



ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2019
 OF THE CONDITION AND AFFAIRS OF THE

QCA Health Plan, Inc.

(Name)

NAIC Group Code 01295 , 01295 NAIC Company Code 95448 Employer's ID Number 71-0794605
(Current Period) (Prior Period)

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

Country of Domicile United States

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

Incorporated/Organized 04/08/1996 Commenced Business 07/31/1996

Statutory Home Office 1 Allied Drive Suite 2520 , Little Rock, AR, US 72202
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 7700 Forsyth Blvd
(Street and Number)
Saint Louis, MO, US 63105 314-725-4477
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 7700 Forsyth Blvd , Saint Louis, MO, US 63105
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 7700 Forsyth Blvd
(Street and Number)
Saint Louis, MO, US 63105 314-725-4477
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.qualchoice.com

Statutory Statement Contact Craig Alles , 314-519-1232
(Name) (Area Code) (Telephone Number) (Extension)
craig.l.alles@centene.com 314-725-4658
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>John P. Ryan #</u>	<u>President</u>	<u>Thomas P. Wise #</u>	<u>Vice President</u>
<u>Jeffrey A. Schwaneke #</u>	<u>Treasurer</u>	<u>Tricia L. Dinkelman #</u>	<u>Vice President of Tax</u>

OTHER OFFICERS

<u>Keith H. Williamson #</u>	<u>Secretary</u>		

DIRECTORS OR TRUSTEES

<u>Thomas P. Wise #</u>	<u>Jeffrey A. Schwaneke #</u>	<u>Keith H. Williamson #</u>	

State of
 County of

ss

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

John P. Ryan
 President

Thomas P. Wise
 Vice President

Jeffrey A. Schwaneke
 Treasurer

Subscribed and sworn to before me this
 _____ day of _____,

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE QCA Health Plan, Inc.

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).....	24,782,096		24,782,096	42,093,398
2. Stocks (Schedule D):				
2.1 Preferred stocks	1,500,000		1,500,000	1,500,000
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$24,265,728 , Schedule E-Part 1), cash equivalents (\$3,225,964 , Schedule E-Part 2) and short-term investments (\$0 , Schedule DA).....	27,491,692		27,491,692	47,994,958
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....	0		0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	53,773,788	0	53,773,788	91,588,356
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	189,708		189,708	263,797
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,108,739		1,108,739	844,090
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)			0	32,223
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	733,831		733,831	33,933
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans	458,928		458,928	308,447
18.1 Current federal and foreign income tax recoverable and interest thereon	4,247,959		4,247,959	1,813,593
18.2 Net deferred tax asset.....	0		0	841,445
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	20,769,867		20,769,867	300
24. Health care (\$2,734,209) and other amounts receivable.....	5,421,896	2,687,687	2,734,209	1,708,231
25. Aggregate write-ins for other-than-invested assets	13,900,976	(3,693)	13,904,669	15,253,231
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	100,605,692	2,683,994	97,921,698	112,687,646
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	100,605,692	2,683,994	97,921,698	112,687,646
DETAILS OF WRITE-INS				
1101.			0	0
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. CSR Cost Sharing Receivable.....	12,363,010		12,363,010	15,253,231
2502. State Income Tax Recoverable.....	440,774		440,774	
2503. Accumulated Amortization - Intangibles.....	(4,200)	(4,200)	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	1,101,392	507	1,100,885	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	13,900,976	(3,693)	13,904,669	15,253,231

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE QCA Health Plan, Inc.

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	25,199,828		25,199,828	27,147,176
2. Accrued medical incentive pool and bonus amounts	308,104		308,104	0
3. Unpaid claims adjustment expenses	519,682		519,682	563,661
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act	21,036,067		21,036,067	6,368,820
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	2,691,023		2,691,023	4,150,898
9. General expenses due or accrued	2,422,945		2,422,945	3,130,489
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	5,441,138
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	12,622,609		12,622,609	1,435,710
16. Derivatives		0	0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	2,326,790		2,326,790	4,477,566
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	67,127,048	0	67,127,048	52,715,458
25. Aggregate write-ins for special surplus funds	XXX	XXX	4,110,529	0
26. Common capital stock	XXX	XXX	2,453	2,454
27. Preferred capital stock	XXX	XXX	25,500,046	25,500,046
28. Gross paid in and contributed surplus	XXX	XXX	40,365,294	29,750,000
29. Surplus notes	XXX	XXX	0	5,000,000
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(39,183,311)	(279,950)
32. Less treasury stock, at cost:				
32.1 .....3,600 shares common (value included in Line 26 \$)	XXX	XXX	360	360
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	30,794,651	59,972,190
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	97,921,699	112,687,648
DETAILS OF WRITE-INS				
2301.			0	0
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501. ACA Section 9010 Assessment	XXX	XXX	4,110,529	0
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 through 2503 plus 2598) (Line 25 above)	XXX	XXX	4,110,529	0
3001.	XXX	XXX	0	
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 through 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	590,993	563,061
2. Net premium income (including \$0 non-health premium income).....	XXX	219,304,337	206,395,796
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	219,304,337	206,395,796
Hospital and Medical:			
9. Hospital/medical benefits		136,163,637	110,562,636
10. Other professional services		8,080	0
11. Outside referrals			0
12. Emergency room and out-of-area		29,211,474	13,123,052
13. Prescription drugs		32,878,010	30,926,698
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		612,089	0
16. Subtotal (Lines 9 to 15)	0	198,873,290	154,612,386
Less:			
17. Net reinsurance recoveries		1,805,580	1,135,841
18. Total hospital and medical (Lines 16 minus 17)	0	197,067,710	153,476,545
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$3,174,765 cost containment expenses.....		5,345,637	6,266,411
21. General administrative expenses.....		38,503,667	25,624,378
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		13,219,459	0
23. Total underwriting deductions (Lines 18 through 22)	0	254,136,473	185,367,334
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(34,832,136)	21,028,462
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		1,148,750	1,380,247
26. Net realized capital gains (losses) less capital gains tax of \$(38,896)		(146,323)	(253,126)
27. Net investment gains (losses) (Lines 25 plus 26)	0	1,002,427	1,127,121
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		0	0
29. Aggregate write-ins for other income or expenses	0	(1,298,836)	0
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	(35,128,545)	22,155,583
31. Federal and foreign income taxes incurred	XXX	(3,867,238)	5,441,151
32. Net income (loss) (Lines 30 minus 31)	XXX	(31,261,307)	16,714,432
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 through 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 through 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 through 1403 plus 1498) (Line 14 above)	0	0	0
2901. Miscellaneous Income/Expense.....			0
2902. Change in Deferred Tax.....		(1,298,836)	
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	(1,298,836)	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	59,972,188	43,573,017
34. Net income or (loss) from Line 32	(31,261,307)	16,714,432
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	(1,094,638)	(2,647,663)
39. Change in nonadmitted assets	(623,292)	2,332,402
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	(5,000,000)	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	(1)	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	40,800,000	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders	(30,184,706)	0
47. Aggregate write-ins for gains or (losses) in surplus	(1,813,593)	0
48. Net change in capital and surplus (Lines 34 to 47)	(29,177,537)	16,399,171
49. Capital and surplus end of reporting year (Line 33 plus 48)	30,794,651	59,972,188
DETAILS OF WRITE-INS		
4701. Tax Receivable at Sale.....	(1,813,593)	
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	(1,813,593)	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	232,280,445	214,805,644
2. Net investment income	1,245,635	1,373,824
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	233,526,080	216,179,468
5. Benefit and loss related payments	217,475,845	144,280,438
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	34,604,070	32,429,603
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	3,969,370	2,516,019
10. Total (Lines 5 through 9)	256,049,285	179,226,060
11. Net cash from operations (Line 4 minus Line 10)	(22,523,205)	36,953,408
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	45,253,940	19,208,121
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	5,404
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	1	0
12.7 Miscellaneous proceeds	3	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	45,253,944	19,213,525
13. Cost of investments acquired (long-term only):		
13.1 Bonds	28,149,299	19,403,157
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)	28,149,299	19,403,157
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)	17,104,645	(189,632)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	(5,000,000)	0
16.2 Capital and paid in surplus, less treasury stock	20,100,000	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	30,184,706	0
16.6 Other cash provided (applied)	0	(14,777,644)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(15,084,706)	(14,777,644)
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)	(20,503,265)	21,986,132
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	47,994,958	26,008,826
19.2 End of year (Line 18 plus Line 19.1)	27,491,693	47,994,958

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE QCA Health Plan, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	219,304,337	216,363,270	0	0	0	2,941,067	0	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	219,304,337	216,363,270	0	0	0	2,941,067	0	0	0	0
8. Hospital/medical benefits	136,163,638	135,221,580				942,058				XXX
9. Other professional services	8,080	8,080								XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	29,211,474	29,025,933				185,541				XXX
12. Prescription drugs	32,878,010	32,263,228				614,782				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	612,089	612,089								XXX
15. Subtotal (Lines 8 to 14)	198,873,291	197,130,910	0	0	0	1,742,381	0	0	0	XXX
16. Net reinsurance recoveries	1,805,580	1,805,580								XXX
17. Total hospital and medical (Lines 15 minus 16)	197,067,711	195,325,330	0	0	0	1,742,381	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 3,174,765 cost containment expenses	5,345,637	5,258,233				87,404				
20. General administrative expenses	38,503,666	38,233,660				270,006				
21. Increase in reserves for accident and health contracts	13,219,459	13,219,459								XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	254,136,473	252,036,682	0	0	0	2,099,791	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(34,832,136)	(35,673,412)	0	0	0	841,276	0	0	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 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 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 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE QCA Health Plan, Inc.

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)	216,962,352		599,082	216,363,270
2. Medicare Supplement .....				.0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan	2,948,438		7,371	2,941,067
6. Title XVIII - Medicare .....				.0
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8)	219,910,790	.0	606,453	219,304,337
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	219,910,790	0	606,453	219,304,337

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE QCA Health Plan, Inc.

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	212,215,350	210,272,071				1,943,279				
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	1,105,681	1,105,681								
1.4 Net	211,109,669	209,166,390	0	0	0	1,943,279	0	0	0	0
2. Paid medical incentive pools and bonuses	312,089	312,089								
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	25,199,829	25,001,218	0	0	0	198,611	0	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	25,199,829	25,001,218	0	0	0	198,611	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	308,104	308,104								
6. Net healthcare receivables (a).....	12,014,905	11,900,265				114,640				
7. Amounts recoverable from reinsurers December 31, current year	733,831	733,831								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	27,147,178	26,862,309	0	0	0	284,869	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	27,147,178	26,862,309	0	0	0	284,869	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	33,933	33,933	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	198,253,096	196,510,715	0	0	0	1,742,381	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	1,805,579	1,805,579	0	0	0	0	0	0	0	0
12.4 Net	196,447,517	194,705,136	0	0	0	1,742,381	0	0	0	0
13. Incurred medical incentive pools and bonuses	620,193	620,193	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE QCA Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	681,692	676,319				5,373				
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	681,692	676,319	0	0	0	5,373	0	0	0	0
2. Incurred but Unreported:										
2.1. Direct	24,518,137	24,324,899				193,238				
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	24,518,137	24,324,899	0	0	0	193,238	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	25,199,829	25,001,218	0	0	0	198,611	0	0	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	25,199,829	25,001,218	0	0	0	198,611	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE QCA Health Plan, Inc.

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	26,405,272	182,061,220	1,002,514	23,998,704	27,407,786	26,862,364
2. Medicare Supplement .....					.0	.0
3. Dental Only.....					.0	.0
4. Vision Only.....					.0	.0
5. Federal Employees Health Benefits Plan	168,971	1,774,308	.0	198,611	168,971	284,812
6. Title XVIII - Medicare .....					.0	.0
7. Title XIX - Medicaid.....					.0	.0
8. Other health .....					.0	.0
9. Health subtotal (Lines 1 to 8).....	26,574,243	183,835,528	1,002,514	24,197,315	27,576,757	27,147,176
10. Healthcare receivables (a).....	3,459,237	6,626,940		5,421,896	3,459,237	3,493,169
11. Other non-health.....					.0	.0
12. Medical incentive pools and bonus amounts	312,089			308,104	312,089	.0
13. Totals (Lines 9-10+11+12)	23,427,095	177,208,588	1,002,514	19,083,523	24,429,609	23,654,007

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE QCA Health Plan, Inc.

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

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	247,667	247,667	247,667	247,667	247,667
2. 2015	140,681	165,030	165,095	165,095	165,095
3. 2016	XXX	181,402	211,900	211,899	211,899
4. 2017	XXX	XXX	144,811	158,832	158,832
5. 2018	XXX	XXX	XXX	140,579	168,069
6. 2019	XXX	XXX	XXX	XXX	175,434

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	248,149	247,667	247,667	247,667	247,667
2. 2015	168,209	165,033	165,096	165,095	165,095
3. 2016	XXX	210,583	211,969	211,895	211,895
4. 2017	XXX	XXX	163,457	159,721	158,832
5. 2018	XXX	XXX	XXX	166,556	169,072
6. 2019	XXX	XXX	XXX	XXX	193,585

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	203,915	165,095	4,432	2.7	169,527	83.1			169,527	83.1
2. 2016	217,987	211,899	4,660	2.2	216,559	99.3			216,559	99.3
3. 2017	195,001	158,832	6,866	4.3	165,698	85.0			165,698	85.0
4. 2018	202,297	168,069	23,263	13.8	191,332	94.6	1,003	21	192,356	95.1
5. 2019	216,962	175,434	3,900	2.2	179,334	82.7	24,307	499	204,140	94.1

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Pt 2C - Sn A - Paid Claims - MS

NONE

Pt 2C - Sn A - Paid Claims - DO

NONE

Pt 2C - Sn A - Paid Claims - VO

NONE

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE QCA Health Plan, Inc.

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

Section A – Paid Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	3,173	3,173	3,173	3,173	3,173
2. 2015	2,022	2,217	2,217	2,217	2,217
3. 2016	XXX	1,860	1,997	1,997	1,997
4. 2017	XXX	XXX	1,847	1,944	1,944
5. 2018	XXX	XXX	XXX	2,663	2,832
6. 2019	XXX	XXX	XXX	XXX	1,747

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	3,197	3,173	3,173	3,173	3,173
2. 2015	2,272	2,217	2,217	2,217	2,217
3. 2016	XXX	1,860	1,997	1,997	1,997
4. 2017	XXX	XXX	2,057	1,942	1,944
5. 2018	XXX	XXX	XXX	2,951	2,832
6. 2019	XXX	XXX	XXX	XXX	1,973

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Federal Employees Health Benefits Plan Premium

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015.....	2,220	2,217	2,217	100.0	4,434	199.7			4,434	199.7
2. 2016.....	2,867	1,997	1,997	100.0	3,994	139.3			3,994	139.3
3. 2017.....	2,579	1,944	1,944	100.0	3,888	150.8			3,888	150.8
4. 2018.....	3,148	2,832	2,832	100.0	5,664	179.9			5,664	179.9
5. 2019.....	2,948	1,747	1,774	101.5	3,521	119.4	199		3,720	126.2

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Pt 2C - Sn A - Paid Claims - XV

NONE

Pt 2C - Sn A - Paid Claims - XI

NONE

Pt 2C - Sn A - Paid Claims - OT

NONE

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE QCA Health Plan, Inc.

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	250,840	250,840	250,840	250,840	250,840
2. 2015	142,703	167,247	167,312	167,312	167,312
3. 2016	XXX	183,262	213,897	213,896	213,896
4. 2017	XXX	XXX	146,658	160,776	160,776
5. 2018	XXX	XXX	XXX	143,242	170,901
6. 2019	XXX	XXX	XXX	XXX	177,181

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	251,346	250,840	250,840	250,840	250,840
2. 2015	170,481	167,250	167,313	167,312	167,312
3. 2016	XXX	212,443	213,966	213,892	213,892
4. 2017	XXX	XXX	165,514	161,663	160,776
5. 2018	XXX	XXX	XXX	169,507	171,904
6. 2019	XXX	XXX	XXX	XXX	195,558

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 Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	206,135	167,312	6,649	4.0	173,961	84.4	.0	.0	173,961	84.4
2. 2016	220,854	213,896	6,657	3.1	220,553	99.9	.0	.0	220,553	99.9
3. 2017	197,580	160,776	8,810	5.5	169,586	85.8	.0	.0	169,586	85.8
4. 2018	205,445	170,901	26,095	15.3	196,996	95.9	1,003	21	198,020	96.4
5. 2019	219,910	177,181	5,674	3.2	182,855	83.1	24,506	499	207,860	94.5

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Pt 2C - Sn B - Incurred Claims - MS

NONE

Pt 2C - Sn B - Incurred Claims - DO

NONE

Pt 2C - Sn B - Incurred Claims - VO

NONE

Pt 2C - Sn B - Incurred Claims - XV

NONE

Pt 2C - Sn B - Incurred Claims - XI

NONE

Pt 2C - Sn B - Incurred Claims - OT

NONE

Part 2C - Sn C - Claims Expense Ratio MS

NONE

Part 2C - Sn C - Claims Expense Ratio DO

NONE

Part 2C - Sn C - Claims Expense Ratio VO

NONE

Part 2C - Sn C - Claims Expense Ratio XV

NONE

Part 2C - Sn C - Claims Expense Ratio XI

NONE

Part 2C - Sn C - Claims Expense Ratio OT

NONE

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE QCA Health Plan, Inc.

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 Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	.0								
2. Additional policy reserves (a).....	13,219,459	13,219,459							
3. Reserve for future contingent benefits.....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income).....	7,816,608	7,816,608							
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross)	21,036,067	21,036,067	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0								
8. Totals (Net) (Page 3, Line 4)	21,036,067	21,036,067	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. ....	.0								
0502. ....	.0	.0							
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 through 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 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$13,219,459 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building)	136,029	57,209	828,849		1,022,087
2. Salaries, wages and other benefits	3,098,050	1,337,684	18,038,795		22,474,529
3. Commissions (less \$ceded plus \$assumed)			4,455,446		4,455,446
4. Legal fees and expenses			175,547		175,547
5. Certifications and accreditation fees			12,971		12,971
6. Auditing, actuarial and other consulting services			2,162,854		2,162,854
7. Traveling expenses	5,081	5,478	198,007		208,566
8. Marketing and advertising	7,672		712,555		720,227
9. Postage, express and telephone	68,191	281,216	544,386		893,793
10. Printing and office supplies	31,578	247,413	300,292		579,283
11. Occupancy, depreciation and amortization			1,185,208		1,185,208
12. Equipment			36,433		36,433
13. Cost or depreciation of EDP equipment and software			1,031,058		1,031,058
14. Outsourced services including EDP, claims, and other services	544,894	514,849	4,578,122		5,637,865
15. Boards, bureaus and association fees					0
16. Insurance, except on real estate			316,167		316,167
17. Collection and bank service charges			89,372		89,372
18. Group service and administration fees			0		0
19. Reimbursements by uninsured plans	(920,040)	(386,939)	(3,255,398)		(4,562,377)
20. Reimbursements from fiscal intermediaries			42,275		42,275
21. Real estate expenses			27,036		27,036
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			2,857,905		2,857,905
23.3 Regulatory authority licenses and fees			494,737		494,737
23.4 Payroll taxes	182,432	70,698	734,722		987,852
23.5 Other (excluding federal income and real estate taxes)			11,124		11,124
24. Investment expenses not included elsewhere				1,870	1,870
25. Aggregate write-ins for expenses	20,878	43,264	2,925,205	0	2,989,347
26. Total expenses incurred (Lines 1 to 25)	3,174,765	2,170,872	38,503,667	1,870	43,851,174
27. Less expenses unpaid December 31, current year		519,682	2,422,945		2,942,627
28. Add expenses unpaid December 31, prior year	0	563,661	3,130,489	0	3,694,150
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	3,174,765	2,214,851	39,211,211	1,870	44,602,697
DETAILS OF WRITE-INS					
2501. Other Employee Expenses.....	15,492	10,892	109,295		135,679
2502. Donations.....					0
2503. Miscellaneous.....			831,217		831,217
2598. Summary of remaining write-ins for Line 25 from overflow page	5,386	32,372	1,984,693	0	2,022,451
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	20,878	43,264	2,925,205	0	2,989,347

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) (2,254)	142
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 465,873	571,466
1.3 Bonds of affiliates	(a) 0	
2.1 Preferred stocks (unaffiliated)	(b) 0	
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)	0	
2.21 Common stocks of affiliates	0	
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 562,479	579,012
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	1,026,098	1,150,620
11. Investment expenses		(g) 1,870
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		1,870
17. Net investment income (Line 10 minus Line 16)		1,148,750
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 through 0903 plus 0998) (Line 9 above)	0	0
1501. Service Fees		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

- (a) Includes \$ 1,656 accrual of discount less \$ 24,452 amortization of premium and less \$ 67,810 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ 2,745 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 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	(132,440)		(132,440)		
1.1 Bonds exempt from U.S. tax	(52,783)		(52,783)		
1.2 Other bonds (unaffiliated)	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	1		1	0	0
7. Derivative instruments	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)	(185,222)	0	(185,222)	0	0
DETAILS OF WRITE-INS					
0901. Rounding			0		
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	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	(4,200)	0	4,200
12. Subtotals, cash and invested assets (Lines 1 to 11)	(4,200)	0	4,200
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.....	0	1,162	1,162
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	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	253,193	253,193
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	54,327	54,327
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	2,687,687	1,751,006	(936,681)
25. Aggregate write-ins for other-than-invested assets	(507)	0	507
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	2,682,980	2,059,688	(623,292)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	2,682,980	2,059,688	(623,292)
DETAILS OF WRITE-INS			
1101. Amortization of Intangible Assets.....	(4,200)	0	4,200
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	(4,200)	0	4,200
2501. Prepaid Admin Contract.....	0	0	0
2502. Goodwill.....	(507)	0	507
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	(507)	0	507

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE QCA Health Plan, Inc.

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.....	.647	.657	.650	.653	.654	7,826
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.45,808	.47,071	.48,287	.50,204	.50,506	.583,167
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
7. Total	46,455	47,728	48,937	50,857	51,160	590,993
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 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A) Accounting Practices

The financial statements of QCA Health Plan, Inc. (the Company) are presented on the basis of accounting practices prescribed or permitted by the Arkansas Department of Insurance (DOI).

The Arkansas DOI 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 insurance company, for determining solvency under the Arkansas Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted with modifications as a component of prescribed or permitted practices of the state of Arkansas.

<u>NET INCOME</u>	<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>State of Domicile</u>	<u>2019</u>	<u>2018</u>
(1) QCA Health Plan, Inc. state basis (Page 4, Line 32, Columns 2 & 4)	XXX	XXX	XXX	Arkansas	\$ (31,261,307)	\$ 16,714,432
(2) State Prescribed Practices that increase/(decrease) NAIC SAP: e.g., Depreciation of fixed assets				Arkansas	\$ -	\$ -
(3) State Permitted Practices that increase/(decrease) NAIC SAP: e.g., Depreciation of fixed assets, home office property				Arkansas	\$ -	\$ -
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	Arkansas	\$ (31,261,307)	\$ 16,714,432
<u>SURPLUS</u>						
(5) QCA Health Plan, Inc. state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	Arkansas	\$ 30,794,651	\$ 59,972,190
(6) State Prescribed Practices that increase/(decrease) NAIC SAP: e.g., Goodwill, net e.g., Fixed Assets, net				Arkansas	\$ -	\$ -
(7) State Permitted Practices that increase/(decrease) NAIC SAP: e.g., Home Office Property				Arkansas	\$ -	\$ -
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	Arkansas	\$ 30,794,651	\$ 59,972,190

B) Use of Estimates in the Preparation of the Financial Statement

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

C) Accounting Policy

1. Cash and short-term investments are carried at cost, which approximates fair value. Short-term investments include securities purchased within twelve month or less of maturity date.
2. Investment grade bonds (NAIC designation 1 or 2) not backed by other loans are valued at amortized cost using the scientific (constant yield) method. Bonds containing call provisions, except "make whole" call provisions, are amortized to the call or maturity value/date which produces the lowest asset value (yield to worst). Bonds which are below investment grade (NAIC designations 3 to 6) are carried at the lower of amortized cost or fair value.
3. The Company holds no common stocks.
4. The Company is invested in the preferred stock of an affiliated entity, QualChoice Life and Health Insurance Company, Inc.
5. The Company holds no mortgage loans.
6. Loan-back securities are carried at amortized cost. Adjustments are applied prospectively.
7. The Company is invested in the preferred stock of an affiliated entity, QualChoice Life and Health Insurance Company, Inc.
8. The Company has no investments in joint ventures, partnerships and limited liability companies.
9. The Company holds no derivatives.
10. The Company reviews expectations regarding the profitability of contracts in force to determine whether a premium deficiency reserve is required. The Company considers anticipated investment income when calculating its premium deficiency reserves. The adequacy of reserve requirements is continually reviewed by management, with any reductions in the reserve being recorded as a beneficial effect in the Statement of Revenue and Expenses. The Company has a \$13,219,459 premium deficiency reserve recorded as of December 31, 2019.
11. Unpaid losses and loss adjustment expenses include amounts determined from claims estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount to be adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
12. The company does not have capitalized assets.
13. Pharmaceutical rebates are based on actual pharmaceutical claims experience.

NOTES TO FINANCIAL STATEMENTS

14. Premiums are generally received in the month for which coverage applies, and income from such premiums is recorded as earned during the period in which the Company is obligated to provide services to members. Premiums collected in advance of the month for which coverage applies are deferred and recorded as unearned premium revenue.
15. The Company recognizes investment income when earned. The Company records receivables for investment income earned as of the reporting date but not paid to the Company until subsequent to the reporting date. The Company performs an evaluation of the receivables to determine whether impairment exists.

D) Going Concern

The Company's management has not identified any conditions or events that raise substantial doubt in its ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Arkansas. During the audit of the statutory financial statements for the year ended December 31, 2018, certain adjustments to the amounts previously reported in the Annual Statement for the year ended December 31, 2018 were identified and disclosed in the notes to the audited financial statements. The adjustments were corrected during 2019 and are reflected in these statements as of December 31, 2019. The following is a reconciliation of the amounts reported in the Annual Statement and the audited financial statements for the year ended December 31, 2018.

Balance Sheet	
Total admitted assets as reported in the annual statement	112,687,646
Audit Adjustments:	<u>(1,813,591)</u>
Total admitted assets as reported in the audited financial statements	<u>110,874,055</u>
Total liabilities as reported in the annual statement	52,715,458
Audit Adjustments:	<u>(536,493)</u>
Total liabilities as reported in the audited financial statements	<u>52,178,965</u>
Total capital and surplus as reported in the annual statement	59,972,190
Audit Adjustments:	<u>(1,277,100)</u>
Total capital and surplus as reported in the audited financial statement	<u>58,695,090</u>
Statement of revenue and expenses	
Net income as reported in the annual statement	16,714,432
Audit Adjustments	<u>(142,198)</u>
Net income as reported in the audited financial statements	<u>16,572,234</u>

3. Business Combinations and Goodwill

- A. Statutory Purchase Method – None
- B. Statutory Merger – None
- C. Assumption Reinsurance – None
- D. Impairment Loss – None

4. Discontinued Operations

None

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – None
- B. Debt Restructuring – None
- C. Reverse Mortgages – None
- D. Loan-Backed Securities
 1. Prepayment assumptions for loan-backed securities were obtained from Moody's.
 2. None
 3. None
 4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

NOTES TO FINANCIAL STATEMENTS

a. The aggregate amount of unrealized losses:

Less than 12 Months	(19,698)
12 Months or Longer	--

b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months	2,784,731
2. 12 Months or Longer	--

5. For any security in an unrealized loss position, the Company assesses whether it intends to sell the security or if it is more likely than not that the Company will be required to sell the security before recovery of the amortized cost basis for reasons such as liquidity, contractual or regulatory purposes. If the security meets this criterion, the decline in fair value is other-than-temporary and is recorded in earnings.

For loan-backed securities in an unrealized loss position, management further evaluates whether the collection of all cashflows is probable. Management utilizes the prospective adjustment method to evaluate the present value of future cash flows. For those loan-back and structured securities (NAIC designated 1 or 2) where management has determined that collection of all contractual cashflows is not probable, the securities are considered other than temporarily impaired to the extent amortized cost is greater than the present value of future cash flows.

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

For dollar repurchase agreements, Company policies require a minimum of 100% of the fair value of securities purchases agreements to be maintained as collateral. There were no dollar repurchase arrangements outstanding for the year ended December 31, 2019.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – None

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – None

H. Repurchase Agreements Transactions Accounted for as a Sale – None

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale – None

J. Real Estate – None

K. Low-Income Housing Tax Credits (LIHTC) – None

L. Restricted Assets

1. Restricted Assets (Including Pledged)

NOTES TO FINANCIAL STATEMENTS

Restricted Asset Category	1	2	3	4	5	6
	Total Gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown						
b. Collateral held under security lending agreements						
c. Subject to repurchase agreements						
d. Subject to reverse repurchase agreements						
e. Subject to dollar repurchase agreements						
f. Subject to dollar reverse repurchase agreements						
g. Placed under option contracts						
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock						
i. FHLB capital stock						
j. On deposit with states	653,257	620,908	32,349	653,257	0.7%	0.7%
k. On deposit with other regulatory bodies						
l. Pledged as collateral to FHLB (including assets backing funding agreements).						
m. Pledged as collateral not captured in other categories						
n. Other restricted assets						
o. Total Restricted Assets	653,257	620,908	32,349	653,257	0.7%	0.7%

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories – None

3. Detail of Other Restricted Assets – None

4. Collateral Received and Reflected as Assets Within the Reporting Entity’s Financial Statements – None

M. Working Capital Finance Investments - None

N. Offsetting and Netting of Assets and Liabilities - None

O. 5GI Securities – None

P. Short Sales- None

Q. Prepayment Penalty and Acceleration Fees - Not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies.

7. Investment Income

1. All investment income due and accrued with amounts that are over 90 days past due was excluded from surplus.

2. The total amount excluded was \$0.

8. Derivative Instruments

None

9. Income Taxes

NOTES TO FINANCIAL STATEMENTS

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):

(1) DTA/DTL Components Description	2019			2018			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	4,466,769	0	4,466,769	3,895,203	60,117	3,955,320	571,565	(60,117)	511,449
(b) Statutory valuation allowance adjustment	(4,423,084)	0	(4,423,084)	(2,771,652)	(60,117)	(2,831,769)	(1,651,432)	60,117	(1,591,315)
(c) Adjusted gross deferred tax assets	43,685	0	43,685	1,123,551	(0)	1,123,551	(1,079,867)	0	(1,079,866)
(d) Deferred tax assets nonadmitted	0	0	0	(253,193)	0	(253,193)	253,193	0	253,193
(e) Net admitted deferred tax assets	43,685	0	43,685	870,358	(0)	870,358	(826,673)	0	(826,673)
(f) Deferred tax liabilities	(43,685)	0	(43,685)	(28,913)	0	(28,913)	(14,772)	0	(14,772)
(g) Net admitted deferred tax asset/(Net deferred tax liability)	(0)	0	(0)	841,445	(0)	841,445	(841,445)	0	(841,445)

(2) Admission calculation components:

Description	2019			2018			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission calculation under ¶11.a.-¶11.c.									
(a) FIT recoverable by loss carryback [¶11.a.]	0	0	0	705,382	0	705,382	(705,382)	0	(705,382)
(b) Expected to be realized [¶11.b.] (lesser of 1. or 2.)	0	0	0	136,063	0	136,063	(136,063)	0	(136,063)
1. Expected to be realized [¶11.b.i.]	0	0	0	136,063	0	136,063	0	0	0
2. Surplus limitation [¶11.b.ii.]	XXX	XXX	4,064,198	XXX	XXX	0	XXX	XXX	4,064,198
(c) DTL offset [¶11.c.]	43,685	0	43,685	28,913	0	28,913	14,772	0	14,772
(d) Total admitted under ¶11.a.-11.c.	43,685	0	43,685	870,358	0	870,358	(826,673)	0	(826,673)
Deferred tax liabilities	(43,685)	0	(43,685)	(28,913)	0	(28,913)	(14,772)	0	(14,772)
Net admitted deferred tax asset/liability under ¶11.a.-¶11.c.	(0)	0	(0)	841,445	0	841,445	(841,445)	0	(841,445)

(3) Information used in expected to be realized calculation [¶11.b.]

	2019	2018
(a) ExDTA ACL RBC or other ratio	354%	400%
(b) Adjusted capital and surplus	27,094,655	59,124,714

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

Description	2019			2018			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Adjusted gross DTAs - Amount (Memo Entry)	0	0	0	1,123,551	0	1,123,551	(1,123,551)	0	(1,123,551)
(a) Adjusted gross DTAs - Percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net admitted DTAs - Amount (Memo Entry)	0	0	0	870,358	0	870,358	(870,358)	0	(870,358)
(b) Net admitted DTAs - Percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(c) Did the company avail itself of a tax planning strategy involving re Yes No

B. Temporary differences for which DTLs have not been established:

Not Applicable

C. Current tax and change in deferred tax:

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

Description	2019	2018
(a) Current federal income tax expense	(3,867,238)	5,496,512
(b) Foreign taxes	0	0
(c) Subtotal	(3,867,238)	5,496,512
(d) Tax on capital gains/(losses)	(38,896)	0
(e) Utilization of capital loss carryforwards	0	0
(f) Other, including prior year underaccrual (overaccrual)	0	(55,374)
(g) Federal and foreign income taxes incurred	(3,906,134)	5,441,138

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

(2) DTAs Resulting From Book/Tax Differences In	December 31, 2019	December 31, 2018	Change
(a) Ordinary			
(1) Discounting of unpaid losses and LAE	82,204	89,384	(7,180)
(2) Unearned premiums	113,023	183,436	(70,413)
(3) Policyholder reserves	0	0	0
(4) Investments	0	0	0
(5) Deferred acquisition costs	0	0	0
(6) Policyholder dividends accrued	0	0	0
(7) Fixed assets	0	26,616	(26,616)
(8) Accrued Expenses	0	40,304	(40,304)
(9) Pension accruals	0	0	0
(10) Nonadmitted assets	563,426	379,364	184,062
(11) Net operating loss carryforward	0	3,033,886	(3,033,886)
(12) Tax credit carryforward	0	69,880	(69,880)
(13) Goodwill & Intangible Amortization	932,030	72,333	859,697
(13) PDR	2,776,086	0	2,776,086
(14) Other (separately disclose items >5%)	0	0	0
(99) Gross ordinary DTAs	4,466,769	3,895,203	571,565
(b) Statutory valuation adjustment adjustment - ordinary	(4,423,084)	(2,771,652)	(1,651,432)
(c) Nonadmitted ordinary DTAs (-)	0	(253,193)	253,193
(d) Admitted ordinary DTAs	43,685	870,358	(826,673)
(e) Capital			
(1) Investments	0	0	0
(2) Net capital loss carryforward	0	60,117	(60,117)
(3) Real estate	0	0	0
(4) Other (separately disclose items >5%)	0	0	0
(5) Unrealized capital losses	0	0	0
(99) Gross capital DTAs	0	60,117	(60,117)
(f) Statutory valuation adjustment adjustment - capital (-)	0	(60,117)	60,117
(g) Nonadmitted capital DTAs (-)	0	0	0
(h) Admitted capital DTAs	0	(0)	0
(i) Admitted DTAs	43,685	870,358	(826,673)

NOTES TO FINANCIAL STATEMENTS

(3) DTLs Resulting From Book/Tax Differences In	December 31, 2019	December 31, 2018	Change
(a) Ordinary			
(1) Investments	0	0	0
(2) Fixed assets	0	0	0
(3) Deferred and uncollected premiums	0	0	0
(4) Policyholder reserves/salvage and subrogation	0	0	0
(5) Other (separately disclose items >5%)	(43,685)	(28,913)	(14,772)
(99) Ordinary DTLs	(43,685)	(28,913)	(14,772)
(b) Capital			
(1) Investments	0	0	0
(2) Real estate	0	0	0
(3) Other (separately disclose items >5%)	0	0	0
(4) Unrealized capital gains	0	0	0
(99) Capital DTLs	0	0	0
(c) DTLs	(43,685)	(28,913)	(14,772)
(4) Net deferred tax assets/liabilities	(0)	841,445	(841,445)

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

	December 31, 2019	December 31, 2018	Change
Total deferred tax assets	4,466,769	3,955,320	511,449
Total deferred tax liabilities	(43,685)	(28,913)	(14,772)
Net deferred tax assets/liabilities	4,423,084	3,926,407	496,676
Statutory valuation allowance adjustment (*see explanation below)	(4,423,084)	(2,831,769)	(1,591,315)
Net deferred tax assets/liabilities after SVA	(0)	1,094,638	(1,094,639)
Tax effect of unrealized gains/(losses)	0	0	0
Change in net deferred income tax [(charge)/benefit]	(0)	1,094,638	(1,094,639)

*Statutory valuation allowance

The valuation allowance adjustment to gross deferred tax assets as of December 31, 2019 and December 31, 2018 was \$4,423,084 and \$2,831,769, respectively. The net change in the total valuation allowance adjustments for the period ended December 30, 2019 was \$1,591,315.

D. Reconciliation of federal income tax rate to actual effective rate:

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

Description	2019			2018		
	Amount	Tax Effect	Effective Tax Rate	Amount	Tax Effect	Effective Tax Rate
Income Before Taxes	(35,167,441)	(7,385,163)	21.00%	22,149,553	4,651,406	21.00%
Tax-Exempt Interest	(1,414)	(297)	0.00%	0	0	0.00%
Dividends Received Deduction	0	0	0.00%	0	0	0.00%
Proration	354	74	0.00%	0	0	0.00%
Health Insurer Fee	0	0	0.00%	3,503,734	735,784	3.32%
Meals & Entertainment, Etc.	536,727	112,713	-0.32%	0	0	0.00%
Statutory Valuation Allowance Adjustment	7,577,691	1,591,315	-4.52%	13,484,614	2,831,769	12.78%
Deferred Taxes on Nonadmitted Assets	(876,484)	(184,062)	0.52%	(514,353)	(108,014)	-0.49%
Change in Enacted Tax Rates	0	0	0.00%	(158,249)	(22,145)	-0.10%
338(h)(10) acquisition	14,219,687	2,986,134	-8.49%			
Other, Including Prior Year True-Up		67,789	-0.19%		0	0.00%
Total		(2,811,496)	7.99%		8,088,800	36.52%
Federal Income Taxes Incurred [Expense/(Benefit)]		(3,867,238)	11.00%		5,496,512	24.82%
Tax on Capital Gains/(Losses)		(38,896)	0.11%		(55,374)	-0.25%
Change in Net Deferred Income Tax [Charge/(Benefit)]		1,094,639	-3.11%		2,647,662	11.95%
Total Statutory Income Taxes		(2,811,495)	7.99%		8,088,800	36.52%
		0				

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

At December 30, 2018, the Company had net operating loss carryforwards expiring through the year 20XX of: \$0
 At December 30, 2018, the Company had capital loss carryforwards expiring through the year 20XX of: \$0

The following is income tax expense that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2017	N/A	0	0
2018	0	0	0
2019	0	0	0
Total	0	0	0

Deposits admitted under IRC § 6603
 None

NOTES TO FINANCIAL STATEMENTS

F. The Company's federal income tax return is consolidated with Centene and its subsidiaries, including but not limited to the following entities:

Absolute Total Care, Inc.	Envolve Benefit Options, Inc.	Kentucky Spirit Health Plan, Inc.
AcariaHealth Pharmacy #11, Inc.	Envolve Captive Insurance Company, Inc.	LBB Industries, Inc.
AcariaHealth Pharmacy #12, Inc.	Envolve Dental IPA of New York, Inc.	LiveHealthier, Inc.
AcariaHealth Pharmacy #13, Inc.	Envolve Dental of Florida, Inc.	Louisiana Healthcare Connections, Inc.
AcariaHealth Pharmacy #14, Inc.	Envolve Dental of Texas, Inc.	LSM Holdco, Inc.
AcariaHealth Pharmacy, Inc.	Envolve Dental, Inc.	Magnolia Health Plan, Inc.
AcariaHealth Solutions, Inc.	Envolve Holdings, Inc.	Managed Health Network
AcariaHealth, Inc.	Envolve Optical, Inc.	Managed Health Services Illinois, Inc.
Access Medical Acquisition, Inc.	Envolve PeopleCare, Inc.	Managed Health Services Insurance Corporation
Access Medical Group of Florida City, Inc.	Envolve Pharmacy Solutions, Inc.	Mauli Ola Health and Wellness, Inc.
Access Medical Group of Hiialeah, Inc.	Envolve Total Vision, Inc.	MHM Maryland, Inc.
Access Medical Group of Miami, Inc.	Envolve Vision Benefits, Inc.	MHM Ohio, Inc.
Access Medical Group of North Miami Beach, Inc.	Envolve Vision IPA of New York, Inc.	MHM Services, Inc.
Access Medical Group of Opa-Locka, Inc.	Envolve Vision of Florida, Inc.	MHN Global Services, Inc.
Access Medical Group of Perrine, Inc.	Envolve Vision of Texas, Inc.	MHN Government Services - Guam, Inc.
Access Medical Group of Tampa II, Inc.	Envolve Vision, Inc.	MHN Government Services - International, Inc.
Access Medical Group of Tampa III, Inc.	Envolve, Inc.	MHN Government Services - Puerto Rico, Inc.
Access Medical Group of Tampa, Inc.	FH Assurance Company	MHS Consulting International, Inc.
Access Medical Group of Westchester, Inc.	Granite State Health Plan, Inc.	MHS Travel & Charter, Inc.
Agate Resources, Inc.	Hallmark Life Insurance Company	Michigan Complete Health, Inc.
Ambetter of North Carolina, Inc.	Health Net Access, Inc.	National Pharmacy Services, Inc.
Arkansas Health & Wellness Health Plan, Inc.	Health Net Community Solutions of Arizona, Inc.	Nebraska Total Care, Inc.
Bankers Reserve Life Insurance Company of Wisconsin	Health Net Community Solutions, Inc.	New York Quality Healthcare Corporation
Blue Sky Health Plan, Inc.	Health Net Health Plan of Oregon, Inc.	New York Rx, Inc.
Bridgeway Health Solutions of Arizona, Inc.	Health Net Life Insurance Company	Next Door Neighbors, Inc.
Buckeye Community Health Plan, Inc.	Health Net Life Reinsurance Company	NovaSys Health, Inc.
Buckeye Health Plan Community Solutions, Inc.	Health Net of Arizona Administrative Services, Inc.	Oklahoma Complete Health, Inc.
Calibrate Acquisition Co.	Health Net of Arizona, Inc.	Patriots Holding Co.
California Health and Wellness Plan	Health Net of California Real Estate Holdings, Inc.	Peach State Health Plan, Inc.
Carolina Complete Health Holding Company Partnership	Health Net of California, Inc.	Pennsylvania Health & Wellness, Inc.
Carolina Complete Health, Inc.	Health Net Pharmaceutical Services	Pennsylvania Health Care Plan, Inc.
CBHSP Arizona, Inc.	Health Net Services, Inc.	QCA Health Plan, Inc.
Celtic Group, Inc.	Health Plan Real Estate Holding, Inc.	QualChoice Life and Health Insurance Company, Inc.
Celticare Health Plan of Massachusetts, Inc.	HealthSmart Benefit Solutions, Inc.	QualMed Plans for Health of Pennsylvania, Inc.
Cenpatco of Arizona, Inc.	HealthSmart Care Management Solutions, LP	QualMed Plans for Health of Western Pennsylvania, Inc.
Cenpatco of California, Inc.	HealthSmart Information Systems, Inc.	QualMed, Inc.
Centene Company of Texas, LP	HealthSmart Preferred Care II, LP	RX Direct, Inc.
Centene Corporation	HealthSmart Preferred Network II, Inc.	Salus Administrative Services, Inc.
Centene Escrow II Corporation	HealthSmart Primary Care Clinics, LP	SilverSummit Healthplan, Inc.
Centene Health Plan Holdings, Inc.	HealthSmart Rx Solutions, Inc.	Sunflower State Health Plan, Inc.
Centene Venture Company Alabama Health Plan, Inc.	Healthy Missouri Holdings, Inc.	Sunshine Health Community Solutions, Inc.
Centene Venture Company Florida	Healthy Oklahoma Holdings, Inc.	Sunshine State Health Plan, Inc.
Centene Venture Company Illinois	Healthy Washington Holdings, Inc.	Superior Health Community Solutions, Inc.
Centene Venture Company Indiana, Inc.	Home State Health Plan, Inc.	Superior HealthPlan, Inc.
Centene Venture Company Kansas	HomeScripts.com, LLC	Tennessee Total Care, Inc.
Centene Venture Company Michigan	IHG Holdings, Inc.	Trillium Community Health Plan, Inc.
Centene Venture Company Tennessee	IlliniCare Health Plan, Inc.	U.S. Medical Management Holdings, Inc.
Community Medical Holdings Corp.	Integrated Mental Health Services, 501(A)	University Health Plans, Inc.
Coordinated Care Corporation	Integrated Pharmacy Systems, Inc.	Virginia Total Care, Inc.
Coordinated Care of Washington, Inc.	Interpreta Holdings, Inc.	VPA of Texas, PLLC
Delaware First Health Plan, Inc.	Interpreta, Inc.	VPA, P.C.
District Community Care, Inc.	Iowa Total Care, Inc.	Wellington Merger Sub II, Inc.
Envolve - New York, Inc.	Isla Holding Co., Inc.	Western Sky Community Care, Inc.

The method of allocation among companies is subject to a written agreement whereby allocation is made primarily on a separate company basis using the percentage method pursuant to provisions of IRC Sections §1502 and §1552 and Treasury Regulations §1.1502 and §1.1552. This percentage method allocates a tax asset (i.e. intercompany receivable) for any benefit derived by the consolidated group for the member's losses or credits that offset consolidated taxable income. In accordance with the tax sharing agreement, each member shall pay to Parent or receive from the Parent the amount of tax liability or benefit reported on each member's proforma federal income tax return within 90 days of the date Parent files its consolidated federal income tax return.

NOTES TO FINANCIAL STATEMENTS

G. Federal or Foreign Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

H. Repatriation Transition Tax (RTT)

Not applicable

I. Alternative Minimum Tax (AMT) Credit

Not applicable

(1). Gross AMT Credit Recognized as:

a.	Current year recoverable	\$	-
b.	Deferred tax asset (DTA)	\$	-
(2).	Beginning Balance of AMT Credit Carryforward	\$	-
(3).	Amounts Recovered	\$	-
(4).	Adjustments	\$	-
(5).	Ending Balance of AMT Credit Carryforward	\$	-
(6).	Reduction for Sequestration		NONE
(7).	Nonadmitted by Reporting Entity	\$	-
(8).	Reporting Entity Ending Balance	\$	-

J. Global Intangible Low-Taxed Income (GILTI)

Not applicable

10. Information Concerning Parent, Subsidiaries and Affiliates

A, B, C, G. Effective April 1, 2019, the Company is a wholly-owned subsidiary of Centene Corporation.

Centene Management Company, LLC, a wholly owned subsidiary of Centene Corporation, provides data, claims processing, case management, care coordination and general management services to the Company. Medical and administrative expenses included \$7,253,964 for such services during the period ended December 31, 2019.

D. Included in the Company's balance sheet as of December 31, 2019 are the following receivables from and payables to parent, subsidiaries and affiliates:

Affiliated Entity	2019 Receivable	2019 Payable
Centene Management Company	-	10,801,061
Centene Center LLC	-	24,386
QualChoice Life & Health Insurance Company, Inc.		1,797,162
Centene Corporation	17,069,867	-

E. Guarantees – None

H. Upstream Intermediate Entity – None

I. Investment in an SCA Entity – None

J. Investment in Impaired SCA Entity – None

K. Investment in Foreign Insurance Subsidiary – None

L. Investment in Downstream Noninsurance Holding Company – None

M. All SCA Investments – None

N. Investment in an Insurance SCA Entity – None

O. SCA or SSAP No.48 Entity Loss Tracking – None

11. Debt

A. On April 1, 2019, the Company settled the \$5,000,000 capital notes outstanding with QualChoice Health Plan Services, Inc. including \$1,298,836 of 6% interest accrued as approved by the Insurance Commissioner. As of December 31, 2019, the Company has no outstanding capital notes.

B. As of December 31, 2019, the Company has no outstanding Federal Home Loan Bank Agreements.

NOTES TO FINANCIAL STATEMENTS

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

The Company has an employee 401(k) plan covering all full-time employees of the Company who have completed three months of employment and choose to participate.

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

- (1) The Company has 50,000 shares of \$.10 per share par value common stock authorized and 20,935 shares outstanding, exclusive of 3,600 shares held as treasury stock. On December 31, 2019, the Company had 11,295 shares outstanding, exclusive of 3,600 shares held as treasury stock. The Company has 25,500.046 shares of \$1,000 par value preferred stock outstanding.
- (2) The Company's preferred stock structure is as follows as of December 31:

Description	2019	2018
Series A, \$1,000 par value; 5% noncumulative, nonvoting; convertible into 4,732 shares of nonvoting common stock; 2,868 shares authorized and issued	\$2,868,000	\$2,868,000
Series B, \$1,000 par value; 5% noncumulative, nonvoting; convertible into 16,833 shares of nonvoting common stock; 9,342,808 shares authorized and issued	9,342,808	9,342,808
Series C, \$1,000 par value; 2% noncumulative, nonvoting; nonconvertible; 5,000 shares authorized and issued	5,000,000	5,000,000
Series D, \$1,000 par value; 2% noncumulative, nonvoting; nonconvertible; 8,289,238 shares authorized and issued	8,289,238	8,289,238
	25,500,046	25,500,046

In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the affairs of the Company the holders of the preferred stock shall be entitled to share ratably in any assets of the Company available for distribution to the Company's stockholders. The amount will be equal to the greater of (a) \$1,000 per share of preferred stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization, plus all declared, approved, but unpaid dividends through such distribution payment date or (b) the amount per share such shareholder would receive if such shareholder converted such shares of preferred stock into common stock in accordance with the conversion factor set out in the "Statement of Preferences and Terms of Preferred Stock" immediately prior to such liquidation, dissolution, or winding up of the affairs of the Company. Any payments or distributions to the preferred stockholders shall be made before any such payments or distributions shall be made to common stockholders.

- (3) The Company has no dividend restrictions.
- (4) On April 1, 2019, the Company paid a \$30,184,706 extraordinary dividend to QualChoice Holdings, Inc., its former parent as approved by the Insurance Commissioner.
- (5) Not applicable
- (6) The Company had no restrictions on its unassigned surplus.
- (7) The Company does not have any advances to surplus.
- (8) Not applicable
- (9) The increase in the special surplus funds from the prior year is due to the projected annual fee under section 9010 of the Affordable Care Act to be paid on September 30, 2020 based on business written in 2019.
- (10) Not applicable
- (11) The Company did not issue any surplus debentures or similar obligations.
- (12) The Company was not involved in a quasi-reorganization.
- (13) N/A

14. Liabilities, contingencies, and assessments

- A. Contingent Commitments - None
- B. Assessments – None
- C. Gain Contingencies - None
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits – None
- E. Joint and Several Liabilities – None
- F. All Other Contingencies – None

15. Leases

None

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

None

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

None

NOTES TO FINANCIAL STATEMENTS

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

A. ASO Plans

During 2019 and 2018, the Company had administrative services only contracts and minimum premium contracts, for which the employer retained all health care service risk, while the Company assumed administrative risk. The Company recorded administrative fee revenues of approximately \$4,415,043 and \$7,110,094 for 2019 and 2018, respectively. The amounts are not recorded as revenue in this statutory statement, but rather as a reduction in operating expenses. The profit associated with this line of business was \$754,913 in 2018, and \$441,504 for 2019. The claim payment volume was \$63,895,538 and \$125,207,008 for 2019 and 2018, respectively.

B. N/A

C. N/A

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

None

20. Fair Value Measurement

A. Assets Measured at Fair Value on a Recurring Basis

Assets and liabilities recorded at fair value in the statutory statement of admitted assets, liabilities and capital and surplus are categorized based upon the extent to which the fair value estimates are based upon observable or unobservable inputs.

Level inputs are as follows:

Level input	Input definition
Level I	Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
Level II	Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.
Level III	Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The following table summarizes fair value measurements by level at December 31, 2019 for assets and liabilities measured at fair value on a recurring basis.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Cash, Short Term Investments and Cash Equivalents	\$ 27,491,692	\$ -	\$ -	\$ -	\$ 27,491,692
Perpetual Preferred stock					
Industrial and Misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-	-
Total Perpetual Preferred Stocks	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds					
U.S. Governments	\$ -	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	-	-	-	-	-
Hybrid Securities	-	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-	-
Total Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Common Stock					
Industrial and Misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-	-
Total Common Stocks	\$ -	\$ -	\$ -	\$ -	\$ -
Derivative assets					
Interest rate contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Foreign exchange contracts	-	-	-	-	-
Credit contracts	-	-	-	-	-
Commodity futures contracts	-	-	-	-	-
Commodity forward contracts	-	-	-	-	-
Total Derivatives	\$ -	\$ -	\$ -	\$ -	\$ -
Separate account assets	\$ -	\$ -	\$ -	\$ -	\$ -
Total assets at fair value	<u>\$ 27,491,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,491,692</u>
b. Liabilities at fair value					
Derivative liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The following table summarizes fair value measurements by level at December 31, 2018 for assets and liabilities measured at fair value on a recurring

NOTES TO FINANCIAL STATEMENTS

basis.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Cash, Short Term Investments and Cash Equivalents	\$ 47,994,958	\$ -	\$ -	\$ -	\$ 47,994,958
Perpetual Preferred stock					
Industrial and Misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-	-
Total Perpetual Preferred Stocks	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds					
U.S. Governments	\$ -	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	-	-	-	-	-
Hybrid Securities	-	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-	-
Total Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Common Stock					
Industrial and Misc	\$ -	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-	-
Total Common Stocks	\$ -	\$ -	\$ -	\$ -	\$ -
Derivative assets					
Interest rate contracts	\$ -	\$ -	\$ -	\$ -	\$ -
Foreign exchange contracts	-	-	-	-	-
Credit contracts	-	-	-	-	-
Commodity futures contracts	-	-	-	-	-
Commodity forward contracts	-	-	-	-	-
Total Derivatives	\$ -	\$ -	\$ -	\$ -	\$ -
Separate account assets	\$ -	\$ -	\$ -	\$ -	\$ -
Total assets at fair value	\$ 47,994,958	\$ -	\$ -	\$ -	\$ 47,994,958
b. Liabilities at fair value					
Derivative liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -	\$ -

B. Fair Value Disclosures Under Other Pronouncements

None

C. Aggregate Fair Value for All Financial Statements

The following table summarizes fair value measurements by level at December 31, 2019 for all financial instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level I	Level II	Level III	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Cash, Short Term Investments and cash equivalents	\$ 27,491,692	\$ 27,491,692	\$ 27,491,692	—	—	—	—
Bonds	\$ 24,730,798	\$ 24,782,096	\$ 20,543,267	4,187,530	—	—	—

The following table summarizes fair value measurements by level at December 31, 2018 for all financial instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level I	Level II	Level III	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Cash, Short Term Investments and cash equivalents	\$ 47,994,958	\$ 47,994,958	\$ 47,994,958	—	—	—	—
Bonds	\$ 41,724,281	\$ 42,093,398	—	41,724,281	—	—	—

D. Not Practicable to Estimate Fair Value

None

E. Investments Measured Using the NAV Practical Expedient

None

21. Other Items

- A. Unusual or Infrequent Items – None
- B. Troubled Debt Restructuring – None
- C. Other Disclosures and Unusual Items – None
- D. Business Interruption Insurance Recoveries – None
- E. State Transferable and Non-transferable Tax Credits – None
- F. Subprime-Mortgage-Related Risk Exposure – None

NOTES TO FINANCIAL STATEMENTS

- G.** Retained Assets – None
- H.** Insurance-Linked Securities (ILS) Contracts – None
- I.** The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy - None

22. Events Subsequent

Subsequent events have been considered through March 1, 2020 for the statutory statement issued on March 1, 2020.

Type I – Recognizable Subsequent Events - None

Type II – Non-recognizable Subsequent Events

On January 1, 2020, the Company will be subject to an annual fee under section 9010 of the Federal Affordable Care Act (ACA). This annual fee will be 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 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 becomes payable once the entity provides health insurance for a U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2019, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2020, and estimates its portion of the annual insurance industry fee to be payable on September 30, 2020 to be \$4,110,529. This amount is reflected in special surplus. Reporting the ACA assessment as of December 31, 2019 would not have triggered an RBC action level.

	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)	Yes	N/A
B. ACA fee assessment payable for the upcoming year	\$ 4,110,529	\$ -
C. ACA fee assessment paid	\$ -	\$ 3,859,078
D. Premium written subject to ACA 9010 assessment	\$ 219,304,337	\$ -
E. Total Adjusted Capital before surplus adjustment	\$ 30,794,651	\$ -
F. Total Adjusted Capital after surplus adjustment	\$ 26,684,122	\$ -
G. Authorized Control Level	\$ 8,712,633	\$ -
H. Would reporting the ACA assessment as of December 31, 2019 have triggered an RBC action level? (YES/NO)	NO	N/A

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- a. 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)
- b. 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) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? Yes () No (X)

Section 2 – Ceded reinsurance Report - Part A

- a. Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes () No (X)
- b. Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, 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

- a. What is the estimated amount of the aggregate reduction in surplus, for agreements, not reflected in Section 2 above, of termination of all reinsurance agreements, by either party, as of the date for this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

NOTES TO FINANCIAL STATEMENTS

- b. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts which were in-force or which had existing reserves established by the company as of the effective date of the agreement? Yes () No (X)

B. Reinsurance -None

C. Commutation of Ceded Reinsurance – None

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

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The Company estimates accrued retrospective premiums for its comprehensive individual health insurance business in accordance with the regulations put forth in Title 45 of the Code of Federal Regulations Part 153, Subpart F for the ACA Risk Corridors program and Title 45 of the Code of Federal Regulations Part 158 for the ACA MLR Rebate program.
- B. The Company records accrued retrospective premiums through written premium.
- C. The amount of net premiums written by the Company at December 31, 2019 which are subject to retrospective rating features was \$167M, which represents 100% of the total net premiums written.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act –

	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	\$ -	\$ -	\$ 2,163,998	\$ (74,945)	\$ 2,089,053
(2) Medical loss ratio rebates paid	\$ -	\$ -	\$ 1,818,687	\$ 212,155	\$ 2,030,842
(3) Medical loss ratio rebates unpaid	\$ -	\$ -	\$ 237,772	\$ -	\$ 237,772
(4) Plus reinsurance assumed amounts	xxx	xxx	xxx	xxx	\$ -
(5) Less reinsurance ceded amounts	xxx	xxx	xxx	xxx	\$ -
(6) Rebates unpaid net of reinsurance	xxx	xxx	xxx	xxx	\$ -
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ -	\$ -	\$ 3,210,385	\$ -	\$ 3,210,385
(8) Medical loss ratio rebates paid	\$ -	\$ -	\$ 3,448,157	\$ -	\$ 3,448,157
(9) Medical loss ratio rebates unpaid	\$ -	\$ -	\$ -	\$ -	\$ -
(10) Plus reinsurance assumed amounts	xxx	xxx	xxx	xxx	\$ -
(11) Less reinsurance ceded amounts	xxx	xxx	xxx	xxx	\$ -
(12) Rebates unpaid net of reinsurance	xxx	xxx	xxx	xxx	\$ -

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

NOTES TO FINANCIAL STATEMENTS

1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NC Yes)

2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

a) Permanent ACA Risk Adjustment Program

Assets

1) Premium adjustments receivable due to ACA Risk Adjustment (including HCRP)

Liabilities

2) Risk adjustment user fees payable for ACA Risk Adjustment

3) Premium adjustments payable due to ACA Risk Adjustment

Operations (Revenue & Expense)

4) Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk adjustment

5) Reported in expenses as ACA risk adjustment user fees (incurred/paid)

	-
	56,784
	7,816,608
	(8,358,295)
	56,784

b) Transitional ACA Reinsurance Program

Assets

1) Amounts recoverable for claims paid due to ACA Reinsurance

2) Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)

3) Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance

Liabilities

4) Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premiums

5) Ceded reinsurance premiums payable due to ACA Reinsurance

6) Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance

Operations (Revenue & Expense)

7) Ceded reinsurance premiums due to ACA Reinsurance

8) Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments

9) ACA Reinsurance contributions - not reported as ceded premium

	-
	-
	-
	-
	-
	-
	-
	-
	17,854
	-

c) Temporary ACA Risk Corridors Program

Assets

1) Accrued retrospective premium due to ACA Risk Corridors

Liabilities

2) Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors

Operations (Revenue & Expense)

3) Effect of ACA Risk Corridors on net premium income

4) Effect of ACA Risk Corridors on change in reserves for rate credits

	-
	-
	-
	-
	-

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year				Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
	1		2		3		4		5		6	
	Receivable	(Payable)	Receivable	(Payable)	Prior Year Accrued Less Payments (Col 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances	Ref	Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)	
	9	10	9	10	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)	
a) Permanent ACA Risk Adjustment Program												
1) Premium adjustments receivable	\$ 32,223	\$ -	\$ -	\$ -	32,223	\$ -	\$ (32,223)	\$ -	A	\$ -	\$ -	
2) Premium adjustments (payable)	\$ -	\$ (5,914,420)	\$ -	\$ (5,802,102)	\$ -	\$ (112,318)	\$ -	\$ 112,318	B	\$ -	\$ -	0
3) Subtotal ACA Permanent Risk Adjustment Program	\$ 32,223	\$ (5,914,420)	\$ -	\$ (5,802,102)	32,223	\$ (112,318)	\$ (32,223)	\$ 112,318		\$ -	\$ -	0
b) Transitional ACA Reinsurance Program												
1) Amounts recoverable for claims paid	\$ 33,933	\$ -	\$ 17,854	\$ -	16,079	\$ -	\$ (16,079)	\$ -	C	\$ -	\$ -	
2) Amounts recoverable for claims unpaid (contra liability)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	D	\$ -	\$ -	
3) Amounts receivable relating to uninsured plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	E	\$ -	\$ -	
4) Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	F	\$ -	\$ -	
5) Ceded reinsurance premiums payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	G	\$ -	\$ -	
6) Liability for amounts held under uninsured plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	H	\$ -	\$ -	
7) Subtotal ACA Transitional Reinsurance Program	\$ 33,933	\$ -	\$ 17,854	\$ -	16,079	\$ -	\$ (16,079)	\$ -		\$ -	\$ -	
c) Temporary ACA Risk Corridors Program												
1) Accrued retrospective premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	I	\$ -	\$ -	
2) Reserve for rate credits or policy experience rating refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	J	\$ -	\$ -	
3) Subtotal ACA Risk Corridors Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	
d. Total for ACA Risk Sharing Provisions	\$ 66,156	\$ (5,914,420)	\$ 17,854	\$ (5,802,102)	48,302	\$ (112,318)	\$ (48,302)	\$ 112,318		\$ -	\$ -	0

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

5) ACA Risk Corridors Receivable as of Reporting Date

	1	2	3	4	5	6
	Estimated Amount to be filed/final amount filed with federal agency	Non-Accrued Amounts fro Impairment of Other Reasons	Amounts received from CMS	Asset balance gross of non-admission (1-2-3)	Non-admitted amounts	Net admitted assets (4-5)
Risk Corridors Program Year						
a. 2014	\$ 4,181,163.00	\$ 3,480,918.00	\$ 700,245.00	\$ -	\$ -	\$ -
b. 2015	\$ 476,593.00	\$ 476,593.00	\$ -	\$ -	\$ -	\$ -
c. 2016	\$ 5,894,851.00	\$ 5,894,851.00	\$ -	\$ -	\$ -	\$ -
d. Total (a+b+c)	\$ 10,552,607.00	\$ 9,852,362.00	\$ 700,245.00	\$ -	\$ -	\$ -

25. Change in Incurred Claims and Claim Adjustment Expenses

A. Reserves for incurred claims as of December 31, 2018 was \$27.1M. As of December 31, 2019, \$27.6M has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years is now \$1.0M for incurred claims and \$0 for unpaid claims adjustment expense as a result of re-estimation of unpaid claims and claims adjustment expenses, and evaluation of liabilities associated with legal actions that arise in the normal course of business. The Company experienced \$1.4M of unfavorable prior year development since December 31, 2018 generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

NOTES TO FINANCIAL STATEMENTS

- B. There has been no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expense.

26. Intercompany Pooling Arrangements

The Company has no intercompany pooling arrangement.

A. – G. N/A

27. Structured Settlements

None

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

At December 31, 2019, the Company admitted healthcare receivables of \$2,734,210 in accordance with SSAP No. 84 as they are estimated amounts related solely to actual prescriptions filled during the 3 months immediately preceding the reporting date. The amounts are estimated based on historical per script rebates and the actual number of scripts during the period.

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
12/31/2019	5,421,896				
9/30/2019	4,693,456	2,792,503	2,792,503		
6/30/2019	3,463,532	4,302,252	1,509,749	2,792,503	
3/31/2019	3,443,791	3,172,719	1,662,970	1,509,749	
12/31/2018	3,459,237	-	1,621,843	1,662,970	492,380
9/30/2018	3,262,539	3,598,718	1,776,467	1,621,843	200,408
6/30/2018	3,141,771	3,474,903	1,554,412	1,776,467	144,023
3/31/2018	2,354,172	3,387,765	1,588,727	1,554,412	244,626
12/31/2017	2,353,543	2,937,433	1,227,117	1,588,727	121,589
9/30/2017	1,696,038	2,881,766	1,162,736	1,227,117	491,913
6/30/2017	1,693,034	2,571,365	1,009,636	1,162,736	398,993
3/31/2017	1,100,074	2,411,648	1,146,985	1,009,636	255,027

B. Risk Sharing Receivables – None

29. Participating Policies

None

30. Premium Deficiency Reserves

As of December 31, 2019:

- | | |
|---|-------------------|
| 1. The liability for the premium deficiency reserves | \$13,219,459 |
| 2. Date of most recent evaluation of this liability | December 31, 2019 |
| 3. Was anticipated investment income utilized in the calculation? | Yes |

31. Anticipated Salvage and Subrogation

Due to the type of business being written, the Company has no salvage. As of December 31, 2019 and 2018, the Company has 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. 0001071739.....
- 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.12/31/2017
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2014
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).06/24/2019
- 3.4 By what department or departments? Arkansas Insurance Department.....
- 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 control0.0 %

1 Nationality	2 Type of Entity
.....
.....
.....

GENERAL INTERROGATORIES

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

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		NO	NO	NO	NO

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 KPMG LLP 10 S Broadway Suite 900, St. Louis, MO 63102.....
- 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?
 Melissa Reseck, FSA, MAAA Milliman, Inc. 1301 Fifth Avenue, Suite 3800 Seattle, WA 98101.....
- 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 involved0
 12.13 Total book/adjusted carrying value\$.....
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [X] 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 [X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
 Yes [X] No []
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 c. Compliance with applicable governmental laws, rules and regulations;
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

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

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
			.0

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....
 - 20.12 To stockholders not officers \$.....
 - 20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.....
 - 20.22 To stockholders not officers \$.....
 - 20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
 - 21.22 Borrowed from others \$.....
 - 21.23 Leased from others \$.....
 - 21.24 Other \$.....
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$.....
 - 22.22 Amount paid as expenses \$.....
 - 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....20,769,867

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 [] NA [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 [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] NA [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 [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of 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

GENERAL INTERROGATORIES

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

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

25.21 Subject to repurchase agreements	\$
25.22 Subject to reverse repurchase agreements	\$
25.23 Subject to dollar repurchase agreements	\$
25.24 Subject to reverse dollar repurchase agreements	\$
25.25 Placed under option agreements	\$
25.26 Letter stock or securities restricted as to sale – excluding FHLB Capital Stock	\$
25.27 FHLB Capital Stock	\$
25.28 On deposit with states	\$653,257
25.29 On deposit with other regulatory bodies	\$
25.30 Pledged as collateral – excluding collateral pledged to an FHLB	\$
25.31 Pledged as collateral to FHLB – including assets backing funding agreements	\$
25.32 Other	\$

25.3 For category (25.26) provide the following:

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

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

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

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

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

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

26.41 Special accounting provision of SSAP No. 108	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
26.42 Permitted accounting practice	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
26.43 Other accounting guidance	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Wells Fargo Institutional Retirement and Trust.....	550 Fourth St South, 8th Floor, Minneapolis, MN 55415.....

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

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

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

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
BNY Mellon.....	Wells Fargo Institutional Retirement and Trust.....	..04/01/2019..	Sale of entity to Centene Corporation...

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
Wells Capital Management.....	U.....

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

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

28.06 For those firms or individuals listed in the table 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
104973.....	Wells Capital Management.....	549300B3H21002L85190.....	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 [X]

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.....	24,782,096	24,730,798	(51,298)
30.2 Preferred Stocks.....	1,500,000	1,500,000	0
30.3 Totals	26,282,096	26,230,798	(51,298)

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

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 [X] 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 [X] 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 [X] No []

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
 a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
 b. Issuer or obligor is current on all contracted interest and principal payments.
 c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
 Has the reporting entity self-designated 5GI securities? Yes [] No [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 an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
 d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
 Has the reporting entity self-designated PLGI securities? Yes [] No [X]
35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
 a. The shares were purchased prior to January 1, 2019.
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
 d. The fund only or predominantly holds bonds in its portfolio.
 e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
 f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
 Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

OTHER

- 36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$0
- 36.2 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
.....	\$
.....	\$
.....	\$

- 37.1 Amount of payments for legal expenses, if any? \$175,547
- 37.2 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
.....	\$
.....	\$
.....	\$

- 38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any? \$0
- 38.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers, or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U.S. business only. \$0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
- 1.31 Reason for excluding
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above \$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$0
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$0
- 1.62 Total incurred claims \$0
- 1.63 Number of covered lives0
- 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 lives0
- 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 lives0
- 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 lives0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$219,304,337	\$	.....206,395,796
2.2	Premium Denominator	\$219,304,337	\$	.....206,395,796
2.3	Premium Ratio (2.1/2.2)	.....1.000		.....1.000
2.4	Reserve Numerator	\$35,700,208	\$	.....30,022,827
2.5	Reserve Denominator	\$46,543,999	\$	.....33,515,996
2.6	Reserve Ratio (2.4/2.5)	.....0.767		.....0.896

- 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 []
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No []
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$1,320,000
- 5.32 Medical Only \$
- 5.33 Medicare Supplement \$
- 5.34 Dental and Vision \$
- 5.35 Other Limited Benefit Plan \$
- 5.36 Other \$1,320,000
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:
- 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 year20,660
- 8.2 Number of providers at end of reporting year22,143
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months
- 9.22 Business with rate guarantees over 36 months

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes No
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$.....308,104
- 10.22 Amount actually paid for year bonuses \$.....312,089
- 10.23 Maximum amount payable withholds \$.....
- 10.24 Amount actually paid for year withholds \$.....
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes No
- 11.13 An Individual Practice Association (IPA), or, Yes No
- 11.14 A Mixed Model (combination of above) ? Yes No
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes 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. \$.....1,600,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes No
- 11.6 If the amount is calculated, show the calculation
12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Entire state of Arkansas, 75 counties.....

- 13.1 Do you act as a custodian for health savings accounts? Yes No
- 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
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$0
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers? Yes No N/A
- 14.2 If the answer to 14.1 is yes, please provide the following:

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

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).
- 15.1 Direct Premium Written \$0
- 15.2 Total Incurred Claims \$0
- 15.3 Number of Covered Lives0

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

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes 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 2019	2 2018	3 2017	4 2016	5 2015
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	97,921,698	112,687,646	75,365,153	75,215,779	81,342,072
2. Total liabilities (Page 3, Line 24)	67,127,048	52,715,458	31,792,136	43,336,078	41,791,261
3. Statutory minimum capital and surplus requirement	1,600,000	600,000	600,000	8,779,683	6,798,788
4. Total capital and surplus (Page 3, Line 33)	30,794,651	59,972,190	43,573,017	31,879,701	39,550,811
Income Statement (Page 4)					
5. Total revenues (Line 8)	219,304,337	206,395,796	197,579,684	214,833,104	205,847,620
6. Total medical and hospital expenses (Line 18)	197,067,710	153,476,545	160,610,354	207,179,223	161,114,190
7. Claims adjustment expenses (Line 20)	5,345,637	6,266,411	6,422,246	7,833,895	6,100,937
8. Total administrative expenses (Line 21)	38,503,667	25,624,378	17,665,662	23,091,492	25,385,203
9. Net underwriting gain (loss) (Line 24)	(34,832,136)	21,028,462	12,881,422	(22,771,506)	12,747,290
10. Net investment gain (loss) (Line 27)	1,002,427	1,127,121	721,430	644,586	1,533,628
11. Total other income (Lines 28 plus 29)	(1,298,836)	0	17,295	0	0
12. Net income or (loss) (Line 32)	(31,261,307)	16,714,432	11,092,554	(18,252,832)	9,275,007
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(22,523,205)	36,953,408	7,538,328	(6,398,771)	1,479,271
Risk-Based Capital Analysis					
14. Total adjusted capital	30,794,651	59,972,190	43,573,017	31,879,701	39,550,811
15. Authorized control level risk-based capital	8,749,716	6,575,612	6,752,974	8,779,683	6,798,788
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	51,160	46,455	45,523	57,408	46,051
17. Total members months (Column 6, Line 7)	590,993	563,061	545,128	646,778	588,387
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)	89.9	74.4	81.3	96.4	78.3
20. Cost containment expenses	1.4	1.8	1.7	2.2	2.2
21. Other claims adjustment expenses	1.0	1.3	1.5	1.4	0.8
22. Total underwriting deductions (Line 23)	115.9	89.8	93.5	110.6	93.8
23. Total underwriting gain (loss) (Line 24)	(15.9)	10.2	6.5	(10.6)	6.2
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	24,429,609	11,719,678	28,420,341	24,794,395	18,695,911
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	23,654,007	15,563,594	27,057,842	27,684,100	27,775,861
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)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. 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	5,404	5,404	5,423
32. Total of above Lines 26 to 31	1,500,000	1,500,000	1,505,404	1,505,404	1,505,423
33. Total investment in parent included in Lines 26 to 31 above					

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

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 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	N							0	0
2. Alaska	AK	N							0	0
3. Arizona	AZ	N							0	0
4. Arkansas	AR	L	216,962,352			2,948,438			219,910,790	0
5. California	CA	N							0	0
6. Colorado	CO	N							0	0
7. Connecticut	CT	N							0	0
8. Delaware	DE	N							0	0
9. District of Columbia	DC	N							0	0
10. Florida	FL	N							0	0
11. Georgia	GA	N							0	0
12. Hawaii	HI	N							0	0
13. Idaho	ID	N							0	0
14. Illinois	IL	N							0	0
15. Indiana	IN	N							0	0
16. Iowa	IA	N							0	0
17. Kansas	KS	N							0	0
18. Kentucky	KY	N							0	0
19. Louisiana	LA	N							0	0
20. Maine	ME	N							0	0
21. Maryland	MD	N							0	0
22. Massachusetts	MA	N							0	0
23. Michigan	MI	N							0	0
24. Minnesota	MN	N							0	0
25. Mississippi	MS	N							0	0
26. Missouri	MO	N							0	0
27. Montana	MT	N							0	0
28. Nebraska	NE	N							0	0
29. Nevada	NV	N							0	0
30. New Hampshire	NH	N							0	0
31. New Jersey	NJ	N							0	0
32. New Mexico	NM	N							0	0
33. New York	NY	N							0	0
34. North Carolina	NC	N							0	0
35. North Dakota	ND	N							0	0
36. Ohio	OH	N							0	0
37. Oklahoma	OK	N							0	0
38. Oregon	OR	N							0	0
39. Pennsylvania	PA	N							0	0
40. Rhode Island	RI	N							0	0
41. South Carolina	SC	N							0	0
42. South Dakota	SD	N							0	0
43. Tennessee	TN	N							0	0
44. Texas	TX	N							0	0
45. Utah	UT	N							0	0
46. Vermont	VT	N							0	0
47. Virginia	VA	N							0	0
48. Washington	WA	N							0	0
49. West Virginia	WV	N							0	0
50. Wisconsin	WI	N							0	0
51. Wyoming	WY	N							0	0
52. American Samoa	AS	N							0	0
53. Guam	GU	N							0	0
54. Puerto Rico	PR	N							0	0
55. U.S. Virgin Islands	VI	N							0	0
56. Northern Mariana Islands	MP	N							0	0
57. Canada	CAN	N							0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	216,962,352	0	0	2,948,438	0	0	219,910,790	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0		
61. Total (Direct Business)	XXX	216,962,352	0	0	2,948,438	0	0	219,910,790	0	0
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

(a) Active Status Counts
 L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG 1 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 lines in the state 56

(b) Explanation of basis of allocation of premiums by states, etc.
 none

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

PART 1 - ORGANIZATIONAL CHART

Centene Corporation	42-1406317	DE	
Bankers Reserve Life Insurance Company of Wisconsin	39-0993433	WI	71013
Health Plan Real Estate Holding, Inc (17%)	46-2860967	MO	
Peach State Health Plan, Inc	20-3174593	GA	12315
Health Plan Real Estate Holding, Inc (21%)	46-2860967	MO	
Iowa Total Care, Inc	46-4829006	IA	15713
Buckeye Community Health Plan, Inc	32-0045282	OH	11834
Health Plan Real Estate Holding, Inc (13%)	46-2860967	MO	
Absolute Total Care, Inc	20-5693998	SC	12959
Health Plan Real Estate Holding, Inc (1%)	46-2860967	MO	
Coordinated Care Corporation d/b/a Managed Health Services	39-1821211	IN	95831
Health Plan Real Estate Holding, Inc (15%)	46-2860967	MO	
Healthy Washington Holdings, Inc	46-5523218	DE	
Coordinated Care of Washington, Inc	46-2578279	WA	15352
Managed Health Services Insurance Corp	39-1678579	WI	96822
Health Plan Real Estate Holding, Inc (2%)	46-2860967	MO	
Hallmark Life Insurance Co	86-0819817	AZ	60078
Superior HealthPlan, Inc	74-2770542	TX	95647
Health Plan Real Estate Holding, Inc (21%)	46-2860967	MO	
Healthy Louisiana Holdings LLC	27-0916294	DE	
Louisiana Healthcare Connections, Inc	27-1287287	LA	13970
Magnolia Health Plan Inc	20-8570212	MS	13923
IlliniCare Health Plan, Inc	27-2186150	IL	14053
Health Plan Real Estate Holding, Inc (5%)	46-2860967	MO	
Sunshine Health Holding LLC	26-0557093	FL	
Sunshine State Health Plan, Inc	20-8937577	FL	13148
Kentucky Spirit Health Plan, Inc	45-1294925	KY	14100
Healthy Missouri Holding, Inc (95%)	45-5070230	MO	
Home State Health Plan, Inc	45-2798041	MO	14218
Health Plan Real Estate Holding, Inc (5%)	46-2860967	MO	
Sunflower State Health Plan, Inc	45-3276702	KS	14345
Granite State Health Plan, Inc	45-4792498	NH	14226
California Health and Wellness Plan	46-0907261	CA	
Michigan Complete Health, Inc.	30-0312489	MI	10769
Western Sky Community Care, Inc.	45-5583511	NM	16351
Tennessee Total Care, Inc.	26-1849394	TN	
SilverSummit Healthplan, Inc.	20-4761189	NV	16143
University Health Plans, Inc.	22-3292245	NJ	
Agate Resources, Inc.	20-0483299	OR	
Trillium Community Health Plan, Inc.	42-1694349	OR	12559
Nebraska Total Care, Inc.	47-5123293	NE	15902

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Pennsylvania Health & Wellness, Inc.	47-5340613	PA	16041
Superior HealthPlan Community Solutions, Inc.	47-5664832	TX	15912
Sunshine Health Community Solutions, Inc.	47-5667095	FL	15927
Buckeye Health Plan Community Solutions, Inc.	47-5664342	OH	16112
Arkansas Health & Wellness Health Plan, Inc.	81-1282251	AR	16130
Arkansas Total Care Holding Company, LLC (49%)	38-4042368	DE	
Arkansas Total Care, Inc.	82-2649097	AR	16256
Oklahoma Complete Health Inc.	81-3121527	OK	
Bridgeway Health Solutions, LLC	20-4980875	DE	
Bridgeway Health Solutions of Arizona Inc.	20-4980818	AZ	16310
Celtic Group, Inc	36-2979209	DE	
Celtic Insurance Company	06-0641618	IL	80799
Ambetter of Magnolia Inc	35-2525384	MS	15762
Ambetter of Peach State Inc.	36-4802632	GA	15729
Novasys Health, Inc	27-2221367	DE	
CeltiCare Health Plan Holdings LLC	26-4278205	DE	
CeltiCare Health Plan of Massachusetts, Inc.	26-4818440	MA	13632
Centene Management Company LLC	39-1864073	WI	
CMC Real Estate Co. LLC	20-0057283	DE	
Centene Center LLC	26-4094682	DE	
Centene Center I, LLC	82-1816153	DE	
Centene Center II, LLC	47-5156015	DE	
Illinois Health Practice Alliance, LLC (50%)	82-2761995	DE	
Integrated Care Network of Florida, LLC	84-3023173	DE	
Lifeshare Management Group, LLC	46-2798132	NH	
Arkansas Total Care Holding Company, LLC (25%)	38-4042368	DE	
CCTX Holdings, LLC	20-2074217	DE	
Centene Company of Texas, LP (1%)	74-2810404	TX	
Centene Holdings, LLC	20-2074277	DE	
Centene Company of Texas, LP (99%)	74-2810404	TX	
MHS Travel & Charter, Inc	43-1795436	WI	
Health Care Enterprises, LLC	46-4855483	DE	
Integrated Mental Health Management, L.L.C.	74-2892993	TX	
Integrated Mental Health Services	74-2785494	TX	
Envolve Holdings, LLC	22-3889471	DE	
Cenpatico Behavioral Health, LLC	68-0461584	CA	
Cenpatico Behavioral Health of Arizona, LLC	20-1624120	AZ	
Cenpatico of Arizona Inc.	80-0879942	AZ	
Envolve, Inc.	37-1788565	DE	
Envolve - New York, Inc.	47-3454898	NY	
Envolve PeopleCare, Inc.	06-1476380	DE	
LiveHealthier, Inc.	47-2516714	DE	
Envolve Benefits Options, Inc.	61-1846191	DE	
Envolve Vision Benefits, Inc.	20-4730341	DE	
Envolve Captive Insurance Company, Inc.	36-4520004	SC	

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Envolve Vision of Texas, Inc.	75-2592153	TX	95302
Envolve Vision, Inc	20-4773088	DE	
Envolve Vision IPA of New York, Inc.	83-2460878	NY	
Envolve Vision of Florida, Inc	65-0094759	FL	
Envolve Total Vision, Inc.	20-4861241	DE	
Envolve Optical, Inc.	82-2908582	DE	
Envolve Dental, Inc.	46-2783884	DE	
Envolve Dental of Florida, Inc.	81-2969330	FL	
Envolve Dental of Texas, Inc.	81-2796896	TX	16106
Envolve Dental IPA of New York, Inc.	83-1464482	NY	
Envolve Pharmacy Solutions, Inc.	77-0578529	DE	
LBB Industries, Inc	76-0511700	TX	
RX Direct, Inc	75-2612875	TX	
Envolve Pharmacy IPA, LLC	46-2307356	NY	
Casenet LLC	90-0636938	DE	
Casenet S.R.O.	Foreign	CZE	
MHM Services, Inc.	82-5316510	DE	
Centurion LLC	90-0766502	DE	
Centurion of Arizona, LLC	81-4228054	AZ	
Centurion of Vermont, LLC	47-1686283	VT	
Centurion of Mississippi, LLC	47-2967381	MS	
Centurion of Tennessee, LLC	30-0752651	TN	
Centurion of Minnesota, LLC	46-2717814	MN	
Centurion Correctional Healthcare of New Mexico, LLC	81-1161492	NM	
Centurion of Florida, LLC	81-0687470	FL	
Centurion of Maryland, LLC	81-4938030	MD	
Centurion of Alabama, LLC	82-2268901	AL	
Centurion of Georgia, LLC	82-3128848	GA	
Centurion Detention Health Services, LLC	82-4735175	DE	
Centurion of New Hampshire, LLC	82-4823469	DE	
Centurion of Pennsylvania, LLC	82-4823469	PA	
Centurion of West Virginia, LLC	46-4839132	WV	
Centurion of Kansas, LLC	84-3436283	KS	
Centurion of Delaware, LLC	84-3767794	DE	
Centurion of Wyoming, LLC	84-3857653	WY	
MHM Correctional Services, LLC	54-1856340	DE	
MHM Services of California, LLC	51-0620904	CA	
MHM Solutions, LLC	60-0002002	DE	
Forensic Health Services, LLC.	26-1877007	DE	
MHM Health Professionals, LLC	46-1734817	DE	
Specialty Therapeutic Care Holdings, LLC	27-3617766	DE	
Specialty Therapeutic Care, LP (99.99%)	73-1698808	TX	
Specialty Therapeutic Care, GP, LLC	73-1698807	TX	
Specialty Therapeutic Care, LP (0.01%)	73-1698808	TX	
AcariaHealth Solutions, Inc.	80-0856383	DE	

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AcariaHealth, Inc.	45-2780334	DE
AcariaHealth Pharmacy #14, Inc	27-1599047	CA
AcariaHealth Pharmacy #11, Inc	20-8192615	TX
AcariaHealth Pharmacy #12, Inc	27-2765424	NY
AcariaHealth Pharmacy #13, Inc	26-0226900	CA
AcariaHealth Pharmacy, Inc	13-4262384	CA
HomeScripts.com, LLC	27-3707698	MI
New York Rx, Inc.	20-8235695	NY
Foundation Care, LLC (80%)	20-0873587	MO
U.S. Medical Management Holdings, Inc	27-0275614	DE
U.S. Medical Management, LLC (20%)	38-3153946	DE
U.S. Medical Management, LLC (80%)	38-3153946	DE
RMED, LLC	31-1733889	FL
IAH of Florida, LLC	47-2138680	FL
Heritage Home Hospice, LLC	51-0581762	MI
Grace Hospice of Austin, LLC	20-2827613	MI
ComfortBrook Hospice, LLC	20-1530070	OH
Comfort Hospice of Texas, LLC	20-4996551	MI
Grace Hospice of San Antonio, LLC	20-2827526	MI
Grace Hospice of Grand Rapids, LLC	45-0679248	MI
Grace Hospice of Indiana, LLC	45-0634905	MI
Grace Hospice of Virginia, LLC	45-5080637	MI
Comfort Hospice of Missouri, LLC	45-5080567	MI
Grace Hospice of Wisconsin, LLC	46-1708834	MI
Grace Hospice of Illinois, LLC	81-5129923	IL
Seniorcorps Peninsula, LLC	26-4435532	VA
R&C Healthcare, LLC	33-1179031	TX
Pinnacle Senior Care of Missouri, LLC	46-0861469	MI
Country Style Health Care, LLC	03-0556422	TX
Phoenix Home Health Care, LLC	14-1878333	DE
Traditional Home Health Services, LLC	75-2635025	TX
Family Nurse Care, LLC	38-2751108	MI
Family Nurse Care II, LLC	20-5108540	MI
Family Nurse Care of Ohio, LLC	20-3920947	MI
Pinnacle Senior Care of Wisconsin, LLC	46-4229858	WI
Pinnacle Senior Care of Indiana, LLC	81-1565426	MI
Pinnacle Home Care, LLC	76-0713516	TX
North Florida Health Services, Inc	59-3519060	FL
Pinnacle Sr. Care of Kalamazoo, LLC	47-1742728	MI
Hospice DME Company, LLC	46-1734288	MI
Rapid Respiratory Services, LLC	20-4364776	DE
USMM Accountable Care Partners, LLC	46-5735993	DE
Pinnacle Senior Care of Illinois, LLC	83-3534462	IL
VPA, P.C.	38-3176990	MI
IAH of Michigan, PLLC	47-2159305	MI

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IAH of Wisconsin, PLLC	47-2146160	MI	
VPA of Texas	20-2386997	MI	
IAH of Texas, PLLC	35-2519603	MI	
Advantechs X-Ray Imaging Services, L.L.C.	36-4539790	TX	
Health Net, LLC	47-5208076	DE	
Health Net of California, Inc.	95-4402957	CA	
Health Net Life Insurance Company	73-0654885	CA	66141
Health Net Life Reinsurance Company	98-0409907	CYM	
Managed Health Network, LLC	95-4117722	DE	
Managed Health Network	95-3817988	CA	
MHN Services, LLC	95-4146179	CA	
Health Net Federal Services, LLC	68-0214809	DE	
MHN Government Services LLC	42-1680916	DE	
MHN Government Services-Guam, Inc.	90-0889803	DE	
MHN Government Services-International, Inc.	90-0889825	DE	
MHN Government Services-Puerto Rico, Inc.	90-0889815	DE	
Network Providers, LLC (10%)	88-0357895	DE	
Health Net Veterans, LLC	35-2490375	DE	
Network Providers, LLC (90%)	88-0357895	DE	
Health Net Health Plan of Oregon, Inc.	93-1004034	OR	95800
Health Net Community Solutions, Inc.	54-2174068	CA	
Health Net of Arizona, Inc.	36-3097810	AZ	95206
Health Net Pharmaceutical Services	68-0295375	CA	
Health Net Community Solutions of Arizona, Inc.	81-1348826	AZ	15895
Health Net Access, Inc.	46-2616037	AZ	
MHS Consulting, International, Inc	20-8630006	DE	
Centene International Ventures, LLC	83-1047281	DE	
MHS European Holdings s.a.r.l.	27-2075447	LUX	
PRIMEROSALUD, S.L.	Foreign	ESP	
Ribera Salud, S.A. (90.1%)	Foreign	ESP	
Torrevieja Salud UTE (65%)	Foreign	ESP	
Ribera Salud II (96~%)	Foreign	ESP	
ERESCANNER (15%)	Foreign	ESP	
BR Salud UTE (45%)	Foreign	ESP	
Marina Salud (35%)	Foreign	ESP	
Villa Maria del Triunfo Salud S.A. C. (5%)	Foreign	PER	
Callao Salud S.A.C. (5%)	Foreign	PER	
Infraestructuras y Servicios de Alzira S.L. (50%)	Foreign	ESP	
Elche-Crevillente Salud (100%)	Foreign	ESP	
B2B Salud	Foreign	ESP	
B2B Gestion integral, S.L.	Foreign	ESP	
B2B Lab,S.L.	Foreign	ESP	
Ribera Salud proyectos S.L.	Foreign	ESP	
Ribera-Quilpro UTE	Foreign	ESP	
Ribera Salud Infraestructuras S.L.U.	Foreign	ESP	

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Pro Diagnostic Group, a.s (66.43%)	Foreign	SVK
Pro RTG (80%)		SVK
DR Magnet		SVK
Pro Magnet		SVK
Medicina NZ		SVK
MR Poprad		SVK
CT Poprad		SVK
MR Zilina		SVK
Pro Magnet CZ		CZE
Progress Medical a.s.		CZE
OB Klinika, a.s.		CZE
OB Care, s.r.o		CZE
Hospital Povisa, S.A. (93.29%)		ESP
Ribera Salud Tecnologias S.L.U.	Foreign	ESP
Torre vieja Salud S.L.U.	Foreign	ESP
Torre vieja Salud UTE (35%)	Foreign	ESP
Torrejon Salud, S.A. (89.47%)	Foreign	ESP
MH Services International Holdings (UK) Limited	Foreign	GBR
MH Services International (UK) Limited	Foreign	GBR
Operose Health Ltd.	Foreign	GBR
Operose Health (Group) Ltd.	Foreign	GBR
Operose Health Corporate Management Ltd.	Foreign	GBR
Operose Health Services Ltd.	Foreign	GBR
The Practice Surgeries Limited	Foreign	GBR
Phoenix Primary Care Limited	Foreign	GBR
Phoenix Primary (South) Limited	Foreign	GBR
Circle Health Holdings Limited (19.9%)	Foreign	GBR
Circle Holdings Limited	Foreign	JEY
Health Properties Limited	Foreign	JEY
Health Property (South Manchester) Limited	Foreign	JEY
Circle Partnership Limited	Foreign	VGB
Circle Health Limited (49.9%)	Foreign	GBR
Circle International Plc	Foreign	GBR
Circle Health Limited (50.1%)	Foreign	GBR
Nations Healthcare Limited	Foreign	GBR
Circle Nottingham Limited	Foreign	GBR
Circle Rehabilitation Services	Foreign	GBR
Circle Hospital (Bath) Limited	Foreign	GBR
Circle Hospital (Reading) Limited	Foreign	GBR
Circle Clinical Services Limited	Foreign	GBR
Circle Birmingham Limited	Foreign	GBR
Circle Harmony Health Limited (50%)	Foreign	CHN
Shanghai Circle Harmony Hospital Management	Foreign	CHN
Centene Europe Finance Company Limited	Foreign	MLT
Centene Health Plan Holdings, Inc.	82-1172163	DE

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Ambetter of North Carolina, Inc.	82-5032556	NC	16395
Carolina Complete Health Holding Company Partnership (80%)	82-2699483	DE	
Carolina Complete Health, Inc.	82-2699332	NC	16526
New York Quality Healthcare Corporation	82-3380290	NY	
Salus Administrative Services, Inc.	55-0878053	NY	
Salus IPA, LLC	82-0802846	NY	
Calibrate Acquisition Co	82-4670677	DE	
Community Medical Holdings Corp	47-4179393	DE	
Access Medical Acquisition, Inc.	46-3485489	DE	
Access Medical Group of North Miami Beach, Inc.	45-3191569	FL	
Access Medical Group of Miami, Inc.	45-3191719	FL	
Access Medical Group of Hialeah, Inc.	45-3192283	FL	
Access Medical Group of Westchester, Inc.	45-3199819	FL	
Access Medical Group of Opa-Locka, Inc.	45-3505196	FL	
Access Medical Group of Perrine, Inc.	45-3192955	FL	
Access Medical Group of Florida City, Inc.	45-3192366	FL	
Access Medical Group of Tampa, Inc.	82-1737078	FL	
Access Medical Group of Tampa II, Inc.	82-1750978	FL	
Access Medical Group of Tampa III, Inc.	82-1773315	FL	
Access Medical Group of Lakeland, LLC	84-2750188	FL	
Interpreta Holdings, Inc. (80.1%)	82-4883921	DE	
Interpreta, Inc.	46-5517858	DE	
Patriots Holding Co	82-4581788	DE	
RxAdvance Corporation (30.33%)		DE	
Centene Venture Company Alabama Health Plan, Inc.	84-3707689	AL	
Centene Venture Company Michigan	83-2446307	MI	16613
Next Door Neighbors, LLC (60%)	32-2434596	DE	
Next Door Neighbors, Inc.	83-2381790	DE	
Centene Venture Company Illinois	83-2425735	IL	16505
Centene Venture Company Kansas	83-2409040	KS	16528
Centene Venture Company Florida	83-2434596	FL	16499
Centene Venture Company Indiana, Inc.	84-3679376	IN	
Centene Venture Company Tennessee	84-3724374	TN	
HealthEC, LLC (12.8%)			
Arch Personalized Medicine Initiative, LLC (50%)	83-4144116	MO	
Social Health Bridge, LLC	83-4205348	DE	
Social Health Bridge Trust	84-6403386	DE	
Wellington Merger Sub I, LLC		DE	
Wellington Merger Sub II, Inc.	83-4405939	DE	
QCA Healthplan, Inc.	71-0794605	AR	95448
Qualchoice Life and Health Insurance Company	71-0386640	AR	70998
Hudson Acquisition, LLC	83-3502610	TX	
HealthSmart Benefits Management, LLC	36-4099199	TX	
Parker LP, LLC	20-2387587	NV	
HealthSmart Preferred Care II, LP (99%)	75-2508316	TX	

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HealthSmart Primary Care Clinics, LP (99%)	20-3394046	TX
HealthSmart Care Management Solutions, LP (99%)	75-2960859	TX
HealthSmart Information Systems, Inc.	75-2727437	TX
HealthSmart Benefit Solutions, Inc.	36-4099199	IL
HealthSmart Preferred Network II, Inc	06-1621470	DE
HealthSmart Rx Solutions, Inc.	34-1635597	OH
Maui Ola Health and Wellness, Inc.		HI
District Community Care Inc.	84-4119570	DC

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