

HEALTH ANNUAL STATEMENT

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

Care Improvement Plus South Central Insurance Company

NAIC Group Code 0707 0707 NAIC Company Code 12567 Employer's ID Number 20-3888112
(Current) (Prior)

Organized under the Laws of Arkansas, State of Domicile or Port of Entry AR

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized 01/13/2006 Commenced Business 01/01/2007

Statutory Home Office 1401 Capitol Avenue, 3rd Floor, Suite 375, Little Rock, AR, US 72201
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 9800 Health Care Lane MN006-W500
(Street and Number)
Minnetonka, MN, US 55343, 952-936-1300
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 9800 Health Care Lane MN006-W500, Minnetonka, MN, US 55343
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 9800 Health Care Lane MN006-W500
(Street and Number)
Minnetonka, MN, US 55343, 952-936-1300
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.uhcmedicareolutions.com

Statutory Statement Contact Lisa A. Miller, 952-202-4741
(Name) (Area Code) (Telephone Number)
lisa_a_miller@uhc.com, 952-931-4651
(E-mail Address) (FAX Number)

OFFICERS

President Gregg James Kunemund Treasurer Peter Marshall Gill #
Secretary Sarah Ann Murdock # Chief Financial Officer Brian Howard St. Martin

OTHER

Nyle Brent Cottingham, Vice President Heather Anastasia Lang, Assistant Secretary

DIRECTORS OR TRUSTEES

Michael Jamison Grossman Brian Howard St. Martin Craig Andrew Stillman

State of Georgia State of Minnesota State of Minnesota
County of Fulton County of Hennepin County of Hennepin

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.

Gregg James Kunemund
President

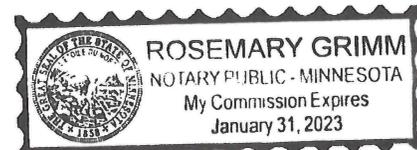
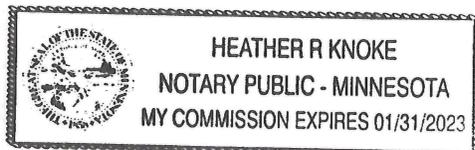
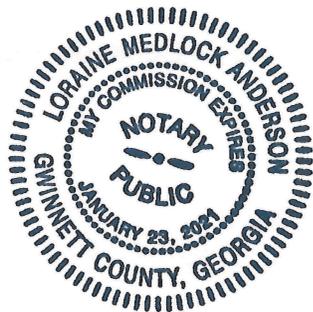
Sarah Ann Murdock
Secretary

Brian Howard St. Martin
Chief Financial Officer

Subscribed and sworn to before me this 31 day of January 2019
Loraine Medlock Anderson

Subscribed and sworn to before me this 4th day of February 2019
Heather R Knoke

Subscribed and sworn to before me this 5th day of February, 2019
Rosemary Grimm



- 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.....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company

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)	327,260,335	0	327,260,335	319,275,306
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$0 encumbrances)	0	0	0	0
5. Cash (\$804,293 , Schedule E - Part 1), cash equivalents (\$3,927,791 , Schedule E - Part 2) and short-term investments (\$1,233 , Schedule DA)	4,733,317	0	4,733,317	2,709,533
6. Contract loans, (including \$0 premium notes)	0	0	0	0
7. Derivatives (Schedule DB)	0	0	0	0
8. Other invested assets (Schedule BA)	0	0	0	0
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	331,993,652	0	331,993,652	321,984,839
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	2,862,907	0	2,862,907	2,602,388
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	4,310,108	1,001,393	3,308,715	3,763,761
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums (\$0) and contracts subject to redetermination (\$248,333,224)	248,333,224	0	248,333,224	200,083,646
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	54	0	54	15,540
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	60,632,469	382,470	60,249,999	7,946,824
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	68,218
18.2 Net deferred tax asset	4,388,009	0	4,388,009	4,222,369
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$0)	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0	0
24. Health care (\$76,562,013) and other amounts receivable	94,293,408	17,731,395	76,562,013	52,960,875
25. Aggregate write-ins for other than invested assets	13	13	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	746,813,844	19,115,271	727,698,573	593,648,460
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	746,813,844	19,115,271	727,698,573	593,648,460
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. Miscellaneous Receivables	13	13	0	0
2502.				
2503.				
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)	13	13	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$0 reinsurance ceded)	201,066,849	0	201,066,849	184,004,889
2. Accrued medical incentive pool and bonus amounts	4,685,566	0	4,685,566	2,931,763
3. Unpaid claims adjustment expenses	1,717,086	0	1,717,086	1,932,990
4. Aggregate health policy reserves, including the liability of \$14,320,265 for medical loss ratio rebate per the Public Health Service Act	18,012,216	0	18,012,216	22,260,809
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserves	0	0	0	0
7. Aggregate health claim reserves	765,982	0	765,982	303,390
8. Premiums received in advance	517,655	0	517,655	527,480
9. General expenses due or accrued	3,884,706	0	3,884,706	4,221,575
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized capital gains (losses))	11,775,709	0	11,775,709	0
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	0	0	0	29,180
12. Amounts withheld or retained for the account of others	0	0	0	0
13. Remittances and items not allocated	45,534	0	45,534	294,261
14. Borrowed money (including \$0 current) and interest thereon \$0 (including \$0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	5,278,935	0	5,278,935	24,898,677
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$0 authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$0) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	6,770,212	0	6,770,212	4,926,873
23. Aggregate write-ins for other liabilities (including \$131,142 current)	131,142	0	131,142	85,313
24. Total liabilities (Lines 1 to 23)	254,651,592	0	254,651,592	246,417,200
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	26,815,626
26. Common capital stock	XXX	XXX	2,000,000	2,000,000
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	181,562,960	181,562,960
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	289,484,021	136,852,674
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$0)	XXX	XXX	0	0
32.2 .....0 shares preferred (value included in Line 27 \$0)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	473,046,981	347,231,260
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	727,698,573	593,648,460
DETAILS OF WRITE-INS				
2301. Unclaimed Property	131,142	0	131,142	85,313
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)	131,142	0	131,142	85,313
2501. Section 9010 ACA Subsequent Fee Year Assessment	XXX	XXX	0	26,815,626
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	26,815,626
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	1,365,976	1,117,190
2. Net premium income (including \$0 non-health premium income)	XXX	1,673,019,828	1,256,025,229
3. Change in unearned premium reserves and reserve for rate credits	XXX	799,891	(8,253,898)
4. Fee-for-service (net of \$0 medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	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	1,673,819,719	1,247,771,331
Hospital and Medical:			
9. Hospital/medical benefits	0	1,233,192,944	923,468,190
10. Other professional services	0	9,272,622	5,894,959
11. Outside referrals	0	0	0
12. Emergency room and out-of-area	0	0	0
13. Prescription drugs	0	65,186,808	61,822,507
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	5,111,674	(2,674,837)
16. Subtotal (Lines 9 to 15)	0	1,312,764,048	988,510,819
Less:			
17. Net reinsurance recoveries	0	(4,948)	489,282
18. Total hospital and medical (Lines 16 minus 17)	0	1,312,768,996	988,021,537
19. Non-health claims (net)	0	0	0
20. Claims adjustment expenses, including \$29,275,806 cost containment expenses	0	59,973,753	56,890,455
21. General administrative expenses	0	141,932,967	86,357,462
22. Increase in reserves for life and accident and health contracts (including \$0 increase in reserves for life only)	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	0	1,514,675,716	1,131,269,454
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	159,144,003	116,501,877
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	8,027,466	7,670,575
26. Net realized capital gains (losses) less capital gains tax of \$(66,755)	0	(342,309)	60,160
27. Net investment gains (losses) (Lines 25 plus 26)	0	7,685,157	7,730,735
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$894,742) (amount charged off \$(1,869,635))]	0	(974,892)	(5,153,404)
29. Aggregate write-ins for other income or expenses	0	(5,361)	(78,784)
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	165,848,907	119,000,424
31. Federal and foreign income taxes incurred	XXX	39,908,445	39,751,773
32. Net income (loss) (Lines 30 minus 31)	XXX	125,940,462	79,248,651
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	(5,361)	(78,784)
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	(5,361)	(78,784)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	347,231,260	423,064,238
34. Net income or (loss) from Line 32.....	125,940,462	79,248,651
35. Change in valuation basis of aggregate policy and claim reserves.....	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0.....	0	0
37. Change in net unrealized foreign exchange capital gain or (loss).....	0	0
38. Change in net deferred income tax.....	165,640	(16,547,122)
39. Change in nonadmitted assets.....	(290,381)	36,465,493
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.....	0	0
44. Capital Changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....	0	0
45. Surplus adjustments:		
45.1 Paid in.....	0	0
45.2 Transferred to capital (Stock Dividend).....	0	0
45.3 Transferred from capital.....	0	0
46. Dividends to stockholders.....	0	(175,000,000)
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	125,815,721	(75,832,978)
49. Capital and surplus end of reporting period (Line 33 plus 48)	473,046,981	347,231,260
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	1,621,884,822	1,270,260,530
2. Net investment income	10,268,069	11,892,446
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	1,632,152,891	1,282,152,976
5. Benefit and loss related payments	1,317,163,773	1,227,179,500
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	254,061,510	86,201,535
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses)	27,997,763	35,272,797
10. Total (Lines 5 through 9)	1,599,223,046	1,348,653,832
11. Net cash from operations (Line 4 minus Line 10)	32,929,845	(66,500,856)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	64,983,451	138,391,620
12.2 Stocks	0	0
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	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	64,983,451	138,391,620
13. Cost of investments acquired (long-term only):		
13.1 Bonds	75,885,696	121,878,733
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	75,885,696	121,878,733
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)	(10,902,245)	16,512,887
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	175,000,000
16.6 Other cash provided (applied)	(20,003,816)	(22,796,778)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(20,003,816)	(197,796,778)
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)	2,023,784	(247,784,747)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	2,709,533	250,494,280
19.2 End of year (Line 18 plus Line 19.1)	4,733,317	2,709,533

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

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ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company

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	1,673,019,828	0	0	0	0	0	1,671,958,827	1,061,001	0	0
2. Change in unearned premium reserves and reserve for rate credit	799,891	0	0	0	0	0	799,891	0	0	0
3. Fee-for-service (net of \$ medical expenses)	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue	0	0	0	0	0	0	0	0	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)	1,673,819,719	0	0	0	0	0	1,672,758,718	1,061,001	0	0
8. Hospital/medical benefits	1,233,192,944	0	0	0	0	0	1,231,208,754	1,984,190	0	XXX
9. Other professional services	9,272,622	0	0	0	0	0	9,272,622	0	0	XXX
10. Outside referrals	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area	0	0	0	0	0	0	0	0	0	XXX
12. Prescription drugs	65,186,808	0	0	0	0	0	65,186,808	0	0	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	5,111,674	0	0	0	0	0	5,111,674	0	0	XXX
15. Subtotal (Lines 8 to 14)	1,312,764,048	0	0	0	0	0	1,310,779,858	1,984,190	0	XXX
16. Net reinsurance recoveries	(4,948)	0	0	0	0	0	(4,948)	0	0	XXX
17. Total medical and hospital (Lines 15 minus 16)	1,312,768,996	0	0	0	0	0	1,310,784,806	1,984,190	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 29,275,806 cost containment expenses	59,973,753	0	0	0	0	0	59,970,294	3,459	0	0
20. General administrative expenses	141,932,967	0	0	0	0	0	141,909,640	23,327	0	0
21. Increase in reserves for accident and health contracts	0	0	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	1,514,675,716	0	0	0	0	0	1,512,664,740	2,010,976	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	159,144,003	0	0	0	0	0	160,093,978	(949,975)	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	0
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
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

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company

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)	0	0	0	0
2. Medicare Supplement	0	0	0	0
3. Dental only	0	0	0	0
4. Vision only	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0
6. Title XVIII - Medicare	1,671,959,299	0	472	1,671,958,827
7. Title XIX - Medicaid	1,061,001	0	0	1,061,001
8. Other health	0	0	0	0
9. Health subtotal (Lines 1 through 8)	1,673,020,300	0	472	1,673,019,828
10. Life	0	0	0	0
11. Property/casualty	0	0	0	0
12. Totals (Lines 9 to 11)	1,673,020,300	0	472	1,673,019,828

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	1,313,913,474	.0	.0	.0	.0	.0	1,312,242,269	1,671,205	.0	.0
1.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded	107,573	.0	.0	.0	.0	.0	107,573	.0	.0	.0
1.4 Net	1,313,805,901	.0	.0	.0	.0	.0	1,312,134,696	1,671,205	.0	.0
2. Paid medical incentive pools and bonuses	3,357,871	.0	.0	.0	.0	.0	3,357,871	.0	.0	.0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	201,066,849	.0	.0	.0	.0	.0	200,665,355	401,494	.0	.0
3.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net	201,066,849	.0	.0	.0	.0	.0	200,665,355	401,494	.0	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	765,982	.0	.0	.0	.0	.0	758,452	7,530	.0	.0
4.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	765,982	.0	.0	.0	.0	.0	758,452	7,530	.0	.0
5. Accrued medical incentive pools and bonuses, current year	4,685,566	.0	.0	.0	.0	.0	4,685,566	.0	.0	.0
6. Net healthcare receivables (a)	23,688,618	.0	.0	.0	.0	.0	23,843,253	(154,635)	.0	.0
7. Amounts recoverable from reinsurers December 31, current year	54	.0	.0	.0	.0	.0	54	.0	.0	.0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	184,101,569	.0	.0	.0	.0	.0	183,851,269	250,300	.0	.0
8.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded	96,680	.0	.0	.0	.0	.0	96,680	.0	.0	.0
8.4 Net	184,004,889	.0	.0	.0	.0	.0	183,754,589	250,300	.0	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	303,743	.0	.0	.0	.0	.0	303,370	373	.0	.0
9.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded	354	.0	.0	.0	.0	.0	354	.0	.0	.0
9.4 Net	303,389	.0	.0	.0	.0	.0	303,016	373	.0	.0
10. Accrued medical incentive pools and bonuses, prior year	2,931,763	.0	.0	.0	.0	.0	2,931,763	.0	.0	.0
11. Amounts recoverable from reinsurers December 31, prior year	15,540	.0	.0	.0	.0	.0	15,540	.0	.0	.0
12. Incurred Benefits:										
12.1 Direct	1,307,652,375	.0	.0	.0	.0	.0	1,305,668,184	1,984,191	.0	.0
12.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded	(4,947)	.0	.0	.0	.0	.0	(4,947)	.0	.0	.0
12.4 Net	1,307,657,322	.0	.0	.0	.0	.0	1,305,673,131	1,984,191	.0	.0
13. Incurred medical incentive pools and bonuses	5,111,674	.0	.0	.0	.0	.0	5,111,674	.0	.0	.0

(a) Excludes \$ 474,220 loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company

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	68,699,452	.0	.0	.0	.0	.0	68,628,598	70,854	.0	.0
1.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.4 Net	68,699,452	.0	.0	.0	.0	.0	68,628,598	70,854	.0	.0
2. Incurred but Unreported:										
2.1 Direct	127,638,255	.0	.0	.0	.0	.0	127,307,615	330,640	.0	.0
2.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.4 Net	127,638,255	.0	.0	.0	.0	.0	127,307,615	330,640	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	4,729,142	.0	.0	.0	.0	.0	4,729,142	.0	.0	.0
3.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net	4,729,142	.0	.0	.0	.0	.0	4,729,142	.0	.0	.0
4. TOTALS:										
4.1 Direct	201,066,849	.0	.0	.0	.0	.0	200,665,355	401,494	.0	.0
4.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	201,066,849	.0	.0	.0	.0	.0	200,665,355	401,494	.0	.0

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company

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)	0	0	0	0	0	0
2. Medicare Supplement	0	0	0	0	0	0
3. Dental Only	0	0	0	0	0	0
4. Vision Only	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0	0	0
6. Title XVIII - Medicare	88,508,083	1,223,642,100	14,326,847	187,096,961	102,834,930	184,057,606
7. Title XIX - Medicaid	(79,029)	1,750,233	1,993	407,030	(77,036)	250,673
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	88,429,054	1,225,392,333	14,328,840	187,503,991	102,757,894	184,308,279
10. Healthcare receivables (a)	13,781,614	72,791,632	0	7,245,944	13,781,614	70,130,571
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	2,252,528	1,105,343	262,555	4,423,011	2,515,083	2,931,763
13. Totals (Lines 9 - 10 + 11 + 12)	76,899,968	1,153,706,044	14,591,395	184,681,058	91,491,363	117,109,471

(a) Excludes \$474,220 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 - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior	121,171	111,594	108,481	107,482	106,894
2.	2014	2,354,298	2,519,280	2,513,927	2,510,277	2,508,940
3.	2015	XXX	2,530,771	2,716,029	2,715,775	2,715,966
4.	2016	XXX	XXX	2,490,782	2,808,258	2,806,839
5.	2017	XXX	XXX	XXX	913,715	1,006,224
6.	2018	XXX	XXX	XXX	XXX	1,226,136

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	103,689	111,594	108,481	107,482	106,894
2.	2014	2,570,478	2,525,551	2,513,927	2,510,277	2,508,940
3.	2015	XXX	2,861,086	2,766,624	2,715,775	2,715,966
4.	2016	XXX	XXX	2,973,420	2,826,438	2,806,839
5.	2017	XXX	XXX	XXX	1,082,524	1,020,814
6.	2018	XXX	XXX	XXX	XXX	1,417,656

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	2,985,409	2,508,940	68,349	2.7	2,577,289	86.3	0	0	2,577,289	86.3
2. 2015	3,290,271	2,715,966	142,759	5.3	2,858,725	86.9	0	0	2,858,725	86.9
3. 2016	3,705,331	2,806,839	146,124	5.2	2,952,963	79.7	0	0	2,952,963	79.7
4. 2017	1,247,219	1,006,224	55,308	5.5	1,061,532	85.1	14,589	121	1,076,242	86.3
5. 2018	1,672,759	1,226,136	52,482	4.3	1,278,618	76.4	191,520	1,591	1,471,729	88.0

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	0	0	0	0	0
2.	2014	0	0	0	0	0
3.	2015	XXX	0	0	0	0
4.	2016	XXX	XXX	0	0	0
5.	2017	XXX	XXX	XXX	891	812
6.	2018	XXX	XXX	XXX	XXX	1,750

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	0	0	0	0	0
2.	2014	0	0	0	0	0
3.	2015	XXX	0	0	0	0
4.	2016	XXX	XXX	0	0	0
5.	2017	XXX	XXX	XXX	1,141	814
6.	2018	XXX	XXX	XXX	XXX	2,157

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	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2015	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2016	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2017	552	812	0	0.0	812	147.1	2	0	814	147.5
5. 2018	1,061	1,750	0	0.0	1,750	164.9	407	5	2,162	203.8

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	121,171	111,594	108,481	107,482	106,894
2.	2014	2,354,298	2,519,280	2,513,927	2,510,277	2,508,940
3.	2015	XXX	2,530,771	2,716,029	2,715,775	2,715,966
4.	2016	XXX	XXX	2,490,782	2,808,258	2,806,839
5.	2017	XXX	XXX	XXX	914,606	1,007,036
6.	2018	XXX	XXX	XXX	XXX	1,227,886

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	103,689	111,594	108,481	107,482	106,894
2.	2014	2,570,478	2,525,551	2,513,927	2,510,277	2,508,940
3.	2015	XXX	2,861,086	2,766,624	2,715,775	2,715,966
4.	2016	XXX	XXX	2,973,420	2,826,438	2,806,839
5.	2017	XXX	XXX	XXX	1,083,665	1,021,628
6.	2018	XXX	XXX	XXX	XXX	1,419,813

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	2,985,409	2,508,940	68,349	2.7	2,577,289	86.3	0	0	2,577,289	86.3
2. 2015	3,290,271	2,715,966	142,759	5.3	2,858,725	86.9	0	0	2,858,725	86.9
3. 2016	3,705,331	2,806,839	146,124	5.2	2,952,963	79.7	0	0	2,952,963	79.7
4. 2017	1,247,771	1,007,036	55,308	5.5	1,062,344	85.1	14,591	121	1,077,056	86.3
5. 2018	1,673,820	1,227,886	52,482	4.3	1,280,368	76.5	191,927	1,596	1,473,891	88.1

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ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company

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	0	0	0	0	0	0	0	0	0
2. Additional policy reserves (a)	0	0	0	0	0	0	0	0	0
3. Reserve for future contingent benefits	0	0	0	0	0	0	0	0	0
4. Reserve for rate credits or experience rating refunds (including \$0) for investment income	18,012,216	0	0	0	0	0	18,012,216	0	0
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	18,012,216	0	0	0	0	0	18,012,216	0	0
7. Reinsurance ceded	0	0	0	0	0	0	0	0	0
8. Totals (Net)(Page 3, Line 4)	18,012,216	0	0	0	0	0	18,012,216	0	0
9. Present value of amounts not yet due on claims	0	0	0	0	0	0	0	0	0
10. Reserve for future contingent benefits	765,982	0	0	0	0	0	758,452	7,530	0
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	765,982	0	0	0	0	0	758,452	7,530	0
13. Reinsurance ceded	0	0	0	0	0	0	0	0	0
14. Totals (Net)(Page 3, Line 7)	765,982	0	0	0	0	0	758,452	7,530	0
DETAILS OF WRITE-INS									
0501.									
0502.									
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)	0	0	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 \$0 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 (\$0 for occupancy of own building)	840,457	813,659	2,519,493	0	4,173,609
2. Salary, wages and other benefits	14,972,114	14,494,729	44,882,872	0	74,349,715
3. Commissions (less \$0 ceded plus \$0 assumed)	0	0	29,038,368	0	29,038,368
4. Legal fees and expenses	170,547	165,109	511,261	0	846,917
5. Certifications and accreditation fees	0	0	0	0	0
6. Auditing, actuarial and other consulting services	1,436,190	1,390,397	4,304,934	0	7,131,521
7. Traveling expenses	461,551	446,834	1,383,620	0	2,292,005
8. Marketing and advertising	885,287	857,059	2,656,520	0	4,398,866
9. Postage, express and telephone	864,011	836,462	2,590,167	0	4,290,640
10. Printing and office supplies	940,313	910,331	2,819,739	0	4,670,383
11. Occupancy, depreciation and amortization	397,712	385,031	1,192,246	0	1,974,989
12. Equipment	122,844	118,927	368,257	0	610,028
13. Cost or depreciation of EDP equipment and software	1,709,162	1,654,666	5,123,666	0	8,487,494
14. Outsourced services including EDP, claims, and other services	1,878,032	5,713,459	4,521,736	0	12,113,227
15. Boards, bureaus and association fees	24,497	23,715	73,435	0	121,647
16. Insurance, except on real estate	122,161	118,266	366,210	0	606,637
17. Collection and bank service charges	76,806	74,357	230,247	0	381,410
18. Group service and administration fees	395,236	382,634	1,184,825	0	1,962,695
19. Reimbursements by uninsured plans	0	0	0	0	0
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	0	0	0	0	0
22. Real estate taxes	23,419	13,773	117,561	0	154,753
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0	0	588,719	0	588,719
23.2 State premium taxes	0	0	0	0	0
23.3 Regulatory authority licenses and fees	0	0	28,222,282	0	28,222,282
23.4 Payroll taxes	581,547	333,455	2,392,333	0	3,307,335
23.5 Other (excluding federal income and real estate taxes)	0	0	0	0	0
24. Investment expenses not included elsewhere	0	0	0	232,773	232,773
25. Aggregate write-ins for expenses	3,373,920	1,965,084	6,844,476	0	12,183,480
26. Total expenses incurred (Lines 1 to 25)	29,275,806	30,697,947	141,932,967	232,773	(a) 202,139,493
27. Less expenses unpaid December 31, current year	838,185	878,901	3,827,578	57,128	5,601,792
28. Add expenses unpaid December 31, prior year	1,271,297	661,693	4,157,414	64,161	6,154,565
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year	0	0	0	0	0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	29,708,918	30,480,739	142,262,803	239,806	202,692,266
DETAILS OF WRITE-INS					
2501. Information Technology	77,227	74,765	231,509	0	383,501
2502. Interest	13,768	13,329	193,558	0	220,655
2503. Managed Care & Network Access	(76,738)	12,693	43,970	0	(20,075)
2598. Summary of remaining write-ins for Line 25 from overflow page	3,359,663	1,864,297	6,375,439	0	11,599,399
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	3,373,920	1,965,084	6,844,476	0	12,183,480

(a) Includes management fees of \$92,109,395 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) 812,443	807,501
1.1 Bonds exempt from U.S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 7,117,307	7,387,296
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	0	0
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract Loans	0	0
6. Cash, cash equivalents and short-term investments	(e) 65,442	65,442
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	0
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	7,995,192	8,260,239
11. Investment expenses		(g) 232,773
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 0
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		232,773
17. Net investment income (Line 10 minus Line 16)		8,027,466
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 \$ 164,513 accrual of discount less \$ 2,672,668 amortization of premium and less \$ 182,841 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	0	0	0	0	0
1.1 Bonds exempt from U.S. tax	0	0	0	0	0
1.2 Other bonds (unaffiliated)	(409,064)	0	(409,064)	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)	(409,064)	0	(409,064)	0	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	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB)	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	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	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,001,393	1,148,626	147,233
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	382,470	213,509	(168,961)
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivable from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable	17,731,395	17,462,755	(268,640)
25. Aggregate write-ins for other than invested assets	13	0	(13)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	19,115,271	18,824,890	(290,381)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	19,115,271	18,824,890	(290,381)
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	13	0	(13)
2502.			
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)	13	0	(13)

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	0	0	0	0	0	0
2. Provider Service Organizations	0	0	0	0	0	0
3. Preferred Provider Organizations	99,833	108,255	113,201	118,281	121,468	1,365,976
4. Point of Service	0	0	0	0	0	0
5. Indemnity Only	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	99,833	108,255	113,201	118,281	121,468	1,365,976
DETAILS OF WRITE-INS						
0601.						
0602.						
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)	0	0	0	0	0	0

CARE IMPROVEMENT PLUS SOUTH CENTRAL INSURANCE COMPANY

**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

Care Improvement Plus South Central Insurance Company (the "Company"), licensed as an accident and health insurer (limited to Medicare only products), 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 XLHealth Corporation ("XLHealth"). XLHealth 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 January 13, 2006, as an accident and health insurer (limited to Medicare only products) in Arkansas and operations commenced in January 2007. Prior to 2017, the Company was licensed as an accident & health insurer in 24 additional states. During 2017, the Company was licensed in 14 additional states and the District of Columbia. During 2018, the Company received license approvals in 10 additional states for a total of 50 licenses. 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 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 CMS to also serve as a plan sponsor offering a Dual Special Needs Plan ("DSNP") product. This product is solely funded by CMS. A DSNP is a specialized type of Medicare Advantage Prescription Drug Plan that is limited to dually eligible members and provides additional Medicaid coordination and clinical programs.

The Company also serves as a plan sponsor offering an Institutional Special Needs Plan ("ISNP") under a contract with CMS. An ISNP is designed to meet the needs of enrollees who reside in contracted nursing facilities by providing primary care and care management within the nursing facility, which include Medicare covered benefits, supplemental services and Part D benefits.

Effective January 1, 2017, the Company novated one of its CMS contracts to affiliate, UnitedHealthcare Insurance Company ("UHIC"). The novation agreement resulted in full control of the contract being transferred to UHIC at \$0 net book value for dates of service on or after January 1, 2017. Approval for this novation was received from CMS and the Arkansas Insurance Department (the "Department"). Approvals for the asset transfer related to the novation were received from the Department and the Connecticut Insurance Department (see Note 4).

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 Arkansas, for determining and reporting the financial condition and results of operations of an accident and health insurer, for determining its solvency under Arkansas 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 of Arkansas 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	\$ 125,940,462	\$ 79,248,651
(2) State prescribed practices that are an increase/(decrease) from NAIC SAP: None				-	-
(3) State permitted practices that are an increase/(decrease) from NAIC SAP: None				-	-
(4) NAIC SAP (1 - 2 - 3 = 4)	XXX	XXX	XXX	<u>\$ 125,940,462</u>	<u>\$ 79,248,651</u>
Capital and Surplus					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 473,046,981	\$ 347,231,260
(6) State prescribed practices that are an increase/(decrease) from NAIC SAP: None				-	-
(7) State permitted practices that are an increase/(decrease) from NAIC SAP: None				-	-
(8) NAIC SAP (5 - 6 - 7 = 8)	XXX	XXX	XXX	<u>\$ 473,046,981</u>	<u>\$ 347,231,260</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), 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) The Company holds no common or preferred stock;
- (5) The Company holds no mortgage loans on real estate;

- (6) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in nonagency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets. Total combined investments in mortgage-backed securities and asset-backed securities cannot exceed more than 30% of total cash and invested assets;
- (7) The Company holds no investments in subsidiaries, controlled, or affiliated entities;
- (8) The Company has no investment interests with respect to joint ventures, partnerships, or limited liability companies;
- (9) The Company holds no derivatives;
- (10) Premium deficiency reserves (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 or decrease in reserves for life and 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 receivables 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 receivables also include receivables for amounts due to the Company for provider advances, capitation arrangements, and provider recoveries. Provider recoveries consist of claim overpayments to providers which are due back to the Company. Health care receivables 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;
- Cash, 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, 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 disbursement accounts. Claims and other payments are made from the disbursement daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments;
- 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. 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 net asset value (“NAV”) as a practical expedient;
- Short-term investments include corporate debt securities. Short-term investments have a maturity of greater than three months but less than one year at the time of purchase. Short-term investments also consist 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;
- 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) gains less capital gains (benefit) tax 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) gains less capital gains (benefit) tax 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 has not recorded any other-than-temporary impairments (“OTTI”) for the years ended December 31, 2018 and 2017;

- The statutory basis statements of cash flows reconcile cash, cash overdrafts, cash equivalents, and short-term investments 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 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 adjustments programs are accounted for as premium adjustments subject to redetermination (see Note 24);
- **Amounts Receivable Relating to Uninsured Plans** — Receivables for amounts held under uninsured plans represent the costs incurred in excess of 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 in excess of these subsidies, a corresponding receivable is recorded in amounts receivable relating to 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 provided by (used in) operations in the statutory basis statements of cash flows. The Patient Protection and Affordable Care Act and its related legislation (“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. Related cash flows are presented within operating expenses paid within net cash provided by (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.

- **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.

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** — Aggregate health policy reserves include:
 - a) 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);
 - b) 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) and
 - c) 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).
- **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 and state income taxes.
- **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).
- **Remittances and Items Not Allocated** — Remittances and items not allocated generally represent monies received from policyholders for monthly premium billings or providers that have not been specifically identified or applied prior to year-end. The majority is from monies received in the lockbox account on the last day of the year.
- **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.
- **Liability for Amounts Held Under Uninsured Plans** — Liability for amounts held under uninsured plans represents costs incurred that are associated with the gap coverage discount program. 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. Related cash flows are presented within operating expenses paid within net cash provided by (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 receivables, and certain 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 held regulatory deposits in the amount of \$3,991,995 and \$3,776,265 as of December 31, 2018 and 2017, respectively, in compliance with the various states requirements for qualification purposes as a domestic and foreign insurer. These restricted cash reserves consist principally of government obligations and are stated at book/adjusted carrying value, which approximates fair value. These restricted deposits are included in bonds in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on these deposits accrues to the Company.
- **Minimum Capital and Surplus** — Under the laws of the State of Arkansas, the Company's domiciliary state, the Department requires the Company to maintain a minimum capital and surplus equal to \$100,000 or Risk-based capital ("RBC").

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

The Company has \$473,046,981 and \$347,231,260 in total statutory basis capital and surplus as of December 31, 2018 and 2017, respectively, which is in compliance with the required amounts 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 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.

Net premium income includes premium under the Medicare Advantage, DSNP, and ISNP programs, which includes CMS premium and in some instances 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 \$7,674,870 and \$(4,422,769) for changes in prior year Medicare risk factor estimates during the years ended December 31, 2018 and 2017, respectively, which is recorded as an increase or (decrease) to 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 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 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 less capital gains (benefit) tax 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 this agreement are recorded as amounts recoverable from reinsurers in the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 23).
- **Amounts Recoverable from Reinsurers** — The Company records amounts recoverable from reinsurers for claims paid pursuant to the reinsurance agreement with Unimerica Insurance Company ("Unimerica") 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.
- **Ceded Reinsurance Premiums Payable** — The ceded reinsurance premiums payable balance represents amounts due to the reinsurer 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.

Direct premiums written and uncollected premiums, 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 uncollected premiums, including receivables subject to redetermination, are 100% as of and for the years ended December 31, 2018 and 2017, respectively.

Recently Issued Accounting Standards — The Company reviewed all other 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

The Company did not discontinue any operations during 2018 and 2017; however, the Company did make the decision to novate one of its contracts with CMS. Effective January 1, 2017, the Company novated contract R9896 to affiliate, UHIC. The novation agreement resulted in full control of the contract being transferred to UHIC at \$0 net book value for dates of service on or after January 1, 2017. Approval for this novation was received from CMS. Approvals for the asset transfer related to the novation were received from the Department and the Connecticut Insurance Department.

A. Discontinued Operation Disposed of or Classified as Held for Sale

(1–4) The Company did not have any discontinued operations disposed of or classified as held for sale during 2018 and 2017.

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 AND OTHER INVESTED ASSETS

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 \$13,246 and \$422,310, respectively, for 2018 and \$359,049 and \$192,966, respectively, for 2017. The Company did not have any gross realized gains and losses on sales of short-term investments for 2018 and 2017. The net realized gain is included in net realized capital (losses) gains less capital gains (benefit) tax in the statutory basis statements of operations. Total proceeds on the sale of long-term investments were \$45,636,965 and \$95,202,149 and for short-term investments were \$0 and \$133,192,775 in 2018 and 2017, respectively.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company

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 \$4,732,084 and \$2,708,324, 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	\$ 76,093,006	\$ 129,601	\$ 204,063	\$ 2,364,852	\$ 73,653,692
State and agency municipal securities	42,362,704	382,286	37,529	254,689	42,452,772
City and county municipal securities	61,183,426	442,340	68,299	351,525	61,205,942
Corporate debt securities	147,622,432	224,323	1,090,380	1,153,010	145,603,365
Total bonds and short-term investments	<u>\$ 327,261,568</u>	<u>\$ 1,178,550</u>	<u>\$ 1,400,271</u>	<u>\$ 4,124,076</u>	<u>\$ 322,915,771</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	\$ 4,280,395	\$ -	\$ 9,606	\$ 29,850	\$ 4,240,939
One to five years	147,518,883	245,474	678,488	2,129,267	144,956,602
Five to ten years	89,562,032	448,425	212,322	918,498	88,879,637
Over ten years	85,900,258	484,651	499,855	1,046,461	84,838,593
Total bonds and short-term investments	<u>\$ 327,261,568</u>	<u>\$ 1,178,550</u>	<u>\$ 1,400,271</u>	<u>\$ 4,124,076</u>	<u>\$ 322,915,771</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	\$ 70,615,814	\$ 42,207	\$ 164,258	\$ 1,609,797	\$ 68,883,966
State and agency municipal securities	51,054,826	626,271	82,469	141,268	51,457,360
City and county municipal securities	65,309,786	649,920	121,383	90,960	65,747,363
Corporate debt securities	132,296,089	779,730	321,434	293,069	132,461,316
Total bonds and short-term investments	<u>\$ 319,276,515</u>	<u>\$ 2,098,128</u>	<u>\$ 689,544</u>	<u>\$ 2,135,094</u>	<u>\$ 318,550,005</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 \$38,844,655 and fair value of \$38,010,858.

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 Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses
U.S. government and agency securities	\$ 9,944,011	\$ 204,063	\$ 52,519,074	\$ 2,364,852	\$ 62,463,085	\$ 2,568,915
State and agency municipal securities	10,262,847	37,529	12,469,353	254,689	22,732,200	292,218
City and county municipal securities	10,496,667	68,299	17,009,289	351,525	27,505,956	419,824
Corporate debt securities	79,364,451	1,090,380	45,020,533	1,153,010	124,384,984	2,243,390
Total bonds and short-term investments	<u>\$ 110,067,976</u>	<u>\$ 1,400,271</u>	<u>\$ 127,018,249</u>	<u>\$ 4,124,076</u>	<u>\$ 237,086,225</u>	<u>\$ 5,524,347</u>

	2017					
	< 1 Year		> 1 Year		Total	
	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses	Fair Value	Gross Unrecognized Unrealized Losses
U.S. government and agency securities	\$ 14,886,469	\$ 164,258	\$ 43,652,952	\$ 1,609,797	\$ 58,539,421	\$ 1,774,055
State and agency municipal securities	13,128,105	82,469	6,114,298	141,268	19,242,403	223,737
City and county municipal securities	17,297,208	121,383	5,043,078	90,960	22,340,286	212,343
Corporate debt securities	44,831,138	321,434	21,245,097	293,069	66,076,235	614,503
Total bonds and short-term investments	<u>\$ 90,142,920</u>	<u>\$ 689,544</u>	<u>\$ 76,055,425</u>	<u>\$ 2,135,094</u>	<u>\$ 166,198,345</u>	<u>\$ 2,824,638</u>

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 unrecognized 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, no OTTIs were recorded by the Company as of December 31, 2018 and 2017.

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	\$ 492,956
2. 12 months or longer	768,390
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	35,025,012
2. 12 months or longer	20,165,127
	2017
The aggregate amount of unrealized losses:	
1. Less than 12 months	\$ 129,629
2. 12 months or longer	368,643
The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 months	13,588,234
2. 12 months or longer	16,902,266

- (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	\$ -	\$ -	\$ -	\$ -	\$ -	0 %	0 %
b. Collateral held under security lending agreements	-	-	-	-	-	0 %	0 %
c. Subject to repurchase agreements	-	-	-	-	-	0 %	0 %
d. Subject to reverse repurchase agreements	-	-	-	-	-	0 %	0 %
e. Subject to dollar repurchase agreements	-	-	-	-	-	0 %	0 %
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	0 %	0 %
g. Placed under option contracts	-	-	-	-	-	0 %	0 %
h. Letter stock or securities restricted as to sale—excluding FHLB capital stock	-	-	-	-	-	0 %	0 %
i. FHLB capital stock	-	-	-	-	-	0 %	0 %
j. On deposit with states	3,991,995	3,776,265	215,730	-	3,991,995	1 %	1 %
k. On deposit with other regulatory bodies	-	-	-	-	-	0 %	0 %
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	0 %	0 %
m. Pledged as collateral not captured in other categories	-	-	-	-	-	0 %	0 %
n. Other restricted assets	-	-	-	-	-	0 %	0 %
o. Total restricted assets	\$ 3,991,995	\$ 3,776,265	\$ 215,730	\$ -	\$ 3,991,995	1 %	1 %

(a) Column 1 divided by Asset Page, Column 1, Line 28
 (b) Column 5 divided by Asset Page, Column 3, Line 28

(2–4) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 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 Company does not have any structured notes.
- 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 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	\$ 4,707,633	\$ -	\$ 4,707,633	\$ 4,262,245	\$ -	\$ 4,262,245	\$ 445,388	\$ -	\$ 445,388
(b) Statutory valuation allowance adjustments	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a - 1b)	4,707,633	-	4,707,633	4,262,245	-	4,262,245	445,388	-	445,388
(d) Deferred tax assets nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal net admitted deferred tax asset (1c - 1d)	4,707,633	-	4,707,633	4,262,245	-	4,262,245	445,388	-	445,388
(f) Deferred tax liabilities	315,154	4,470	319,624	36,182	3,694	39,876	278,972	776	279,748
(g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)	\$ 4,392,479	\$ (4,470)	\$ 4,388,009	\$ 4,226,063	\$ (3,694)	\$ 4,222,369	\$ 166,416	\$ (776)	\$ 165,640

(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	\$4,707,633	\$ -	\$ 4,707,633	\$4,262,245	\$ -	\$ 4,262,245	\$ 445,388	\$ -	\$ 445,388
(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	70,298,846	XXX	XXX	51,451,334	XXX	XXX	18,847,512
(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))	<u>\$4,707,633</u>	<u>\$ -</u>	<u>\$ 4,707,633</u>	<u>\$4,262,245</u>	<u>\$ -</u>	<u>\$ 4,262,245</u>	<u>\$ 445,388</u>	<u>\$ -</u>	<u>\$ 445,388</u>

(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	977 %	979 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	\$ 468,658,972	\$ 343,008,891

(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 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col 1 - 3) Ordinary	6 (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)	\$ 4,707,633	\$ -	\$ 4,262,245	\$ -	\$ 445,388	\$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax-planning strategies	- %	- %	- %	- %	- %	- %
3. Net admitted adjusted gross DTAs amount from Note 9A1(e)	\$ 4,707,633	\$ -	\$ 4,262,245	\$ -	\$ 445,388	\$ -
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	X

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 and foreign income taxes incurred for the years ended December 31, 2018 and 2017 are as follows:

	1 2018	2 2017	3 (Col 1 - 2) Change
1. Current income tax			
(a) Federal	\$ 39,908,445	\$ 39,751,773	\$ 156,672
(b) Foreign	-	-	-
(c) Subtotal	39,908,445	39,751,773	156,672
(d) Federal income tax on net capital (losses) gains	(66,755)	105,923	(172,678)
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	<u>\$ 39,841,690</u>	<u>\$ 39,857,696</u>	<u>\$ (16,006)</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 2018	2 2017	3 (Col 1 - 2) Change
2 Deferred tax assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 671,685	\$ 286,864	\$ 384,821
(2) Unearned premium reserve	21,741	22,154	(413)
(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	4,014,207	3,953,227	60,980
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	-	-	-
(99) Subtotal	4,707,633	4,262,245	445,388
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2)	<u>4,707,633</u>	<u>4,262,245</u>	<u>445,388</u>
(e) Capital:			
(1) Investments	-	-	-
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
(i) Admitted deferred tax assets (2d + 2h)	<u>4,707,633</u>	<u>4,262,245</u>	<u>445,388</u>
3 Deferred tax liabilities:			
(a) Ordinary:			
(1) Investments	30,349	34,094	(3,745)
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	284,805	2,088	282,717
(99) Subtotal	315,154	36,182	278,972
(b) Capital:			
(1) Investments	4,470	3,694	776
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	4,470	3,694	776
(c) Deferred tax liabilities (3a99 + 3b99)	<u>319,624</u>	<u>39,876</u>	<u>279,748</u>
4 Net deferred tax assets/liabilities (2i - 3c)	<u>\$ 4,388,009</u>	<u>\$ 4,222,369</u>	<u>\$ 165,640</u>

The other ordinary deferred tax liability of \$284,805 for 2018 consists of discounting of unpaid losses of \$282,916, and premium acquisition expense of \$1,889. The other ordinary deferred tax liability of \$2,088 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 as a result no statutory valuation allowance was required and no allowance was established as of December 31, 2018 and 2017.

- 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/plus capital gains tax. 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	\$ 34,814,252	21%	\$ 41,687,222	35%
Tax-exempt interest	(362,928)	0%	(881,526)	(1)%
Health insurer fee	5,284,587	3%	-	0%
Other current year items	1,127	0%	21,374	0%
Tax effect of nonadmitted assets	(60,980)	0%	12,762,923	11%
Prior year true-up	-	0%	(88)	0%
Change in tax law	(8)	0%	2,814,913	2%
Total statutory income taxes	\$ 39,676,050	24%	\$ 56,404,818	47%
Federal income taxes incurred	\$ 39,908,445	24%	\$ 39,751,773	33%
Capital gains tax	(66,755)	0%	105,923	0%
Change in net deferred income tax	(165,640)	0%	16,547,122	14%
Total statutory income taxes	\$ 39,676,050	24%	\$ 56,404,818	47%

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

Current federal income taxes payable (recoverable) of \$11,775,709 and (\$68,218) 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 \$27,997,763 and \$35,272,797 in 2018 and 2017, respectively.

Federal income taxes incurred of \$39,841,708 and \$39,857,783 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 \$133,141,655 and \$105,934,819 in 2018 and 2017, respectively, and are included in total hospital and medical expenses, 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 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
OptumRx	\$ 77,559,977	\$ 55,726,814
WellMed Networks, Inc.	48,395,948	27,300,089
LifePrint Health, Inc.	41,301,283	19,394,298
OptumInsight, Inc.	5,200,785	3,419,607
United Behavioral Health, Inc.	4,496,113	2,897,060

OptumRx provide 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. WellMed Networks, Inc. ("WellMed") provides care management services to eligible members and/or providers or arranges for the delivery of clinical services to the Company's enrollees. WellMed also provided managed care program services including, but not limited to, quality management and improvement, medical management, credentialing, preventative health services, and utilization management reporting. LifePrint Health, Inc. provides medical management services for the Company's eligible members. 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. United Behavioral Health, Inc. provides mental health and substance abuse treatment services.

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 payable 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 \$100,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate 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 credit agreement is for a one-year term and automatically renews annually, unless terminated by either party. The agreement was effective January 1, 2013. No amounts were outstanding under the line of credit as of December 31, 2018 and 2017. The total amount of interest paid or still accrued on all borrowings throughout the year was \$0 and \$1,684 as of December 31, 2018 and 2017, respectively.

In addition to the agreements above, UHS maintains a private short-term investment pool in which affiliated companies may participate (see Note 1). At December 31, 2018 and 2017, the Company's portion was \$1,233 and \$1,209, respectively, and is included in short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

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

The Company paid dividends of \$0 and \$175,000,000 in 2018 and 2017, respectively, to its parent (see Note 13).

The Company's affiliate, UHIC, guarantees that the Company will maintain capital and surplus minimum net worth at least in the minimum amount as required by the state of New Jersey.

The Company has entered into a reinsurance agreement with an affiliated entity (see Note 23).

At December 31, 2018 and 2017, the Company reported \$5,278,935 and \$24,898,677, respectively, as receivables from parent, subsidiaries and affiliates, 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 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 noninsurance 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 200,000 shares authorized and 100,00 shares issued and outstanding of \$20 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, XLHealth.

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

(4) The Company paid no dividends and no infusions were received during 2018.

The Company paid ordinary cash dividends to XLHealth of \$75,000,000, \$50,000,000, and \$50,000,000 on December 27, 2017, September 27, 2017, and June 15, 2017, which were approved by the Department and 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 \$26,815,626. 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
Net deferred income taxes	\$ 4,388,009	\$ 4,222,369	\$ 165,640
Nonadmitted assets	<u>(19,115,271)</u>	<u>(18,824,890)</u>	<u>(290,381)</u>
Total	<u>\$ (14,727,262)</u>	<u>\$ (14,602,521)</u>	<u>\$ (124,741)</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, 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.

In May 2016, CMS informed the Company that it had been selected to participate in a RADV audit covering 2012 dates of service (2013 payment year). The Company cannot reasonably estimate the range of loss, if any, that may result from any material government investigations, audits and reviews in which it is currently involved given the inherent difficulty in predicting regulatory action, fines and penalties, if any, and the various remedies and levels of judicial review available to the Company in the event of an adverse finding.

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

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

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 receivable in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus of \$57,639,996 and \$5,392,420 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 \$2,610,003 and \$2,554,404 and also a payable of \$6,770,212 and \$4,926,873 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*.

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 and short-term investments 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

(1–5) The Company does not have any financial assets that are measured and reported at fair value in the statutory basis statements of admitted assets, liabilities, and capital and surplus at December 31, 2018 and 2017.

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						Net Asset Value (NAV)	Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)			
U.S. government and agency securities	\$ 73,653,692	\$ 76,093,006	\$ 35,642,834	\$ 38,010,858	\$ -	\$ -	\$ -	
State and agency municipal securities	42,452,772	42,362,704	-	42,452,772	-	-	-	
City and county municipal securities	61,205,942	61,183,426	-	61,205,942	-	-	-	
Corporate debt securities	145,603,365	147,622,432	1,233	145,602,132	-	-	-	
Total bonds and short-term investments	<u>\$ 322,915,771</u>	<u>\$ 327,261,568</u>	<u>\$ 35,644,067</u>	<u>\$ 287,271,704</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

Types of Financial Investment	2017						Net Asset Value (NAV)	Not Practicable (Carrying Value)
	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)			
U.S. government and agency securities	\$ 68,883,966	\$ 70,615,814	\$ 35,808,976	\$ 33,074,990	\$ -	\$ -	\$ -	
State and agency municipal securities	51,457,360	51,054,826	-	51,457,360	-	-	-	
City and county municipal securities	65,747,363	65,309,786	-	65,747,363	-	-	-	
Corporate debt securities	132,461,316	132,296,089	1,209	132,460,107	-	-	-	
Total bonds and short-term investments	<u>\$ 318,550,005</u>	<u>\$ 319,276,515</u>	<u>\$ 35,810,185</u>	<u>\$ 282,739,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

Included as Level 1 in U.S. government and agency securities in the fair value hierarchy tables above are U.S. Treasury securities of \$35,642,834 and \$35,808,976 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 unrecognized 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 26, 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	\$ -	\$ 26,815,626
C. ACA fee assessment paid	25,164,701	-
D. Premium written subject to ACA 9010 assessment	-	1,258,733,027
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	473,046,981	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	473,046,981	
G. Authorized Control Level (Five-Year Historical Line 15)	47,976,013	
H. Would reporting the ACA assessment as of December 31, 2018, have triggered an RBC action level (Yes/No)?	<u>No</u>	

Effective January 1, 2019, affiliate, UnitedHealthcare Insurance Company of New York, novated their CMS contract to the Company. The novation agreement resulted in full control of the contract being transferred to the Company at \$0 net book value for dates of service on or after January 1, 2019. Approval for this novation was received from CMS. Approval for the asset transfer related to the novation was received from the Department and was not required by the New York Department of Insurance. The impact of this novation is expected to increase total direct premiums written by approximately 1%.

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 (see note 10) and other nonaffiliated reinsurers. The Company remains primarily liable as the direct insurer on all risks reinsured.

The Company has a reinsurance agreement with an affiliated entity, Unimerica, to cede 100% of obligations relating to human organ and bone marrow transplants and related services, infertility treatments and services, mental health and substance abuse treatments and services and chiropractic, physical and occupational therapy treatments and services for musculoskeletal conditions. Reinsurance premiums, which are calculated on a PMPM rate of earned Medicare member premiums, of \$472 and \$353,892 for the years ended December 31, 2018 and 2017, respectively were netted against net premium income in the statutory basis statements of operations. Reinsurance recoveries of (\$4,948) and \$489,282 as of December 31, 2018 and 2017, respectively are included in net reinsurance recoveries in the statutory basis statements of operations. 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 reinsurance agreement was terminated effective December 31, 2017.

The effect of internal reinsurance agreements outlined above on net premium income and hospital and medical expenses is presented below:

	2018	2017
Premiums:		
Direct	\$ 1,673,020,300	\$ 1,256,379,121
Ceded	<u>(472)</u>	<u>(353,892)</u>
Net premium income	<u>\$ 1,673,019,828</u>	<u>\$ 1,256,025,229</u>
Hospital and medical expenses:		
Direct	\$ 1,312,764,048	\$ 988,510,819
Ceded	<u>4,948</u>	<u>(489,282)</u>
Net hospital and medical expenses	<u>\$ 1,312,768,996</u>	<u>\$ 988,021,537</u>

In addition, reinsurance recoverables related to internal reinsurance agreements of \$54 and \$15,540 for paid losses are recorded as amounts recoverable from reinsurers and \$0 and \$96,680 for unpaid losses are recorded as a reduction to claims unpaid in 2018 and 2017, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

A. Ceded Reinsurance Report

Section 1 — General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes () No (X)

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

Yes () No (X)

Section 2 — Ceded Reinsurance Report — Part A

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

Yes () No (X)

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

Yes () No (X)

Section 3 — Ceded Reinsurance Report — Part B

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

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 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 from the Company are recorded in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to change in reserve for rate credits in the statutory basis statements of operations.

- C.** 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 \$1,671,959,299 and \$1,255,826,659, representing 99.94% and 99.96% 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 \$79,968,067 and \$82,409,725 representing, 4.8% and 6.6% of total direct premiums written for 2018 and 2017, respectively.

The Company has risk-adjustment amounts from CMS which are subject to a redetermination feature related to Medicare premiums. The Company has estimated premium adjustments for changes to each member’s health scores based on guidelines determined by CMS. The total amount of Medicare direct premiums written for which a portion is subject to the redetermination feature was \$1,671,959,299 and \$1,255,826,659 representing, 99.94% and 99.96% of total direct premiums written for 2018 and 2017, respectively.

- D.** The Company does not have comprehensive commercial business subject to specific minimum loss ratio requirements as of December 31, 2018 and 2017. The Company is required to maintain a specific minimum loss ratio on the Medicare line 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	\$ -	\$ -	\$ -	\$ 8,624,268	\$ 8,624,268
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss rebates unpaid	-	-	-	15,783,239	15,783,239
(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	15,783,239
Current reporting year-to-date					
(7) Medical loss ratio rebates incurred	-	-	-	8,315,872	8,315,872
(8) Medical loss ratio rebates paid	-	-	-	9,778,846	9,778,846
(9) Medical loss rebates unpaid	-	-	-	14,320,265	14,320,265
(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	14,320,265

E. Risk-Sharing Provisions of the Affordable Care Act

- (1–5)** The Company did not write accident and health premiums in 2018 and 2017 subject to the risk-sharing provisions of the ACA.

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 receivables (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	\$ -	\$ (187,240,042)	\$ (187,240,042)
Paid claims—net of health care receivables* and reinsurance recoveries collected	1,226,497,678	90,666,095	1,317,163,773
End of year claim reserve	<u>191,927,002</u>	<u>14,591,395</u>	<u>206,518,397</u>
 Incurred claims excluding the change in health care receivables and reinsurance recoverables as presented below	 1,418,424,680	 (81,982,552)	 1,336,442,128
Beginning of year health care receivables* and reinsurance recoverables	-	70,146,111	70,146,111
End of year health care receivables* and reinsurance recoverables	<u>(80,037,576)</u>	<u>(13,781,667)</u>	<u>(93,819,243)</u>
 Total incurred claims	 <u>\$ 1,338,387,104</u>	 <u>\$ (25,618,108)</u>	 <u>\$ 1,312,768,996</u>

*Health care receivables excludes provider loans and advances not yet expensed of \$474,220 and \$293,058 for 2018 and 2017, respectively.

	2017		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	\$ -	\$ (533,233,105)	\$ (533,233,105)
Paid claims—net of health care receivables* and reinsurance recoveries collected	914,605,514	312,573,986	1,227,179,500
End of year claim reserve	<u>169,059,990</u>	<u>18,180,052</u>	<u>187,240,042</u>
 Incurred claims excluding the change in health care receivables and reinsurance recoverables as presented below	 1,083,665,504	 (202,479,067)	 881,186,437
Beginning of year health care receivables* and reinsurance recoverables	-	176,981,211	176,981,211
End of year health care receivables* and reinsurance recoverables	<u>(55,750,319)</u>	<u>(14,395,792)</u>	<u>(70,146,111)</u>
 Total incurred claims	 <u>\$ 1,027,915,185</u>	 <u>\$ (39,893,648)</u>	 <u>\$ 988,021,537</u>

*Health care receivables excludes provider loans and advances not yet expensed of \$293,058 and \$0 for 2017 and 2016, respectively.

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, net of health care receivables (excluding provider loans and advances not yet expensed) and reinsurance recoverables as of December 31, 2017 was \$117,093,931. As of December 31, 2018, \$90,666,095 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years, net of healthcare receivables (excluding provider loans and advances not yet expensed) and reinsurance recoverables are now \$809,728, as a result of re-estimation of unpaid claims. Therefore, there has been \$25,618,108 favorable prior year development since December 31, 2017 to December 31, 2018. The primary drivers consist of favorable development of \$19,608,963 in retroactivity for inpatient, outpatient, physician, and pharmacy claims and favorable development as a result of a change in the provision for adverse deviations in experience of \$11,246,115, offset by unfavorable development in part D of \$4,662,448. At December 31, 2017, the Company recorded \$39,893,648 favorable development related to favorable development as a result of a change in the provision for adverse deviations in experience of \$27,718,889 and favorable development of \$14,997,895 in retroactivity for inpatient, outpatient, physician, and pharmacy claims and favorable development in medical incentive pool and bonus amounts of \$6,059,119 offset by unfavorable development in Part D of \$9,116,904. 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 reserve for rate credits in the statutory basis statements of operations.

The Company incurred CAE of \$59,973,753 and \$56,890,455 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 2018 and 2017:

	2018	2017
Total claims adjustment expenses	\$ 59,973,753	\$ 56,890,455
Less: current year unpaid claims adjustment expenses	(1,717,086)	(1,932,990)
Add: prior year unpaid claims adjustment expenses	<u>1,932,990</u>	<u>4,781,900</u>
Total claims adjustment expenses paid	<u>\$ 60,189,657</u>	<u>\$ 59,739,365</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 RECEIVABLES

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	\$ 49,308,144	\$ -	\$ -	\$ -	\$ -
9/30/2018	46,731,145	46,887,168	25,111,580	-	-
6/30/2018	43,175,790	43,540,173	38,026,410	4,909,479	-
3/31/2018	39,650,838	39,787,796	35,318,322	3,786,969	660,029
12/31/2017	35,262,959	35,289,671	30,662,238	4,188,404	351,468
9/30/2017	33,870,726	33,449,573	28,785,357	3,497,249	855,287
6/30/2017	31,697,944	31,588,667	25,756,348	5,067,501	568,147
3/31/2017	28,036,276	27,965,920	14,463,618	10,253,744	3,077,863
12/31/2016	85,425,366	86,088,026	70,176,878	11,628,228	4,163,967
9/30/2016	87,401,055	86,146,185	67,835,471	14,971,924	3,246,437
6/30/2016	84,897,767	83,477,365	69,615,561	11,355,405	2,447,196
3/31/2016	78,345,541	76,784,003	64,649,709	10,969,078	1,617,787

Of the amount reported as health care receivables, \$71,422,532 and \$48,977,522 relates to pharmacy rebates receivable as of December 31, 2018 and 2017, respectively. This increase is primarily due to increased membership along with the change in generic/name brand mix.

B. The Company estimates risk-sharing receivables based on the contractual terms.

The following table summarizes the collection history of risk-sharing receivables that meet the admissibility criteria of SSAP No. 84:

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received—All Other
2018	2018 2019	\$ - XXX	\$ 315,271 -	\$ - XXX	\$ 315,271 XXX	\$ - XXX	\$ - XXX	\$ -	\$ -
2017	2017 2018	- XXX	- -	- XXX	- XXX	- XXX	- XXX	- XXX	- XXX
2016	2016 2017	- XXX	- -	- XXX	- XXX	- XXX	- XXX	- XXX	- XXX

The Company also admitted \$4,302,572 and \$3,582,384 for claim overpayment receivables due from providers, \$474,220 and \$293,058 for loans and advances to providers, \$47,418 and \$107,911 for capitation arrangement receivables in 2018 and 2017, respectively, which are included in health care receivables in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

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 No
If yes, complete Schedule Y, Parts 1, 1A and 2
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State Regulating? Arkansas
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes No
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 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
- 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. 12/31/2013
- 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. 12/31/2013
- 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). 06/22/2015
- 3.4 By what department or departments?
Arkansas Department of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes No
4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes No
4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
If yes, complete and file the merger history data file with the NAIC.
- 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
- 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
- 7.2 If yes,
7.21 State the percentage of foreign control; 0.0 %
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

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company
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?
 Mary J. Murley, Chief Actuary of the Medicare and Retirement division of United HealthCare Services, Inc., of which Care Improvement Plus South Central Insurance Company is an affiliate, 9800 Health Care Lane, Minnetonka, MN 55343
- 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 0
- 12.13 Total book/adjusted carrying value \$ 0

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).

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company
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 \$ | 0 |
| 22.22 Amount paid as expenses | 25,166,494 |
| 22.23 Other amounts paid | 0 |
- 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]

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company
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 [X] 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	\$	3,991,995
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 [X]

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 [X]

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Northern Trust	50 S. LaSalle, 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 [X]

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

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

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company
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
Goldman Sachs Asset Management, L.P.	U.
Internally Managed	I.
JPMorgan Investment Management, Inc.	U.
.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's 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
107738	Goldman Sachs Asset Management, L.P.	CF5M58QA35CFPUX70H17	SEC	NO.
107038	JPMorgan Investment Management, Inc.	549300178QHV4XMM6K69	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	327,261,568	322,915,772	(4,345,796)
30.2 Preferred stocks	0	0	0
30.3 Totals	327,261,568	322,915,772	(4,345,796)

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:

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:

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company
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 [X]

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 [X]

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$0

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
.....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company
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. \$ 0
 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
 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 \$ 0
 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	1,673,019,828	1,256,025,229
2.2 Premium Denominator	1,673,019,828	1,256,025,229
2.3 Premium Ratio (2.1/2.2)	1.000	1.000
2.4 Reserve Numerator	224,530,613	193,130,851
2.5 Reserve Denominator	224,530,613	209,500,851
2.6 Reserve Ratio (2.4/2.5)	1.000	0.922

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

3.2 If yes, give particulars:

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

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

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

5.2 If no, explain:

Care Improvement Plus South Central Insurance Company is not required to have this coverage.

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.

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 732,877
8.2 Number of providers at end of reporting year 878,669

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.. \$ 0
9.22 Business with rate guarantees over 36 months \$ 0

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Care Improvement Plus South Central Insurance Company
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.....	\$	4,685,566
10.22 Amount actually paid for year bonuses.....	\$	3,357,871
10.23 Maximum amount payable withholds.....	\$	4,729,142
10.24 Amount actually paid for year withholds.....	\$	1,705,086

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 [X]	No []

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. Arkansas

11.4 If yes, show the amount required. \$ 100,000

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
 Arkansas Statutes § 23-76-108

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

1 Name of Service Area
Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming

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. \$ 0

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. \$ 0

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

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

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

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

15.1 Direct Premium Written	\$	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)	727,698,573	593,648,460	1,029,490,809	900,901,751	646,874,788
2. Total liabilities (Page 3, Line 24)	254,651,592	246,417,200	606,426,571	585,750,014	298,289,945
3. Statutory minimum capital and surplus requirement	100,000	100,000	100,000	196,204,818	183,907,454
4. Total capital and surplus (Page 3, Line 33)	473,046,981	347,231,260	423,064,238	315,151,737	348,584,843
Income Statement (Page 4)					
5. Total revenues (Line 8)	1,673,819,719	1,247,771,331	3,705,330,964	3,290,271,397	2,985,409,175
6. Total medical and hospital expenses (Line 18)	1,312,768,996	988,021,537	2,834,738,482	2,783,085,240	2,471,378,874
7. Claims adjustment expenses (Line 20)	59,973,753	56,890,455	136,968,400	142,305,460	120,377,102
8. Total administrative expenses (Line 21)	141,932,967	86,357,462	338,570,400	288,685,891	264,514,431
9. Net underwriting gain (loss) (Line 24)	159,144,003	116,501,877	395,053,682	76,194,806	129,138,768
10. Net investment gain (loss) (Line 27)	7,685,157	7,730,735	11,143,869	10,786,312	8,731,714
11. Total other income (Lines 28 plus 29)	(980,253)	(5,232,188)	(4,988,302)	(3,988,513)	(1,620)
12. Net income or (loss) (Line 32)	125,940,462	79,248,651	241,424,946	35,337,296	77,967,046
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	32,929,845	(66,500,856)	345,031,673	81,640,789	(22,127,886)
Risk-Based Capital Analysis					
14. Total adjusted capital	473,046,981	347,231,260	423,064,238	315,151,737	348,584,843
15. Authorized control level risk-based capital	47,976,013	35,053,391	114,581,564	98,102,409	91,953,727
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	121,468	99,833	273,804	259,612	249,986
17. Total members months (Column 6, Line 7)	1,365,976	1,117,190	3,205,692	3,046,126	2,879,915
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)	78.4	79.2	76.5	84.6	82.8
20. Cost containment expenses	1.7	3.0	2.2	2.5	1.9
21. Other claims adjustment expenses	1.8	1.6	1.5	1.8	2.2
22. Total underwriting deductions (Line 23)	90.5	90.7	89.3	97.7	95.7
23. Total underwriting gain (loss) (Line 24)	9.5	9.3	10.7	2.3	4.3
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	91,491,363	316,378,316	192,118,016	139,918,155	85,078,151
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	117,109,471	356,271,964	189,086,791	92,176,407	96,322,547
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
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	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
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	0	0	0	0	0

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

1 States, etc.	Active Status (a)	Direct Business Only							9 Deposit-Type Contracts		
		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			
1. Alabama	AL	L	0	344,598	0	0	0	0	0	344,598	0
2. Alaska	AK	L	0	0	0	0	0	0	0	0	0
3. Arizona	AZ	L	0	0	0	0	0	0	0	0	0
4. Arkansas	AR	L	0	592,475,685	0	0	0	0	0	592,475,685	0
5. California	CA	N	0	0	0	0	0	0	0	0	0
6. Colorado	CO	L	0	0	0	0	0	0	0	0	0
7. Connecticut	CT	L	0	0	0	0	0	0	0	0	0
8. Delaware	DE	L	0	0	0	0	0	0	0	0	0
9. District of Columbia	DC	L	0	0	0	0	0	0	0	0	0
10. Florida	FL	L	0	1,299,696	0	0	0	0	0	1,299,696	0
11. Georgia	GA	L	0	95,959,033	0	0	0	0	0	95,959,033	0
12. Hawaii	HI	L	0	0	0	0	0	0	0	0	0
13. Idaho	ID	L	0	0	0	0	0	0	0	0	0
14. Illinois	IL	L	0	46,585	0	0	0	0	0	46,585	0
15. Indiana	IN	L	0	210,169	0	0	0	0	0	210,169	0
16. Iowa	IA	L	0	0	0	0	0	0	0	0	0
17. Kansas	KS	L	0	53,298,135	0	0	0	0	0	53,298,135	0
18. Kentucky	KY	L	0	0	0	0	0	0	0	0	0
19. Louisiana	LA	L	0	0	0	0	0	0	0	0	0
20. Maine	ME	L	0	22,479	0	0	0	0	0	22,479	0
21. Maryland	MD	L	0	0	0	0	0	0	0	0	0
22. Massachusetts	MA	L	0	11,542	0	0	0	0	0	11,542	0
23. Michigan	MI	L	0	0	0	0	0	0	0	0	0
24. Minnesota	MN	L	0	0	0	0	0	0	0	0	0
25. Mississippi	MS	L	0	0	0	0	0	0	0	0	0
26. Missouri	MO	L	0	635,002,255	0	0	0	0	0	635,002,255	0
27. Montana	MT	L	0	0	0	0	0	0	0	0	0
28. Nebraska	NE	L	0	0	0	0	0	0	0	0	0
29. Nevada	NV	L	0	0	0	0	0	0	0	0	0
30. New Hampshire	NH	L	0	(165,791)	0	0	0	0	0	(165,791)	0
31. New Jersey	NJ	L	0	8,675,773	0	0	0	0	0	8,675,773	0
32. New Mexico	NM	L	0	26	0	0	0	0	0	26	0
33. New York	NY	L	0	0	0	0	0	0	0	0	0
34. North Carolina	NC	L	0	0	0	0	0	0	0	0	0
35. North Dakota	ND	L	0	0	0	0	0	0	0	0	0
36. Ohio	OH	L	0	88,727,655	0	0	0	0	0	88,727,655	0
37. Oklahoma	OK	L	0	35,232,291	0	0	0	0	0	35,232,291	0
38. Oregon	OR	L	0	0	0	0	0	0	0	0	0
39. Pennsylvania	PA	L	0	(3,642)	0	0	0	0	0	(3,642)	0
40. Rhode Island	RI	L	0	0	0	0	0	0	0	0	0
41. South Carolina	SC	L	0	2,685,830	0	0	0	0	0	2,685,830	0
42. South Dakota	SD	L	0	0	0	0	0	0	0	0	0
43. Tennessee	TN	L	0	0	0	0	0	0	0	0	0
44. Texas	TX	L	0	157,672,045	1,061,001	0	0	0	0	158,733,046	0
45. Utah	UT	L	0	0	0	0	0	0	0	0	0
46. Vermont	VT	L	0	0	0	0	0	0	0	0	0
47. Virginia	VA	L	0	464,935	0	0	0	0	0	464,935	0
48. Washington	WA	L	0	0	0	0	0	0	0	0	0
49. West Virginia	WV	L	0	0	0	0	0	0	0	0	0
50. Wisconsin	WI	L	0	0	0	0	0	0	0	0	0
51. Wyoming	WY	L	0	0	0	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0	0	0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	1,671,959,299	1,061,001	0	0	0	0	1,673,020,300	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0	0	0
61. Total (Direct Business)	XXX	0	1,671,959,299	1,061,001	0	0	0	0	1,673,020,300	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	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0	0

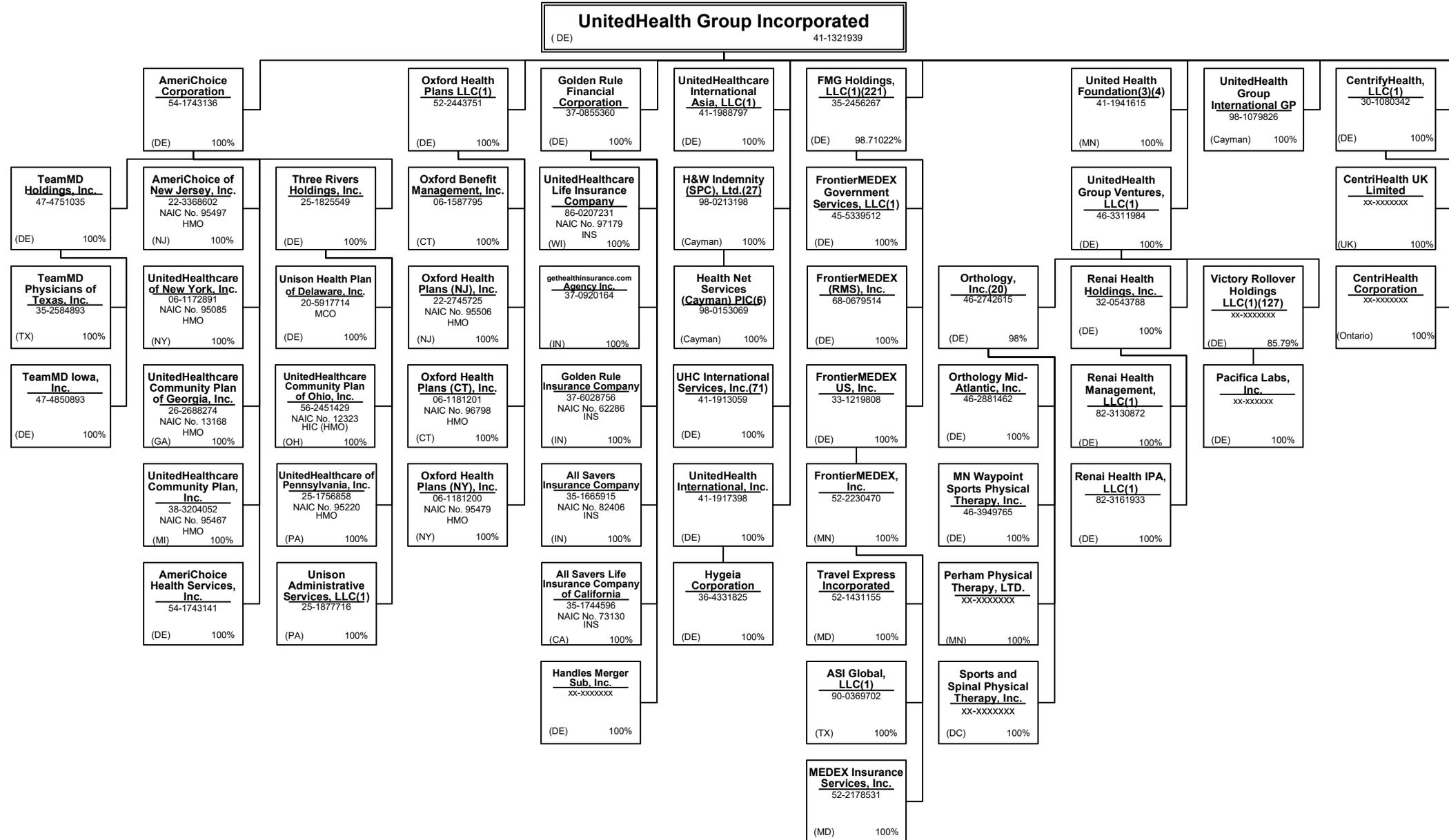
(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....50 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.....7

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

Premiums are allocated by state based upon the residence of the member.

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



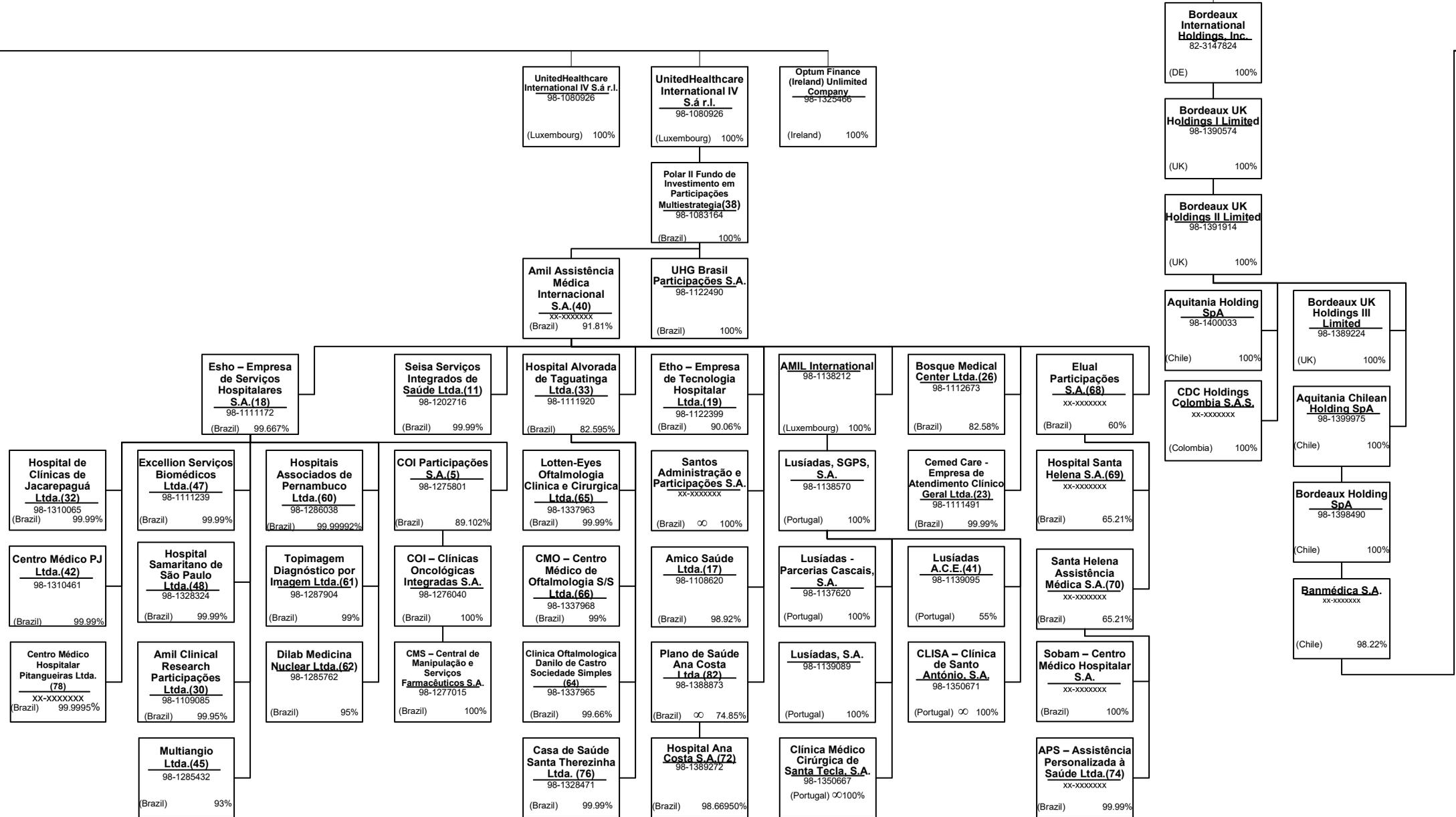
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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

UnitedHealth Group Incorporated
 (DE) 41-1321939

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40.2

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

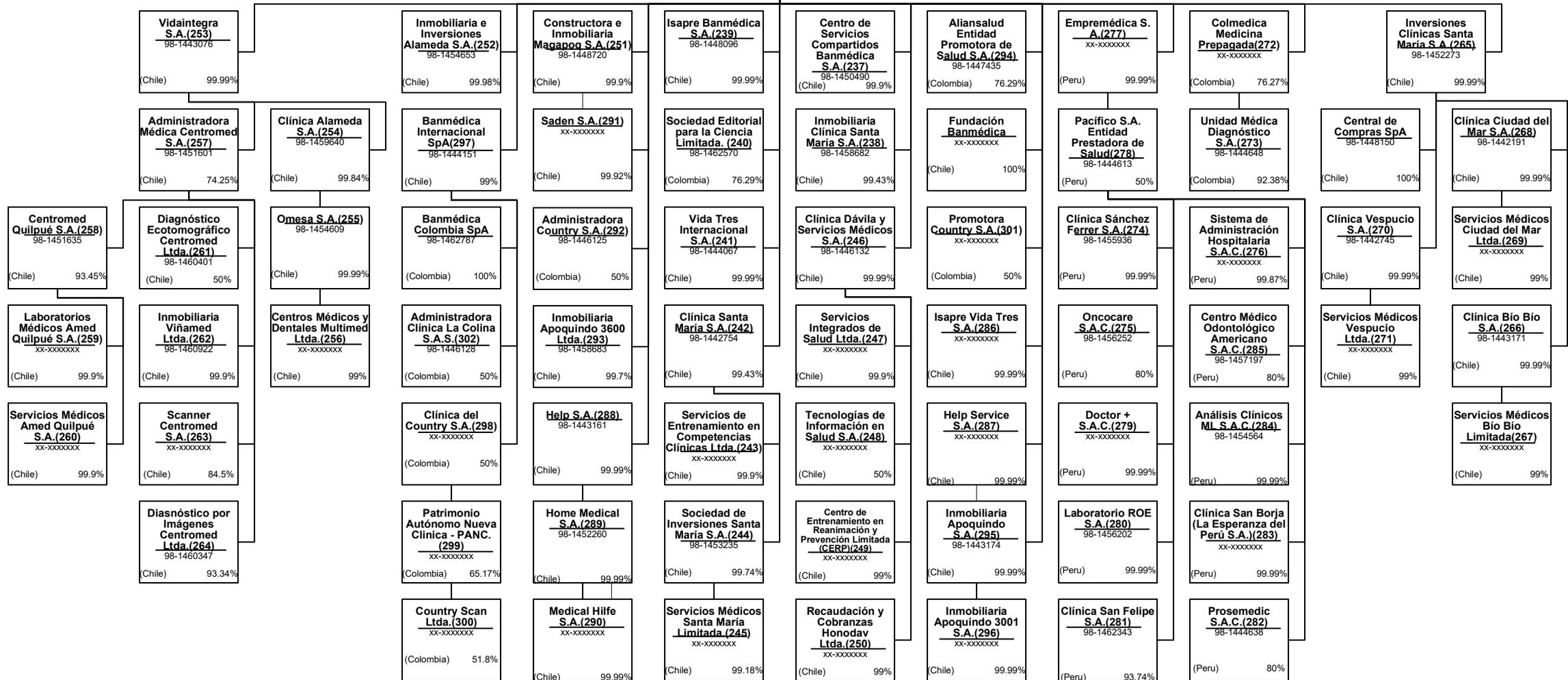
UnitedHealth Group Incorporated
 (DE) 41-1321939

Continued from Previous Page

United HealthCare
 41-1289245
 (MN) 100%

Continued on Next Page

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



40.3

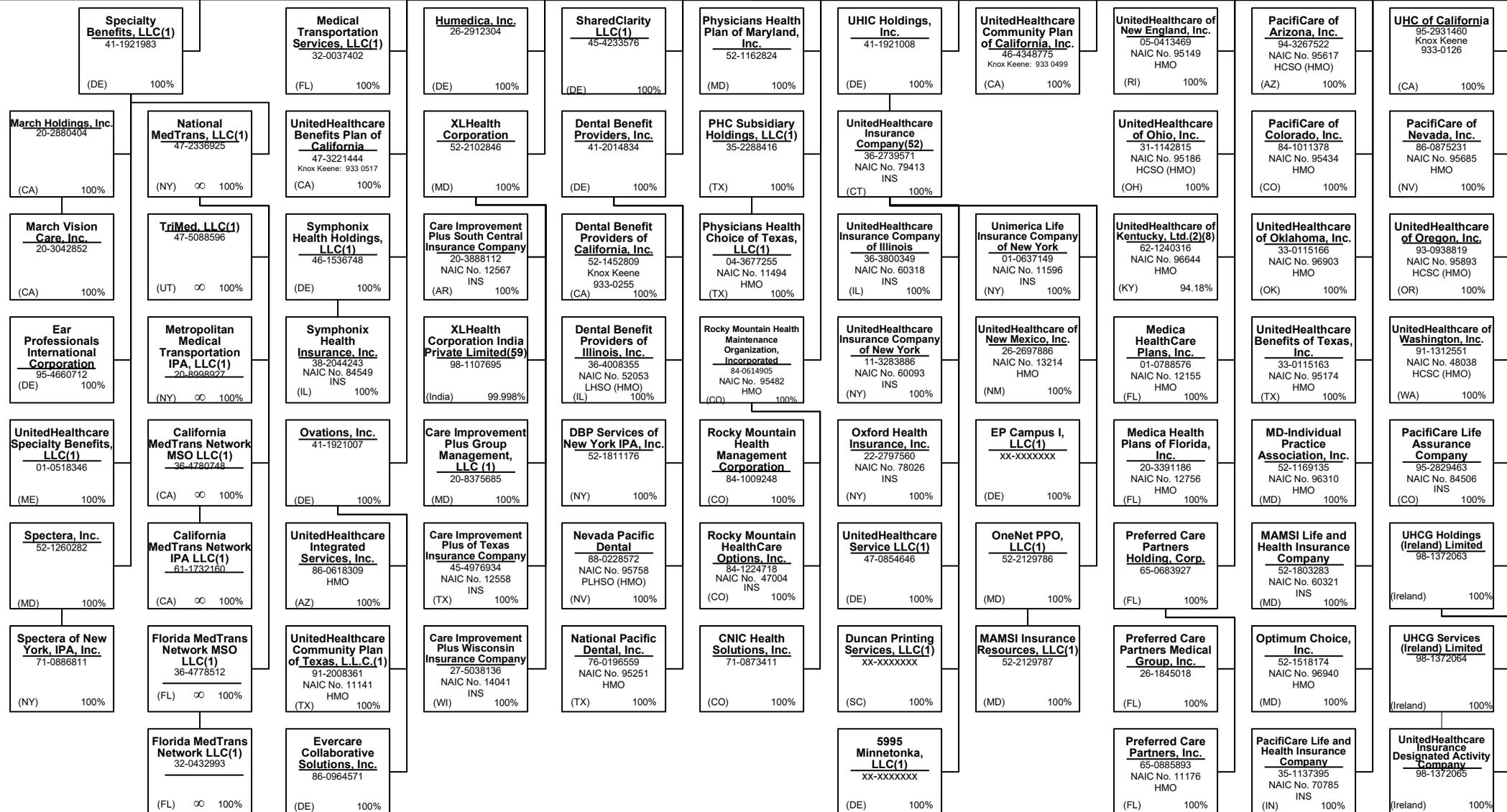
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

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

Continued from Previous Page

Continued on Next Page



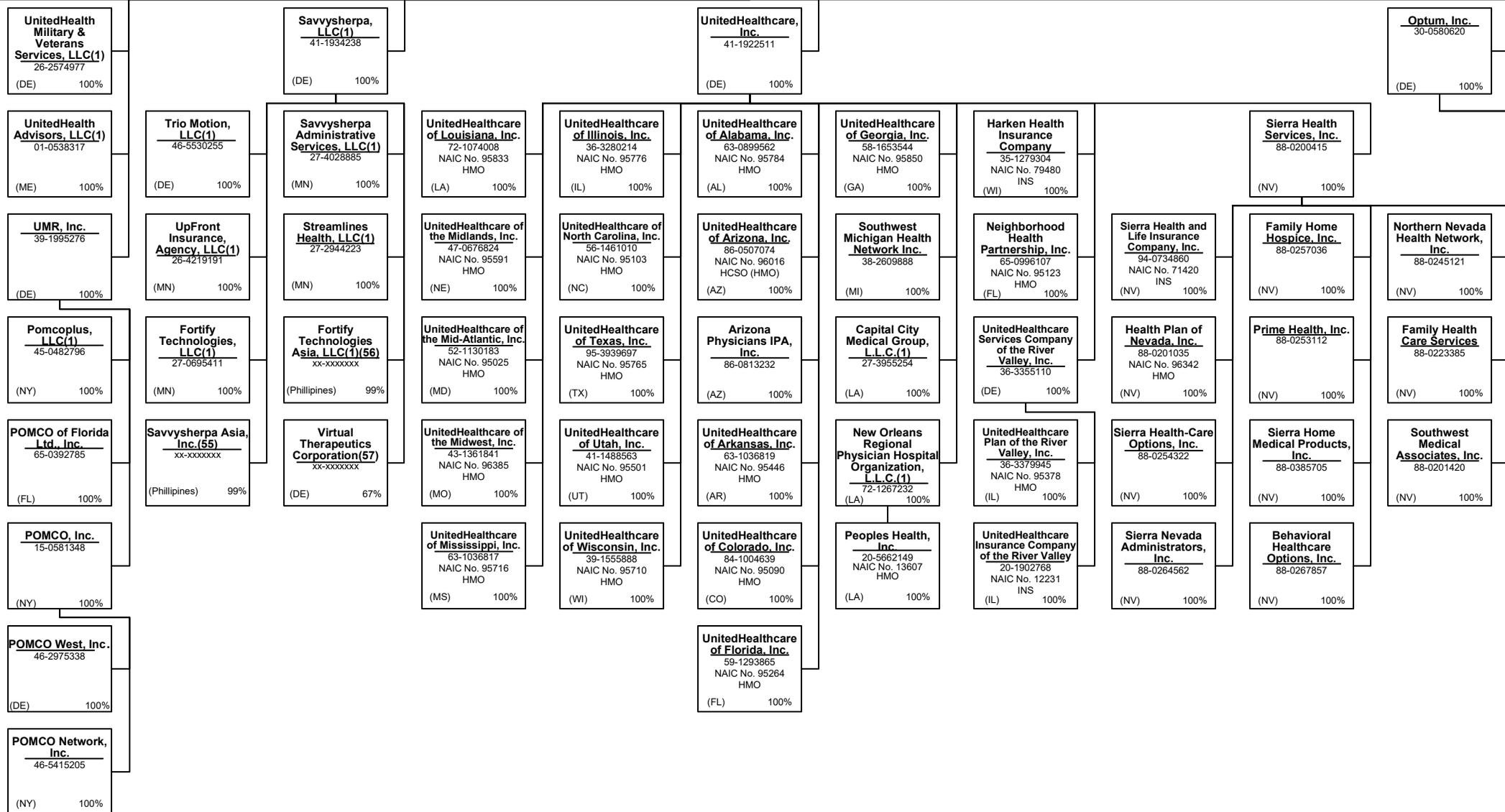
40.4

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%

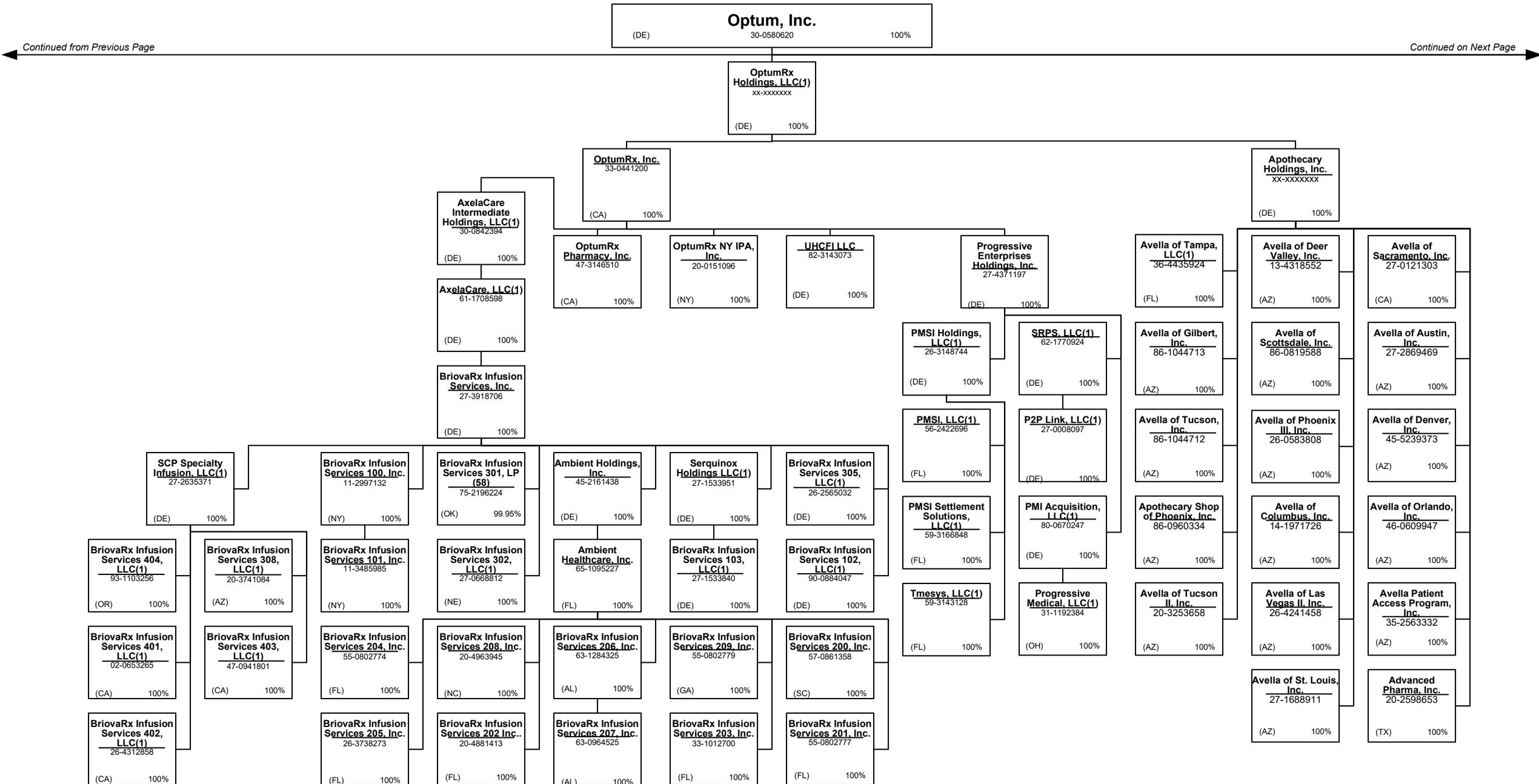
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40.5

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

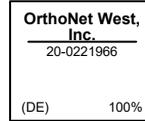
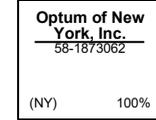
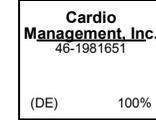
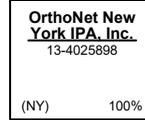
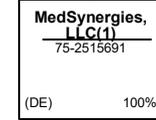
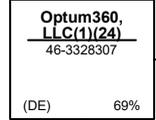
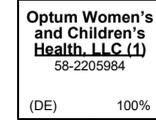
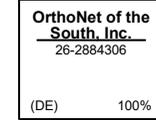
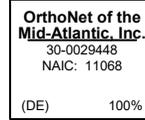
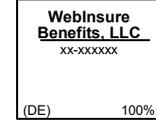
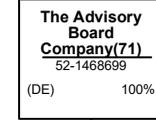
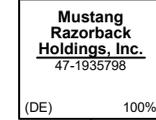
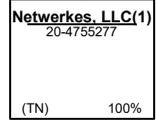
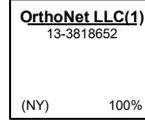
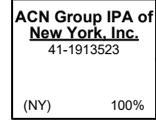
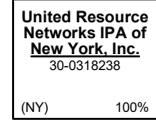
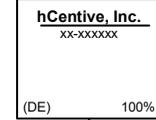
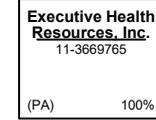
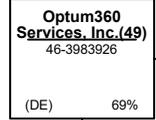
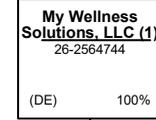
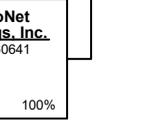
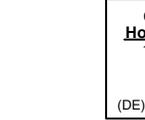
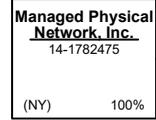
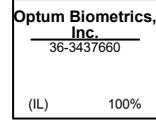
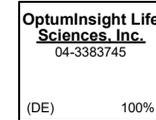
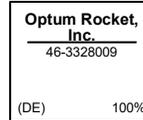
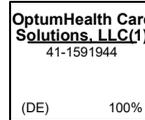
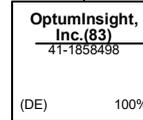
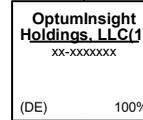


40.7

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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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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%

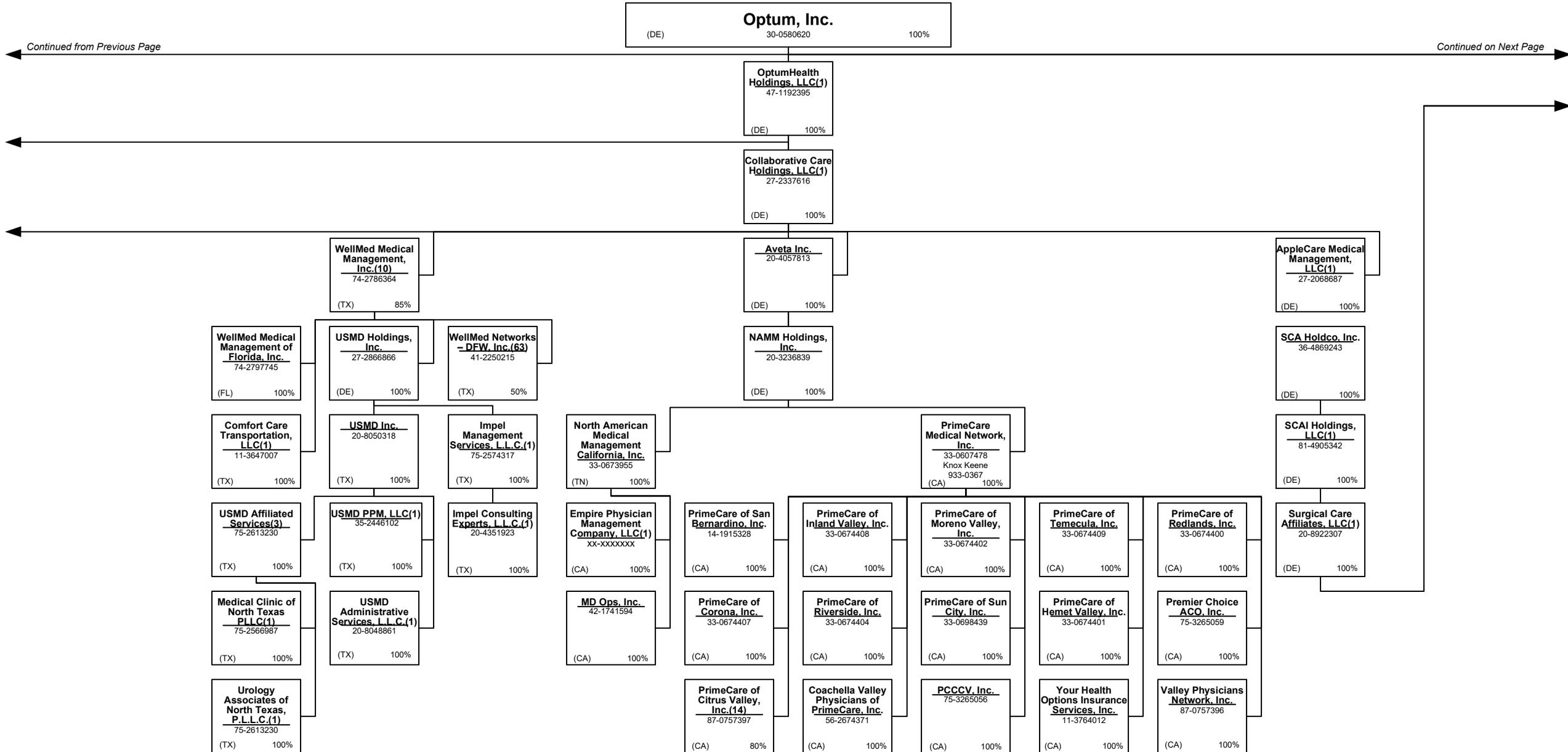
MedExpress Urgent Care of Boynton Beach, LLC(1)
 20-2545363
 (FL) 100%

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

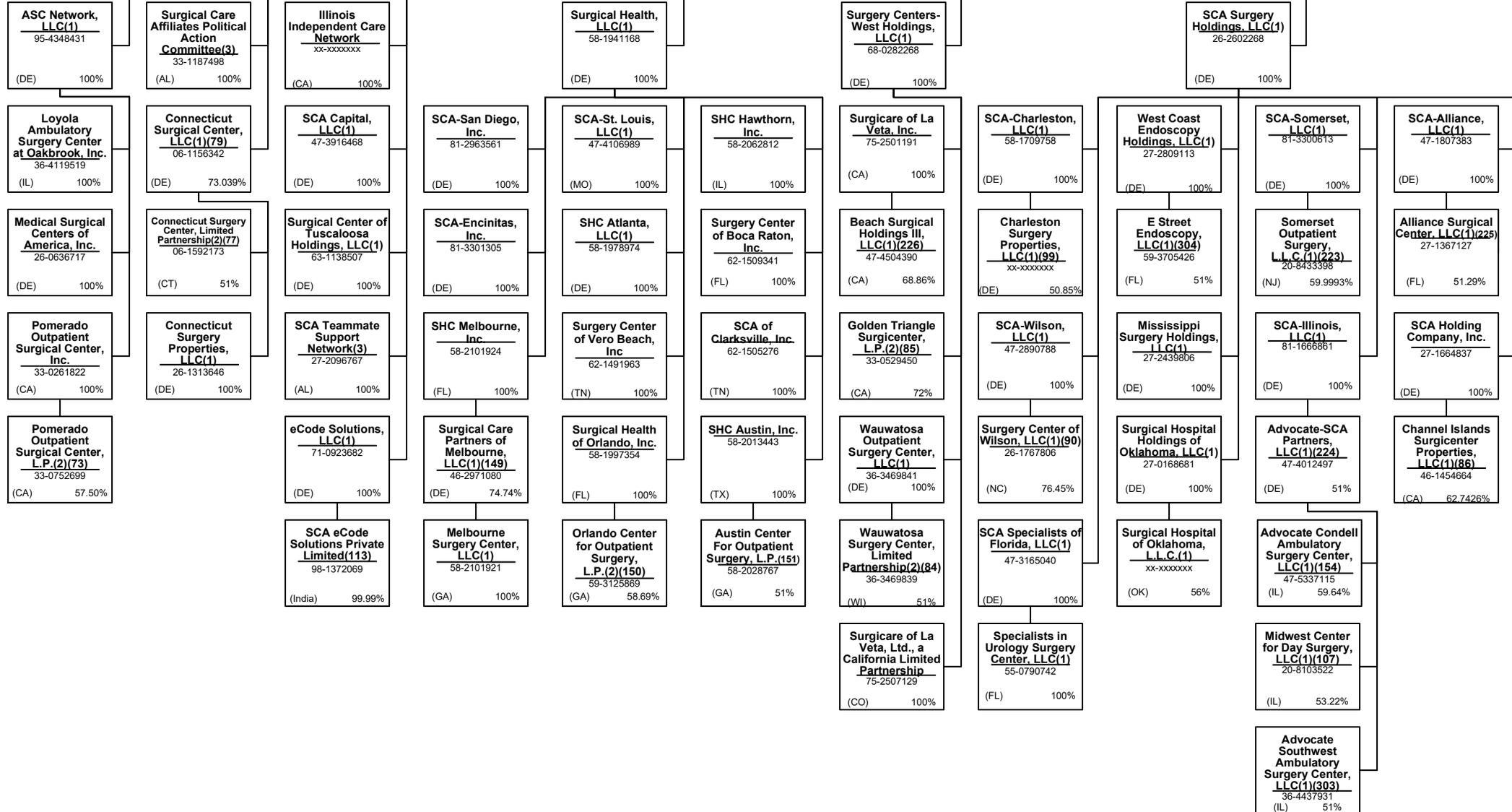
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

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

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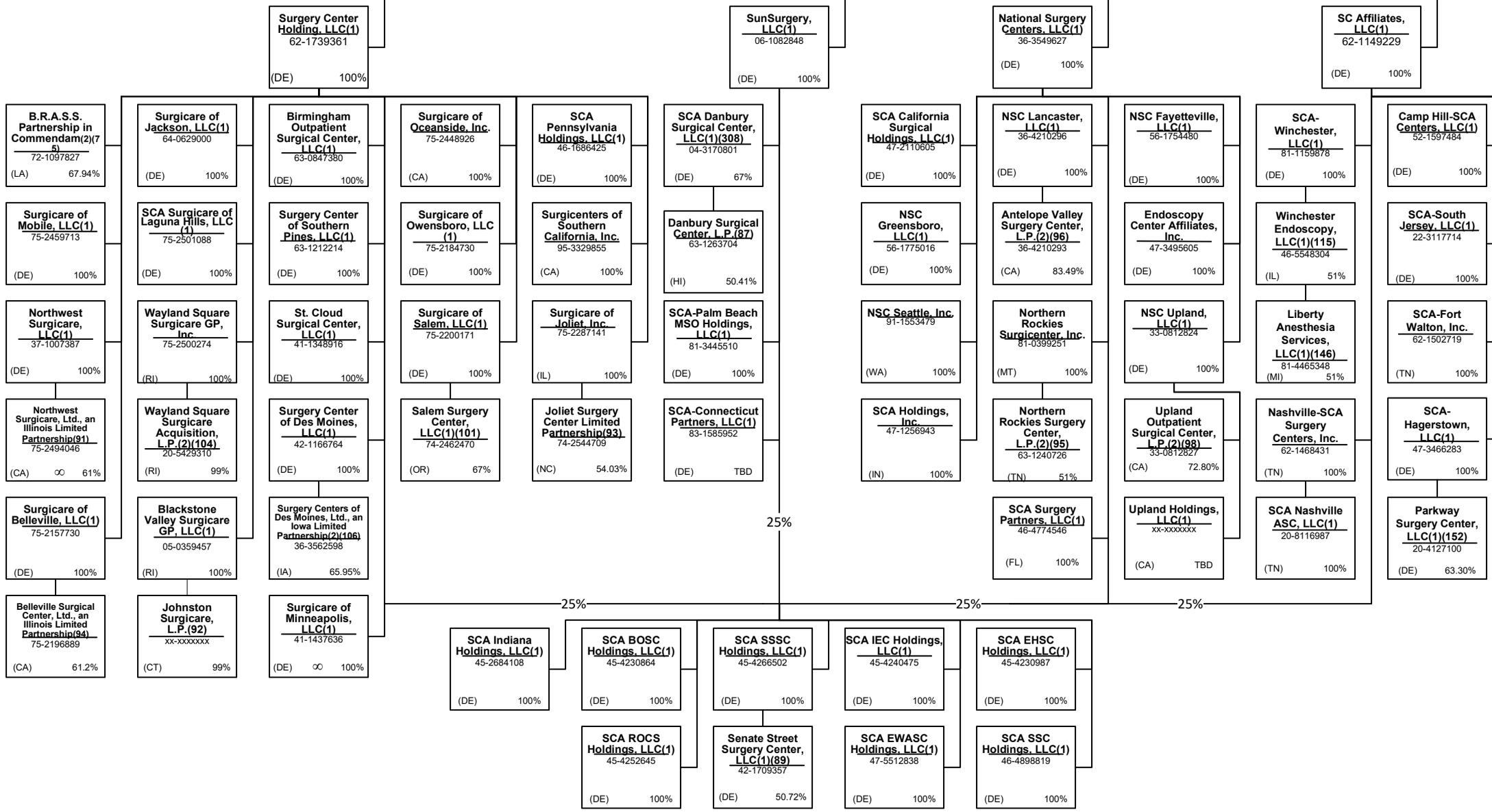


SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

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

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Continued on Next Page



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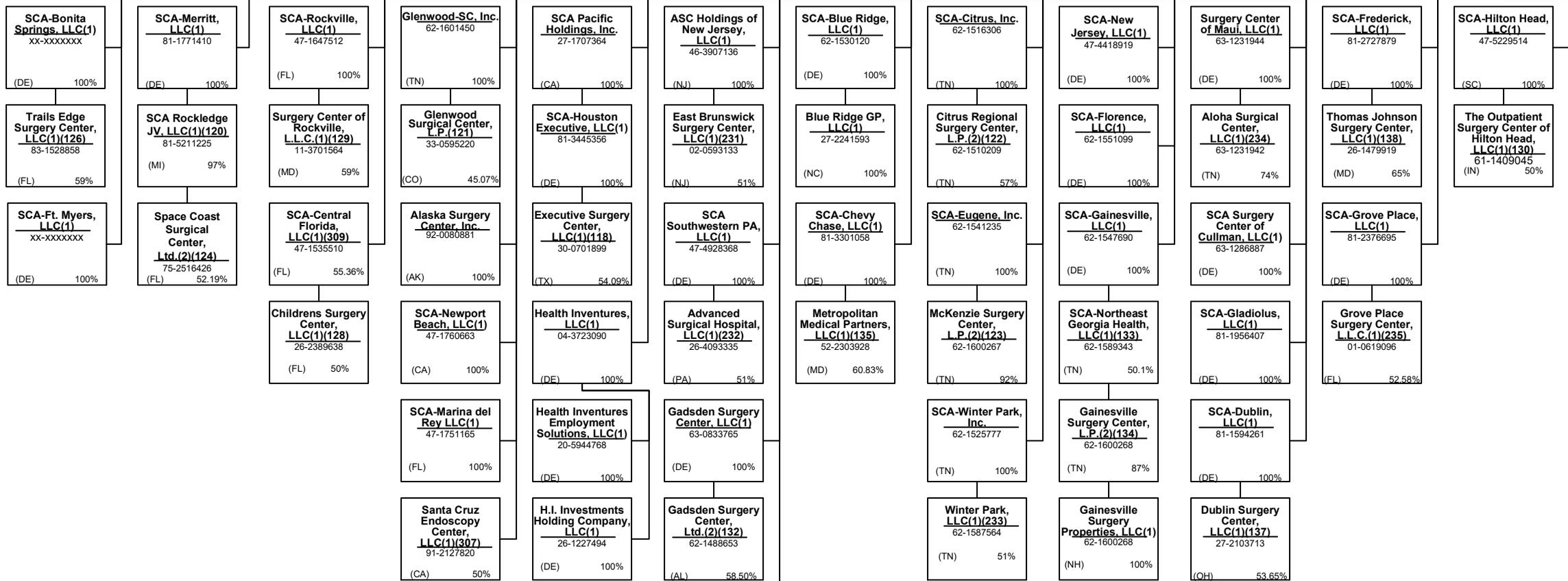
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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

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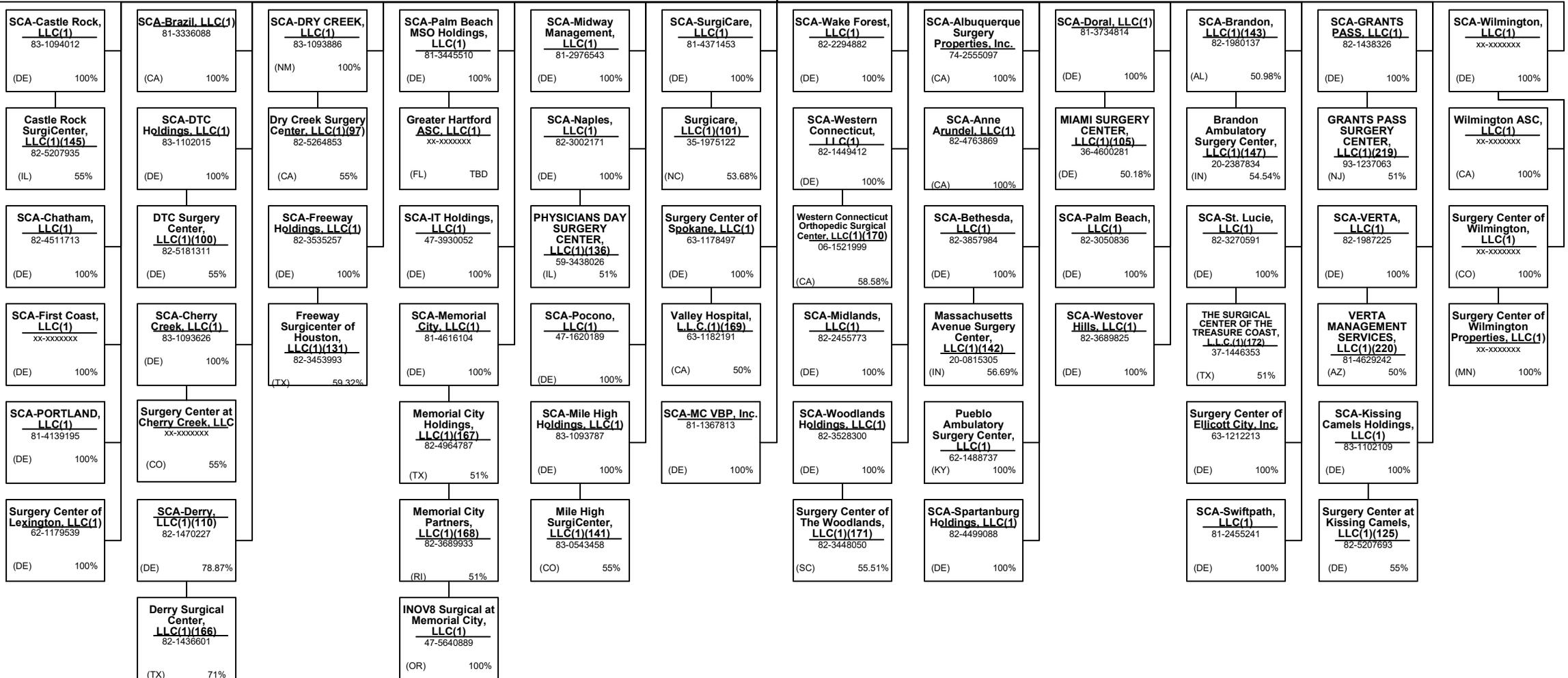
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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

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

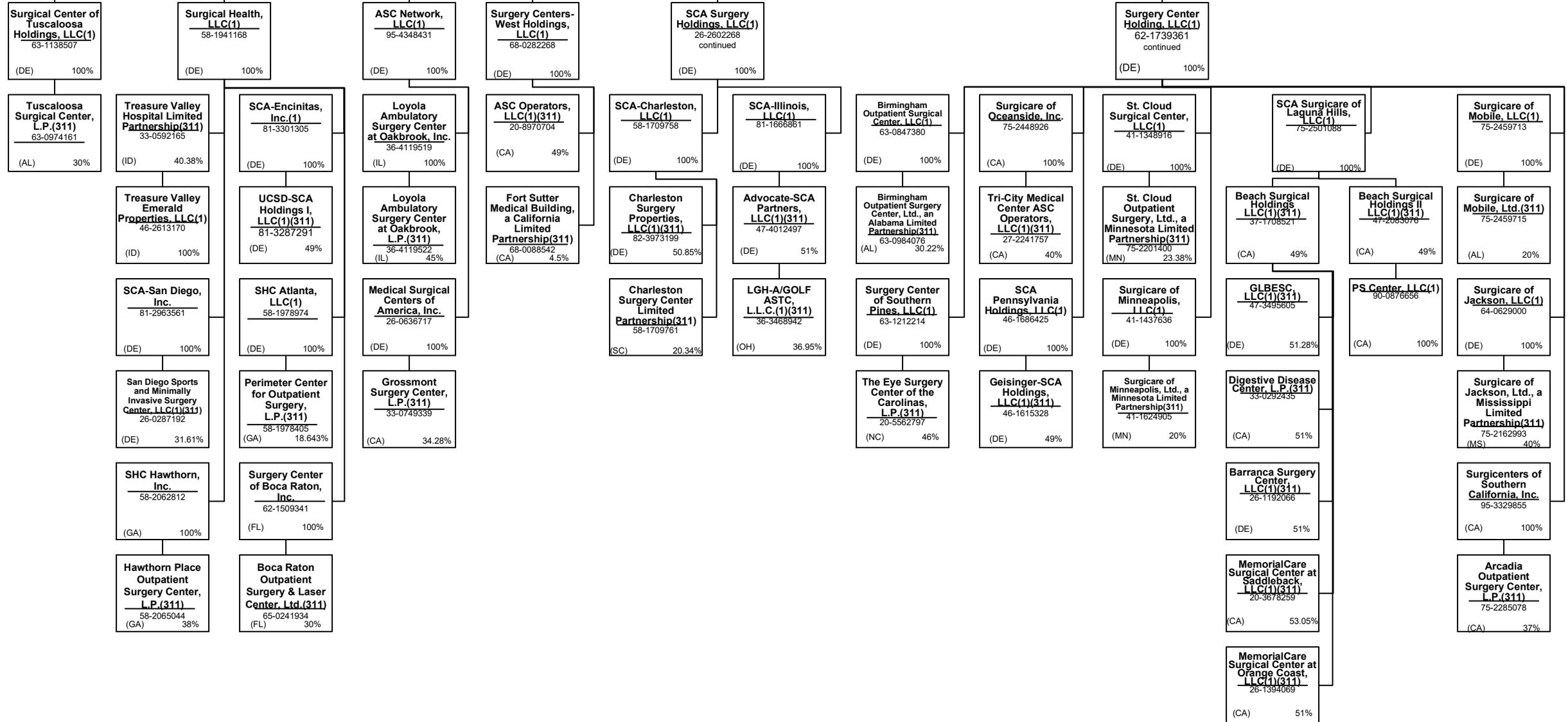
PART 1 – ORGANIZATIONAL CHART

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

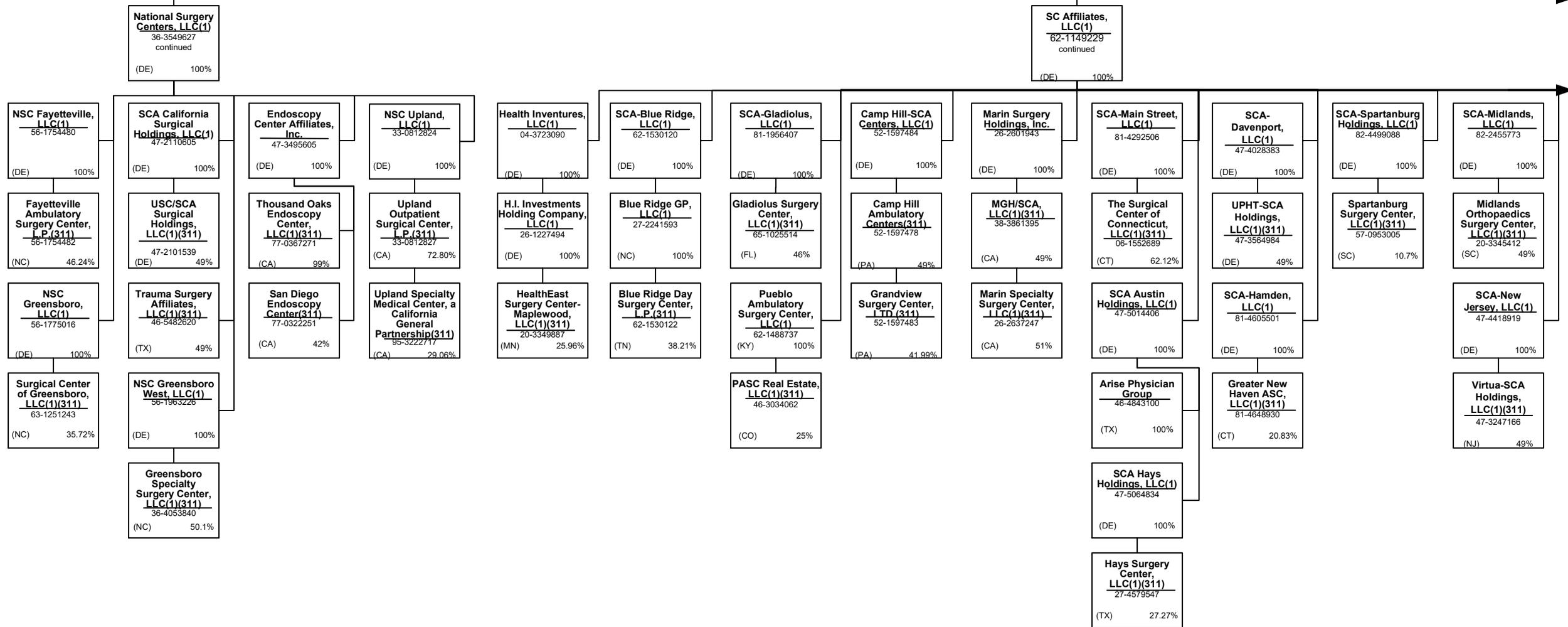
NOTE: All Companies below are minority owned entities of Surgical Care Affiliates, LLC.



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

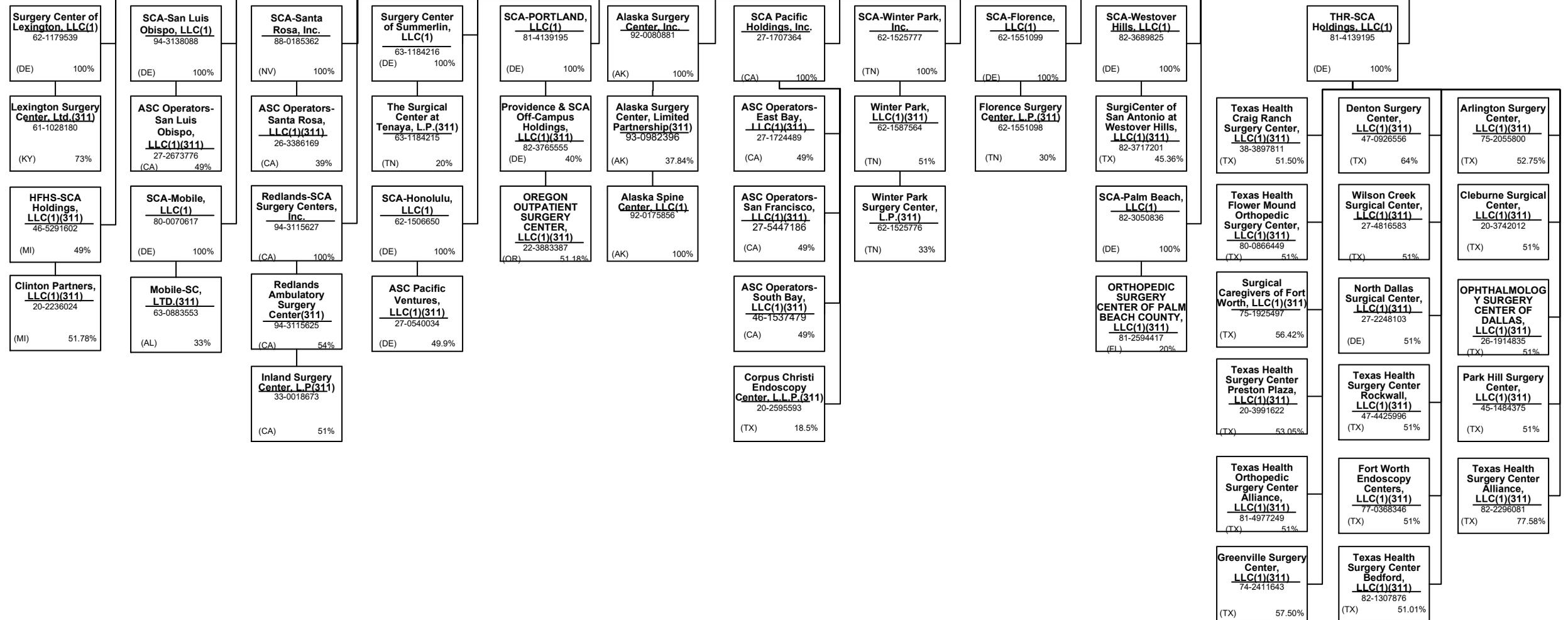
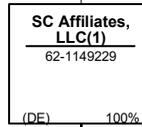
PART 1 – ORGANIZATIONAL CHART

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



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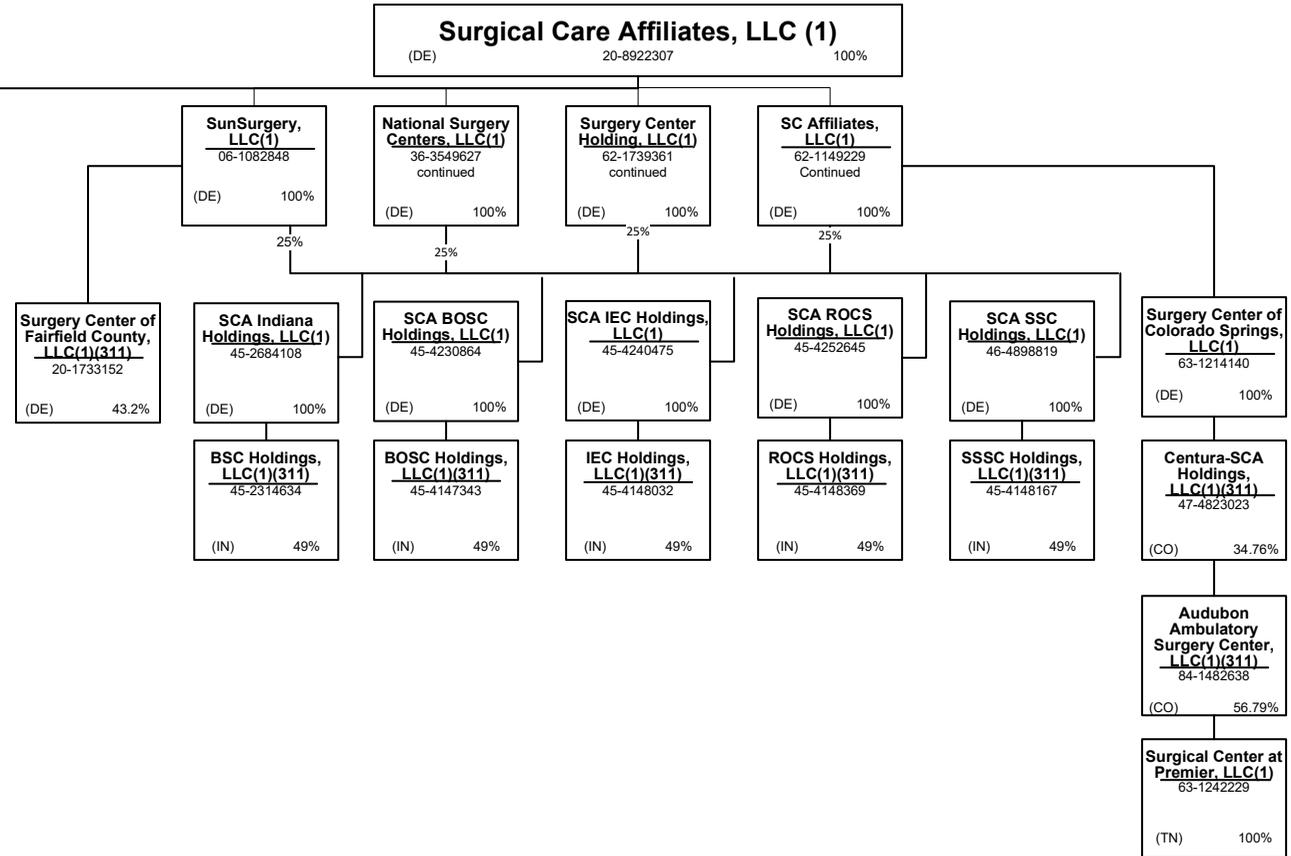


SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

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

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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 0.0036% 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 thid 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	1,137	1,101	3,408	0	5,646
2505. Professional Fees/Consulting	322,844	312,550	967,810	0	1,603,204
2506. Sundry General Expenses	3,035,682	1,550,646	5,404,221	0	9,990,549
2597. Summary of remaining write-ins for Line 25 from overflow page	3,359,663	1,864,297	6,375,439	0	11,599,399

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