts recoverable from reinsurers in the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 23).

The Company has a reinsurance agreement through which 60% of comprehensive commercial earned member premiums, hospital and medical benefits, and operating expenses are ceded to UnitedHealthcare Insurance Company ("UHIC"), an affiliated entity. These amounts are reflected as a reduction to net premium income, total hospital and medical, CAE, and GAE in the statutory basis financial statements. Pursuant to the quota share agreement, the Company records amounts recoverable from the reinsurer for claims paid, GAE and CAE as amounts recoverable from reinsurers and estimates of claims incurred but not yet paid as a reduction to claims unpaid in the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 23).

The Company had a reinsurance agreement with an affiliated entity, Unimerica Insurance Company, Inc. ("Unimerica"), to cede obligations relating to transplants, infertility,

chiropractic, physical and occupational, and mental health and substance abuse treatments and services. The Unimerica reinsurance agreement was terminated effective December 31, 2017 (see Note 23).

The Company has an insolvency-only reinsurance agreement and a Medicaid stop-loss reinsurance agreement with UHIC (see Note 23).

- **Amounts Recoverable from Reinsurers** — The Company records amounts recoverable from reinsurers which represents amounts contractually due to the Company for claims paid and CAE pursuant to the UHIC quota share and Unimerica agreements in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as net reinsurance recoveries in the statutory basis statements of operations. The Unimerica reinsurance agreement was terminated effective December 31, 2017 (see Note 23).
- **Section 1341 ACA Transitional Reinsurance** — The Company has established receivables of \$1,235 and \$43,004 as of December 31, 2018 and 2017, respectively, pursuant to Section 1341 of the ACA which is included in amounts recoverable from reinsurers, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, for the transitional reinsurance program. This program was designed to protect issuers in the individual market from an expected increase in large claims due to the elimination of preexisting condition limitations (see Note 24).
- **Ceded Reinsurance Premiums Payable** — The ceded reinsurance premiums payable balance represents amounts due to the reinsurers for specified coverage which will be paid based on the contract terms.

OTHER

- **Vulnerability Due to Certain Concentrations**—The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company's existing products in new markets and offerings of new products, both of which may restrict the Company's ability to expand its business.

The Company has no commercial customers that individually exceed 10% of total direct premiums written and premiums and considerations, including receivables for contracts subject to redetermination, for the years ended December 31, 2018 and 2017.

Direct premiums written and premiums and considerations, including receivables for contracts subject to redetermination, from members and CMS related to Medicare Advantage and the Medicare Part D program as a percentage of total direct premiums written and total premiums and considerations, including receivables for contracts subject to redetermination, are 54% and 59% as of December 31, 2018 and 46% and 60% as of December 31, 2017, respectively.

Direct premiums written and premiums and considerations, including receivables for contracts subject to redetermination, from the State as a percentage of total direct premiums written and total premiums and considerations, including receivables for contracts subject to redetermination, are 45% and 41% as of December 31, 2018 and 53% and 35% as of December 31, 2017, respectively.

Recently Issued Accounting Standards — The Company reviewed all recently issued guidance in 2018 and 2017 that has been adopted for 2018 or subsequent years' implementation and has determined that none of the items would have a significant impact to the statutory basis financial statements.

D. Going Concern

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

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

No changes in accounting principles or correction of errors have been recorded during the years ended December 31, 2018 and 2017.

3. BUSINESS COMBINATIONS AND GOODWILL

A–D. The Company was not party to a business combination during the years ended December 31, 2018 and 2017, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

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

(1-4) The Company did not discontinue any operations during 2018 or 2017; however, effective January 1, 2017, the Company did make the decision to exit the ACA individual and small group exchange market.

B. Change in Plan of Sale of Discontinued Operation — Not applicable.**C. Nature of any Significant Continuing Involvement with Discontinued Operations after Disposal — Not applicable.****D. Equity Interest Retained in the Discontinued Operation after Disposal — Not applicable.****5. INVESTMENTS**

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of long-term investments were \$364 and \$0, respectively, for 2018 and \$58,203 and \$359,842, respectively, for 2017. There were no realized gains and losses on sales of short-term investments for 2018 or 2017. The net realized (loss) gain is included in net realized capital losses less capital gains benefit in the statutory basis statements of operations. Total proceeds on the sale of long-term investments were \$988,001 and \$7,977,781, for the sale of common stocks were \$1,188,192,048 and \$1,039,993,544, and for short-term investments were \$0 and \$59,265,383 in 2018 and 2017, respectively.

As of December 31, 2018 and 2017, the book/adjusted carrying value, fair value, and gross unrecognized unrealized gains and losses of the Company's investments, excluding cash overdrafts and cash equivalents of \$5,663,402 and \$1,527,465, respectively, are as follows:

	2018				
	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	Fair Value
U.S. government and agency securities	\$ 84,249,909	\$ 463,515	\$ 295,774	\$ 826,138	\$ 83,591,512
State and agency municipal securities	22,228,375	291,466	568	123,217	22,396,056
City and county municipal securities	16,167,397	225,743	22,702	99,956	16,270,482
Corporate debt securities	92,280,638	92,990	433,347	939,976	91,000,305
Equity (including marketable common stock)	11,621,975	-	-	-	11,621,975
Total bonds and equity (including marketable common stock)	<u>\$ 226,548,294</u>	<u>\$ 1,073,714</u>	<u>\$ 752,391</u>	<u>\$ 1,989,287</u>	<u>\$ 224,880,330</u>

	2018				
	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	Fair Value
Less than one year	\$ 35,225,983	\$ 185	\$ 21,024	\$ 130,669	\$ 35,074,475
One to five years	75,001,183	61,462	312,521	926,960	73,823,164
Five to ten years	56,762,052	745,698	154,173	134,269	57,219,308
Over ten years	59,559,076	266,369	264,673	797,389	58,763,383
Total bonds and equity (including marketable common stock)	<u>\$ 226,548,294</u>	<u>\$ 1,073,714</u>	<u>\$ 752,391</u>	<u>\$ 1,989,287</u>	<u>\$ 224,880,330</u>

	2017				
	Book/Adjusted Carrying Value	Gross Unrecognized Unrealized Gains	Gross Unrecognized Unrealized Losses < 1 Year	Gross Unrecognized Unrealized Losses > 1 Year	Fair Value
U.S. government and agency securities	\$ 73,999,608	\$ 98,676	\$ 207,548	\$ 290,610	\$ 73,600,126
State and agency municipal securities	22,394,152	513,802	18,374	27,856	22,861,724
City and county municipal securities	15,989,446	450,070	-	60,225	16,379,291
Corporate debt securities	97,879,799	285,993	264,406	155,050	97,746,336
Equity (including marketable common stock)	52,576,719	-	-	-	52,576,719
Total bonds, short-term investments, and equity (including marketable common stock)	<u>\$ 262,839,724</u>	<u>\$ 1,348,541</u>	<u>\$ 490,328</u>	<u>\$ 533,741</u>	<u>\$ 263,164,196</u>

Included in U.S. government and agency securities and corporate debt securities in the tables above are mortgage-related loan-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities' final maturity date and at a book/adjusted carrying value of \$39,914,922 and fair value of \$39,130,078.

Included in Equity in the tables above is the Company's share of an investment pool sponsored and administered by UHS. The investment pool consists principally of investments with original maturities of less than one year, with the average life of the individual investments being less than 60 days. Per the request of the Department, the Company reports the investment pool as Common Stock. For the years to maturity table above, these securities have been presented in the maturity group based on the underlying securities' final maturity dates of less than one year and at a book/adjusted carrying value and fair value of \$11,621,975.

The following table illustrates the fair value and gross unrecognized unrealized losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrecognized unrealized loss position as of December 31, 2018 and 2017:

	2018					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. government and agency securities	\$ 21,845,110	\$ 295,774	\$ 36,845,652	\$ 826,138	\$ 58,690,762	\$ 1,121,912
State and agency municipal securities	406,286	568	6,557,006	123,217	6,963,292	123,785
City and county municipal securities	2,706,222	22,702	3,091,151	99,956	5,797,373	122,658
Corporate debt securities	34,686,339	433,347	44,458,985	939,976	79,145,324	1,373,323
Total bonds and equity (including marketable common stocks)	\$ 59,643,957	\$ 752,391	\$ 90,952,794	\$ 1,989,287	\$ 150,596,751	\$ 2,741,678

	2017					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
U.S. government and agency securities	\$ 26,338,919	\$ 207,548	\$ 26,485,658	\$ 290,610	\$ 52,824,577	\$ 498,158
State and agency municipal securities	4,344,128	18,374	3,335,089	27,856	7,679,217	46,230
City and county municipal securities	-	-	3,194,763	60,225	3,194,763	60,225
Corporate debt securities	49,397,293	264,406	11,767,722	155,050	61,165,015	419,456
Total bonds, short-term investments, and equity (including marketable common stocks)	\$ 80,080,340	\$ 490,328	\$ 44,783,232	\$ 533,741	\$ 124,863,572	\$ 1,024,069

The unrecognized unrealized losses on investments in U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities at December 31, 2018 and 2017, were mainly caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its book/adjusted carrying value. The contractual cash flows of the U.S. government and agency securities are guaranteed either by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company evaluated the credit ratings of the municipal, local agency and corporate debt securities, noting whether a significant deterioration since purchase or other factors that may indicate an OTTI, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain loan-backed securities for a period of time sufficient to recover the amortized cost. As a result of these reviews, the Company recorded an OTTI of \$690 and \$0 as of December 31, 2018 and 2017, respectively, which is included in net realized capital gains (losses) less capital gains tax (benefit) in the statutory basis statements of operations.

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

D. Loan-Backed Securities

- (1) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.
- (2) The Company did not recognize any OTTIs on loan-backed securities as of December 31, 2018 and 2017.
- (3) The Company did not have any loan-backed securities with OTTIs to report by CUSIP as of December 31, 2018 or 2017.

- (4) The following table illustrates the fair value, gross unrecognized unrealized losses, and length of time that the loan-backed securities have been in a continuous unrecognized unrealized loss position as of December 31, 2018 and 2017:

	2018
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 190,281
2. 12 months or longer	716,011
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	19,682,782
2. 12 months or longer	27,561,873
	2017
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 206,388
2. 12 months or longer	87,210
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	28,466,736
2. 12 months or longer	7,188,227

- (5) The Company believes that it will collect all principal and interest due on all investments that have an amortized cost in excess of fair value. The unrecognized unrealized losses as of December 31, 2018 and 2017 were primarily caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions** — Not applicable.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing** — Not applicable.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing** — Not applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sale** — Not applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale** — Not applicable.
- J. Real Estate** — Not applicable.
- K. Low-Income Housing Tax Credits** — Not applicable.

L. Restricted Assets —

(1) Restricted assets, including pledged securities as of December 31, 2018 and 2017, are presented below:

Restricted Asset Category	1	2	3	4	5	6	7
	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 Minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 Minus 4)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	- %	- %
b. Collateral held under security lending agreements	-	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale—excluding FHLB capital stock	-	-	-	-	-	-	-
i. FHLB capital stock	-	-	-	-	-	-	-
j. On deposit with states	1,165,175	1,183,588	(18,413)	-	1,165,175	0.3%	0.4%
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-	-
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-	-
o. Total restricted assets	\$ 1,165,175	\$ 1,183,588	\$ (18,413)	\$ -	\$ 1,165,175	0.3%	0.4%

(a) Column 1 divided by Assets Page, Column 1, Line 28

(b) Column 5 divided by Assets Page, Column 3, Line 28

(2-4) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2018 or 2017.

M. Working Capital Finance Investments — Not applicable.

N. Offsetting and Netting of Assets and Liabilities

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

O. Structured Notes

The details of structured notes by CUSIP as of December 31, 2018 and 2017 are presented below:

2018				
CUSIP Identification	Actual Cost	Fair Value	Book/ Adjusted Carrying Value	Mortgage Referenced Security (Yes/No)
912828Q60	\$ 2,066,820	\$ 2,071,383	\$ 2,119,528	N
912828SA9	<u>2,163,898</u>	<u>2,165,235</u>	<u>2,218,352</u>	N
Total	<u>\$ 4,230,718</u>	<u>\$ 4,236,618</u>	<u>\$ 4,337,880</u>	
2017				
CUSIP Identification	Actual Cost	Fair Value	Book/ Adjusted Carrying Value	Mortgage Referenced Security (Yes/No)
912828Q60	\$ 2,066,820	\$ 2,072,904	\$ 2,066,501	N
912828SA9	<u>2,163,898</u>	<u>2,170,856</u>	<u>2,163,704</u>	N
Total	<u>\$ 4,230,718</u>	<u>\$ 4,243,760</u>	<u>\$ 4,230,205</u>	

P. 5GI Securities

The Company does not have any investments with an NAIC designation of 5GI as of December 31, 2018 and 2017.

Q. Short Sales — Not applicable.

R. Prepayment Penalty and Acceleration Fees — Not applicable.

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

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

7. INVESTMENT INCOME

A. The Company excludes all investment income due and accrued amounts that are over 90 days past due from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

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

8. DERIVATIVE INSTRUMENTS

A–H. The Company has no derivative instruments.

9. INCOME TAXES

The Tax Cuts and Jobs Act (“Tax Reform”) enacted by the U.S. federal government in December 2017 changed the existing United States tax law including reducing the U.S. corporate income tax rate from 35% in 2017 to 21% beginning in 2018. The Company accounted for the impacts of Tax Reform and as of December 31, 2017, remeasured its deferred tax assets/(liabilities) at the 21% enacted tax rate.

A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset/(liability) at December 31, 2018 and 2017, are as follows:

	2018			2017			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
(a) Gross deferred tax assets	\$ 3,671,031	\$ 15,701	\$ 3,686,732	\$ 3,939,140	\$ 7,068	\$ 3,946,208	\$ (268,109)	\$ 8,633	\$ (259,476)
(b) Statutory valuation allowance adjustments	-	15,701	15,701	-	7,068	7,068	-	8,633	8,633
(c) Adjusted gross deferred tax assets (1a - 1b)	3,671,031	-	3,671,031	3,939,140	-	3,939,140	(268,109)	-	(268,109)
(d) Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal net admitted deferred tax asset (1c - 1d)	3,671,031	-	3,671,031	3,939,140	-	3,939,140	(268,109)	-	(268,109)
(f) Deferred tax liabilities	392,633	-	392,633	281,380	-	281,380	111,253	-	111,253
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	\$ 3,278,398	\$ -	\$ 3,278,398	\$ 3,657,760	\$ -	\$ 3,657,760	\$ (379,362)	\$ -	\$ (379,362)

(2) The components of the adjusted gross deferred tax assets admissibility calculation under SSAP No. 101, *Income Taxes—A Replacement of SSAP No. 10R and SSAP No. 10*, are as follows:

Admission Calculation Components SSAP No. 101	2018			2017			Change		
	1 Ordinary	2 Capital	3 (Col 1 + 2) Total	4 Ordinary	5 Capital	6 (Col 4 + 5) Total	7 (Col 1 - 4) Ordinary	8 (Col 2 - 5) Capital	9 (Col 7 + 8) Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 3,671,031	\$ -	\$ 3,671,031	\$ 3,939,140	\$ -	\$ 3,939,140	\$ (268,109)	\$ -	\$ (268,109)
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	-	-	-	-	-	-	-	-	-
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	19,398,958	XXX	XXX	16,531,227	XXX	XXX	2,867,731
(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)	\$ 3,671,031	\$ -	\$ 3,671,031	\$ 3,939,140	\$ -	\$ 3,939,140	\$ (268,109)	\$ -	\$ (268,109)

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

	2018	2017
(a) Ratio percentage used to determine recovery period and threshold limitation amount	363 %	402 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	\$ 129,326,387	\$ 110,208,180

- (4) The impact to the gross deferred tax assets balances as a result of tax-planning strategies as of December 31, 2018 and 2017, is presented below:

Impact of Tax-Planning Strategies	2018		2017		Change	
	1	2	3	4	5	6
	Ordinary	Capital	Ordinary	Capital	(Col 1 - 3) Ordinary	(Col 2 - 4) Capital
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets by tax character as a percentage.						
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 3,671,031	\$ -	\$ 3,939,140	\$ -	\$ (268,109)	\$ -
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)	\$ 3,671,031	\$ -	\$ 3,939,140	\$ -	\$ (268,109)	\$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
(b) Does the Company's tax-planning strategies include the use of reinsurance?			Yes	_____	No	<u>X</u>

B. Unrecognized Deferred Tax Liabilities

- (1-4) There are no unrecognized deferred tax liabilities for the years ended December 31, 2018 and 2017.

C. Significant Components of Income Taxes

- (1) The current federal income taxes incurred for the years ended December 31, 2018 and 2017 are as follows:

	1	2	3
	2018	2017	(Col 1 - 2) Change
1. Current income tax			
(a) Federal	\$ 9,705,173	\$ 13,757,765	\$ (4,052,592)
(b) Foreign	-	-	-
(c) Subtotal	9,705,173	13,757,765	(4,052,592)
(d) Federal income tax on net capital gains (losses)	8,565	(87,975)	96,540
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	<u>\$ 9,713,738</u>	<u>\$ 13,669,790</u>	<u>\$ (3,956,052)</u>

(2-4) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2018 and 2017, are as follows:

	1	2	3
	2018	2017	(Col 1 - 2) Change
2 Deferred tax assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 385,728	\$ 158,324	\$ 227,404
(2) Unearned premium reserve	2,122,232	2,486,241	(364,009)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables—nonadmitted	1,162,804	1,293,459	(130,655)
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	267	1,116	(849)
(99) Subtotal	3,671,031	3,939,140	(268,109)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	3,671,031	3,939,140	(268,109)
(e) Capital:			
(1) Investments	15,701	7,068	8,633
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	15,701	7,068	8,633
(f) Statutory valuation allowance adjustment	15,701	7,068	8,633
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
(i) Admitted deferred tax assets (2d + 2h)	3,671,031	3,939,140	(268,109)
3 Deferred tax liabilities:			
(a) Ordinary:			
(1) Investments	26,977	29,309	(2,332)
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	365,656	252,071	113,585
(99) Subtotal	392,633	281,380	111,253
(b) Capital:			
(1) Investments	-	-	-
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	-	-	-
(c) Deferred tax liabilities (3a99 + 3b99)	392,633	281,380	111,253
4 Net deferred tax assets/liabilities (2i - 3c)	<u>\$ 3,278,398</u>	<u>\$ 3,657,760</u>	<u>\$ (379,362)</u>

The other ordinary deferred tax liability of \$365,656 for 2018 consists of loss reserve discounting of \$156,145 and premium acquisition expense of \$209,511. The other ordinary deferred tax liability of \$252,071 for 2017 consists of premium acquisition expense.

The Company's measurement of the income tax effects on Tax Reform for the year ended December 31, 2017 was reasonably estimated. The Company has completed the accounting for the income tax effects of Tax Reform by the end of the measurement period in 2018.

The Company assessed the potential realization of the gross deferred tax asset and established a valuation allowance of \$15,701 and \$7,068 to reduce the gross deferred tax asset to \$3,671,031 and \$3,939,140 as of December 31, 2018 and 2017, respectively, which represents the amount of the asset estimated to be recoverable via carryback of losses and reduction of future taxes. The change in the valuation allowance is attributable to the change in timing of deductibility of expenses and/or expectations for future taxable income.

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 21% in 2018 and 35% in 2017 to net income before federal income taxes incurred, less capital gains tax benefit. A summarization of the significant items causing this difference as of December 31, 2018 and 2017 is as follows:

	2018		2017	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Tax provision at the federal statutory rate	\$ 5,903,205	21.0 %	\$ 13,054,030	35.0 %
Tax-exempt interest	(150,916)	(0.5)%	(338,929)	(0.9)%
Health insurer fee	4,201,715	14.9 %	-	0.0 %
Other current year items	-	0.0 %	2,649	0.0 %
Tax effect of nonadmitted assets	130,664	0.5 %	(261,492)	(0.7)%
Change in statutory valuation allowance	8,632	0.0 %	7,068	0.0 %
Change in tax law	(200)	(0.0)%	2,443,219	6.6 %
Total statutory income taxes	\$ 10,093,100	35.9 %	\$ 14,906,545	40.0 %
Federal income taxes incurred	\$ 9,705,173	34.5 %	\$ 13,757,765	36.9 %
Capital gains (benefit) tax	8,565	0.0 %	(87,975)	(0.2)%
Change in net deferred income tax	379,362	1.4 %	1,236,755	3.3 %
Total statutory income taxes	\$ 10,093,100	35.9 %	\$ 14,906,545	40.0 %

- E. At December 31, 2018, the Company had no net operating loss carryforwards.

Current federal income taxes payable of \$1,170,238 and recoverable of \$4,107,209 as of December 31, 2018 and 2017, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds were \$4,436,291 and \$9,418,941 in 2018 and 2017, respectively.

Federal income taxes incurred of \$9,714,238 and \$13,669,292 for 2018 and 2017, respectively, are available for recoupment in the event of future net losses.

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

- F. The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y—Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The IRS has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2016 and prior. UnitedHealth Group's 2017 and 2018 tax return is under advance review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2012 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

- G. **Tax Contingencies** — Not applicable.

- H. **Repatriation Transition Tax** — Not applicable.

- I. **Alternative Minimum Tax Credit** — Not applicable.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

A–O. Material Related Party Transactions

Management believes that its transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.

Pursuant to the terms of the Agreement, UHS will provide management services to the Company under a fee structure, which is based on a percentage of premium charges representing UHS' expenses for services or use of assets provided to the Company. In addition, UHS provides or arranges for services on behalf of the Company using a pass-through of charges incurred by UHS on a PMPM basis (where the charges incurred by UHS is on a PMPM basis) or using another allocation methodology consistent with the Agreement. These services may include, but are not

limited to, integrated personal health management solutions, such as disease management, treatment decision support, and wellness services, including a 24-hour call-in service, access to a network of transplant providers, and discount program services. The amount and types of services provided pursuant to the pass-through provision of the Agreement can change year over year as UHS becomes the contracting entity for services provided to the Company's members. Total administrative services, capitation expenses, and access fees under this arrangement totaled \$93,703,668 and \$80,370,926 in 2018 and 2017, respectively, and are included in GAE and CAE in the statutory basis statements of operations. Direct expenses not covered under the Agreement, such as broker commissions, department exam fees, ACA assessments, and premium taxes, are paid by UHS on behalf of the Company. UHS is reimbursed by the Company for these direct expenses.

In the ordinary course of business, the Company also directly contracts with related parties to provide services that are routine in nature to its members. The administrative services, access fees, and cost of care services provided are calculated using a PMPM, per employee per month ("PEPM"), per claim or a combination thereof. These amounts are included in GAE, CAE, and hospital and medical expenses in the statutory basis statements of operations.

The following table identifies the amounts for the administrative services, access fees, and cost of care services provided by related parties for the years ended December 31, 2018 and 2017, which meet the disclosure requirements pursuant to SSAP No. 25, *Affiliates and Other Related Parties* ("SSAP No. 25"), regardless of the effective date of the contract:

	2018	2017
United Behavioral Health	\$ 97,105,064	\$ 111,725,952
United HealthCare Services, Inc.	93,703,668	80,370,926
OptumRx, Inc.	75,994,448	63,980,577
OptumInsight, Inc.	4,406,405	3,259,054

United Behavioral Health provides mental health and substance abuse services.

OptumRx, Inc. provides administrative services related to pharmacy management and pharmacy claims processing for its enrollees, pharmacy incentive services, specialty drug pharmacy services, durable medical equipment services including orthotics and prosthetics and personal health products catalogues showing the healthcare products and benefit credits enrollees needed to redeem the respective products.

OptumInsight, Inc. provides claim analytics, recovery of medical expense (benefit) overpayments, retroactive fraud, waste and abuse, and subrogation and premium audit services. All recoveries are returned to the Company by OptumInsight, Inc. on a monthly basis.

The Company has premium payments that are received and claim payments that are processed by an affiliated UnitedHealth Group entity. Both premiums and claims applicable to the Company are settled at regular intervals throughout the month via the intercompany settlement process and any amounts outstanding are reflected in amounts due to parent, subsidiaries, and affiliates, net in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company holds a \$50,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate both plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The agreement was renewed effective October 1, 2012 and shall continue until terminated pursuant to the terms of the credit agreement. No amounts were outstanding under the line of credit as of December 31, 2018 and 2017.

In addition to the agreements above, UHS maintains a private short-term money-market investment pool in which affiliated companies may participate (see Note 1). At December 31, 2018 and 2017, the Company's portion was \$11,621,975 and \$52,576,719, respectively, and is included in common stock in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company has entered into a Tax Sharing Agreement with UnitedHealth Group (see Note 9).

The Company paid no dividends to its parent in 2018, and paid dividends of \$26,800,000 to its parent in 2017 (see Note 13).

The Company has entered into reinsurance agreements with affiliated entities (see Note 23).

At December 31, 2018 and 2017, the Company reported \$334,718 and \$6,042,024, respectively, as amounts due to parent, subsidiaries, and affiliates, net which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets. The Company pays interest expense on the monthly average balance in the net amounts due to parent, subsidiaries, and affiliates account, which is calculated at a fluctuating rate that approximates the prime rate. Net interest expense incurred by the Company in 2018 and 2017 relating to this balance was \$45,216 and

\$47,742, respectively. Interest expense is included in GAE in the statutory basis statements of operations.

The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party.

The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.

The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.

The Company does not have any investments in impaired subsidiaries, controlled, or affiliated entities.

The Company does not have any investments in foreign insurance subsidiaries.

The Company does not hold any investments in a downstream noninsurance holding company.

The Company does not have any investments in non-insurance subsidiaries, controlled, or affiliated entities.

The Company does not have any investments in insurance subsidiaries, controlled, or affiliated entities.

11. DEBT

A–B. The Company had no outstanding debt with third-parties or outstanding Federal Home Loan Bank agreements during 2018 and 2017.

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

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

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS

(1–2) The Company has 100 shares authorized and 10 shares issued and outstanding of no par value common stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, UHS.

(3) Payment of dividends may be restricted by the Department, which generally requires that dividends be paid out of unassigned surplus.

(4) The Company paid no dividends in 2018.

On November 16, 2017, the Company requested an extraordinary cash dividend of \$15,000,000 to its parent company, UHS. The dividend was approved on December 27, 2017, and paid on December 29, 2017, which was recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

On June 1, 2017, the Company declared an ordinary cash dividend of \$11,800,000 to the sole shareholder, UHS, and was paid on June 13, 2017. The ordinary dividend complied with the provisions set forth in the statutes of Rhode Island. The dividend was recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

(5) The amount of ordinary dividends that may be paid out during any given period is subject to certain restrictions as specified by state statute.

(6) There are no restrictions placed on the Company's unassigned surplus.

(7) The Company is not a mutual reciprocal or a similarly organized entity and does not have advances to surplus not repaid.

(8) The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options, or stock purchase warrants.

- (9) For the year ended December 31, 2017, the amount of the estimated Section 9010 ACA subsequent fee year assessment apportioned out of unassigned surplus was \$21,259,771. As discussed in Note 1, in 2018 no amount was required to be apportioned out of unassigned surplus for the Section 9010 ACA subsequent fee year assessment.
- (10) The portion of unassigned surplus, excluding the apportionment of estimated Section 9010 ACA subsequent fee year assessment, net income, and dividends, represented (or reduced) by each item below is as follows:

	2018	2017	Change
Unrealized capital gains (losses) on investments less capital gains tax	\$ 98,519	\$ (715)	\$ 99,234
Net deferred income taxes	3,278,398	3,657,760	(379,362)
Nonadmitted assets	<u>(5,537,755)</u>	<u>(6,159,967)</u>	<u>622,212</u>
Total	<u>\$ (2,160,838)</u>	<u>\$ (2,502,922)</u>	<u>\$ 342,084</u>

- (11–13) The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

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

C. Gain Contingencies

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

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits — Not applicable.

E. Joint and Several Liabilities — Not applicable.

F. All Other Contingencies

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

The ACA and the related federal and state regulations will continue to impact how the Company does business and could restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase the Company's medical and administrative costs, expose the Company to an increased risk of liability (including increasing the Company's liability in federal and state courts for coverage determinations and contract interpretation), or put the Company at risk for loss of business. In addition, the Company's statutory basis results of operations, financial condition, including the ability to maintain the value of goodwill, and cash flows could be materially adversely affected by such changes. The ACA may create new or expand existing opportunities for business growth, but due to its complexity, the long term impact of the ACA remains difficult to predict and is not yet fully known.

The Company has been, or is currently involved, in various governmental investigations, audits and reviews. These include routine, regular and special investigations, audits and reviews by CMS, state insurance and health and welfare departments and other governmental authorities. Certain of the Company's businesses have been reviewed or are currently under review, for reasons including compliance with coding and other requirements under the Medicare risk-adjustment model.

On February 14, 2017, the Department of Justice ("DOJ") announced its decision to pursue certain claims within a lawsuit initially asserted against the Company and filed under seal by a whistleblower in 2011. The whistleblower's complaint, which was unsealed on February 15, 2017,

alleges that the Company made improper risk adjustment submissions and violated the False Claims Act. On February 12, 2018, the court granted in part and denied in part the Company's motion to dismiss. In May 2018, the DOJ moved to dismiss the Company's counterclaims, which were filed in March 2018, and moved for partial summary judgment. Those motions were argued in September 2018. The Company cannot reasonably estimate the outcome that may result from this matter given its procedural status.

Risk Adjustment Data Validation ("RADV") Audit — CMS adjusts capitation 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 Company collects claim and encounter data from providers who the Company generally relies on to appropriately code their claim submissions and document their 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 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 Company, fines, corrective action plans or other adverse action by CMS.

In February 2012, CMS announced a final RADV and payment adjustment methodology and is conducting the RADV audits beginning with the 2011 payment year. These audits involve a review of medical records maintained by care providers and may result in retrospective adjustments to payments made to health plans. CMS has not communicated how the final payment adjustment under its methodology will be implemented.

To date, the Company has not been selected by CMS to participate in a RADV audit.

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

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

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

There are no assets that the Company considers to be impaired at December 31, 2018 and 2017, except as disclosed in Note 5 and Note 20.

15. LEASES

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

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

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

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

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

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

A–B. The Company has no operations from Administrative Services Only Contracts or Administrative Services Contracts in 2018 and 2017.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

The Medicare Part D program is a partially insured plan. The Company recorded a payable in liability for amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus of \$6,113,833 and \$13,747,269 at December 31, 2018 and 2017, respectively, for cost reimbursement under the Medicare Part D program for the catastrophic reinsurance and low-income member cost-sharing subsidies as described in Note 1, *Amounts Receivable Relating to Uninsured Plans* and *Liability for Amounts Held Under Uninsured Plans*. The Company also recorded a receivable of \$2,236,239 and \$1,347,690 and also a payable of \$818,232 and \$3,271,539 at December 31, 2018 and 2017, respectively, for the Medicare Part D CGDP as described in Note 1, *Amounts Receivable Relating to Uninsured Plans* and *Liability for Amounts Held Under Uninsured Plans*.

The Company receives payments from CMS under the ACA Cost Sharing Reduction (“CSR”) program designed to reduce copayments, deductibles, and coinsurance for lower-income members. There is no insurance risk to the Company as a result of the CSR program. Overpayments from CMS are reported in liability for amounts held under uninsured plans and underpayments are reported in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has recorded receivable of \$0 and \$3,752 for the CSR program as of December 31, 2018 and 2017, respectively.

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

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2018 and 2017.

20. FAIR VALUE MEASUREMENT

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

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

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

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

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

The estimated fair values of bonds, short-term investments, and common stocks are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (“pricing service”), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company’s internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

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

A. Fair Value

(1) Fair Value Measurements at Reporting Date

The following tables present information about the Company's financial assets that are measured and reported at fair value at December 31, 2018 and 2017, in the statutory basis statements of admitted assets, liabilities, and capital and surplus according to the valuation techniques the Company used to determine their fair values:

Description for Each Class of Asset or Liability	December 31, 2018			Net Asset Value (NAV)	Total
	(Level 1)	(Level 2)	(Level 3)		
a. Assets at fair value:					
Perpetual preferred stock:					
Industrial and misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total perpetual preferred stocks	-	-	-	-	-
Bonds:					
U.S. governments	-	-	-	-	-
Industrial and misc	-	-	-	-	-
Hybrid securities	-	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total bonds	-	-	-	-	-
Common stock:					
Industrial and misc	11,621,975	-	-	-	11,621,975
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total common stock	11,621,975	-	-	-	11,621,975
Derivative assets:					
Interest rate contracts	-	-	-	-	-
Foreign exchange contracts	-	-	-	-	-
Credit contracts	-	-	-	-	-
Commodity futures contracts	-	-	-	-	-
Commodity forward contracts	-	-	-	-	-
Total derivatives	-	-	-	-	-
Separate account assets	-	-	-	-	-
Total assets at fair value/NAV	\$ 11,621,975	\$ -	\$ -	\$ -	\$ 11,621,975
b. Liabilities at fair value:					
Derivative liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE UnitedHealthcare of New England, Inc.

Description for Each Class of Asset or Liability	December 31, 2017				
	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value:					
Perpetual preferred stock:					
Industrial and misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total perpetual preferred stocks	-	-	-	-	-
Bonds:					
U.S. governments	-	-	-	-	-
Industrial and misc	-	-	-	-	-
Hybrid securities	-	-	-	-	-
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total bonds	-	-	-	-	-
Common stock:					
Industrial and misc	52,576,719	-	-	-	52,576,719
Parent, subsidiaries, and affiliates	-	-	-	-	-
Total common stock	52,576,719	-	-	-	52,576,719
Derivative assets:					
Interest rate contracts	-	-	-	-	-
Foreign exchange contracts	-	-	-	-	-
Credit contracts	-	-	-	-	-
Commodity futures contracts	-	-	-	-	-
Commodity forward contracts	-	-	-	-	-
Total derivatives	-	-	-	-	-
Separate account assets	-	-	-	-	-
Total assets at fair value/NAV	\$ 52,576,719	\$ -	\$ -	\$ -	\$ 52,576,719
b. Liabilities at fair value:					
Derivative liabilities	\$ -	\$ -	\$ -	\$ -	-
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

There were no transfers between Levels 1 and 2 during the years ended December 31, 2018 and 2017.

- (2) The Company does not have any financial assets with a fair value hierarchy of Level 3 that were measured and reported at fair value.
- (3) Transfers between fair value hierarchy levels, if any, are recorded as of the beginning of the reporting period in which the transfer occurs. There were no transfers between Levels 1, 2 or 3 of any financial assets or liabilities during the years ended December 31, 2018 or 2017.
- (4) The Company has no investments reported with a fair value hierarchy of Level 2 or Level 3 and therefore has no valuation technique to disclose.
- (5) The Company has no derivative assets and liabilities to disclose.

B. Fair Value Combination — Not applicable.

C. Aggregate Fair Value Hierarchy

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2018 and 2017 is presented in the table below:

Types of Financial Investment	2018						
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
U.S. government and agency securities	\$ 83,591,512	\$ 84,249,909	\$ 52,476,195	\$ 31,115,317	\$ -	\$ -	\$ -
State and agency municipal securities	22,396,056	22,228,375	-	22,396,056	-	-	-
City and county municipal securities	16,270,482	16,167,397	-	16,270,482	-	-	-
Corporate debt securities	91,000,305	92,280,638	-	91,000,305	-	-	-
Equity (including marketable common stock)	11,621,975	11,621,975	11,621,975	-	-	-	-
Total bonds and equity (including marketable common stocks)	\$ 224,880,330	\$ 226,548,294	\$ 64,098,170	\$ 160,782,160	\$ -	\$ -	\$ -
Types of Financial Investment	2017						
Types of Financial Investment	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
U.S. government and agency securities	\$ 73,600,126	\$ 73,999,608	\$ 42,700,397	\$ 30,899,729	\$ -	\$ -	\$ -
State and agency municipal securities	22,861,724	22,394,152	-	22,861,724	-	-	-
City and county municipal securities	16,379,291	15,989,446	-	16,379,291	-	-	-
Corporate debt securities	97,746,336	97,879,799	-	97,746,336	-	-	-
Equity (including marketable common stock)	52,576,719	52,576,719	52,576,719	-	-	-	-
Total bonds and equity (including marketable common stocks)	\$ 263,164,196	\$ 262,839,724	\$ 95,277,116	\$ 167,887,080	\$ -	\$ -	\$ -

Included as Level 1 in U.S. government and agency securities in the fair value hierarchy tables above are U.S. Treasury securities of \$52,476,195 and \$42,700,397 as of December 31, 2018 and December 31, 2017, respectively.

There are no commercial paper investments included in corporate debt securities in the fair value hierarchy tables above as of December 31, 2018 and 2017.

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

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

21. OTHER ITEMS

A. Unusual or Infrequent Items

The Company did not encounter any unusual or infrequent items for the years ended December 31, 2018 and 2017.

B. Troubled Debt Restructuring: Debtors

The Company has no troubled debt restructurings as of December 31, 2018 and 2017.

C. Other Disclosures

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

D. Business Interruption Insurance Recoveries

The Company has not received any business interruption insurance recoveries during 2018 and 2017.

E. State Transferable and Non-transferable Tax Credits

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

F. Sub-Prime Mortgage-Related Risk Exposure

(1) The investment policy for the Company limits investments in loan-backed securities, which includes sub-prime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes sub-prime issuers. The exposure to unrealized losses on sub-prime issuers is due to changes in market prices. There are no realized losses due to not receiving anticipated cash flows. The investments covered have an NAIC designation of 1 or 2.

(2) The Company has no direct exposure through investments in sub-prime mortgage loans.

(3) The Company has no direct exposure through other investments.

(4) The Company has no underwriting exposure to sub-prime mortgage risk through mortgage guaranty or financial guaranty insurance coverage.

G. Retained Assets

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

H. Insurance-Linked Securities Contracts

As of December 31, 2018, the Company is not aware of any possible proceeds of insurance-linked securities.

22. EVENTS SUBSEQUENT

Subsequent events have been evaluated through February 28, 2019, which is the date these statutory basis financial statements were available for issuance.

TYPE I—Recognized Subsequent Events

There are no events subsequent to December 31, 2018, that require recognition and disclosure.

TYPE II—Non-Recognized Subsequent Events

The Company is subject to the annual fee under Section 9010 of the ACA. The fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, of the year the fee is due. Pursuant to the 2019 HIF moratorium (see Note 1), no HIF will be payable in 2019 and therefore there is no amount apportioned out of unassigned funds in 2018 representing an estimate of the 2019 HIF. The table below presents information regarding the annual fee under Section 9010 of the ACA as of December 31, 2018 and 2017:

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	<u>Yes</u>	
B. ACA fee assessment payable for the upcoming year	\$ -	\$ 21,259,771
C. ACA fee assessment paid	20,008,166	-
D. Premium written subject to ACA 9010 assessment	-	997,939,616
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	132,604,785	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	132,604,785	
G. Authorized Control Level (Five-Year Historical Line 15)	35,620,693	
H. Would reporting the ACA assessment as of December 31, 2018, have triggered an RBC action level (YES/NO)?	<u>No</u>	

There are no other events subsequent to December 31, 2018 that require disclosure.

23. REINSURANCE

Reinsurance Agreements — In the normal course of business, the Company seeks to reduce potential losses that may arise from catastrophic events that cause unfavorable underwriting results by reinsuring certain levels of such risk with affiliated and other nonaffiliated reinsurers. The Company remains primarily liable as the direct insurer on all risks reinsured.

The Company has a reinsurance agreement with UHIC, an affiliate of the Company, through which 60% of earned comprehensive commercial member premiums, hospital and medical expenses, and operating expenses are transferred to UHIC. Reinsurance premiums of \$5,764,082 and \$6,663,991 as of December 31, 2018 and 2017, respectively, were netted against net premium income in the statutory basis statement of operations. Reinsurance recoveries of \$4,640,627 and \$4,907,572 as of December 31, 2018 and 2017, respectively, are included in net reinsurance recoveries in the statutory basis statement of operations. The Company transferred GAE and CAE of \$999,923 and \$1,161,821 in 2018 and 2017, respectively, to UHIC under this agreement. The Company recorded receivables related to changes in reserve estimates that includes changes related to medical loss ratio rebates of \$782,218 and \$298,725 in 2018 and 2017, respectively, which are netted against claims unpaid and aggregate health policy reserves within the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company recorded paid claim receivables related to this agreement, including payments made for the medical loss ratio rebates of \$747,871 and \$504,108 in 2018 and 2017, respectively, which are included in amounts recoverable from reinsurers within the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company recorded ceded reserves for provider incentives of \$122,908 and \$46,956 in 2018 and 2017, respectively, which is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of assets, liabilities and capital and surplus. The agreement also provides insolvency-only protection for its enrollees. Fees related to this agreement, which are calculated based on a percentage of earned premiums, of \$1,162,951 and \$1,003,033 in 2018 and 2017, respectively, are netted against net premium income in the statutory basis statements of operations. This agreement also provides for reserve cap protection. Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company.

The Company also has a reinsurance agreement for its Medicaid product with UHIC. Under the provisions of the contract, the reinsurer indemnifies the Company for 80% of all eligible inpatient services in excess of \$300,000 per Medicaid member during each contract year. The Company ceded premiums of \$1,011,831 in 2018 and \$721,040 in 2017 to UHIC under this agreement. Reinsurance recoveries of \$952,735 and \$1,382,939 as of December 31, 2018 and 2017, respectively, are included in net reinsurance recoveries in the statutory basis statements of operations.

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

Yes () No (X)

Section 2—Ceded Reinsurance Report—Part A

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

Yes () No (X)

- (2) Does the reporting entity have any reinsurance agreements in effect that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

Section 3—Ceded Reinsurance Report—Part B

- (1) What is the estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2018.

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

B. Uncollectible Reinsurance — During 2018 and 2017, there were no uncollectible reinsurance recoverables.

C. Commutation of Ceded Reinsurance — There was no commutation of reinsurance in 2018 or 2017.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation — Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

A. The Company estimates accrued retrospective premium adjustments for its group health insurance business based on mathematical calculations in accordance with contractual terms.

B. Estimated accrued retrospective premiums due to (from) the Company are recorded in premiums and considerations and aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

C. Pursuant to the ACA, the Company's commercial business is subject to retrospectively rated features based on the actual medical loss ratios experienced on the commercial lines of business. The formula is calculated pursuant to the ACA guidance. The total amount of direct premiums written for the commercial lines of business subject to the retrospectively rated features was \$9,770,334 and \$11,465,240, representing 1% of total direct premiums written as of December 31, 2018 and 2017.

Pursuant to the ACA, the Company's Medicare business is subject to retrospectively rated features based on the actual medical loss ratios experienced on the Medicare line of business. The formula is calculated pursuant to the ACA guidance. The total amount of direct premiums written for the Medicare line of business subject to the retrospectively rated features was \$625,746,989 and \$464,509,207, representing 54% and 46% of total direct premiums written as of December 31, 2018 and 2017, respectively.

The Company has Medicare Part D risk-corridor amounts from CMS which are subject to a retrospectively rated feature related to Part D premiums. The Company has estimated accrued retrospective premiums related to certain Part D premiums based on guidelines determined by CMS. The formula is tiered and based on the bid medical loss ratio. The amount of Medicare Part D direct premiums written subject to the retrospectively rated feature was \$26,800,137 and \$23,207,555 representing, 2% of total direct premiums written for 2018 and 2017.

CMS has released the final Medicaid Managed Care Rule which is subject to each State's administration elections. This rule is the first major update to the Medicaid Managed Care regulations in more than a decade. Many items including a minimum loss ratio requirement were implemented for contracts with an effective date starting on or after July 1, 2017 while other elements of the regulation will be implemented over the following decade. Pursuant to the regulations, for contracts effective on or after July 1, 2017 premiums associated with the Company's Medicaid line of business is subject to retrospectively rated features based on the actual medical loss ratios experienced on this product. The calculation is pursuant to the Medicaid Managed Care guidance. The total amount of direct premiums written for the Medicaid line of business for which a portion is subject to the retrospectively rated features was \$526,685,355 and \$532,419,053, representing 45% and 53% of total direct premiums written as of December 31, 2018 and December 31, 2017, respectively.

- D. The Company is required to maintain a specific minimum loss ratio on the comprehensive commercial and Medicare lines of business. The following table discloses the minimum medical loss ratio rebate liability which is included in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus for the years ended December 31, 2018 and 2017:

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior reporting year					
(1) Medical loss ratio rebates incurred	\$ -	\$ -	\$ -	\$ 5,814,047	\$ 5,814,047
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss rebates unpaid	-	-	-	7,829,622	7,829,622
(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	7,829,622
Current reporting year-to-date					
(7) Medical loss ratio rebates incurred	-	-	4,240	-	4,240
(8) Medical loss ratio rebates paid	-	-	4,240	5,639,093	5,643,333
(9) Medical loss rebates unpaid	-	-	-	2,190,529	2,190,529
(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	2,190,529

E. **Risk-Sharing Provisions of the Affordable Care Act**

- (1) The Company has accident and health insurance premiums in 2018 and 2017 subject to the risk-sharing provisions of the ACA.

The ACA imposed fees and premium stabilization provisions on health insurance issuers offering comprehensive commercial health insurance. The three premium stabilization programs are commonly referred to as the 3Rs—risk adjustment, reinsurance, and risk corridors.

Risk Adjustment — The permanent risk adjustment program, designed to mitigate the potential impact of adverse selection and provide stability for health insurance issuers, applies to all non-grandfathered plans not subject to transitional relief in the individual and small group markets both inside and outside of the insurance exchanges. Effective for 2018 benefit plan year, the risk adjustments and distributions are calculated using a high-cost risk pool which adds a reinsurance-like element to this program. The operation of the high-cost risk pools exclude a percentage of costs above a threshold level determined by federal regulations. The program operates two national high-cost risk pools, one for individuals and one for small groups. Premium adjustments pursuant to the risk adjustment program are accounted for as premium subject to redetermination and user fees are accounted for as assessments.

Reinsurance — The transitional reinsurance program was designed to protect issuers in the individual market from an expected increase in large claims due to the elimination of preexisting condition limitations. The transitional reinsurance program was effective from 2014 through 2016 and applied to all issuers of major medical commercial products and third-party administrators. Contributions attributable to enrollees in the ACA compliant individual plans, including program administrative costs, were accounted for as ceded premium and payments received were accounted for as ceded benefit recoveries. The portion of the individual contributions earmarked for the U.S. Treasury was accounted for as an assessment. Contributions made for enrollees in fully insured plans other than the

ACA compliant individual plans, including program administrative costs and payments to the U.S. Treasury, were treated as assessments.

Risk Corridors — The temporary risk corridors program, designed to provide some aggregate protection against variability for issuers in the individual and small group markets during the period 2014 through 2016, applied to Qualified Health Plans in the individual and small group markets both inside and outside of the insurance exchanges. Premium adjustments pursuant to the risk corridors program were accounted for as premium adjustments for retrospectively rated contracts.

- (2) The following table presents the current year impact of risk-sharing provisions of the ACA on assets, liabilities and operations:

Permanent ACA Risk Adjustment Program	December 31, 2018
<u>Assets</u>	
1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)	\$ -
<u>Liabilities</u>	
2. Risk adjustment user fees payable for ACA Risk Adjustment	2,856
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool premium)	137,187
<u>Operations (Revenue & Expense)</u>	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	6,535
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	2,896
Transitional ACA Reinsurance Program	
<u>Assets</u>	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$ 1,235
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	-
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	-
<u>Liabilities</u>	
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	-
5. Ceded reinsurance premiums payable due to ACA Reinsurance	-
6. Liability for amounts held under uninsured plans contributions for ACA Reinsurance	-
<u>Operations (Revenue & Expense)</u>	
7. Ceded reinsurance premiums due to ACA Reinsurance	-
8. Reinsurance recoveries (income statement) due to ACA reinsurance payments or expected payments	-
9. ACA Reinsurance contributions - not reported as ceded premium	-
Temporary ACA Risk Corridors Program	
<u>Assets</u>	
1. Accrued retrospective premium due to ACA Risk Corridors	\$ -
<u>Liabilities</u>	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	-
<u>Operations (Revenue & Expense)</u>	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	7
4. Effect of ACA Risk Corridors on change in reserves for rate credits	-

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE UnitedHealthcare of New England, Inc.

(3) The following table is a rollforward of the prior year ACA risk-sharing provisions for asset and liability balances, along with reasons for adjustments to prior year balances:

	Accrued During the Prior Year on Business Written before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written before December 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					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)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium Adjustment Receivable (including high risk pool payments)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	A	\$ -	\$ -
2. Premium Adjustment (Payable) (including high risk pool premium)	-	(1,612,555)	-	(1,468,833)	-	(143,722)	-	143,722	B	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	-	(1,612,555)	-	(1,468,833)	-	(143,722)	-	143,722		-	-
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	43,004	-	41,769	-	1,235	-	-	-	C	1,235	-
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	43,004	-	41,769	-	1,235	-	-	-		1,235	-
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	-	-	7	-	(7)	-	7	-	I	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	J	-	-
3. Subtotal ACA Risk Corridors Program	-	-	7	-	(7)	-	7	-		-	-
d. Total for ACA Risk-Sharing Provisions	\$ 43,004	\$ (1,612,555)	\$ 41,776	\$ (1,468,833)	\$ 1,228	\$ (143,722)	\$ 7	\$ 143,722		\$ 1,235	\$ -

Explanation of Adjustments

- A. N/A
- B. The risk adjustment payable as of December 31, 2018 was adjusted based on the final CMS Summary Report on Permanent Risk Adjustment Transfers for the 2017 Benefit Year. The risk adjustment payable as of December 31, 2017 utilized paid claims through October 31, 2017. The adjustment to the prior year payable balance reflects the true up to final results for the 2017 Benefit Year.
- C. N/A
- D. N/A
- E. N/A
- F. N/A
- G. N/A
- H. N/A
- I. The adjustment to accrued retrospective premium reflects a true up to actual cash receipts.
- J. N/A

(4) The following table discloses risk corridor receivables and payables by risk corridor program year:

Risk Corridors Program Year:	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					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)		Receivable	(Payable)
a. 2014											
1. Accrued retrospective premium	\$ -	\$ -	\$ 7	\$ -	\$ (7)	\$ -	\$ 7	\$ -	A	\$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	B	-	-
b. 2015											
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	C	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	D	-	-
c. 2016											
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	E	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	F	-	-
d. Total for Risk Corridors	\$ -	\$ -	\$ 7	\$ -	\$ (7)	\$ -	\$ 7	\$ -		\$ -	\$ -

Explanation of Adjustments

In November 2017, CMS released the Risk Corridors Payment and Charge Amounts for the 2015 Benefit Year report which shows risk corridor payment and charges calculated for the 2016 year, by state and issuer, and the additional amount based on anticipated 2016 risk corridor collections that HHS expects to pay towards the calculated 2014 benefit year payments. This adjustment reflects the additional amount received and recorded as of March

- A. 2018.
- B. N/A
- C. N/A
- D. N/A
- E. N/A
- F. N/A

- (5) The following table discloses ACA risk corridor receivable balances by risk corridor program year:

	1	2	3	4	5	6
Risk Corridors Program Year:	Estimated Amount to be Filed or Final Amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Amounts received from CMS	Asset Balance (Gross of Non-admissions) (1-2-3)	Non-admitted Amount	Net Admitted Asset (4-5)
a. 2014	\$ 764	\$ 636	\$ 128	\$ -	\$ -	\$ -
b. 2015	-	-	-	-	-	-
c. 2016	-	-	-	-	-	-
d. Total (a+b+c)	\$ 764	\$ 636	\$ 128	\$ -	\$ -	\$ -

25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

- A. Changes in estimates related to the prior year incurred claims are included in total hospital and medical expenses in the current year in the statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, health care and other amounts receivable (excluding provider loans and advances not yet expensed) and reinsurance recoverables for the years ended December 31, 2018 and 2017:

	2018		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	\$ -	\$(103,441,185)	\$(103,441,185)
Paid claims—net of health care receivables* and reinsurance recoveries collected	885,091,655	81,926,798	967,018,453
End of year claim reserve	<u>115,869,226</u>	<u>2,797,041</u>	<u>118,666,267</u>
Incurred claims excluding the change in health care receivables and reinsurance recoverables as presented below	1,000,960,881	(18,717,346)	982,243,535
Beginning of year health care receivables* and reinsurance recoverables	-	26,719,627	26,719,627
End of year health care receivables* and reinsurance recoverables	<u>(29,743,448)</u>	<u>(2,430,582)</u>	<u>(32,174,030)</u>
Total incurred claims	<u>\$ 971,217,433</u>	<u>\$ 5,571,699</u>	<u>\$ 976,789,132</u>

*Health care receivables excludes provider loans and advances not yet expensed of \$0 and \$123 for 2018 and 2017, respectively.

	2017		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	\$ -	\$(101,692,162)	\$(101,692,162)
Paid claims—net of health care receivables* and reinsurance recoveries collected	777,385,548	60,516,527	837,902,075
End of year claim reserve	<u>101,227,752</u>	<u>2,213,433</u>	<u>103,441,185</u>
Incurred claims excluding the change in health care receivables and reinsurance recoverables as presented below	878,613,300	(38,962,202)	839,651,098
Beginning of year health care receivables* and reinsurance recoverables	-	21,428,588	21,428,588
End of year health care receivables* and reinsurance recoverables	<u>(23,693,553)</u>	<u>(3,026,074)</u>	<u>(26,719,627)</u>
Total incurred claims	<u>\$854,919,747</u>	<u>\$ (20,559,688)</u>	<u>\$ 834,360,059</u>

*Health care receivables excludes provider loans and advances not yet expensed of \$123 for 2017.

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, net of health care and other amounts receivable, and reinsurance recoverables as of December 31, 2017 was \$76,721,558. As of December 31, 2018 \$81,926,798 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years, net of health care and other amounts receivable and reinsurance recoverables are now \$366,459, as a result of re-estimation of unpaid claims. Therefore, there has been \$5,571,699 unfavorable prior year development since December 31, 2017 to December 31, 2018. The primary drivers consist of unfavorable development of \$6,217,608 in retroactivity for inpatient, outpatient, physician, and pharmacy claims and \$2,817,768 in ARO recoveries; partially offset by favorable development as a result of a change in the provision for adverse deviations in experience of \$3,940,798. At December 31, 2017, the Company recorded \$20,559,688 favorable prior year development related to favorable development as a result of a change in the provision for adverse deviations in experience of \$4,456,293 and favorable development of \$14,867,612 in retroactivity for inpatient, outpatient, physician, and pharmacy claims. Original estimates are increased or decreased, as additional information becomes known regarding individual claims, which could have an impact to the accruals for medical loss ratio rebates and retrospectively rated contracts. As a result of the prior year effects, on a regular basis, the Company adjusts revenue and the corresponding liability and/or receivable related to retrospectively rated policies and the impact of the change is included as a component of change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

The Company incurred CAE of \$49,941,411 and \$41,030,276 in 2018 and 2017, respectively. These costs are included in the management service fees paid by the Company to UHS as a part of the Agreement (see Note 10). The following table discloses paid CAE, incurred CAE, and the balance in unpaid CAE reserve for 2017 and 2017:

	2018	2017
Total claims adjustment expenses	\$ 49,941,411	\$ 41,030,276
Less: current year unpaid claims adjustment expenses	(916,943)	(965,946)
Add: prior year unpaid claims adjustment expenses	<u>965,946</u>	<u>1,083,143</u>
Total claims adjustment expenses paid	<u>\$ 49,990,414</u>	<u>\$ 41,147,473</u>

- B.** The Company did not make any significant changes in methodologies and assumptions used in the calculation of the liability for claims unpaid and unpaid CAE in 2018.

26. INTERCOMPANY POOLING ARRANGEMENTS

- A–G.** The Company did not have any intercompany pooling arrangements in 2018 or 2017.

27. STRUCTURED SETTLEMENTS

- A–B.** The Company did not have structured settlements in 2018 or 2017.

28. HEALTH CARE AND OTHER AMOUNTS RECEIVABLE

- A.** Pharmacy rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions.

The Company evaluates admissibility of all pharmacy rebates receivable based on the administration of each underlying pharmaceutical benefit management agreement. The Company has nonadmitted and excluded all pharmacy rebates receivable that do not meet the admissibility criteria of SSAP No. 84, *Certain Health Care Receivables and Receivables under Government Insured Plans* (“SSAP No. 84”) from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

For each pharmaceutical management agreement for which a portion of the total pharmacy rebates receivable can be admitted based on the admissibility criteria of SSAP No. 84, the pharmacy rebate transaction history is summarized as follows:

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
12/31/2018	\$ 12,522,148	\$ -	\$ -	\$ -	\$ -
9/30/2018	12,395,796	12,300,360	6,907,658		
6/30/2018	11,898,447	11,731,378	9,400,120	1,955,774	
3/31/2018	11,057,806	10,916,684	8,665,660	1,863,926	369,793
12/31/2017	9,510,207	9,159,327	7,040,977	1,847,869	247,765
9/30/2017	9,449,099	8,891,993	6,846,393	1,475,666	491,600
6/30/2017	9,311,994	9,286,046	6,227,205	2,391,964	609,101
3/31/2017	8,519,272	8,447,020	3,746,452	3,098,535	1,529,116
12/31/2016	7,136,929	7,098,401	4,489,856	1,742,228	841,269
9/30/2016	7,313,263	7,242,348	4,712,704	1,669,956	840,509
6/30/2016	7,054,354	7,048,587	5,098,654	1,656,313	284,211
3/31/2016	6,173,989	6,352,852	4,115,438	1,903,400	229,754

Of the amount reported as health care and other amounts receivable, \$18,037,746 and \$13,074,139 relates to pharmacy rebates receivable as of December 31, 2018 and 2017, respectively. This increase is primarily due to an increase in membership.

In addition, the Company also admitted \$4,569,743 and \$5,035,840 for receivables from the State of Rhode Island for the stop loss program as of December 31, 2018 and December 31, 2017, respectively, which are included in health care and other amounts receivable in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company also admitted \$3,659,955 and \$1,940,992 for provider overpayments receivables as of as of December 31, 2018 and December 31, 2017, respectively.

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

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2018 or 2017.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any premium deficiency reserves as of December 31, 2018 or 2017. The analysis of premium deficiency reserves was completed as of December 31, 2018 and 2017. The Company did consider anticipated investment income when calculating the premium deficiency reserves.

The following table summarizes the Company's premium deficiency reserves as of December 31, 2018 and 2017:

	2018
1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	<u>12/31/2018</u>
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	2017
1. Liability carried for premium deficiency reserves	\$ -
2. Date of the most recent evaluation of this liability	<u>12/31/2017</u>
3. Was anticipated investment income utilized in this calculation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

31. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written, the Company has no salvage. As of December 31, 2018 and 2017, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1, 1A and 2
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? Rhode Island
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [X] No []
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 0000731766
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2014
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/06/2016
- 3.4 By what department or departments?
Rhode Island Department of Business Regulation
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of 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 or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No []
 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

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, Minneapolis, MN
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
 10.2 If the response to 10.1 is yes, provide information related to this exemption:

- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
 10.4 If the response to 10.3 is yes, provide information related to this exemption:

- 10.5 Has the reporting entity established an Audit Committee in compliance with 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?
 Gary A. Iannone, Vice President of Actuarial Services of United HealthCare Services Inc., an affiliate of UnitedHealthcare of New England, Inc., 185 Asylum Street, Hartford, CT 06103
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved
 12.13 Total book/adjusted carrying value \$
- 12.2 If, yes provide explanation:

- 13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:

- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).

- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

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

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|---|----------|---|
| 20.11 To directors or other officers..... | \$ | 0 |
| 20.12 To stockholders not officers..... | \$ | 0 |
| 20.13 Trustees, supreme or grand (Fraternal Only) | \$ | 0 |
- 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..... | \$ | 0 |
| 20.22 To stockholders not officers..... | \$ | 0 |
| 20.23 Trustees, supreme or grand (Fraternal Only) | \$ | 0 |
- 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..... | \$ | 0 |
| 21.22 Borrowed from others..... | \$ | 0 |
| 21.23 Leased from others | \$ | 0 |
| 21.24 Other | \$ | 0 |
- 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 \$ | 2,202 |
| 22.22 Amount paid as expenses | 20,058,560 |
| 22.23 Other amounts paid | \$ |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)..... Yes [X] No []
- 24.02 If no, give full and complete information relating thereto
.....
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
.....
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 24.09 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]

GENERAL INTERROGATORIES

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

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$	0
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$	0
24.103 Total payable for securities lending reported on the liability page	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03) Yes No

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

25.21 Subject to repurchase agreements	\$	0
25.22 Subject to reverse repurchase agreements	\$	0
25.23 Subject to dollar repurchase agreements	\$	0
25.24 Subject to reverse dollar repurchase agreements	\$	0
25.25 Placed under option agreements	\$	0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	0
25.27 FHLB Capital Stock	\$	0
25.28 On deposit with states	\$	1,165,175
25.29 On deposit with other regulatory bodies	\$	0
25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	0
25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	0
25.32 Other	\$	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

1 Name of Firm or Individual	2 Affiliation
Internally Managed	I.....
JPMorgan Investment Management Inc.	U.....
DWS Investment Management Americas Inc.	U.....
.....

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107038	JPMorgan Investment Management Inc.	549300W78QHV4XMM6K69	SEC	NO.....
104518	DWS Investment Management Americas Inc.	CZ83K4EEEX8QVCT3B128	SEC	NO.....
.....

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	214,926,319	213,258,356	(1,667,963)
30.2 Preferred stocks	0	0	0
30.3 Totals	214,926,319	213,258,356	(1,667,963)

30.4 Describe the sources or methods utilized in determining the fair values:
For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from Hub which is an external data sources vendor. Hub utilizes various pricing sources. ...

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

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

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

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

32.2 If no, list exceptions:
.....

GENERAL INTERROGATORIES

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
 - b. Issuer or obligor is current on all contracted interest and principal payments.
 - c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5GI securities? Yes [] No []
34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
- a. The security was purchased prior to January 1, 2018.
 - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 - c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
 - d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities? Yes [] No []

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$12,359

35.2 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

36.1 Amount of payments for legal expenses, if any?\$0

36.2 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

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$0

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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

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

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

1.31 Reason for excluding

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. \$ _____ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ _____ 0

1.62 Total incurred claims \$ _____ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned \$ _____ 0

1.65 Total incurred claims \$ _____ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ _____ 0

1.72 Total incurred claims \$ _____ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned \$ _____ 0

1.75 Total incurred claims \$ _____ 0

1.76 Number of covered lives 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	1,154,259,736	994,568,917
2.2 Premium Denominator	1,154,259,736	994,568,917
2.3 Premium Ratio (2.1/2.2)	1.000	1.000
2.4 Reserve Numerator	129,933,748	121,718,626
2.5 Reserve Denominator	129,933,748	121,718,626
2.6 Reserve Ratio (2.4/2.5)	1.000	1.000

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

3.2 If yes, give particulars:

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

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

5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No []

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical \$ _____ 0

5.32 Medical Only \$ _____ 0

5.33 Medicare Supplement \$ _____ 0

5.34 Dental & Vision \$ _____ 0

5.35 Other Limited Benefit Plan \$ _____ 0

5.36 Other \$ _____ 0

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:
 Hold harmless clauses in provider agreements and continuation of coverage endorsements in reinsurance agreements.

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

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 130,815

8.2 Number of providers at end of reporting year 134,473

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 \$ _____

GENERAL INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No []
- 10.2 If yes:
- | | | |
|--|----|-----------|
| 10.21 Maximum amount payable bonuses..... | \$ | 5,225,174 |
| 10.22 Amount actually paid for year bonuses..... | \$ | 4,767,510 |
| 10.23 Maximum amount payable withholds..... | \$ | 1,026,025 |
| 10.24 Amount actually paid for year withholds..... | \$ | 837,565 |
- 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. \$ 2,500,000
- 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
Rhode Island Section 27-2.6
12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
UnitedHealthcare of New England is licensed statewide in Rhode Island for all lines of business and is additionally licensed statewide in Massachusetts for the commercial line of business. Additionally, the Medicare and Retirement line of business is licensed to operate in Bristol, Essex, Hampden, Middlesex, Plymouth, Suffolk and Worcester Counties in Massachusetts; Carroll, Cheshire, Coos, Grafton, Hillsborough, Rockingham, Strafford and Sullivan Counties in New Hampshire; Allegheny, Beaver, Berks, Bucks, Butler, Chester, Clarion, Crawford, Erie, Fayette, Forest, Greene, Jefferson, Lawrence, Lehigh, Mercer, Northampton, Venango, Warren, Washington, Westmoreland and York Counties in Pennsylvania; and Addison, Bennington, Chittenden, Lamoille, Orange, Rutland, Washington, Windham and Windsor Counties in Vermont. ...

- 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 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 [X] N/A []
- 14.2 If the answer to 14.1 is yes, please provide the following:

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

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):
- | | | |
|------------------------------------|----|---|
| 15.1 Direct Premium Written | \$ | 0 |
| 15.2 Total Incurred Claims | \$ | 0 |
| 15.3 Number of Covered Lives | | 0 |

*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 gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

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

FIVE-YEAR HISTORICAL DATA

	1 2018	2 2017	3 2016	4 2015	5 2014
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	330,975,171	326,393,907	313,457,743	363,879,319	314,932,410
2. Total liabilities (Page 3, Line 24)	198,370,386	212,527,967	194,434,648	216,727,141	154,189,824
3. Statutory minimum capital and surplus requirement	2,500,000	500,000	500,000	69,660,349	61,189,199
4. Total capital and surplus (Page 3, Line 33)	132,604,785	113,865,940	119,023,095	147,152,178	160,742,586
Income Statement (Page 4)					
5. Total revenues (Line 8)	1,160,842,788	974,456,602	866,616,544	768,507,753	691,474,080
6. Total medical and hospital expenses (Line 18)	976,789,133	834,360,059	742,329,411	636,773,318	569,208,614
7. Claims adjustment expenses (Line 20)	49,941,411	41,030,276	35,545,115	33,925,904	24,246,067
8. Total administrative expenses (Line 21)	111,860,474	65,809,703	66,936,345	53,702,329	45,849,999
9. Net underwriting gain (loss) (Line 24)	22,251,770	33,256,564	21,805,673	44,106,202	55,073,412
10. Net investment gain (loss) (Line 27)	6,211,653	4,532,661	5,466,275	5,193,024	4,601,585
11. Total other income (Lines 28 plus 29)	(361,489)	(404,021)	(392,212)	(228,325)	(66,768)
12. Net income or (loss) (Line 32)	18,396,761	23,627,439	12,702,612	27,515,049	36,672,417
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(29,717,952)	89,757,833	(52,679,213)	49,512,520	87,074,471
Risk-Based Capital Analysis					
14. Total adjusted capital	132,604,785	113,865,940	119,023,095	147,152,178	160,742,586
15. Authorized control level risk-based capital	35,620,693	27,751,581	26,134,860	25,331,036	22,250,618
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	153,749	144,096	127,755	114,216	98,164
17. Total members months (Column 6, Line 7)	1,845,237	1,708,301	1,481,654	1,337,201	1,124,016
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	84.1	85.6	85.7	82.9	82.3
20. Cost containment expenses	2.5	2.6	2.3	2.3	1.7
21. Other claims adjustment expenses	1.8	1.7	1.8	2.1	1.8
22. Total underwriting deductions (Line 23)	98.1	96.6	97.5	94.3	92.0
23. Total underwriting gain (loss) (Line 24)	1.9	3.4	2.5	5.7	8.0
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	83,210,698	61,223,802	108,204,646	83,845,506	38,291,032
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	77,638,998	81,783,492	109,578,140	88,637,733	54,320,689
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)				0	
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)					
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31	0	0	0	0	0
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

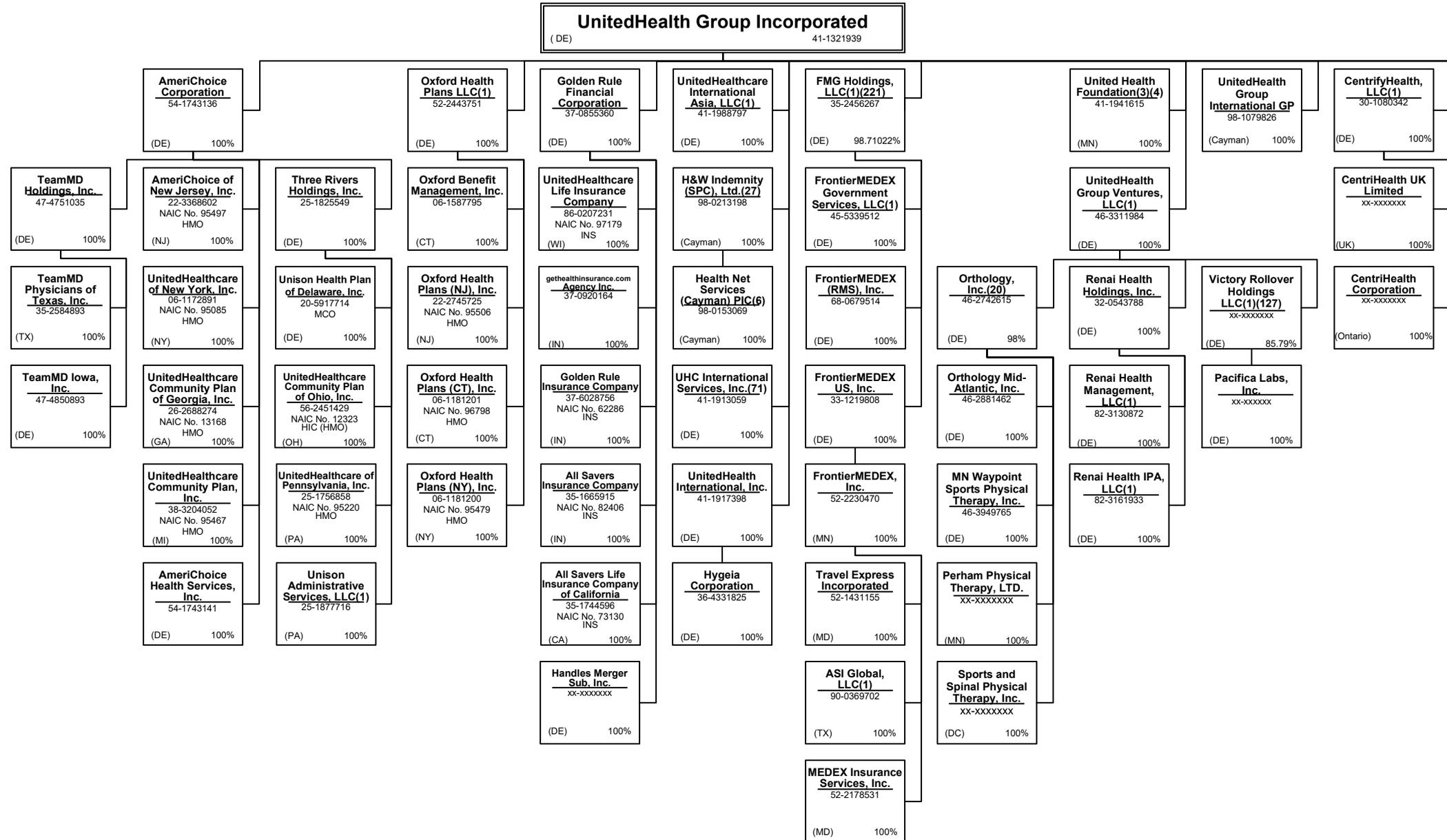
States, etc.	1 Active Status (a)	Direct Business Only								
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts	
1. Alabama	AL	N	0	0	0	0	0	0	0	0
2. Alaska	AK	N	0	0	0	0	0	0	0	0
3. Arizona	AZ	N	0	0	0	0	0	0	0	0
4. Arkansas	AR	N	0	0	0	0	0	0	0	0
5. California	CA	N	0	0	0	0	0	0	0	0
6. Colorado	CO	N	0	0	0	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0	0	0	0
9. District of Columbia	DC	N	0	0	0	0	0	0	0	0
10. Florida	FL	N	0	0	0	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0	0	0	0
14. Illinois	IL	N	0	0	0	0	0	0	0	0
15. Indiana	IN	N	0	0	0	0	0	0	0	0
16. Iowa	IA	N	0	0	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0	0	0
22. Massachusetts	MA	L	0	175,792,176	0	0	0	0	175,792,176	0
23. Michigan	MI	N	0	0	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0	0	0
30. New Hampshire	NH	L	0	74,971,187	0	0	0	0	74,971,187	0
31. New Jersey	NJ	N	0	0	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0	0	0
34. North Carolina	NC	N	0	0	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0	0	0
36. Ohio	OH	N	0	0	0	0	0	0	0	0
37. Oklahoma	OK	N	0	0	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0	0	0
39. Pennsylvania	PA	L	0	116,876,579	0	0	0	0	116,876,579	0
40. Rhode Island	RI	L	9,770,334	230,026,127	526,685,355	0	0	0	766,481,816	0
41. South Carolina	SC	N	0	0	0	0	0	0	0	0
42. South Dakota	SD	N	0	0	0	0	0	0	0	0
43. Tennessee	TN	N	0	0	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0	0	0
46. Vermont	VT	L	0	28,080,921	0	0	0	0	28,080,921	0
47. Virginia	VA	N	0	0	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0	0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	9,770,334	625,746,990	526,685,355	0	0	0	1,162,202,679	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0		
61. Total (Direct Business)	XXX	9,770,334	625,746,990	526,685,355	0	0	0	1,162,202,679	0	0
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....5 R - Registered - Non-domiciled RRGs.....0
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....0 Q - Qualified - Qualified or accredited reinsurer.....0
 N - None of the above - Not allowed to write business in the state.....52

(b) Explanation of basis of allocation by states, premiums by state, etc.
 Premiums are allocated by state based on geographic market.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



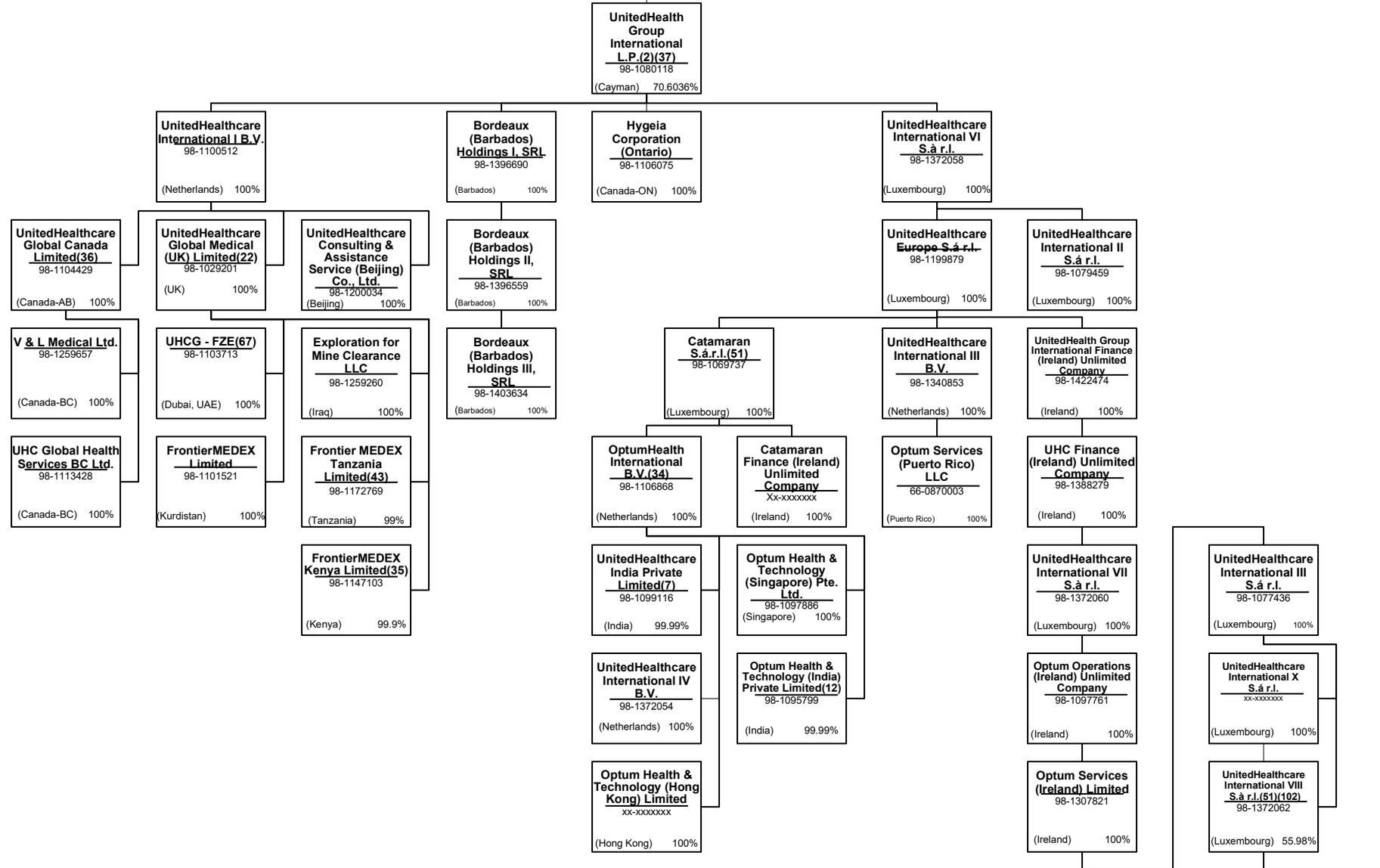
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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

UnitedHealth Group Incorporated
 (DE) 41-1321939

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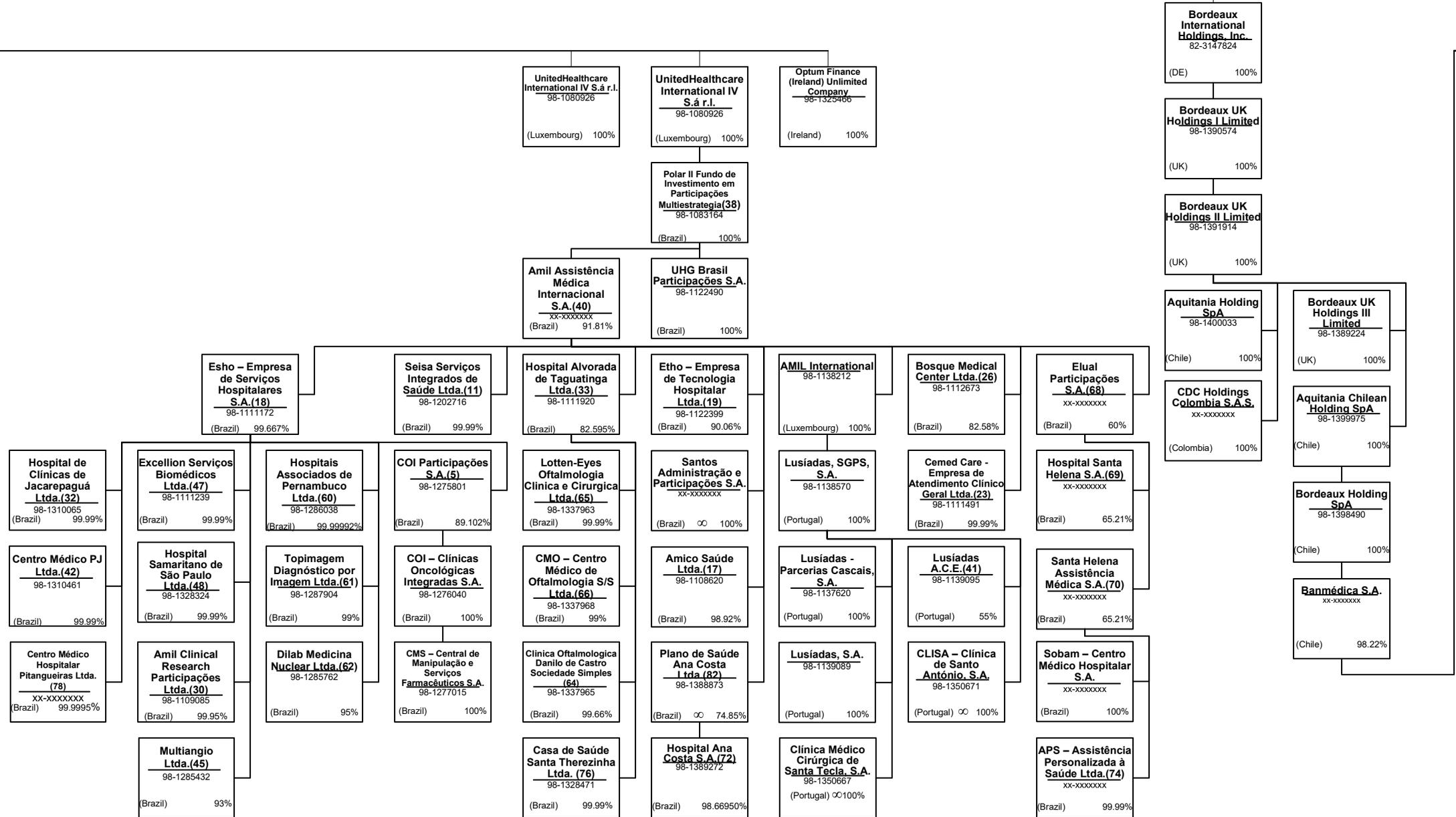
40.1

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

UnitedHealth Group Incorporated
 (DE) 41-1321939

Continued from Previous Page

Continued on Next Page



40.2

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

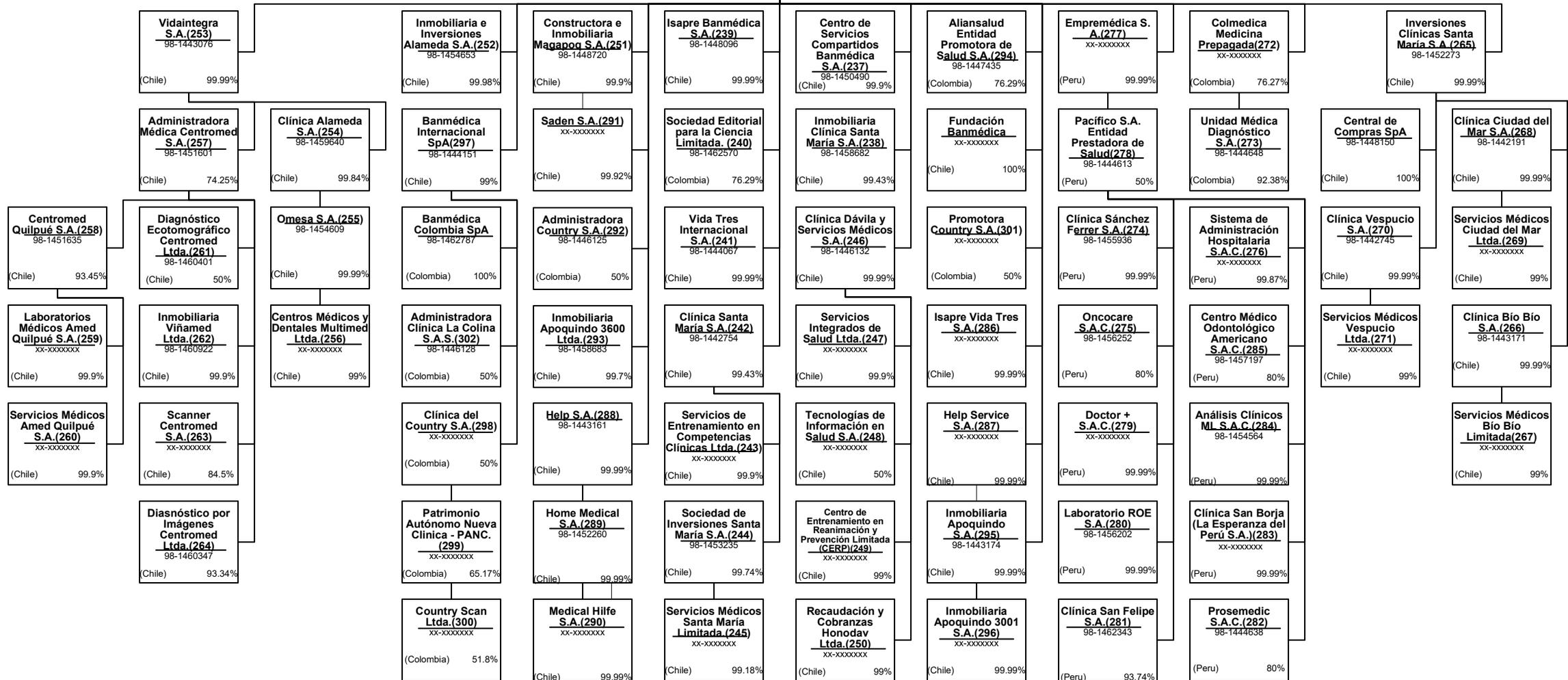
UnitedHealth Group Incorporated
 (DE) 41-1321939

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United HealthCare
 41-1289245
 (MN) 100%

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Banmédica S.A.(236)
 98-1444127
 (Chile) 98.2285%

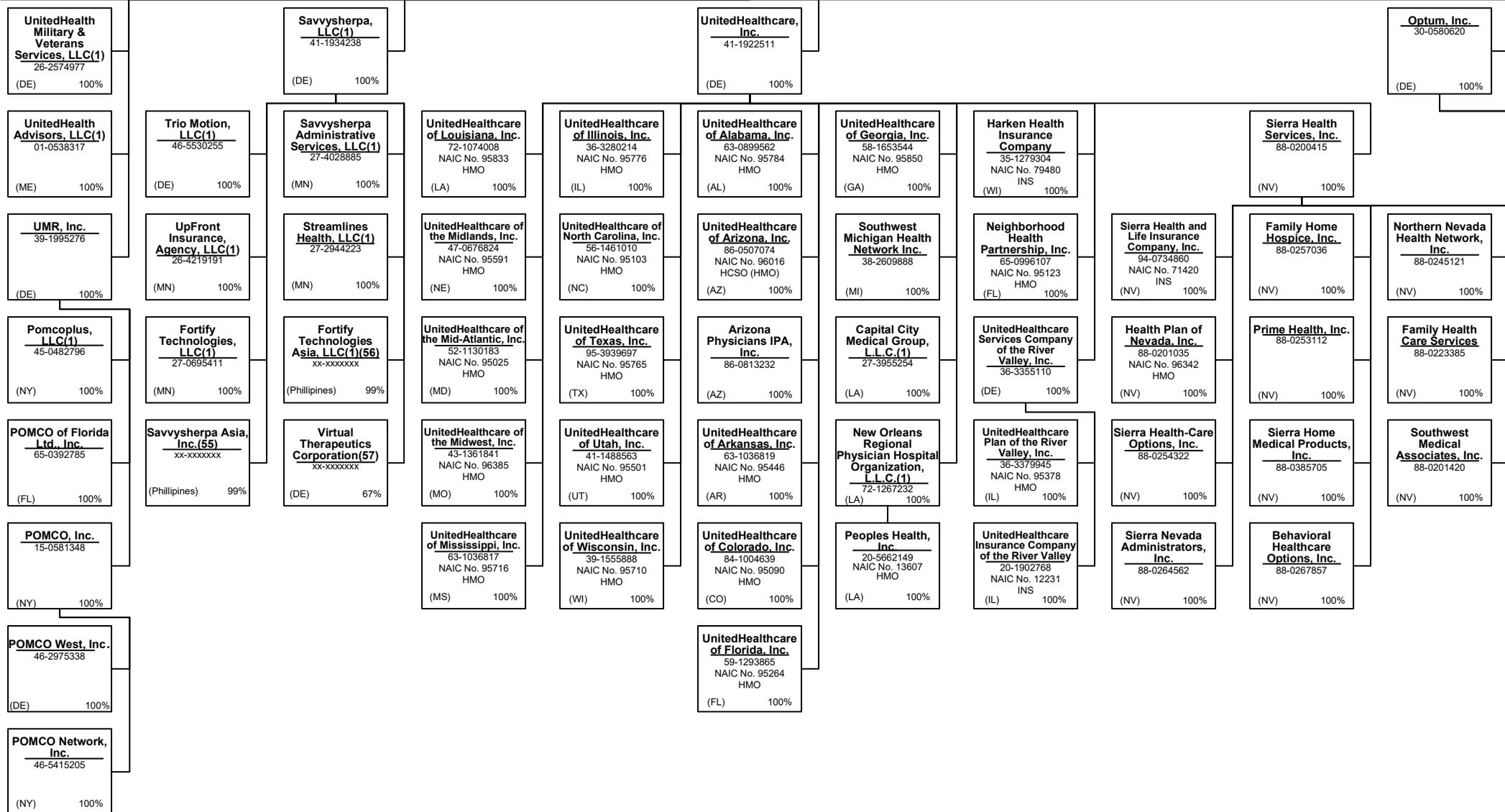


SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

United HealthCare Services, Inc.
 (MN) 41-1289245 100%

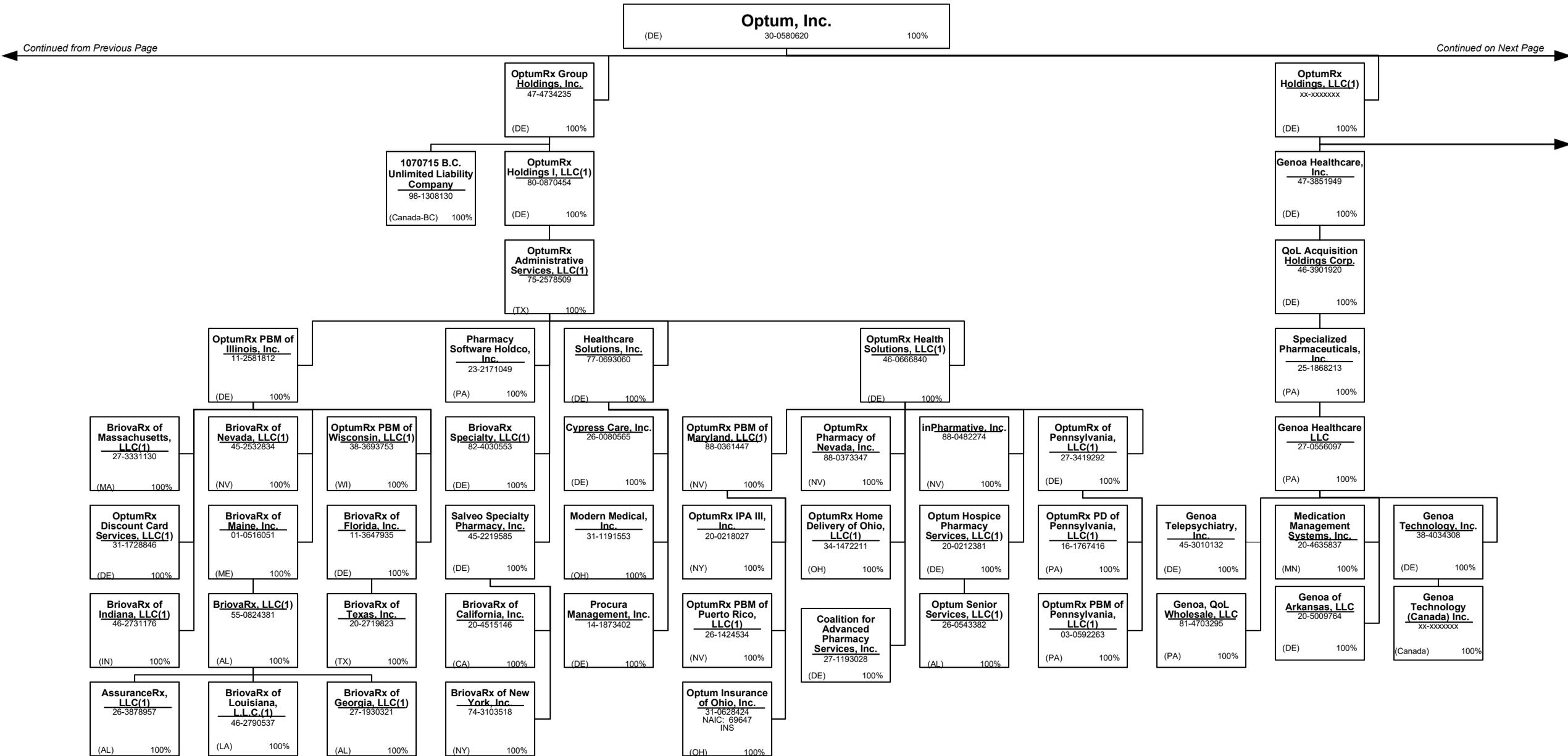
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40.5

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



40.6

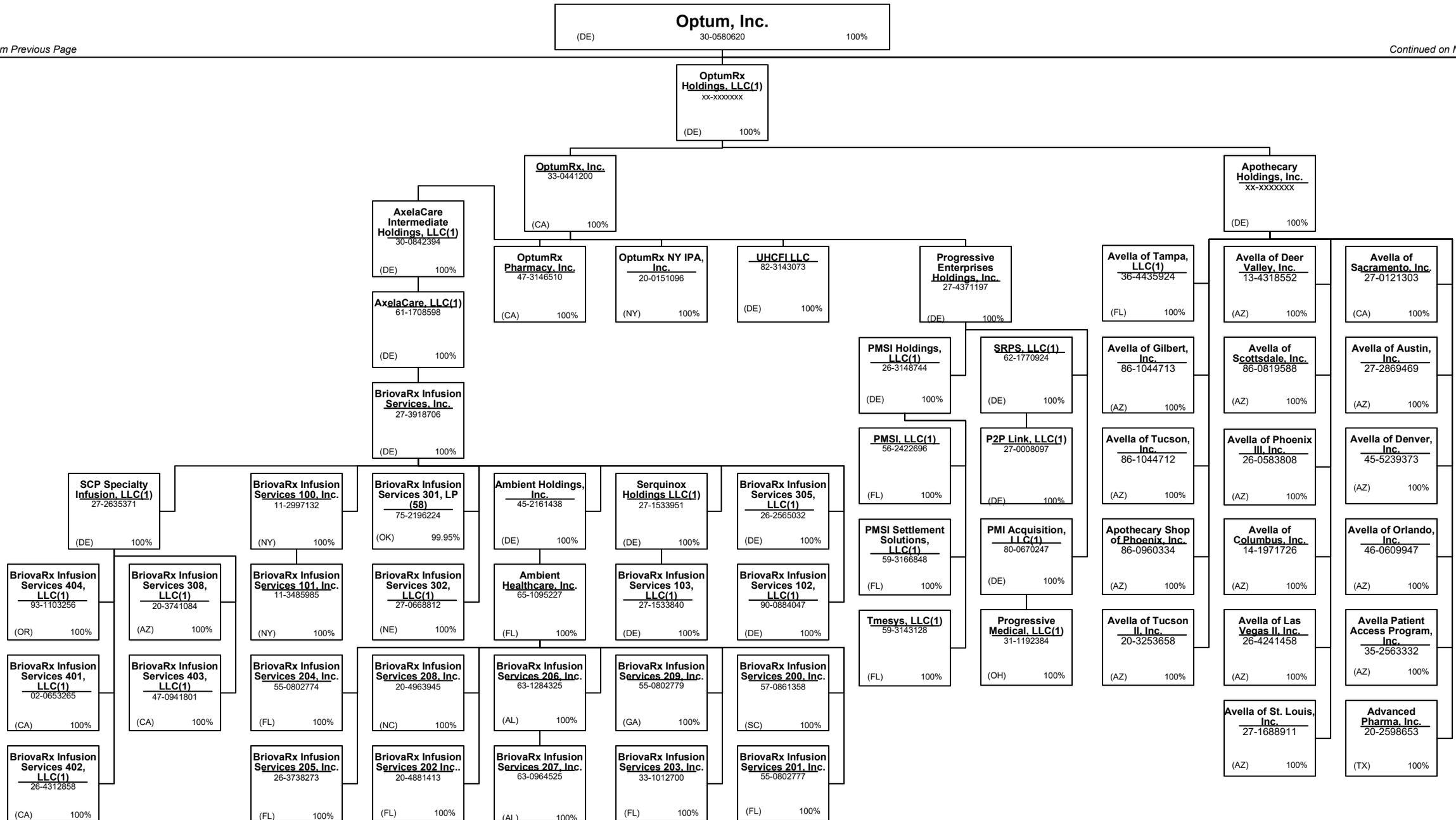
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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

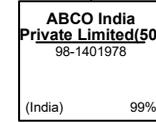
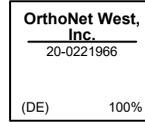
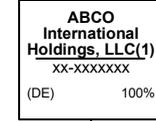
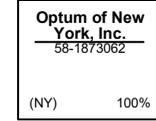
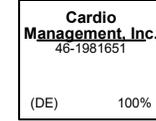
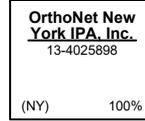
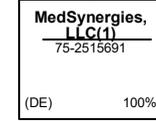
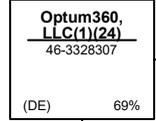
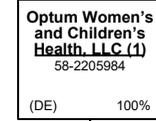
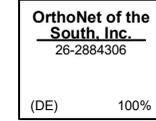
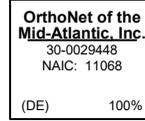
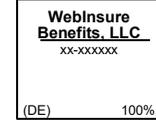
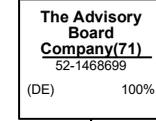
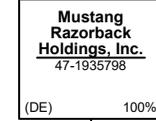
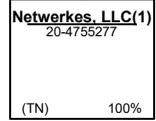
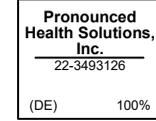
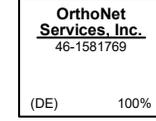
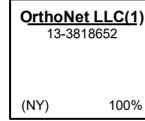
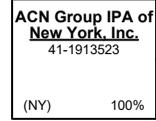
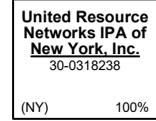
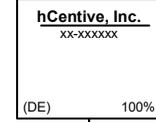
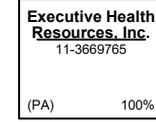
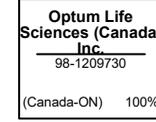
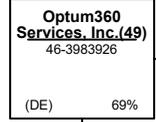
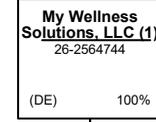
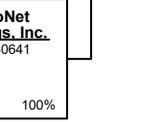
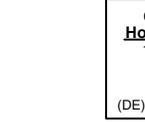
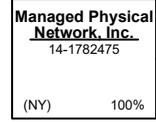
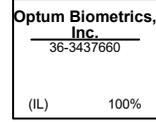
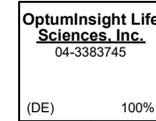
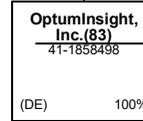
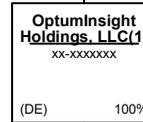
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40.7

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

Optum, Inc.
 (DE) 30-0580620 100%

OptumHealth Holdings, LLC(1)
 47-1192395
 (DE) 100%

Collaborative Care Holdings, LLC(1)
 27-2337616
 (DE) 100%

AHN Target Holdings, LLC(1)(112)
 35-2582899
 (DE) 80.1%

Lifeprint Accountable Care Organization, LLC(1)
 32-0409538
 (DE) 100%

Collaborative Realty, LLC(1)
 45-2614005
 (NY) 100%

Collaborative Care Services, Inc.
 27-2337487
 (DE) 100%

Optum Clinics Holdings, Inc. (15)
 37-1782217
 (DE) 97.2%

Optum Palliative and Hospice Care, Inc.
 30-0226127
 (DE) 100%

Newton Holdings, LLC(1)(9)
 xx-xxxxxxx
 (DE) 80.1%

Lifeprint East, Inc.
 45-3143218
 (DE) 100%

AHN Central Services, LLC(1)
 35-2109566
 (IN) 100%

American Health Network of Ohio II, LLC(1)
 31-1424956
 (OH) 100%

Central Indiana Care Organization, LLC(1)
 45-4131797
 (IN) 100%

Optum Nevada Accountable Care Organization LLC (1)
 90-1001805
 (DE) 100%

ProHEALTH Medical Management, LLC(1)(53)
 47-1049961
 (DE) 80%

Optum Care, Inc.
 83-1959511
 (DE) 100%

Optum Clinics Intermediate Holdings, Inc.
 38-3969193
 (DE) 100%

Reliant MSO, LLC(1)
 82-3745100
 (DE) 100%

New West Physicians, Inc.
 84-1250135
 (CO) 100%

LifePrint Health, Inc.
 27-2309024
 (DE) 100%

American Health Network of Indiana Care Organization, LLC(1)
 45-4770582
 (IN) 100%

American Health Network of Ohio, LLC(1)
 31-1424957
 (OH) 100%

Central Ohio Care Organization, LLC(1)
 45-5600514
 (OH) 100%

WESTMED Practice Partners LLC(1)
 45-0636596
 (DE) 100%

ProHEALTH Fitness of Lake Success, LLC(1)(54)
 32-0229091
 (NY) 82.62%

The Polyclinic MSO, LLC(1)(310)
 xx-xxxxxxx
 (DE) 80.1%

Urgent Care Holdings, Inc.
 26-0382877
 (DE) 100%

Massachusetts Assurance Co., Ltd.
 xx-xxxxxxx
 (Cayman) 100%

Physician Alliance of the Rockies, LLC(1)
 81-2902954
 (CO) 100%

Golden Outlook, Inc.
 20-3420886
 (CA) 100%

American Health Network of Indiana II, LLC(1)
 35-1930805
 (IN) 100%

American Health Network of Ohio Care Organization, LLC(1)
 45-4132160
 (OH) 100%

Indiana Care Organization, LLC(1)
 45-4132005
 (IN) 100%

Monarch Management Services, Inc.
 45-3142852
 (DE) 100%

ProHealth Proton Center Management, LLC (1)
 32-0455430
 (DE) 100%

MedExpress Urgent Care New Hampshire, Inc.
 82-0631738
 (NH) 100%

MedExpress Urgent Care, Inc. – Ohio
 xx-xxxxxxx
 (OH) 100%

Urgent Care MSO, LLC(1)
 26-3667220
 (DE) 100%

HealthFirst IPA, Inc.
 xx-xxxxxxx
 (CO) 100%

Polo Holdco, LLC(1)(46)
 47-5563848
 (DE) 80.1%

American Health Network of Indiana, LLC(1)
 35-2108729
 NAIC No. 52623
 HMO
 (IN) 100%

AHN Accountable Care Organization, LLC(1)
 45-4171713
 (IN) 100%

MHC Real Estate Holdings, LLC(1)
 27-2252446
 (CA) 100%

Day-Op Surgery Consulting Company, LLC (1)
 xx-xxxxxxx
 (DE) 100%

MedExpress Urgent Care Alabama, LLC(1)
 32-0533926
 (AL) 100%

MedExpress Development, LLC(1)
 20-3824377
 (FL) 100%

Highlands Ranch Healthcare, LLC (1)
 84-1472832
 (CO) 100%

ME AHS UC LLC (1)(86)
 xx-xxxxxxx
 (DE) 70%

ProHealth Physicians, Inc.
 06-1446075
 (CT) 100%

310 Canyon Medical, LLC(1)
 27-2624551
 (CA) 100%

Riverside Medical Management, LLC(1)
 32-0500242
 (DE) 100%

MedExpress Urgent Care Maine, Inc.
 82-1719888
 (ME) 100%

DWIC of Tampa Bay, Inc.
 59-3625966
 (FL) 100%

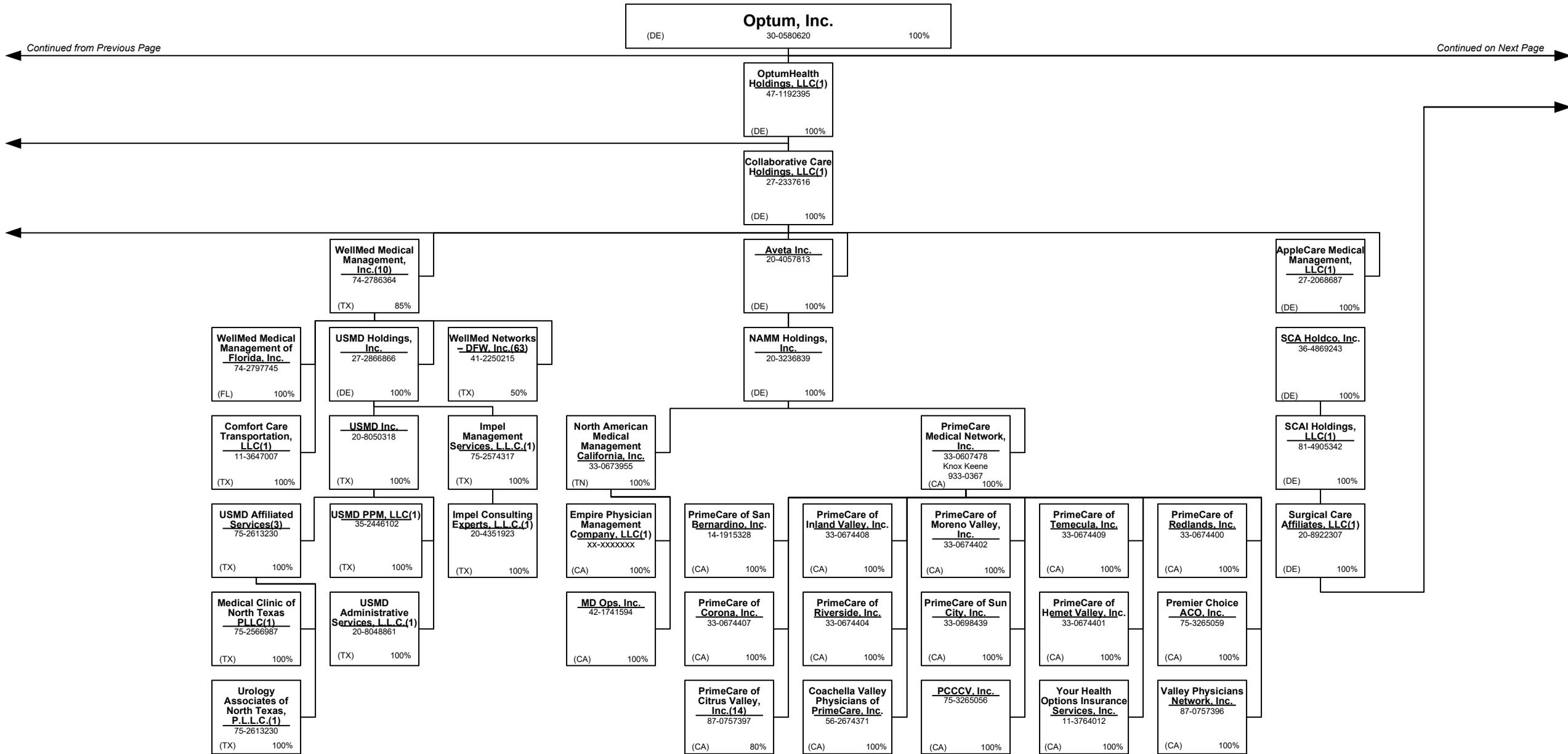
MedExpress Urgent Care of Boynton Beach, LLC(1)
 20-2545363
 (FL) 100%

ProHealth Physicians ACO, LLC(1)
 45-5470737
 (CT) 100%

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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



40.11

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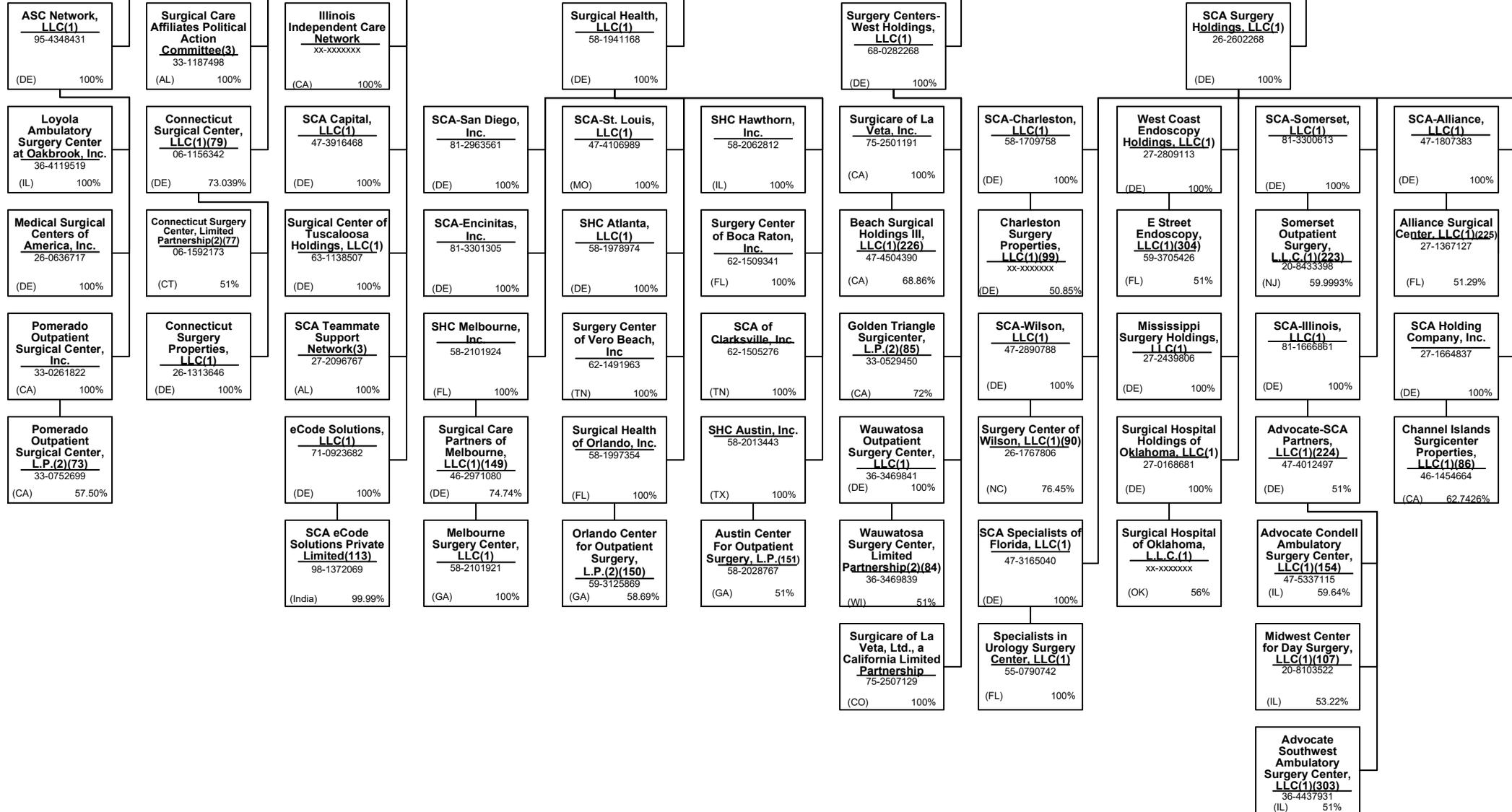
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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

Surgical Care Affiliates, LLC (1)
 (DE) 20-8922307 100%

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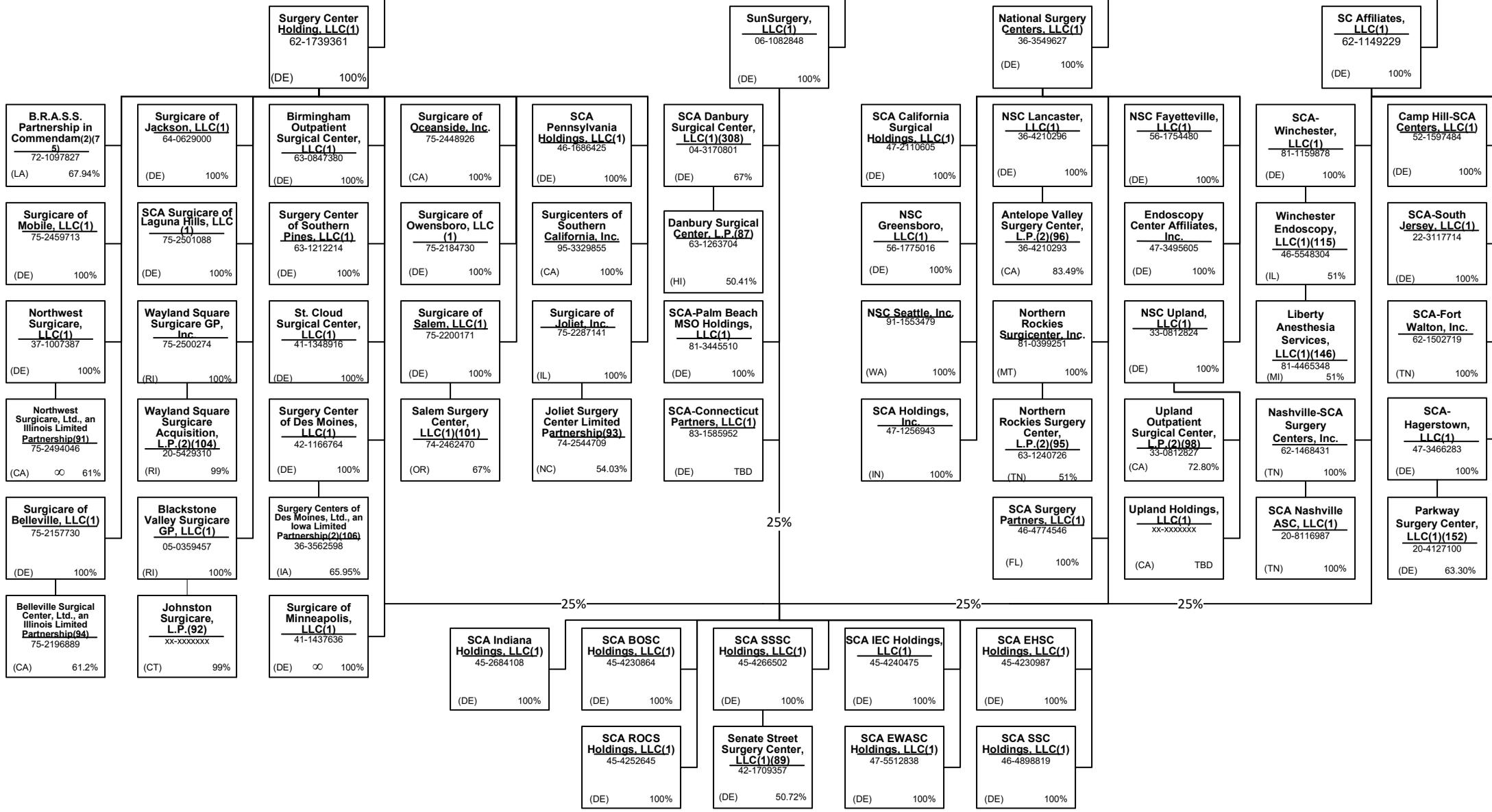


SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

Surgical Care Affiliates, LLC (1)
 (DE) 20-8922307 100%

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40.13

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

Surgical Care Affiliates, LLC (1)
 (DE) 20-8922307 100%

SC Affiliates, LLC(1)
 62-1149229
 (DE) 100%

Marin Surgery Holdings, Inc.
 28-2801943
 (DE) 100%

SCA Premier Surgery Center of Louisville, LLC(1)
 72-1386840
 (DE) 100%

SCA Austin Holdings, LLC(1)
 47-5014406
 (DE) 100%

SCA-Davenport, LLC(1)
 47-4028383
 (DE) 100%

SCA-Mecklenburg Development Corp.
 62-1184188
 (NC) 100%

Bakersfield-SC, LLC(1)
 62-1601445
 (DE) 100%

SCA Heartland Holdings, LLC(1)
 xx-xxxxxxx
 (DE) 100%

SCA-Santa Rosa, Inc.
 88-0185362
 (NV) 100%

SCA-Phoenix, LLC(1)
 47-2785908
 (DE) 100%

Surgery Center of Summerlin, LLC(1)
 63-1184216
 (DE) 100%

Charlotte-SC, LLC(1)
 62-1262567
 (DE) 100%

SCA-Main Street, LLC(1)
 81-4292506
 (DE) 100%

Premier Surgery Center of Louisville, L.P.(1)(306)
 72-1378216
 (TN) 51%

SCA Stonegate Holdings, LLC(1)
 47-5038680
 (DE) 100%

SCA-Naperville, LLC(1)
 81-2850365
 (DE) 100%

SCA-Sparta, LLC(1)
 47-2676325
 (DE) 100%

SCA-Fort Collins, Inc.(1)
 Xx-xxxxxxx
 (CO) 100%

SCA-Morris County, LLC(1)
 xx-xxxxxxx
 (DE) 100%

Surgery Center of Muskogee, LLC(1)
 63-1194204
 (DE) 100%

SCA-Honolulu, LLC(1)
 62-1506650
 (DE) 100%

Pueblo-SCA Surgery Center, LLC(1)
 93-1068319
 (DE) 100%

SCA-Colorado Springs, LLC(1)
 93-1047471
 (DE) 100%

The Surgical Center of Connecticut, LLC(1)(88)
 Xx-xxxxxxx
 (xx) 62.12%

SCA-River Valley, LLC(1)
 81-4304317
 (DE) 100%

Stonegate Surgery Center, L.P.(2)(148)
 20-1211544
 (TX) 56.83%

SCA-Hamden, LLC(1)
 81-4605501
 (DE) 100%

Specialty Surgical Center, LLC(1)(227)
 20-3412545
 (NJ) 51%

SCA-ND VBP, Inc.
 81-1347328
 (DE) 100%

SCA-Sand Lake, LLC(1)
 47-1685878
 (FL) 100%

Muskogee Surgical Investors, LLC(1)
 20-4209261
 (DE) 100%

Louisville-SC Properties, Inc.
 62-1179538
 (KY) 100%

SCA-Mt. Pleasant, LLC(1)
 62-1506655
 (DE) 100%

Maryland-SCA Centers, LLC(1)
 52-1401791
 (DE) 100%

SCA Development, LLC(1)
 62-1535981
 (DE) 100%

River Valley ASC, LLC(1)(114)
 46-0758315
 (CO) 57.54%

SCA Cedar Park Holdings, LLC(1)
 47-5030792
 (DE) 100%

SCA Athens, LLC(1)
 47-5537316
 (DE) 100%

SCA-Paoli, LLC(1)
 62-1538850
 (DE) 100%

SPINETRACK 20/20, Inc.
 81-1387232
 (CA) 100%

Sand Lake SurgiCenter, LLC(1)(116)
 27-3787593
 (CO) 52.45%

Three Rivers Surgical Care, L.P.(2)(305)
 63-1194203
 (TN) 72.53%

SCA-Shelby Development Corp.
 62-1179532
 (TN) 100%

Mt. Pleasant Surgery Center, L.P.(2)(117)
 62-1506649
 (TN) 98%

Maryland Ambulatory Centers(111)
 52-1456812
 (MD) 50%

Surgery Center of Easton, LLC(1)
 72-1349752
 (DE) 100%

Surgery Center of Louisville, LLC(1)
 62-1179537
 (DE) 100%

Cedar Park Surgery Center, LLC(1)(139)
 27-2533497
 (TX) 48.06%

Athens ASC Holdings, LLC(1)(109)
 45-4014891
 (GA) 58.42%

Paoli Ambulatory Surgery Center(228)
 62-1595402
 (PA) 51%

SCA-Franklin, LLC(1)
 47-3641516
 (DE) 100%

SCA-San Luis Obispo, LLC(1)
 94-3138088
 (DE) 100%

Redlands-SCA Surgery Centers, Inc.
 94-3115627
 (CA) 100%

Memphis-SC, LLC(1)
 62-1590322
 (TN) 100%

SCA-Mokena, LLC(1)
 81-1065674
 (DE) 100%

Montgomery Surgery Center Limited Partnership(119)
 52-1401868
 (CA) 77%

Louisville S.C., Ltd.(2)(108)
 62-1179566
 (KY) 65.40%

SCA Hays Holdings, LLC(1)
 47-5064834
 (DE) 100%

Surgery Center of Athens, LLC(1)
 45-0581955
 (GA) 100%

Paoli Surgery Center, L.P.(229)
 62-1547618
 (IL) 64.25%

Franklin Surgical Center, LLC(1)(144)
 20-3412606
 (NJ) 54.27%

SCA-Mobile, LLC(1)
 80-0070617
 (DE) 100%

Redlands Ambulatory Surgery Center(140)
 94-3115625
 (CA) 54%

Shelby Surgery Properties, Inc.
 62-1223273
 (TN) 100%

SCA-Mokena Properties, LLC(1)
 81-1320467
 (DE) 100%

Arise Physician Group
 46-4843100
 (xx) 100%

Memphis-SP, LLC(1)
 62-1590324
 (TN) 100%

Southwest Surgery Center, LLC(1)(230)
 36-4369359
 (IL) 44.66%

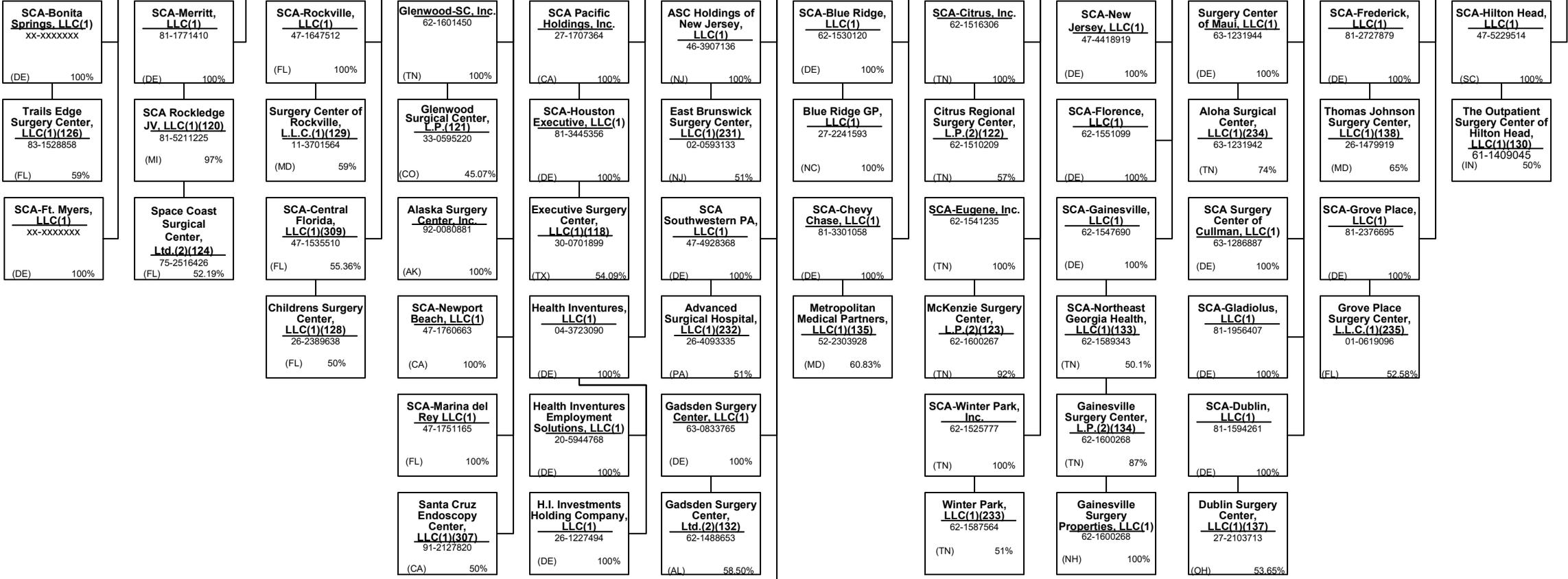
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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

Surgical Care Affiliates, LLC (1)
 (DE) 20-8922307 100%

SC Affiliates, LLC(1)
 62-1149229
 (DE) 100%



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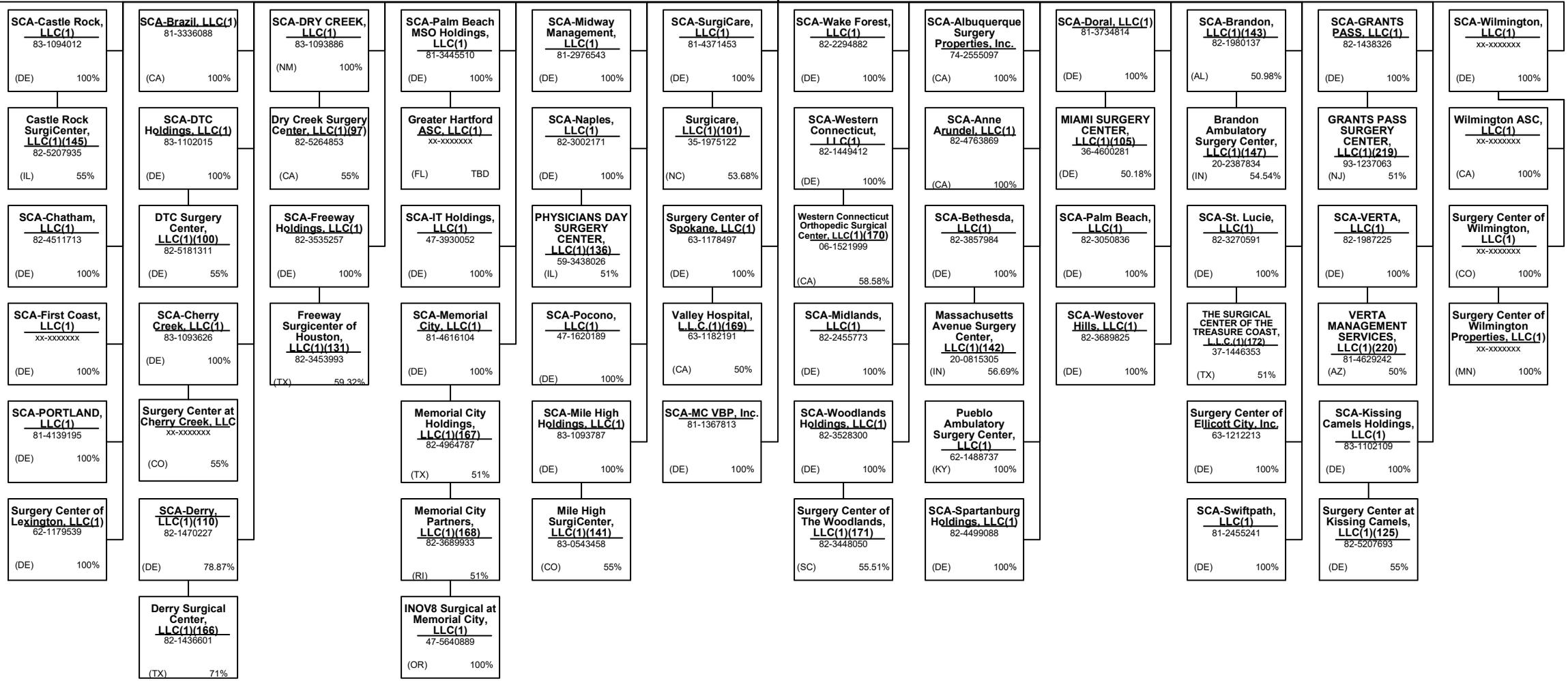
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

Surgical Care Affiliates, LLC (1)
 (DE) 20-8922307 100%

SC Affiliates, LLC(1)
 62-1149229
 (DE) 100%

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40.16

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

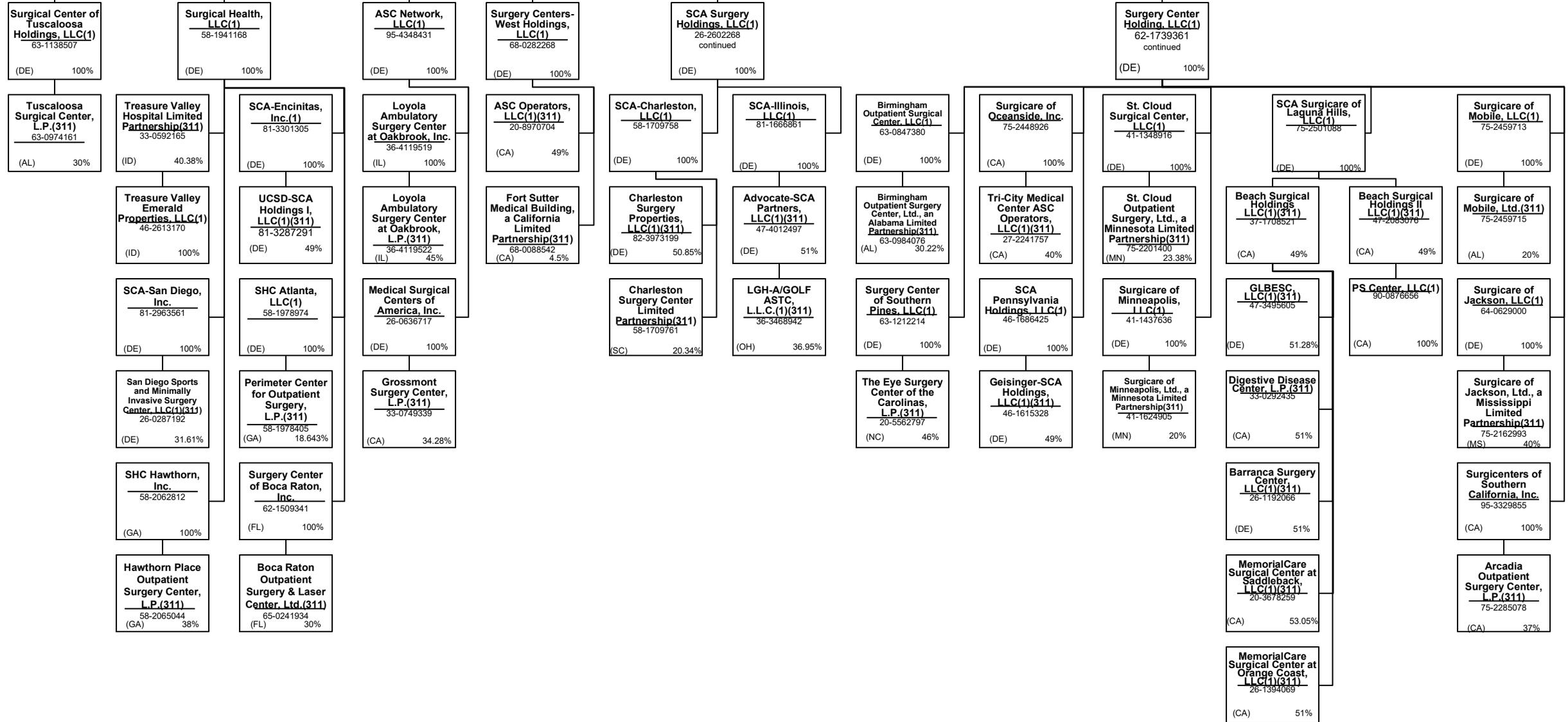
PART 1 – ORGANIZATIONAL CHART

NOTE: All Companies below are minority owned entities of Surgical Care Affiliates, LLC.



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

PART 1 – ORGANIZATIONAL CHART

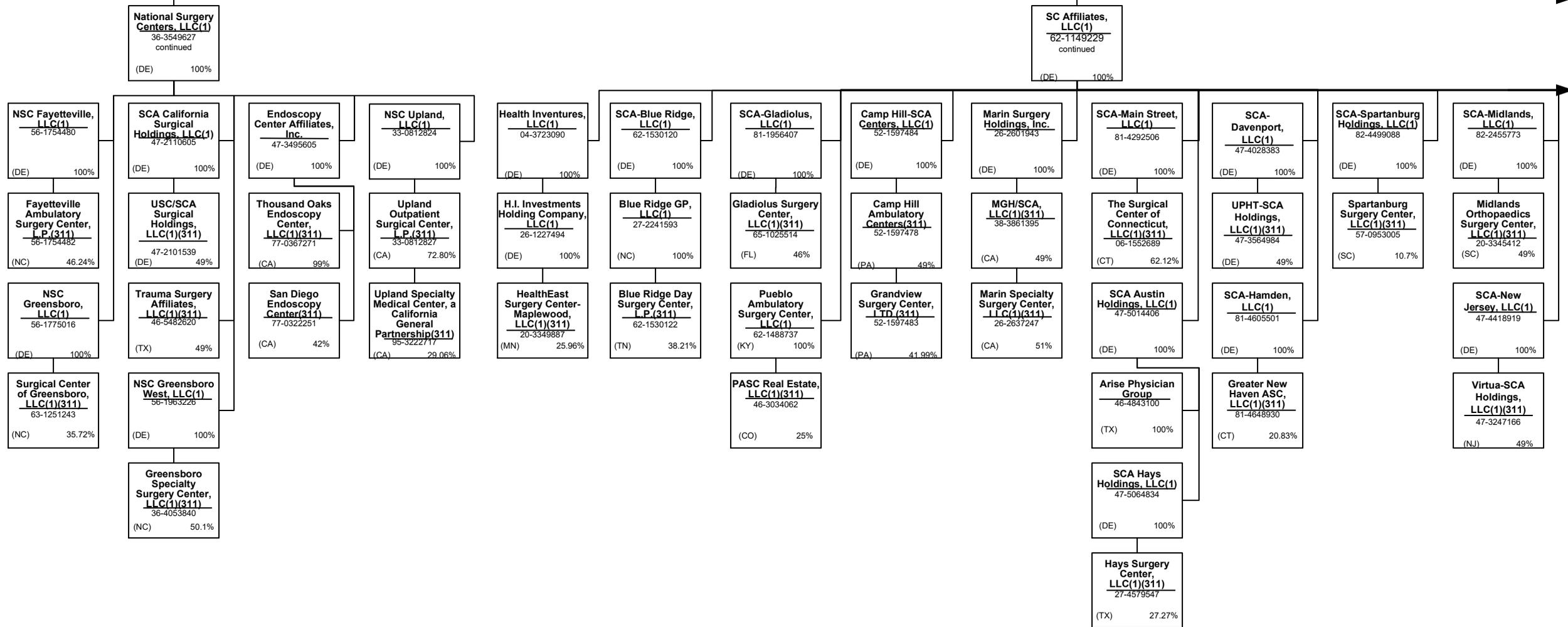
NOTE: All Companies below are minority owned entities of Surgical Care Affiliates, LLC.



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40.18



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

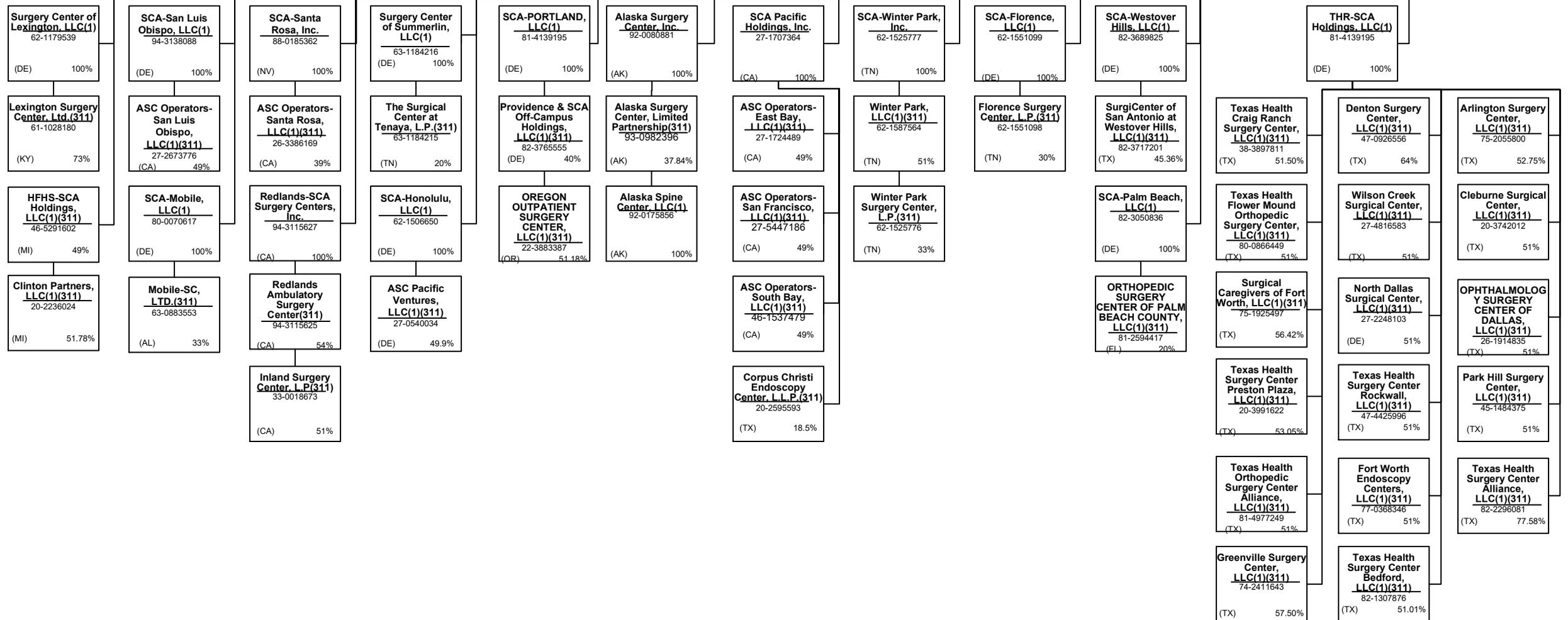
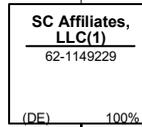
PART 1 – ORGANIZATIONAL CHART

NOTE: All Companies below are minority owned entities of Surgical Care Affiliates, LLC.



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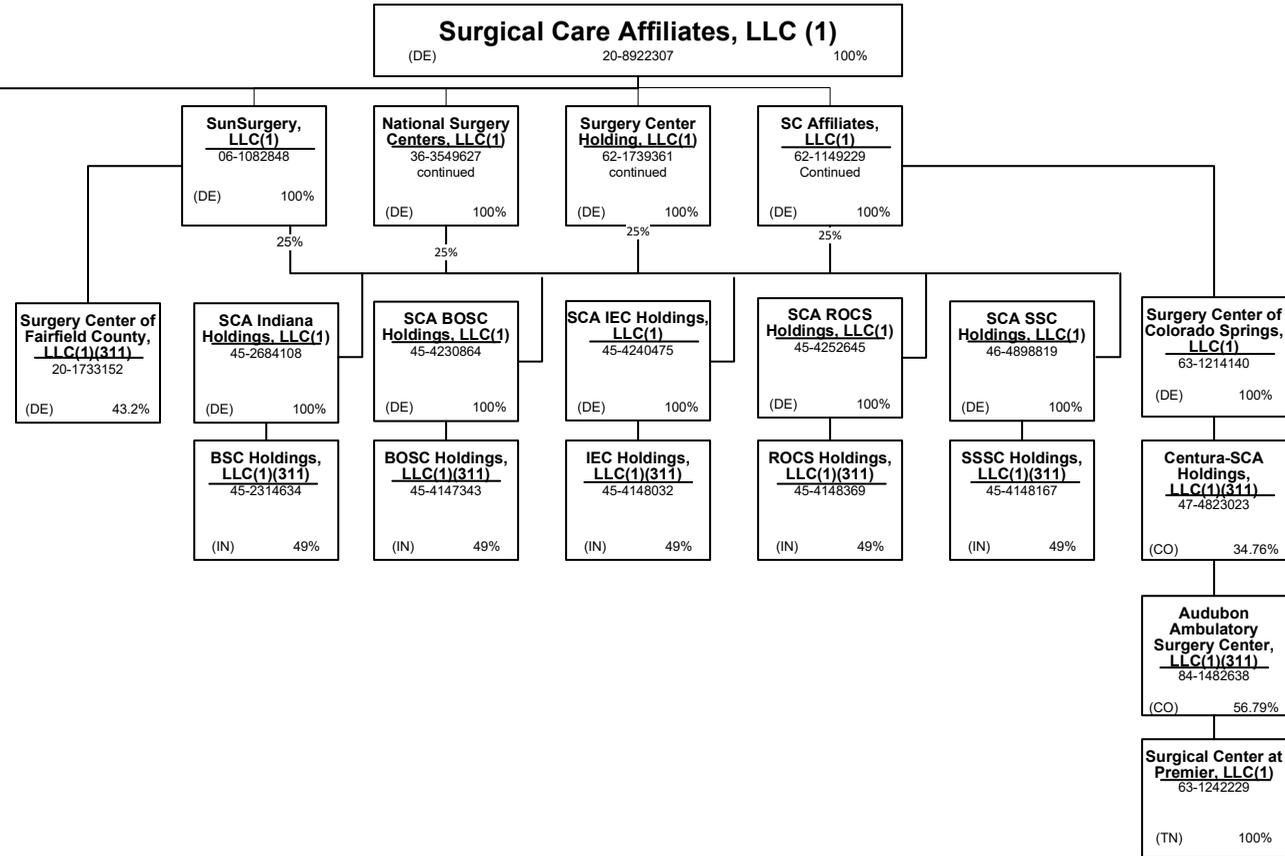
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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

NOTE: All Companies below are minority owned entities of Surgical Care Affiliates, LLC.

Continued from Previous Page



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

PART 1 – ORGANIZATIONAL CHART

Physician Owned Entities

Domiciliary			Domiciliary			Domiciliary		
Name	Location	ID Number	Name	Location	ID Number	Name	Location	ID Number
AppleCare Hospitalists Medical Group, Inc.	CA	14-1890491	MedExpress Urgent Care – New Jersey, P.C.	NJ	45-5388778	Monarch HealthCare, A Medical Group, Inc.	CA	33-0587660
AppleCare Medical ACO, LLC	CA	45-2852872	MedExpress Urgent Care - Northern New Jersey PC	NJ	83-2089623	Monarch Hospice, LLC	CA	30-0606451
AppleCare Medical Group St. Francis, Inc.	CA	33-0845269	MedExpress Urgent Care Arizona, P.C.	AZ	81-4030280	NAMM Medical Group Holdings, Inc.	CA	56-2627070
AppleCare Medical Group, Inc.	CA	33-0898174	MedExpress Urgent Care Arkansas, P.A.	AR	46-4348120	NAMM MGH, Inc.	CA	61-1627269
Aspectus, Inc.	MA	04-3403101	MedExpress Urgent Care California, P.C.	CA	82-0930142	Optum Clinic, P.A.	TX	75-2778455
Bexar Imaging Center, LLC	TX	22-3858211	MedExpress Urgent Care Connecticut, P.C.	CT	81-1956812	Optum Medical Services of California, P.C.	CA	30-0826311
California Spring Holdings, PC	CA	81-0881243	MedExpress Urgent Care Idaho, P.C.	ID	82-1135336	Optum Medical Services, P.C.	NC	45-3866363
Centers for Family Medicine, GP	CA	33-0483510	MedExpress Urgent Care Illinois, P.C.	IL	47-4308614	Physician Partners Medical Group, Inc.	CA	30-0516435
Centers for Family Medicine, GP	CA	33-0483510	MedExpress Urgent Care Iowa, P.C.	IA	81-5353472	Primary Care Associated Medical Group, Inc.	CA	33-0527335
David Moen, M.D. P.C.	NY		MedExpress Urgent Care Kansas, P.A.	KS	47-1919283	Prime Community Care, Inc.	CA	30-0516440
David R. Ferrell, M.D., P.C.	NV	45-2380022	MedExpress Urgent Care Minnesota P.C.	MN	81-1125396	ProHEALTH Accountable Care Medical Group, PLLC	NY	45-4469117
Day-Op Center of Long Island Inc.	NY		MedExpress Urgent Care Missouri P.C.	MO	47-3132625	ProHEALTH Ambulatory Surgery Center, Inc.	NY	11-3447394
Durable Medical Equipment, Inc.	MA	04-3106404	MedExpress Urgent Care North Carolina, P.C.	NC	81-5138747	ProHEALTH Care Associates LLP	NY	11-3355604
Greater Phoenix Collaborative Care, P.C.	AZ	27-2337725	MedExpress Urgent Care Oregon, P.C.	OR	82-1919436	ProHealth Physicians, P.C.	CT	06-1469068
Greater Phoenix Collaborative Care, P.C.	AZ	27-2337725	MedExpress Urgent Care Rhode Island, P.C.	RI	81-5362765	ProHEALTH Urgent Care Medicine of New Jersey LLP	NJ	47-5661535
Homecare Dimensions of Florida, Inc.	TX		MedExpress Urgent Care South Carolina, P.C.	SC	81-5380706	ProHEALTH Urgent Care Medicine, PLLC	NY	46-1883579
Homecare Dimensions, Inc.	TX		MedExpress Urgent Care Texas, P.A.	TX	47-5147441	Redlands Family Practice Medical Group, Inc.	CA	56-2627067
IN Style OPTICAL, LLC	MA	27-3296953	MedExpress Urgent Care Washington, P.C.	WA	82-2443118	Reliant Medical Group, Inc.	MA	22-2912515
Inland Faculty Medical Group, Inc.	CA	33-0618077	MedExpress Urgent Care Wisconsin, S.C.	WI	81-4281678	Riverside Pediatric Group, P.C.	NJ	22-3624559
Inspiris Medical Services of New Jersey, P.C.	NJ	45-2563134	MedExpress Urgent Care, Inc. – West Virginia	WV	26-4546400	Robert B. McBeath, M.D. II, P.C.	NV	86-0857176
INSPIRIS of Michigan Medical Services, P.C.	MI	27-1561674	MedExpress Urgent Care, P.C. – Georgia	GA	47-1804667	Robert B. McBeath, M.D. III, P.C.	NV	
INSPIRIS of New York Medical Services, P.C.	NY	13-4168739	MedExpress Urgent Care, P.C. – Indiana	IN	90-0929572	Robert B. McBeath, M.D., Professional Corporation	NV	88-0310956
INSPIRIS of Pennsylvania Medical Services, P.C.	PA		MedExpress Urgent Care, P.C. – Maryland	MD	45-3461101	Surgical Eye Experts, LLC	MA	
March Vision Care Group, Incorporated	CA	95-4874334	MedExpress Urgent Care, P.C. – Massachusetts	MA	47-1857908	Surgicare of La Veta, Ltd.	CA	75-2507129
March Vision Care IPA, Inc.	NY	27-3115058	MedExpress Urgent Care, P.C. – Michigan	MI	46-4793937	TeamMD Physicians, P.C.	IA	30-0445773
Mat-Rx Development, L.L.C.	TX	43-1967820	MedExpress Urgent Care, P.C. – Oklahoma	OK	47-1824365	Urgent Care New York, P.C.	NY	82-2400620
ME Urgent Care Nebraska, Inc.	NE	81-0936574	MedExpress Urgent Care, P.C. – Pennsylvania	PA	26-3750502	USMD of Arlington GP, L.L.C.	TX	73-1662757
MedExpress Employed Services, Inc.	DE	81-1265129	MedExpress Urgent Care, P.C. – Tennessee	TN	45-4973138	Waypoint Minnesota PC	MN	46-2854394
MedExpress Primary Care Arizona P.C.	AZ	81-4550969	MedExpress Urgent Care, P.C. – Virginia	VA	45-3123110	WellMed Medical Group, P.A.	TX	74-2574229
MedExpress Primary Care Kansas, P.A.	KS	81-4605885	MedExpress Urgent Care, P.S.C. - Kentucky	KY	83-1565124	WellMed Network of Florida, Inc.	TX	35-2314192
MedExpress Primary Care Maryland, P.C.	MD	82-3384324	MedExpress, Inc. – Delaware	DE	45-5436856	WellMed Networks, Inc.	TX	74-2889447
MedExpress Primary Care Massachusetts, P.C.	MA	82-1096099	Medical Clinic of North Texas, PLLC	TX	75-2566987	WellMed of Las Cruces, Inc.	TX	92-0183013
MedExpress Primary Care Minnesota P.C.	MN	81-4396738	Medical Support Los Angeles, A Medical Corporation	CA	95-4708497	WND Medical, PLLC	TX	45-2158334
MedExpress Primary Care Oklahoma, P.C.	OK	83-1077265	Memorial Healthcare IPA, GP	CA	95-4688463	XLHome Michigan, P.C.	MI	46-3537245
MedExpress Primary Care South Carolina, P.C.	SC	83-0764858	Memorial Healthcare IPA, GP	CA	95-4688463	XLHome Northeast, P.C.	NJ	45-5530241
MedExpress Primary Care Virginia, P.C.	VA	82-3395792	MHCH, Inc.	CA	80-0507474	XLHome Oklahoma, Inc.	OK	46-2931689
MedExpress Primary Care West Virginia, Inc.	WV	82-4401181	Mobile Medical Services, P.C.	NY	30-0445773	XLHome, P.C.	MD	27-3543997
MedExpress Primary Care Wisconsin, S.C.	WI	81-4563448	Monarch Health Plan, Inc.	CA	22-3935634			

Note: Represents physician-owned entities where the ultimate owner is deemed to have influence over the entity.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**PART 1 – ORGANIZATIONAL CHART****Notes**

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

- (1) Entity is a Limited Liability Company
- (2) Entity is a Partnership
- (3) Entity is a Non-Profit Corporation
- (4) Control of the Foundation is based on sole membership, not the ownership of voting securities
- (5) COI Participações S.A. is 89.10289% owned by Esho – Empresa de Serviços Hospitalares S.A. and 10.8971% owned by COIPAR Participações S.A.
- (6) Health Net Services (Cayman) PIC is a Cayman exempted company registered by way of Continuation from Bermuda to the Cayman Islands.
- (7) UnitedHealthcare India Private Limited is 99.999335% owned by OptumHealthInternational B.V. and 0.000665% owned by UnitedHealth International, Inc. OptumHealth International BV holds 100% of the issued preference shares.
- (8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.
- (9) Newton Holdings, LLC, is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% is owned by outside shareholders.
- (10) WellMed Medical Management, Inc. is 85% owned by Collaborative Care Holdings, LLC and 15% owned by WMG Healthcare Partners, L.P.
- (11) Seisa Serviços Integrados de Saúde Ltda is 99.99% owned by Amil Assistência Médica Internacional S.A. and 0.00001% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (12) Optum Health & Technology (India) Private Limited is 99.9995% owned by OptumHealth International B.V. and 0.0005 % owned by United Behavioral Health.
- (13) INSPIRIS of Texas Physician Group is a Texas non-profit (taxable) whose sole member is Inspiris Services Company.
- (14) PrimeCare of Citrus Valley, Inc. is 80% owned by PrimeCare Medical Network, Inc. and 20% owned by Citrus Valley Medical Associates, Inc.
- (15) Optum Clinics Holdings, Inc. is 97.2% owned by Collaborative Care Holdings, LLC and 2.8% is owned by external shareholders.
- (16) Optum Global Solutions (India) Private Limited is 99.999466 % owned by Optum Global Solutions International BV and 0.000534% UnitedHealth International, Inc. as nominee of Optum Global Solutions International BV per India requirement to have two shareholders.
- (17) Amico Saúde Ltda. is 98.927933% owned by Amil Assistência Médica Internacional S.A. and 1.072067% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (18) Esho – Empresa de Serviços Hospitalares S.A. is 99.667% owned by Amil Assistência Médica Internacional S.A. and the remaining 0.31798923769% is owned by external shareholders and 0.01462081847% is owned by Treasury Shares.
- (19) Etho – Empresa de Tecnologia Hospitalar Ltda. 82.642% owned by Amil Assistência Médica Internacional S.A. and 17.358% owned by an external shareholder.
- (20) Orthology, Inc. is 98% owned by UnitedHealth Group Ventures, LLC and 2% owned by external shareholders.
- (21) Medalliance Net Ltda. is owned 99.999985% by Optum Health & Technology Serviços do Brasil Ltda. and 0.000015% by UHG Brasil Participações S.A.
- (22) Branch offices in Iraq and Uganda.

- (23) Cemed Care Empresa de Atendimento Clínico Geral Ltda. Is 99.9999996% owned by Amil Assistência Médica Internacional S.A. and 0.000004% owned by Esho – Empresa de Serviços Hospitalares S.A.
- (24) Optum 360, LLC is 69% owned by Optum Rocket, Inc; the remaining 31% is owned by external holders.
- (25) Optum Health & Technology Serviços do Brasil Ltda. is 99.9964% owned by Optum Global Solutions International B.V. and .0036% owned by OptumInsight, Inc.
- (26) Bosque Medical Center Ltda. is 82.58% owned by Amil Assistência Médica Internacional S.A. and 17.41182% owned by Esho – Empresa de Serviços Hospitalares S.A.
- (27) H&W Indemnity (SPC), Ltd. is an exempted segregated portfolio company organized under the laws of the Cayman Islands and holds a Cayman insurance license.
- (28) Real Appeal, Inc. is 98% owned by Rally Health, and the remaining 2% is owned by external shareholders.
- (29) Optum Global Solutions (Philippines), Inc. is 99.992% owned by Optum Global Solutions International B.V., and the remaining 0.008% is held by individual shareholders who are directors of the company.
- (30) Amil Clinical Research Participações Ltda. is 99.95% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.05% owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (31) Imed Star Serviços de Desempenho Organizacional Ltda. is 99.99998% owned by Optum Health & Technology Serviços do Brasil Ltda and 0.00002% owned by UHG Brasil Participações S.A.
- (32) Hospital de Clínicas de Jacarepaguá Ltda. is 99.999999% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000001% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.
- (33) Hospital Alvorada Taguatinga Ltda. is 82.595% owned by Amil Assistência Médica Internacional S.A., 9.90% by Bosque Medical Center Ltda., and 5.06% is owned by Hospital Samaritano de São Paulo Ltda.
- (34) Registered as foreign shareholder in Brazil. Optum Global Solutions International B.V. is held 97.48% by Optum Technology, Inc. and 2.52% by OptumHealth International B.V.
- (35) FrontierMEDEX Kenya Limited is 99.9% owned by UnitedHealthcare Global Medical (UK) Limited and 0.1% owned by UnitedHealthcare International I B.V.
- (36) UnitedHealthcare Global Canada Limited is registered in Nova Scotia and Newfoundland & Labrador.
- (37) The limited partners of UnitedHealth Group International, L.P. include FMG Holdings, LLC (29.39634%), and UnitedHealth Group Incorporated (70.60366%).
- (38) Polar II Fundo de Investimento em Participações is a Brazilian private equity investment fund incorporated in the form of a closed-end condominium.
- (39) Optum Global Solutions International B.V. is 97.48% owned by Optum Technology, Inc. and 2.52% is owned by OptumHealth International B.V.
- (40) Amil Assistência Médica Internacional S.A. is 91.81% owned by Polar II Fundo de Investimento em Participações and the remaining 8.19% is owned by the former controlling shareholders of Amil Assistência Médica Internacional S.A.
- (41) Lusiadas A.C.E. is 55% owned by Lusiadas, SGPS, S.A., 10% owned by Lusiadas – Parcerias Cascais, S.A., 20% owned by Lusiadas, S.A., 5% owned by Clínica Médico Cirúrgica de Santa Tecla, S.A. and 10% owned by CLISA – Clínica de Santo António, S.A.
- (42) Centro Médico PJ Ltda. is 99.99998% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.00002% is owned by Cemed Care – Empresa de Atendimento Clínico Geral Ltda.

- (43) Frontier Medex Tanzania Limited is 99% owned by UnitedHealthcare Global Medical (UK) Limited. The remaining 1% is owned by a former officer of Frontier MEDEX Limited and is being transferred to UnitedHealthcare International I BV.
- (44) Optum Solutions do Brasil – Tecnologia e Serviços de Suporte Ltda., is 99.999998% owned by Optum Global Solutions International B.V. and 0.00002% owned by OptumInsight, Inc.(45) Multiangio Ltda. is 93% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 7% is owned by external shareholders.
- (46) Polo Holdco, LLC is 80.1% owned by Collaborative Care Holdings, LLC and the remaining 19.9% being owned by an outside third party.
- (47) Excellion Serviços Biomédicos Ltda is 99.999997% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.000003% is owned by Cemed Care - Empresa de Atendimento Clínico Geral Ltda.
- (48) Hospital Samaritano de São Paulo Ltda. is 99.9999998% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 0.0000002% is owned by Hospital Alvorada Taguatinga Ltda.
- (49) Optum360 Services, Inc. is 69% owned by Optum Rocket, Inc. and the remaining 31% is owned by external investors.
- (50) ABCO India Private Limited is 99% owned by ABCO International Holdings, LLC and 1% owned by The Advisory Board Company.
- (51) Branch office located in the United States.
- (52) UnitedHealthcare Insurance Company has a representative office in Beijing, China.
- (53) ProHEALTH Medical Management, LLC is 80% owned by Collaborative Care Holdings, LLC and 20% owned by an external shareholder.
- (54) ProHEALTH Fitness of Lake Success, LLC is 82.62% owned by ProHEALTH Medical Management, LLC and 17.38% by an external shareholder.
- (55) Savvysherpa Asia, Inc. is 99% owned by Savvysherpa, LLC and the remaining 1% is owned by a number of individual shareholders.
- (56) Fortify Technologies Asia, LLC is 99% owned by Savvysherpa, LLC and the remaining 1% is owned by a number of individual shareholders.
- (57) Virtual Therapeutics Corporation is 67% owned by Savvysherpa, LLC and the remaining 33.4% is owned by an outside third party.
- (58) BriovaRx Infusion Services 301, LP is 99.95% owned by AxelaCare Holdings, Inc. with the remaining 0.05% interest as a limited partner being held by BriovaRx Infusion Services 305, LLC.
- (59) XLHealth Corporation holds 99.998%, UnitedHealth International, Inc. holds .002%.
- (60) Hospitais Associados de Pernambuco Ltda. is 99.99992% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 0.00008% is owned by Hospital Alvorada Taguatinga Ltda
- (61) Topimagem Diagnóstico por Imagem Ltda. is 99% owned by Esho – Empresa de Serviços Hospitalares S.A., and the remaining 1% interest is owned by external shareholders.
- (62) Dilab – Medicina Nuclear Ltda is 95% owned by Esho – Empresa de Serviços Hospitalares S.A. and the remaining 5% is owned by external shareholders.
- (63) WellMed Networks – DFW, Inc. is 50% owned by WellMed Networks, Inc. and 50% owned by USMD Inc. WellMed Medical Management, Inc. controls 100% of WellMed Networks - DFW.
- (64) Clínica Oftalmológica Danilo de Castro Sociedade Simples is 99.66% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 0.333333% is owned by Lotten-Eyes Oftalmologia Clínica e Cirúrgica Ltda.
- (65) Lotten-Eyes Oftalmologia Clínica e Cirúrgica Ltda. is 99.99% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 0.000012% is owned by Esho – Empresa de Serviços Hospitalares S.A.

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

PART 1 – ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

- (66) CMO – Centro Médico de Oftalmologia S/S Ltda. is 99% owned by Hospital Alvorada de Taguatinga Ltda. and the remaining 1% is owned by Lotten-Eyes Oftalmologia Clinica e Cirurgica Ltda.
- (67) UHCG-FZE is registered in the Dubai Silicon Oasis free zone.
- (68) Elual Participações S.A. is 60% owned by Amil Assistência Médica Internacional S.A. and 40% by Esho – Empresa de Serviços Hospitalares S.A.
- (69) Hospital Santa Helena S.A. is 65.21% owned by Elual Participações S.A. and 33.60% owned by Esho – Empresa de Serviços Hospitalares S.A. and 1.19% is owned by external shareholder
- (70) Santa Helena Assistência Médica S.A. is 65.21% owned by Elual Participações S.A. and the remaining 33.60% is owned by Amil Assistência Médica Internacional S.A. and 1.19% is owned by external shareholder.
- (71) Registered branches in Australia and the UK.(72) Hospital Ana Costa S.A. is 98.66950% owned by Plano de Saúde Ana Costa Ltda.,1.04247% by Hospital Alvorada Taguatinga Ltda. and the remaining 0.28802% is owned by external shareholders.
- (73) The remaining 42.50% is owned by multiple sources.
- (74) The remaining 0.0001% is owned by Amil Assistência Médica Internacional S.A.
- (75) The remaining 32.06% is owned by multiple sources.
- (76) Hospital Alvorada de Taguatinga Ltda. decreased its ownership in Casa de Saúde Santa Therezinha S.A. from 100% to 99.99%. The remaining 0.000001% is owned by Esho – Empresa de Serviços Hospitalares S.A.
- (77) The remaining 49% is owned by multiple sources.
- (78) The remaining 0.0005% is owned by Hospital Alvorada Taguatinga Ltda.
- (79) The remaining 26.96% is owned by multiple sources.
- (80) Registered in the Dubai Healthcare City free zone.
- (81) UnitedHealthcare International X S.á.r.l. (holds 100% of the common shares, 403,948,524 common shares). UnitedHealthcare International V S.á.r.l. (holds 100% of the preferred shares, 513,899,520)
- (82) Plano de Saúde Ana Costa Ltda. is 74.85961% owned by Amil Assistência Médica. Internacional S.A. and the remaining 25.14039% is owned by Santos Administração e Participações S.A.
- (83) OptumInsight, Inc. is registered as foreign shareholders in Brazil.
- (84) The remaining 49% is owned by multiple sources.
- (85) The remaining 28% is owned by multiple sources.
- (86) The remaining 37.26% is owned by multiple sources.
- (87) The remaining 49.59% is owned by multiple sources.
- (88) The remaining 37.88% is owned by multiple sources.
- (89) The remaining 49.28% is owned by multiple sources..
- (90) The remaining 23.55% is owned by multiple sources.
- (91) The remaining 39% is owned by multiple sources.
- (92) The remaining 1% is owned by multiple sources.
- (93) The remaining 45.97% is owned by multiple sources.
- (94) The remaining 38.80% is owned by multiple sources.
- (95) The remaining 49% is owned by multiple sources.
- (96) The remaining 16.51% is owned by multiple sources.
- (97) The remaining 45% is owned by multiple sources.
- (98) The remaining 27.20% is owned by multiple sources.
- (99) The remaining 49.15% is owned by multiple sources.
- (100) The remaining 45% is owned by multiple sources.
- (101) The remaining 33% is owned by multiple sources.

- (102) UnitedHealthcare International X S.á.r.l. (holds 100% of the common shares, 403,948,524 common shares). UnitedHealthcare International V S.á.r.l. (holds 100% of the preferred shares, 513,899,520)
- (103) The remaining 0.01% is owned by an individual shareholder.
- (104) The remaining 1% is owned by multiple sources.
- (105) The remaining 49.82% is owned by multiple sources.
- (106) The remaining 32.05% is owned by multiple sources.
- (107) The remaining 46.77% is owned by multiple sources.
- (108) The remaining 34.6% is owned by multiple sources.
- (109) The remaining 41.58% is owned by multiple sources.
- (110) The remaining 21.13% is owned by multiple sources.
- (111) The remaining 50% is owned by multiple sources.
- (112) The remaining 19.9% is owned by Nineteen.Nine Holdings, LLC.
- (113) The remaining 0.01% is owned by an individual shareholder.
- (114) The remaining 42.46% is owned by multiple sources.
- (115) The remaining 49% is owned by multiple sources.
- (116) The remaining 47.55% is owned by multiple sources.
- (117) The remaining 2% is owned by multiple sources.
- (118) The remaining 45.91% is owned by multiple sources.
- (119) The remaining 23% is owned by multiple sources.
- (120) The remaining 3% is owned by multiple sources.
- (121) The remaining 54.93% is owned by multiple sources.
- (122) The remaining 43% is owned by multiple sources.
- (123) The remaining 8% is owned by multiple sources.
- (124) The remaining 47.81% is owned by multiple sources.
- (125) The remaining 45% is owned by multiple sources.
- (126) The remaining 41% is owned by multiple sources.
- (127) The co-founders of Pacifica Labs, Inc. own the remaining 14.21%.
- (128) The remaining 50% is owned by multiple sources.
- (129) The remaining 41% is owned by multiple sources.
- (130) The remaining 50% is owned by multiple sources.
- (131) The remaining 40.68% is owned by multiple sources.
- (132) The remaining 51.50% is owned by multiple sources.
- (133) The remaining 49.9% is owned by multiple sources.
- (134) The remaining 13% is owned by multiple sources.
- (135) The remaining 39.17% is owned by multiple sources.
- (136) The remaining 49% is owned by multiple sources.
- (137) The remaining 46.34% is owned by multiple sources.
- (138) The remaining 35% is owned by multiple sources.
- (139) The remaining 48.06% is owned by multiple sources.
- (140) The remaining 46% is owned by multiple sources.
- (141) The remaining 45% is owned by multiple sources.
- (142) The remaining 43.31% is owned by multiple sources.
- (143) The remaining 49.02% is owned by multiple sources.
- (144) The remaining 45.73% is owned by multiple sources.
- (145) The remaining 45% is owned by multiple sources.
- (146) The remaining 27.47% is owned by multiple sources.
- (147) The remaining 45.46% is owned by multiple sources.
- (148) The remaining 43.16% is owned by multiple sources.
- (149) The remaining 23.26% is owned by multiple sources.
- (150) The remaining 41.30% is owned by multiple sources.
- (151) The remaining 49% is owned by multiple sources.
- (152) The remaining 36.7% is owned by multiple sources.

- (153) The remaining 26.96% is owned by multiple sources.
- (154) The remaining 40.35% is owned by multiple sources (155-165) TBD
- (166) The remaining 29% is owned by multiple sources.
- (167) The remaining 49% is owned by multiple sources.
- (168) The remaining 49% is owned by multiple sources.
- (169) The remaining 50% is owned by multiple sources.
- (170) The remaining 40.41% is owned by multiple sources.
- (171) The remaining 44.49% is owned by multiple sources.
- (172) The remaining 49% is owned by multiple sources. (173-218) TBD
- (219) The remaining 49% is owned by multiple sources.
- (220) The remaining 50% is owned by multiple sources.
- (221) Hygeia Corporation, a Delaware corporation, acquired a 1.28978% ownership interest in FMG Holdings LLC, a Delaware limited liability company.
- (223) The remaining 40% is owned by multiple sources.
- (224) The remaining 49% is owned by multiple sources.
- (225) The remaining 48.7% is owned by multiple sources.
- (226) The remaining 31.14% is owned by multiple sources.
- (227) The remaining 49% is owned by multiple sources.
- (228) The remaining 49% is owned by multiple sources.
- (229) The remaining 35.75% is owned by multiple sources.
- (230) The remaining 55.33% is owned by multiple sources.
- (231) The remaining 49% is owned by multiple sources.
- (232) The remaining 49% is owned by multiple sources.
- (233) The remaining 49% is owned by multiple sources.
- (234) The remaining 26% is owned by multiple sources.
- (235) The remaining 47.42% is owned by multiple sources
- (236) The remaining 1.77% is owned by external shareholders.
- (237) The remaining 0.1% is owned by Inversiones Clínicas Santa María S.A.
- (238) Minority ownership is held by third party shareholders. Corporate name is Inmobiliaria Santa María S.A.
- (239) The remaining 0.0001% is owned by Clínica Dávila y Servicios Médicos S.A.
- (240) Constructora Inmobiliaria Megapoq S.A owns 1 share.
- (241) The remaining 0.0001% is owned by Saden S.A.
- (242) Minority ownership is held by several third party shareholders.
- (243) In accordance to a capital increase executed on 2018, Clínica Santa María S.A. owns 99,9% of the shares. Minority ownership is held by Sociedad de Inversiones Santa María S.A.
- (244) The remaining 0.2569% is owned by Clínica Dávila y Servicios Médicos S.A.
- (245) The remaining 0.8238% is owned by Clínica Santa María S.A.
- (246) The remaining 0.009% is owned by Clínica Santa María S.A.
- (247) The remaining 0.10% is owned by Clínica Santa María S.A.
- (248) The remaining 50% is owned by Clínica Santa María S.A.
- (249) The remaining 1% is owned by Servicios Integrados de Salud Ltda.
- (250) The remaining 1% is owned by Servicios Integrados de Salud Ltda.
- (251) The remaining 0.1% is owned by Inmobiliaria Apoquindo 3600 Ltda.
- (252) The remaining 0.02% is owned by Saden S.A.
- (253) The remaining 0.0001% is owned by Saden S.A.
- (254) The remaining 0.159% is owned by Saden S.A.
- (255) The remaining 0.01% is owned by Saden S.A.
- (256) The remaining 0.01% is owned by Clínica Dávila y Servicios Médicos S.A.
- (257) The remaining 25.75% is owned by several third party shareholders.
- (258) The remaining 6.55% is owned by third party shareholders.
- (259) The remaining 0.1% is owned by Servicios Amed Quilpué S.A.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

- (260) The remaining 0.1% is owned by Laboratorios Médicos Amed Quilpué S.A.
- (261) The remaining 50% is owned by Gorki Osorio Vargas (25%) and Danilo Valderrama Torrealba (25%).
- (262) The remaining 0.1% is owned by Simón Sacks Link.
- (263) The remaining 15.5% is owned by third party shareholders.
- (264) The remaining 6,66% is owned by Centromed Quilpué S.A.
- (265) The remaining 0.000065% is owned by Clínica Dávila y Servicios Médicos S.A.
- (266) The remaining 0.0001% is owned by Banmédica S.A.
- (267) The remaining 1% is owned by Saden S.A.
- (268) The remaining 0.0001% is owned by Banmédica S.A.
- (269) The remaining 1% is owned by Saden S.A.
- (270) The remaining 0.0001% is owned by Banmédica S.A.
- (271) The remaining 1% is owned by Saden S.A.
- (272) Inmobiliaria Megapoq S.A owns 1 share (0,0000%)
- (273) The remaining 7.62% is owned by Banmédica Colombia S.A. (7.619%), Juan Guillermo Ruiz (0.000142%) and Servicios Legales Corporativos Ltda. (0.000142%).
- (274) No information of the minority shareholder(s) has been provided.
- (275) No information of the minority shareholder(s) has been provided.
- (276) No information of the minority shareholder(s) has been provided.
- (277) No information of the minority shareholder(s) has been provided.
- (278) The other shareholder, with the other 50% is El Pacífico-Peruano Suiza Compañía de Seguros y Reaseguros S.A., part of the Credicorp Group
- (279) No information of the minority shareholder(s) has been provided.
- (280) No information of the minority shareholder(s) has been provided.
- (281) No information of the minority shareholder(s) has been provided.
- (282) No information of the minority shareholder(s) has been provided.
- (283) No information of the minority shareholder(s) has been provided.
- (284) No information of the minority shareholder(s) has been provided.
- (285) No information of the minority shareholder(s) has been provided.
- (286) The remaining 0.0001% is owned by Clínica Dávila y Servicios Médicos S.A.
- (287) The remaining 0.00004% is owned by Saden S.A.
- (288) The remaining 0.00004% is owned by Saden S.A.
- (289) The remaining 0.0017% is owned by Saden S.A.
- (290) The remaining 0.0001% is owned by Saden S.A.
- (291) The remaining 0.08% is owned by Clínica Dávila y Servicios Médicos S.A.
- (292) TBD
- (293) No information of the other shareholder(s) has been provided.
- (294) The remaining 0.3% is owned by Inmobiliaria Apoquindo 3001 S.A.

- (294) Inmobiliaria Megapoq S.A owns 1 share (0,0000%)
- (295) The remaining 0.0001% is owned by Saden S.A.
- (296) The remaining 0.0008% is owned by Vida Tres Internacional S.A.
- (297) The remaining 0.01% is owned by Saden S.A.
- (298) Currently undergoing a liquidation procedure
- (299) No information of the other shareholder(s) has been provided
- (300) No information of the other shareholder(s) has been provided
- (301) Banmédica S.A. owns 9.67% and Promotora del Country S.A. (Colombia) owns 0.23%. This Patrimony has two business units (Conuntry and Hill).
- (302) The remaining 49.2% is owned by third party shareholders.
- (303) The remaining 49% is owned by multiple sources.
- (304) The remaining 49% is owned by multiple sources
- (305) The remaining 27.47% is owned by multiple sources
- (306) The remaining 49% is owned by multiple sources
- (307) The remaining 50% is owned by multiple sources.
- (308) The remaining 33% is owned by multiple sources.
- (309) The remaining 44.64% is owned by multiple sources.
- (310) The remaining 19.9% is owned by an external third party.
- (311) This entity is a minority-owned entity for which the ultimate owner, UnitedHealth Group, Inc., is deemed to have influence over the entity. The remaining ownership is by a non-affiliated entity or entities.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
2504. Miscellaneous Losses	1,042	845	(929)		958
2505. Professional Fees\Consulting	295,788	239,867	801,173		1,336,828
2506. Sundry General Expenses	2,126,051	1,190,050	4,207,800		7,523,901
2507. Reimbursement of Expenses from Reinsurers			(999,923)		(999,923)
2597. Summary of remaining write-ins for Line 25 from overflow page	2,422,881	1,430,762	4,008,121	0	7,861,764

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business	7
Assets	2
Cash Flow	6
Exhibit 1 - Enrollment By Product Type for Health Business Only	17
Exhibit 2 - Accident and Health Premiums Due and Unpaid	18
Exhibit 3 - Health Care Receivables	19
Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued	20
Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus	21
Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates	22
Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates	23
Exhibit 7 - Part 1 - Summary of Transactions With Providers	24
Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries	24
Exhibit 8 - Furniture, Equipment and Supplies Owned	25
Exhibit of Capital Gains (Losses)	15
Exhibit of Net Investment Income	15
Exhibit of Nonadmitted Assets	16
Exhibit of Premiums, Enrollment and Utilization (State Page)	30
Five-Year Historical Data	29
General Interrogatories	27
Jurat Page	1
Liabilities, Capital and Surplus	3
Notes To Financial Statements	26
Overflow Page For Write-ins	44
Schedule A - Part 1	E01
Schedule A - Part 2	E02
Schedule A - Part 3	E03
Schedule A - Verification Between Years	SI02
Schedule B - Part 1	E04
Schedule B - Part 2	E05
Schedule B - Part 3	E06
Schedule B - Verification Between Years	SI02
Schedule BA - Part 1	E07
Schedule BA - Part 2	E08
Schedule BA - Part 3	E09
Schedule BA - Verification Between Years	SI03
Schedule D - Part 1	E10
Schedule D - Part 1A - Section 1	SI05
Schedule D - Part 1A - Section 2	SI08
Schedule D - Part 2 - Section 1	E11
Schedule D - Part 2 - Section 2	E12
Schedule D - Part 3	E13
Schedule D - Part 4	E14
Schedule D - Part 5	E15
Schedule D - Part 6 - Section 1	E16
Schedule D - Part 6 - Section 2	E16
Schedule D - Summary By Country	SI04
Schedule D - Verification Between Years	SI03
Schedule DA - Part 1	E17
Schedule DA - Verification Between Years	SI10
Schedule DB - Part A - Section 1	E18
Schedule DB - Part A - Section 2	E19
Schedule DB - Part A - Verification Between Years	SI11
Schedule DB - Part B - Section 1	E20
Schedule DB - Part B - Section 2	E21
Schedule DB - Part B - Verification Between Years	SI11
Schedule DB - Part C - Section 1	SI12
Schedule DB - Part C - Section 2	SI13
Schedule DB - Part D - Section 1	E22
Schedule DB - Part D - Section 2	E23
Schedule DB - Verification	SI14
Schedule DL - Part 1	E24
Schedule DL - Part 2	E25
Schedule E - Part 1 - Cash	E26
Schedule E - Part 2 - Cash Equivalents	E27
Schedule E - Part 2 - Verification Between Years	SI15
Schedule E - Part 3 - Special Deposits	E28

ANNUAL STATEMENT BLANK (Continued)

Schedule S - Part 1 - Section 2	31
Schedule S - Part 2	32
Schedule S - Part 3 - Section 2	33
Schedule S - Part 4	34
Schedule S - Part 5	35
Schedule S - Part 6.....	36
Schedule S - Part 7.....	37
Schedule T - Part 2 - Interstate Compact	39
Schedule T - Premiums and Other Considerations	38
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group	40
Schedule Y - Part 1A - Detail of Insurance Holding Company System	41
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	42
Statement of Revenue and Expenses	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	43
Underwriting and Investment Exhibit - Part 1	8
Underwriting and Investment Exhibit - Part 2	9
Underwriting and Investment Exhibit - Part 2A	10
Underwriting and Investment Exhibit - Part 2B	11
Underwriting and Investment Exhibit - Part 2C	12
Underwriting and Investment Exhibit - Part 2D	13
Underwriting and Investment Exhibit - Part 3	14