

ASSETS

| | Current Year | | | Prior Year |
|---|--------------|--------------------|-----------------------------------|---------------------|
| | 1 | 2 | 3 | 4 |
| | Assets | Nonadmitted Assets | Net Admitted Assets (Cols. 1 - 2) | Net Admitted Assets |
| 1. Bonds (Schedule D) | | | | |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | | | | |
| 2.2 Common stocks | | | | |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | | | | |
| 3.2 Other than first liens | | | | |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$..... encumbrances) | | | | |
| 4.2 Properties held for the production of income (less \$..... encumbrances) | | | | |
| 4.3 Properties held for sale (less \$..... encumbrances) | | | | |
| 5. Cash (\$.....350,000, Schedule E - Part 1), cash equivalents (\$.....1,303,350, Schedule E - Part 2) and short-term investments (\$....., Schedule DA) | 1,653,350 | | 1,653,350 | |
| 6. Contract loans (including \$..... premium notes) | | | | |
| 7. Derivatives (Schedule DB) | | | | |
| 8. Other invested assets (Schedule BA) | | | | |
| 9. Receivables for securities | | | | |
| 10. Securities lending reinvested collateral assets (Schedule DL) | | | | |
| 11. Aggregate write-ins for invested assets | | | | |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 1,653,350 | | 1,653,350 | |
| 13. Title plants less \$..... charged off (for Title insurers only) | | | | |
| 14. Investment income due and accrued | 4,870 | | 4,870 | |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | | | | |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$..... earned but unbilled premiums) | | | | |
| 15.3 Accrued retrospective premiums (\$.....) and contracts subject to redetermination (\$.....) | | | | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | | | | |
| 16.2 Funds held by or deposited with reinsured companies | | | | |
| 16.3 Other amounts receivable under reinsurance contracts | | | | |
| 17. Amounts receivable relating to uninsured plans | | | | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | | |
| 18.2 Net deferred tax asset | | | | |
| 19. Guaranty funds receivable or on deposit | | | | |
| 20. Electronic data processing equipment and software | | | | |
| 21. Furniture and equipment, including health care delivery assets (\$.....) | | | | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 23. Receivables from parent, subsidiaries and affiliates | | | | |
| 24. Health care (\$.....) and other amounts receivable | | | | |
| 25. Aggregate write-ins for other-than-invested assets | | | | |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 1,658,220 | | 1,658,220 | |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. Total (Lines 26 and 27) | 1,658,220 | | 1,658,220 | |
| Details of Write-Ins | | | | |
| 1101. | | | | |
| 1102. | | | | |
| 1103. | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | | |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | | |
| 2501. | | | | |
| 2502. | | | | |
| 2503. | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | | |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | | | | |

LIABILITIES, CAPITAL AND SURPLUS

| | Current Year | | | Prior Year |
|--|--------------|----------------|------------|------------|
| | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. Claims unpaid (less \$..... reinsurance ceded) | | | | |
| 2. Accrued medical incentive pool and bonus amounts | | | | |
| 3. Unpaid claims adjustment expenses | | | | |
| 4. Aggregate health policy reserves, including the liability of \$..... for medical loss ratio rebate per the Public Health Service Act | | | | |
| 5. Aggregate life policy reserves | | | | |
| 6. Property/casualty unearned premium reserves | | | | |
| 7. Aggregate health claim reserves | | | | |
| 8. Premiums received in advance | | | | |
| 9. General expenses due or accrued | | | | |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses)) | | | | |
| 10.2 Net deferred tax liability | | | | |
| 11. Ceded reinsurance premiums payable | | | | |
| 12. Amounts withheld or retained for the account of others | | | | |
| 13. Remittances and items not allocated | | | | |
| 14. Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current) | | | | |
| 15. Amounts due to parent, subsidiaries and affiliates | | | | |
| 16. Derivatives | | | | |
| 17. Payable for securities | | | | |
| 18. Payable for securities lending | | | | |
| 19. Funds held under reinsurance treaties (with \$..... authorized reinsurers, \$..... unauthorized reinsurers and \$..... certified reinsurers) | | | | |
| 20. Reinsurance in unauthorized and certified (\$.....) companies | | | | |
| 21. Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 22. Liability for amounts held under uninsured plans | | | | |
| 23. Aggregate write-ins for other liabilities (including \$..... current) | | | | |
| 24. Total liabilities (Lines 1 to 23) | | | | |
| 25. Aggregate write-ins for special surplus funds | XXX | XXX | | |
| 26. Common capital stock | XXX | XXX | 750,000 | |
| 27. Preferred capital stock | XXX | XXX | | |
| 28. Gross paid in and contributed surplus | XXX | XXX | 850,000 | |
| 29. Surplus notes | XXX | XXX | | |
| 30. Aggregate write-ins for other-than-special surplus funds | XXX | XXX | | |
| 31. Unassigned funds (surplus) | XXX | XXX | 58,220 | |
| 32. Less treasury stock, at cost: | | | | |
| 32.1 shares common (value included in Line 26 \$.....) | XXX | XXX | | |
| 32.2 shares preferred (value included in Line 27 \$.....) | XXX | XXX | | |
| 33. Total capital and surplus (Lines 25 to 31 minus Line 32) | XXX | XXX | 1,658,220 | |
| 34. Total liabilities, capital and surplus (Lines 24 and 33) | XXX | XXX | 1,658,220 | |
| Details of Write-Ins | | | | |
| 2301. | | | | |
| 2302. | | | | |
| 2303. | | | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | | | | |
| 2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above) | | | | |
| 2501. | XXX | XXX | | |
| 2502. | XXX | XXX | | |
| 2503. | XXX | XXX | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | XXX | XXX | | |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | XXX | XXX | | |
| 3001. | XXX | XXX | | |
| 3002. | XXX | XXX | | |
| 3003. | XXX | XXX | | |
| 3098. Summary of remaining write-ins for Line 30 from overflow page | XXX | XXX | | |
| 3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above) | XXX | XXX | | |

STATEMENT OF REVENUE AND EXPENSES

| | Current Year | | Prior Year |
|---|----------------|------------|------------|
| | 1 Uncovered | 2 Total | 3 Total |
| 1. Member Months | XXX | | |
| 2. Net premium income (including \$..... non-health premium income) | XXX | | |
| 3. Change in unearned premium reserves and reserve for rate credits | XXX | | |
| 4. Fee-for-service (net of \$..... medical expenses) | XXX | | |
| 5. Risk revenue | XXX | | |
| 6. Aggregate write-ins for other health care related revenues | XXX | | |
| 7. Aggregate write-ins for other non-health revenues | XXX | | |
| 8. Total revenues (Lines 2 to 7) | XXX | | |
| Hospital and Medical: | | | |
| 9. Hospital/medical benefits | | | |
| 10. Other professional services | | | |
| 11. Outside referrals | | | |
| 12. Emergency room and out-of-area | | | |
| 13. Prescription drugs | | | |
| 14. Aggregate write-ins for other hospital and medical | | | |
| 15. Incentive pool, withhold adjustments and bonus amounts | | | |
| 16. Subtotal (Lines 9 to 15) | | | |
| Less: | | | |
| 17. Net reinsurance recoveries | | | |
| 18. Total hospital and medical (Lines 16 minus 17) | | | |
| 19. Non-health claims (net) | | | |
| 20. Claims adjustment expenses, including \$..... cost containment expenses | | | |
| 21. General administrative expenses | | 30 | |
| 22. Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only) | | | |
| 23. Total underwriting deductions (Lines 18 through 22) | | 30 | |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | XXX | (30) | |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17) | | 58,750 | |
| 26. Net realized capital gains (losses) less capital gains tax of \$..... | | | |
| 27. Net investment gains (losses) (Lines 25 plus 26) | | 58,750 | |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)] | | | |
| 29. Aggregate write-ins for other income or expenses | | (500) | |
| 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 | 58,220 | |
| 31. Federal and foreign income taxes incurred | XXX | | |
| 32. Net income (loss) (Lines 30 minus 31) | XXX | 58,220 | |
| Details of Write-Ins | | | |
| 0601. | XXX | | |
| 0602. | XXX | | |
| 0603. | XXX | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | XXX | | |
| 0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) | XXX | | |
| 0701. | XXX | | |
| 0702. | XXX | | |
| 0703. | XXX | | |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | XXX | | |
| 0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) | XXX | | |
| 1401. | | | |
| 1402. | | | |
| 1403. | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | | | |
| 1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) | | | |
| 2901. Fines and penalties of regulatory authorities | | (500) | |
| 2902. | | | |
| 2903. | | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | | | |
| 2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) | | (500) | |

STATEMENT OF REVENUE AND EXPENSES (CONTINUED)

| | 1 | 2 |
|---|--------------|------------|
| CAPITAL & SURPLUS ACCOUNT | Current Year | Prior Year |
| 33. Capital and surplus prior reporting year..... | | |
| 34. Net income or (loss) from Line 32..... | 58,220 | |
| 35. Change in valuation basis of aggregate policy and claim reserves..... | | |
| 36. Change in net unrealized capital gains (losses) less capital gains tax of \$..... | | |
| 37. Change in net unrealized foreign exchange capital gain or (loss)..... | | |
| 38. Change in net deferred income tax..... | | |
| 39. Change in nonadmitted assets..... | | |
| 40. Change in unauthorized and certified reinsurance..... | | |
| 41. Change in treasury stock..... | | |
| 42. Change in surplus notes..... | | |
| 43. Cumulative effect of changes in accounting principles..... | | |
| 44. Capital Changes: | | |
| 44.1 Paid in..... | 750,000 | |
| 44.2 Transferred from surplus (Stock Dividend)..... | | |
| 44.3 Transferred to surplus..... | | |
| 45. Surplus adjustments: | | |
| 45.1 Paid in..... | 850,000 | |
| 45.2 Transferred to capital (Stock Dividend)..... | | |
| 45.3 Transferred from capital..... | | |
| 46. Dividends to stockholders..... | | |
| 47. Aggregate write-ins for gains or (losses) in surplus..... | | |
| 48. Net change in capital and surplus (Lines 34 to 47)..... | 1,658,220 | |
| 49. Capital and surplus end of reporting year (Line 33 plus 48)..... | 1,658,220 | |
| Details of Write-Ins | | |
| 4701..... | | |
| 4702..... | | |
| 4703..... | | |
| 4798. Summary of remaining write-ins for Line 47 from overflow page..... | | |
| 4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)..... | | |

CASH FLOW

| | 1 | 2 |
|---|--------------|------------|
| | Current Year | Prior Year |
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance | | |
| 2. Net investment income | 53,880 | |
| 3. Miscellaneous income | | |
| 4. Total (Lines 1 to 3) | 53,880 | |
| 5. Benefit and loss related payments | | |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 530 | |
| 8. Dividends paid to policyholders | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$..... tax on capital gains (losses) | | |
| 10. Total (Lines 5 through 9) | 530 | |
| 11. Net cash from operations (Line 4 minus Line 10) | 53,350 | |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | | |
| 12.2 Stocks | | |
| 12.3 Mortgage loans | | |
| 12.4 Real estate | | |
| 12.5 Other invested assets | | |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | | |
| 12.7 Miscellaneous proceeds | | |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | | |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | | |
| 13.2 Stocks | | |
| 13.3 Mortgage loans | | |
| 13.4 Real estate | | |
| 13.5 Other invested assets | | |
| 13.6 Miscellaneous applications | | |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | | |
| 14. Net increase / (decrease) in contract loans and premium notes | | |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | | |
| Cash from Financing and Miscellaneous Sources | | |
| 16. Cash provided (applied): | | |
| 16.1 Surplus notes, capital notes | | |
| 16.2 Capital and paid in surplus, less treasury stock | 1,600,000 | |
| 16.3 Borrowed funds | | |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | |
| 16.5 Dividends to stockholders | | |
| 16.6 Other cash provided (applied) | | |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | 1,600,000 | |
| 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) | 1,653,350 | |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | | |
| 19.2 End of year (Line 18 plus Line 19.1) | 1,653,350 | |

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

| | | |
|---------------|--|--|
| 20.0001 | | |
|---------------|--|--|

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefits Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Credit A&H | 11 Disability Income | 12 Long-Term Care | 13 Other Health | 14 Other Non-Health |
|--|------------|------------------------------------|------------|--------------------------|------------------|------------------|---|---------------------------|-------------------------|------------------|-------------------------|----------------------|--------------------|------------------------|
| | | 2 Individual | 3 Group | | | | | | | | | | | |
| 1. Net premium income | | | | | | | | | | | | | | |
| 2. Change in unearned premium reserves and reserve for rate credit | | | | | | | | | | | | | | |
| 3. Fee-for-service (net of \$..... medical expenses) | | | | | | | | | | | | | | XXX |
| 4. Risk revenue | | | | | | | | | | | | | | XXX |
| 5. Aggregate write-ins for other health care related revenues | | | | | | | | | | | | | | XXX |
| 6. Aggregate write-ins for other non-health care related revenues | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 7. Total revenues (Lines 1 to 6) | | | | | | | | | | | | | | |
| 8. Hospital/medical benefits | | | | | | | | | | | | | | XXX |
| 9. Other professional services | | | | | | | | | | | | | | XXX |
| 10. Outside referrals | | | | | | | | | | | | | | XXX |
| 11. Emergency room and out-of-area | | | | | | | | | | | | | | XXX |
| 12. Prescription drugs | | | | | | | | | | | | | | XXX |
| 13. Aggregate write-ins for other hospital and medical | | | | | | | | | | | | | | XXX |
| 14. Incentive pool, withhold adjustments and bonus amounts | | | | | | | | | | | | | | XXX |
| 15. Subtotal (Lines 8 to 14) | | | | | | | | | | | | | | XXX |
| 16. Net reinsurance recoveries | | | | | | | | | | | | | | XXX |
| 17. Total hospital and medical (Lines 15 minus 16) | | | | | | | | | | | | | | XXX |
| 18. Non-health claims (net) | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 19. Claims adjustment expenses including \$..... cost containment expenses | | | | | | | | | | | | | | |
| 20. General administrative expenses | 30 | | | | | | | 30 | | | | | | |
| 21. Increase in reserves for accident and health contracts | | | | | | | | | | | | | | XXX |
| 22. Increase in reserves for life contracts | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 23. Total underwriting deductions (Lines 17 to 22) | 30 | | | | | | | 30 | | | | | | |
| 24. Net underwriting gain or (loss) (Line 7 minus Line 23) | (30) | | | | | | | (30) | | | | | | |
| Details of Write-Ins | | | | | | | | | | | | | | |
| 0501. | | | | | | | | | | | | | | XXX |
| 0502. | | | | | | | | | | | | | | XXX |
| 0503. | | | | | | | | | | | | | | XXX |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | | | | | | | | | | | | | | XXX |
| 0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) | | | | | | | | | | | | | | XXX |
| 0601. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0602. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0603. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 1301. | | | | | | | | | | | | | | XXX |
| 1302. | | | | | | | | | | | | | | XXX |
| 1303. | | | | | | | | | | | | | | XXX |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | | | | | | | | | | | | | | XXX |
| 1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above) | | | | | | | | | | | | | | XXX |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 – PREMIUMS

| Line of Business | | 1 Direct Business | 2 Reinsurance Assumed | 3 Reinsurance Ceded | 4 Net Premium Income (Cols. 1+2-3) | |
|------------------|--|----------------------|--------------------------|------------------------|---------------------------------------|--|
| 1. | Comprehensive (hospital and medical) individual..... | NONE | | | | |
| 2. | Comprehensive (hospital and medical) group..... | | | | | |
| 3. | Medicare Supplement..... | | | | | |
| 4. | Vision only..... | | | | | |
| 5. | Dental only..... | | | | | |
| 6. | Federal Employees Health Benefits Plan..... | | | | | |
| 7. | Title XVIII – Medicare..... | | | | | |
| 8. | Title XIX – Medicaid..... | | | | | |
| 9. | Credit A&H..... | | | | | |
| 10. | Disability Income..... | | | | | |
| 11. | Long-Term Care..... | | | | | |
| 12. | Other health..... | | | | | |
| 13. | Health subtotal (Lines 1 through 12)..... | | | | | |
| 14. | Life..... | | | | | |
| 15. | Property/casualty..... | | | | | |
| 16. | Totals (Lines 13 to 15)..... | | | | | |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefits Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Credit A&H | 11 Disability Income | 12 Long-Term Care | 13 Other Health | 14 Other Non-Health |
|--|------------|------------------------------------|------------|--------------------------|------------------|------------------|---|---------------------------|-------------------------|------------------|-------------------------|----------------------|--------------------|------------------------|
| | | 2 Individual | 3 Group | | | | | | | | | | | |
| 1. Payments during the year: | | | | | | | | | | | | | | |
| 1.1 Direct | | | | | | | | | | | | | | |
| 1.2 Reinsurance assumed | | | | | | | | | | | | | | |
| 1.3 Reinsurance ceded | | | | | | | | | | | | | | |
| 1.4 Net | | | | | | | | | | | | | | |
| 2. Paid medical incentive pools and bonuses | | | | | | | | | | | | | | |
| 3. Claim liability December 31, current year from Part 2A: | | | | | | | | | | | | | | |
| 3.1 Direct | | | | | | | | | | | | | | |
| 3.2 Reinsurance assumed | | | | | | | | | | | | | | |
| 3.3 Reinsurance ceded | | | | | | | | | | | | | | |
| 3.4 Net | | | | | | | | | | | | | | |
| 4. Claim reserve December 31, current year from Part 2D: | | | | | | | | | | | | | | |
| 4.1 Direct | | | | | | | | | | | | | | |
| 4.2 Reinsurance assumed | | | | | | | | | | | | | | |
| 4.3 Reinsurance ceded | | | | | | | | | | | | | | |
| 4.4 Net | | | | | | | | | | | | | | |
| 5. Accrued medical incentive pools and bonuses, current year | | | | | | | | | | | | | | |
| 6. Net health care receivables (a) | | | | | | | | | | | | | | |
| 7. Amounts recoverable from reinsurers December 31, current year | | | | | | | | | | | | | | |
| 8. Claim liability December 31, prior year from Part 2A: | | | | | | | | | | | | | | |
| 8.1 Direct | | | | | | | | | | | | | | |
| 8.2 Reinsurance assumed | | | | | | | | | | | | | | |
| 8.3 Reinsurance ceded | | | | | | | | | | | | | | |
| 8.4 Net | | | | | | | | | | | | | | |
| 9. Claim reserve December 31, prior year from Part 2D: | | | | | | | | | | | | | | |
| 9.1 Direct | | | | | | | | | | | | | | |
| 9.2 Reinsurance assumed | | | | | | | | | | | | | | |
| 9.3 Reinsurance ceded | | | | | | | | | | | | | | |
| 9.4 Net | | | | | | | | | | | | | | |
| 10. Accrued medical incentive pools and bonuses, prior year | | | | | | | | | | | | | | |
| 11. Amounts recoverable from reinsurers December 31, prior year | | | | | | | | | | | | | | |
| 12. Incurred benefits: | | | | | | | | | | | | | | |
| 12.1 Direct | | | | | | | | | | | | | | |
| 12.2 Reinsurance assumed | | | | | | | | | | | | | | |
| 12.3 Reinsurance ceded | | | | | | | | | | | | | | |
| 12.4 Net | | | | | | | | | | | | | | |
| 13. Incurred medical incentive pools and bonuses | | | | | | | | | | | | | | |

NONE

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A – CLAIMS LIABILITY END OF CURRENT YEAR

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefits Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Credit A&H | 11 Disability Income | 12 Long-Term Care | 13 Other Health | 14 Other Non-Health |
|---|------------|------------------------------------|------------|--------------------------|------------------|------------------|---|---------------------------|-------------------------|------------------|-------------------------|----------------------|--------------------|------------------------|
| | | 2 Individual | 3 Group | | | | | | | | | | | |
| 1. Reported in Process of Adjustment: | | | | | | | | | | | | | | |
| 1.1 Direct | | | | | | | | | | | | | | |
| 1.2 Reinsurance assumed | | | | | | | | | | | | | | |
| 1.3 Reinsurance ceded | | | | | | | | | | | | | | |
| 1.4 Net | | | | | | | | | | | | | | |
| 2. Incurred but Unreported: | | | | | | | | | | | | | | |
| 2.1 Direct | | | | | | | | | | | | | | |
| 2.2 Reinsurance assumed | | | | | | | | | | | | | | |
| 2.3 Reinsurance ceded | | | | | | | | | | | | | | |
| 2.4 Net | | | | | | | | | | | | | | |
| 3. Amounts Withheld from Paid Claims and Capitations: | | | | | | | | | | | | | | |
| 3.1 Direct | | | | | | | | | | | | | | |
| 3.2 Reinsurance assumed | | | | | | | | | | | | | | |
| 3.3 Reinsurance ceded | | | | | | | | | | | | | | |
| 3.4 Net | | | | | | | | | | | | | | |
| 4. TOTALS: | | | | | | | | | | | | | | |
| 4.1 Direct | | | | | | | | | | | | | | |
| 4.2 Reinsurance assumed | | | | | | | | | | | | | | |
| 4.3 Reinsurance ceded | | | | | | | | | | | | | | |
| 4.4 Net | | | | | | | | | | | | | | |

NONE

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 | 6 |
|---|--|---|---|---|--|---|
| | 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 | Claims Incurred in Prior Years (Columns 1 + 3) | Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
| 1. Comprehensive (hospital and medical) individual..... | | | | | | |
| 2. Comprehensive (hospital and medical) group..... | | | | | | |
| 3. Medicare Supplement..... | | | | | | |
| 4. Vision Only..... | | | | | | |
| 5. Dental Only..... | | | | | | |
| 6. Federal Employees Health Benefits Plan..... | | | | | | |
| 7. Title XVIII – Medicare..... | | | | | | |
| 8. Title XIX – Medicaid..... | | | | | | |
| 9. Credit A&H..... | | | | | | |
| 10. Disability Income..... | | | | | | |
| 11. Long-Term Care..... | | | | | | |
| 12. Other health..... | | | | | | |
| 13. Health subtotal (Lines 1 to 12)..... | | | | | | |
| 14. Health care receivables (a)..... | | | | | | |
| 15. Other non-health..... | | | | | | |
| 16. Medical incentive pools and bonus amounts..... | | | | | | |
| 17. Totals (Lines 13 - 14 + 15 + 16)..... | | | | | | |

NONE

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

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

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior | | | | | |
| 2. 2020 | | | | | |
| 3. 2021 | XXX | | | | |
| 4. 2022 | XXX | XXX | | | |
| 5. 2023 | XXX | XXX | XXX | | |
| 6. 2024 | XXX | XXX | XXX | XXX | |

Section B – Incurred Health Claims

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|--|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior | | | | | |
| 2. 2020 | | | | | |
| 3. 2021 | XXX | | | | |
| 4. 2022 | XXX | XXX | | | |
| 5. 2023 | XXX | XXX | XXX | | |
| 6. 2024 | XXX | XXX | XXX | XXX | |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|----------------------|----------------------|--|-------------------------|---|-------------------------|--------------------|--|---|--------------------------|
| 1. 2020 | | | | | | | | | | |
| 2. 2021 | | | | | | | | | | |
| 3. 2022 | | | | | | | | | | |
| 4. 2023 | | | | | | | | | | |
| 5. 2024 | | | | | | | | | | |

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

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior | | | | | |
| 2. 2020 | | | | | |
| 3. 2021 | XXX | | | | |
| 4. 2022 | XXX | XXX | | | |
| 5. 2023 | XXX | XXX | XXX | | |
| 6. 2024 | XXX | XXX | XXX | XXX | |

Section B – Incurred Health Claims

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|--|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior | | | | | |
| 2. 2020 | | | | | |
| 3. 2021 | XXX | | | | |
| 4. 2022 | XXX | XXX | | | |
| 5. 2023 | XXX | XXX | XXX | | |
| 6. 2024 | XXX | XXX | XXX | XXX | |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|----------------------|----------------------|--|-------------------------|---|-------------------------|--------------------|--|---|--------------------------|
| 1. 2020 | | | | | | | | | | |
| 2. 2021 | | | | | | | | | | |
| 3. 2022 | | | | | | | | | | |
| 4. 2023 | | | | | | | | | | |
| 5. 2024 | | | | | | | | | | |

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

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

Section B – Incurred Health Claims

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|--|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|----------------------|----------------------|--|-------------------------|---|-------------------------|--------------------|--|---|--------------------------|
| 1. 2020..... | | | | | | | | | | |
| 2. 2021..... | | | | | | | | | | |
| 3. 2022..... | | | | | | | | | | |
| 4. 2023..... | | | | | | | | | | |
| 5. 2024..... | | | | | | | | | | |

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NONE

NONE

NONE

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

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior | | | | | |
| 2. 2020 | | | | | |
| 3. 2021 | XXX | | | | |
| 4. 2022 | XXX | XXX | | | |
| 5. 2023 | XXX | XXX | XXX | | |
| 6. 2024 | XXX | XXX | XXX | XXX | |

Section B – Incurred Health Claims

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|--|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior | | | | | |
| 2. 2020 | | | | | |
| 3. 2021 | XXX | | | | |
| 4. 2022 | XXX | XXX | | | |
| 5. 2023 | XXX | XXX | XXX | | |
| 6. 2024 | XXX | XXX | XXX | XXX | |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|----------------------|----------------------|--|-------------------------|---|-------------------------|--------------------|--|---|--------------------------|
| 1. 2020 | | | | | | | | | | |
| 2. 2021 | | | | | | | | | | |
| 3. 2022 | | | | | | | | | | |
| 4. 2023 | | | | | | | | | | |
| 5. 2024 | | | | | | | | | | |

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

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

Section B – Incurred Health Claims

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|--|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior..... | | | | | |
| 2. 2020..... | | | | | |
| 3. 2021..... | XXX | | | | |
| 4. 2022..... | XXX | XXX | | | |
| 5. 2023..... | XXX | XXX | XXX | | |
| 6. 2024..... | XXX | XXX | XXX | XXX | |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|----------------------|----------------------|--|-------------------------|---|-------------------------|--------------------|--|---|--------------------------|
| 1. 2020..... | | | | | | | | | | |
| 2. 2021..... | | | | | | | | | | |
| 3. 2022..... | | | | | | | | | | |
| 4. 2023..... | | | | | | | | | | |
| 5. 2024..... | | | | | | | | | | |

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

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior | | | | | |
| 2. 2020 | | | | | |
| 3. 2021 | XXX | | | | |
| 4. 2022 | XXX | XXX | | | |
| 5. 2023 | XXX | XXX | XXX | | |
| 6. 2024 | XXX | XXX | XXX | XXX | |

Section B – Incurred Health Claims

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|--|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior | | | | | |
| 2. 2020 | | | | | |
| 3. 2021 | XXX | | | | |
| 4. 2022 | XXX | XXX | | | |
| 5. 2023 | XXX | XXX | XXX | | |
| 6. 2024 | XXX | XXX | XXX | XXX | |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|----------------------|----------------------|--|-------------------------|---|-------------------------|--------------------|--|---|--------------------------|
| 1. 2020 | | | | | | | | | | |
| 2. 2021 | | | | | | | | | | |
| 3. 2022 | | | | | | | | | | |
| 4. 2023 | | | | | | | | | | |
| 5. 2024 | | | | | | | | | | |

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

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior | | | | | |
| 2. 2020 | | | | | |
| 3. 2021 | XXX | | | | |
| 4. 2022 | XXX | XXX | | | |
| 5. 2023 | XXX | XXX | XXX | | |
| 6. 2024 | XXX | XXX | XXX | XXX | |

Section B – Incurred Health Claims

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|--|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior | | | | | |
| 2. 2020 | | | | | |
| 3. 2021 | XXX | | | | |
| 4. 2022 | XXX | XXX | | | |
| 5. 2023 | XXX | XXX | XXX | | |
| 6. 2024 | XXX | XXX | XXX | XXX | |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|----------------------|----------------------|--|-------------------------|---|-------------------------|--------------------|--|---|--------------------------|
| 1. 2020 | | | | | | | | | | |
| 2. 2021 | | | | | | | | | | |
| 3. 2022 | | | | | | | | | | |
| 4. 2023 | | | | | | | | | | |
| 5. 2024 | | | | | | | | | | |

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

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior | | | | | |
| 2. 2020 | | | | | |
| 3. 2021 | XXX | | | | |
| 4. 2022 | XXX | XXX | | | |
| 5. 2023 | XXX | XXX | XXX | | |
| 6. 2024 | XXX | XXX | XXX | XXX | |

Section B – Incurred Health Claims

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|--|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior | | | | | |
| 2. 2020 | | | | | |
| 3. 2021 | XXX | | | | |
| 4. 2022 | XXX | XXX | | | |
| 5. 2023 | XXX | XXX | XXX | | |
| 6. 2024 | XXX | XXX | XXX | XXX | |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|----------------------|----------------------|--|-------------------------|---|-------------------------|--------------------|--|---|--------------------------|
| 1. 2020 | | | | | | | | | | |
| 2. 2021 | | | | | | | | | | |
| 3. 2022 | | | | | | | | | | |
| 4. 2023 | | | | | | | | | | |
| 5. 2024 | | | | | | | | | | |

12 XI

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

Section A – Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior | | | | | |
| 2. 2020 | | | | | |
| 3. 2021 | XXX | | | | |
| 4. 2022 | XXX | XXX | | | |
| 5. 2023 | XXX | XXX | XXX | | |
| 6. 2024 | XXX | XXX | XXX | XXX | |

Section B – Incurred Health Claims

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|--|-----------|-----------|-----------|-----------|
| | 1 2020 | 2 2021 | 3 2022 | 4 2023 | 5 2024 |
| 1. Prior | | | | | |
| 2. 2020 | | | | | |
| 3. 2021 | XXX | | | | |
| 4. 2022 | XXX | XXX | | | |
| 5. 2023 | XXX | XXX | XXX | | |
| 6. 2024 | XXX | XXX | XXX | XXX | |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|----------------------|----------------------|--|-------------------------|---|-------------------------|--------------------|--|---|--------------------------|
| 1. 2020 | | | | | | | | | | |
| 2. 2021 | | | | | | | | | | |
| 3. 2022 | | | | | | | | | | |
| 4. 2023 | | | | | | | | | | |
| 5. 2024 | | | | | | | | | | |

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UNDERWRITING AND INVESTMENT EXHIBIT

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

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefits Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Credit A&H | 11 Disability Income | 12 Long-Term Care | 13 Other |
|--|------------|------------------------------------|------------|--------------------------|------------------|------------------|---|---------------------------|-------------------------|------------------|-------------------------|----------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | | | | |
| 1. Unearned premium reserves | | | | | | | | | | | | | |
| 2. Additional policy reserves (a) | | | | | | | | | | | | | |
| 3. Reserve for future contingent benefits | | | | | | | | | | | | | |
| 4. Reserve for rate credits or experience rating refunds (including \$..... for investment income) | | | | | | | | | | | | | |
| 5. Aggregate write-ins for other policy reserves | | | | | | | | | | | | | |
| 6. Totals (gross) | | | | | | | | | | | | | |
| 7. Reinsurance ceded | | | | | | | | | | | | | |
| 8. Totals (Net) (Page 3, Line 4) | | | | | | | | | | | | | |
| 9. Present value of amounts not yet due on claims | | | | | | | | | | | | | |
| 10. Reserve for future contingent benefits | | | | | | | | | | | | | |
| 11. Aggregate write-ins for other claim reserves | | | | | | | | | | | | | |
| 12. Totals (gross) | | | | | | | | | | | | | |
| 13. Reinsurance ceded | | | | | | | | | | | | | |
| 14. Totals (Net) (Page 3, Line 7) | | | | | | | | | | | | | |
| NONE | | | | | | | | | | | | | |
| Details of Write-Ins | | | | | | | | | | | | | |
| 0501. | | | | | | | | | | | | | |
| 0502. | | | | | | | | | | | | | |
| 0503. | | | | | | | | | | | | | |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | | | | | | | | | | | | | |
| 0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) | | | | | | | | | | | | | |
| 1101. | | | | | | | | | | | | | |
| 1102. | | | | | | | | | | | | | |
| 1103. | | | | | | | | | | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | | | | | | | | | | | |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | | | | | | | | | | | |

(a) Includes \$ – premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 – ANALYSIS OF EXPENSES

| | Claim Adjustment Expenses | | 3 General Administrative Expenses | 4 Investment Expenses | 5 Total |
|--|--------------------------------------|--|--|-----------------------------|------------|
| | 1 Cost Containment Expenses | 2 Other Claim Adjustment Expenses | | | |
| 1. Rent (\$..... for occupancy of own building) | | | | | |
| 2. Salaries, wages and other benefits | | | | | |
| 3. Commissions (less \$..... ceded plus \$..... assumed) | | | | | |
| 4. Legal fees and expenses | | | | | |
| 5. Certifications and accreditation fees | | | | | |
| 6. Auditing, actuarial and other consulting services | | | | | |
| 7. Traveling expenses | | | | | |
| 8. Marketing and advertising | | | | | |
| 9. Postage, express and telephone | | | | | |
| 10. Printing and office supplies | | | | | |
| 11. Occupancy, depreciation and amortization | | | | | |
| 12. Equipment | | | | | |
| 13. Cost or depreciation of EDP equipment and software | | | | | |
| 14. Outsourced services including EDP, claims, and other services | | | | | |
| 15. Boards, bureaus and association fees | | | | | |
| 16. Insurance, except on real estate | | | | | |
| 17. Collection and bank service charges | | | | | |
| 18. Group service and administration fees | | | | | |
| 19. Reimbursements by uninsured plans | | | | | |
| 20. Reimbursements from fiscal intermediaries | | | | | |
| 21. Real estate expenses | | | | | |
| 22. Real estate taxes | | | | | |
| 23. Taxes, licenses and fees: | | | | | |
| 23.1 State and local insurance taxes | | | | | |
| 23.2 State premium taxes | | | | | |
| 23.3 Regulatory authority licenses and fees | | | 30 | | 30 |
| 23.4 Payroll taxes | | | | | |
| 23.5 Other (excluding federal income and real estate taxes) | | | | | |
| 24. Investment expenses not included elsewhere | | | | | |
| 25. Aggregate write-ins for expenses | | | | | |
| 26. Total expenses incurred (Lines 1 to 25) | | | 30 | | (a) 30 |
| 27. Less expenses unpaid December 31, current year | | | | | |
| 28. Add expenses unpaid December 31, prior year | | | | | |
| 29. Amounts receivable relating to uninsured plans, prior year | | | | | |
| 30. Amounts receivable relating to uninsured plans, current year | | | | | |
| 31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) | | | 30 | | 30 |
| Details of Write-Ins | | | | | |
| 2501. | | | | | |
| 2502. | | | | | |
| 2503. | | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | | | |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | | | | | |

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

EXHIBIT OF NET INVESTMENT INCOME

| | 1 | 2 |
|---|-----------------------|--------------------|
| | Collected During Year | Earned During Year |
| 1. U.S. Government bonds | (a) | |
| 1.1 Bonds exempt from U.S. tax | (a) | |
| 1.2 Other bonds (unaffiliated) | (a) | |
| 1.3 Bonds of affiliates | (a) | |
| 2.1 Preferred stocks (unaffiliated) | (b) | |
| 2.11 Preferred stocks of affiliates | (b) | |
| 2.2 Common stocks (unaffiliated) | | |
| 2.21 Common stocks of affiliates | | |
| 3. Mortgage loans | (c) | |
| 4. Real estate | (d) | |
| 5. Contract loans | | |
| 6. Cash, cash equivalents and short-term investments | 53,880 | 58,750 |
| 7. Derivative instruments | (f) | |
| 8. Other invested assets | | |
| 9. Aggregate write-ins for investment income | | |
| 10. Total gross investment income | 53,880 | 58,750 |
| 11. Investment expenses | | (g) |
| 12. Investment taxes, licenses and fees, excluding federal income taxes | | (g) |
| 13. Interest expense | | (h) |
| 14. Depreciation on real estate and other invested assets | | (i) |
| 15. Aggregate write-ins for deductions from investment income | | |
| 16. Total deductions (Lines 11 through 15) | | |
| 17. Net investment income (Line 10 minus Line 16) | | 58,750 |
| Details of Write-Ins | | |
| 0901. | | |
| 0902. | | |
| 0903. | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | | |
| 0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) | | |
| 1501. | | |
| 1502. | | |
| 1503. | | |
| 1598. Summary of remaining write-ins for Line 15 from overflow page | | |
| 1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above) | | |

- (a) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ 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 | 2 | 3 | 4 | 5 |
|--|---|-------------------------------|--|--|--|
| | Realized Gain (Loss) On Sales or Maturity | Other Realized Adjustments | Total Realized Capital Gain (Loss) (Columns 1 + 2) | Change in Unrealized Capital Gain (Loss) | Change in Unrealized Foreign Exchange Capital Gain (Loss) |
| 1. U.S. Government bonds | | | | | |
| 1.1 Bonds exempt from U.S. tax | | | | | |
| 1.2 Other bonds (unaffiliated) | | | | | |
| 1.3 Bonds of affiliates | | | | | |
| 2.1 Preferred stocks (unaffiliated) | | | | | |
| 2.11 Preferred stocks of affiliates | | | | | |
| 2.2 Common stocks (unaffiliated) | | | | | |
| 2.21 Common stocks of affiliates | | | | | |
| 3. Mortgage loans | | | | | |
| 4. Real estate | | | | | |
| 5. Contract loans | | | | | |
| 6. Cash, cash equivalents and short-term investments | | | | | |
| 7. Derivative instruments | | | | | |
| 8. Other invested assets | | | | | |
| 9. Aggregate write-ins for capital gains (losses) | | | | | |
| 10. Total capital gains (losses) | | | | | |
| NONE | | | | | |
| Details of Write-Ins | | | | | |
| 0901. | | | | | |
| 0902. | | | | | |
| 0903. | | | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | | | | | |
| 0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) | | | | | |

EXHIBIT OF NONADMITTED ASSETS

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

NONE

EXHIBIT 1 – ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment | Total Members at End of | | | | | 6 Current Year Member Months |
|---|-------------------------|--------------------|---------------------|--------------------|-------------------|---------------------------------|
| | 1 Prior Year | 2 First Quarter | 3 Second Quarter | 4 Third Quarter | 5 Current Year | |
| 1. Health Maintenance Organizations..... | | | | | | |
| 2. Provider Service Organizations..... | | | | | | |
| 3. Preferred Provider Organizations..... | | | | | | |
| 4. Point of Service..... | | | | | | |
| 5. Indemnity Only..... | | | | | | |
| 6. Aggregate write-ins for other lines of business..... | | | | | | |
| 7. Total..... | | | | | | |
| Details of Write-Ins | | | | | | |
| 0601..... | | | | | | |
| 0602..... | | | | | | |
| 0603..... | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page..... | | | | | | |
| 0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)..... | | | | | | |

NONE

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Devoted Health Insurance Company of Arkansas, Inc. (the "Company") are presented on the basis of accounting practices prescribed or permitted by the Arkansas Insurance Department (the "Department"). Effective February 26, 2024, the Department issued the Company a Certificate of Authority to operate as an Accident and Health insurer. On January 1, 2025, the Company began writing Medicare Advantage preferred provider organization benefit plan business in the State of Arkansas.

The Department recognizes only statutory accounting practices prescribed or permitted by the State of Arkansas for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Arkansas Insurance Law. The National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the State of Arkansas. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices. At this time, there are no prescribed or permitted practices that impact the Company's statutory basis financial statements.

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

| | SSAP # | F/S Page | F/S Line # | 2024 | 2023 |
|---|--------|----------|------------|--------------|------|
| Net Income | | | | | |
| (1) State basis (Page 4, Line 32, Columns 2 & 3) | XXX | XXX | XXX | \$ 58,220 | \$ |
| (2) State prescribed practices that are an increase / (decrease) from NAIC SAP: | | | | | |
| (3) State permitted practices that are an increase / (decrease) from NAIC SAP: | | | | | |
| (4) NAIC SAP (1-2-3=4) | XXX | XXX | XXX | \$ 58,220 | \$ |
| Surplus | | | | | |
| (5) State basis (Page 3, Line 33, Columns 3 & 4) | XXX | XXX | XXX | \$ 1,658,220 | \$ |
| (6) State prescribed practices that are an increase / (decrease) from NAIC SAP: | | | | | |
| (7) State permitted practices that are an increase / (decrease) from NAIC SAP: | | | | | |
| (8) NAIC SAP (5-6-7=8) | XXX | XXX | XXX | \$ 1,658,220 | \$ |

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

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

C. Accounting Policy

- (1) Short-term investments - Not Applicable
- (2) Bonds, mandatory convertible securities, and SVO-identified investments per SSAP No. 26R - Not Applicable
- (3) Common stocks - Not Applicable
- (4) Preferred stocks - Not Applicable
- (5) Mortgage loans - Not Applicable
- (6) Loan-backed securities - Not Applicable
- (7) Investments in subsidiaries, controlled and affiliated entities - Not Applicable
- (8) Investments in joint ventures, partnerships and limited liability companies - Not Applicable
- (9) Derivatives - Not Applicable
- (10) Investment income as a factor in the premium deficiency calculation - Not Applicable
- (11) Liabilities for losses and loss/claim adjustment expenses - Not Applicable
- (12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period

The Company capitalization policy is \$5,000.

- (13) Pharmaceutical rebate receivables - Not Applicable

The Company also has the following additional significant accounting policies:

Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit with banks and government and corporate debt issues with original maturities of three months or less. Money market mutual funds registered under the Investment Company Act (the "Act") of 1940 and regulated under Rule 2a-7 of the Act are accounted for and reported as cash equivalents. As of December 31, 2024, the carrying value of the Company's cash equivalents approximated fair value due to the short-term nature of the investments.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies and Going Concern (Continued)

D. Going Concern

As of February 27, 2025, management evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern and management has determined that it is not probable that the Company will be unable to meet its obligations as they become due within one year after the financial statements are available to be issued. Management will continuously evaluate the Company's ability to continue as a going concern and will take appropriate action and will make appropriate disclosures if there is any change in any condition or events that would raise substantial doubt about the Company's ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors - Not Applicable

3. Business Combinations and Goodwill - Not Applicable

4. Discontinued Operations - Not Applicable

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - Not Applicable
- B. Debt Restructuring - Not Applicable
- C. Reverse Mortgages - Not Applicable
- D. Loan-Backed Securities - Not Applicable
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - Not Applicable
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not Applicable
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - Not Applicable
- H. Repurchase Agreements Transactions Accounted for as a Sale - Not Applicable
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - Not Applicable
- J. Real Estate - Not Applicable
- K. Low-Income Housing Tax Credits (LIHTC) - Not Applicable
- L. Restricted Assets

(1) Restricted assets (including pledged)

| Restricted Asset Category | (1) Total Gross (Admitted & Nonadmitted) Restricted from Current Year | (2) Total Gross (Admitted & Nonadmitted) Restricted From Prior Year | (3) Increase / (Decrease) (1 - 2) | (4) Total Current Year Nonadmitted Restricted | (5) Total Current Year Admitted Restricted (1 - 4) | (6) Gross (Admitted & Nonadmitted) Restricted to Total Assets | (7) Admitted Restricted to Total Admitted Assets |
|--|---|---|--|---|--|---|---|
| a. Subject to contractual obligation for which liability is not shown | \$ | \$ | \$ | \$ | \$ | % | % |
| 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 | 100,000 | | 100,000 | | 100,000 | 6.031 | 6.031 |
| 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 (Sum of a through n) | \$ 100,000 | \$ | \$ 100,000 | \$ | \$ 100,000 | 6.031 % | 6.031 % |

(2) Detail of assets pledged as collateral not captured in other categories (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - Not Applicable

(3) Detail of other restricted assets (contracts that share similar characteristics, such as reinsurance and derivatives, are reported in the aggregate) - Not Applicable

(4) Collateral received and reflected as assets within the reporting entity's financial statements - Not Applicable

M. Working Capital Finance Investments - Not Applicable

N. Offsetting and Netting of Assets and Liabilities - Not Applicable

O. 5GI Securities - Not Applicable

P. Short Sales - Not Applicable

Q. Prepayment Penalty and Acceleration Fees - Not Applicable

R. Reporting Entity's Share of Cash Pool by Asset Type - Not Applicable

S. Aggregate Collateral Loans by Qualifying Investment Collateral - Not Applicable

6. Joint Ventures, Partnerships and Limited Liability Companies - Not Applicable

Notes to the Financial Statements

7. Investment Income

A. Due and Accrued Income Excluded from Surplus

All investment income due and accrued with amounts that are over 90 days past due.

B. Total Amount Excluded

The total amount excluded was \$0.

C. The gross, nonadmitted and admitted amounts for interest income due and accrued

| Interest Income Due and Accrued | Amount |
|---------------------------------|----------|
| 1. Gross..... | \$ 4,870 |
| 2. Nonadmitted..... | \$ |
| 3. Admitted..... | \$ 4,870 |

D. The aggregate deferred interest - Not Applicable

E. The cumulative amounts of paid-in-kind (PIK) interest included in the current principal balance - Not Applicable

8. Derivative Instruments - Not Applicable

9. Income Taxes

The Inflation Reduction Act was enacted during 2022 and included a new corporate alternative minimum tax ("CAMT"). The CAMT was effective for the Company beginning January 1, 2024. The Company does not meet the income thresholds to be considered an "applicable corporation" for purposes of the CAMT and is therefore not subject to the CAMT.

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

(1) Change between years by tax character

| | 2024 | | | 2023 | | | Change | | |
|---|----------|---------|-----------------|----------|---------|-----------------|--------------------|-------------------|-----------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | Ordinary | Capital | Total (Col 1+2) | Ordinary | Capital | Total (Col 4+5) | Ordinary (Col 1-4) | Capital (Col 2-5) | Total (Col 7+8) |
| (a) Gross deferred tax assets..... | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| (b) Statutory valuation allowance adjustments..... | | | | | | | | | |
| (c) Adjusted gross deferred tax assets (1a - 1b)..... | | | | | | | | | |
| (d) Deferred tax assets nonadmitted..... | | | | | | | | | |
| (e) Subtotal net admitted deferred tax asset (1c - 1d)..... | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| (f) Deferred tax liabilities..... | | | | | | | | | |
| (g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f)..... | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |

(2) Admission calculation components SSAP No. 101

| | 2024 | | | 2023 | | | Change | | |
|---|----------|---------|-----------------|----------|---------|-----------------|--------------------|-------------------|-----------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | Ordinary | Capital | Total (Col 1+2) | Ordinary | Capital | Total (Col 4+5) | Ordinary (Col 1-4) | Capital (Col 2-5) | Total (Col 7+8) |
| (a) Federal income taxes paid in prior years recoverable through loss carrybacks..... | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| (b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation (lesser of 2(b)1 and 2(b)2 below)..... | | | | | | | | | |
| 1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date..... | | | | | | | | | |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold..... | XXX | XXX | | XXX | XXX | | XXX | XXX | |
| (c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities..... | | | | | | | | | |
| (d) Deferred tax assets admitted as the result of application of SSAP No. 101..... | | | | | | | | | |
| Total (2(a) + 2(b) + 2(c))..... | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |

(3) Ratio used as basis of admissibility

| | 2024 | 2023 |
|---|--------------|--------|
| (a) Ratio percentage used to determine recovery period and threshold limitation amount..... | 54,021.619 % |% |
| (b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above..... | \$ 1,658,220 | \$ |

(4) Impact of tax-planning strategies - None

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

Notes to the Financial Statements

9. Income Taxes (Continued)

C. Major Components of Current Income Taxes Incurred

| | (1) 2024 | (2) 2023 | (3) Change (1-2) |
|--|-------------|-------------|---------------------|
| Current income taxes incurred consist of the following major components: | | | |
| 1. Current Income Tax | | | |
| (a) Federal | \$ | \$ | \$ |
| (b) Foreign | | | |
| (c) Subtotal (1a+1b) | \$ | \$ | \$ |
| (d) Federal income tax on net capital gains | | | |
| (e) Utilization of capital loss carry-forwards | | | |
| (f) Other | | | |
| (g) Federal and foreign income taxes incurred (1c+1d+1e+1f) | \$ | \$ | \$ |
| | (1) 2024 | (2) 2023 | (3) Change (1-2) |
| 2. Deferred Tax Assets | | | |
| (a) Ordinary | | | |
| (1) Discounting of unpaid losses | \$ | \$ | \$ |
| (2) Unearned premium reserve | | | |
| (3) Policyholder reserves | | | |
| (4) Investments | | | |
| (5) Deferred acquisition costs | | | |
| (6) Policyholder dividends accrual | | | |
| (7) Fixed assets | | | |
| (8) Compensation and benefits accrual | | | |
| (9) Pension accrual | | | |
| (10) Receivables - nonadmitted | | | |
| (11) Net operating loss carry-forward | | | |
| (12) Tax credit carry-forward | | | |
| (13) Other | | | |
| (99) Subtotal (Sum of 2a1 through 2a13) | \$ | \$ | \$ |
| (b) Statutory valuation allowance adjustment | | | |
| (c) Nonadmitted | | | |
| (d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c) | \$ | \$ | \$ |
| (e) Capital | | | |
| (1) Investments | \$ | \$ | \$ |
| (2) Net capital loss carry-forward | | | |
| (3) Real estate | | | |
| (4) Other | | | |
| (99) Subtotal (2e1+2e2+2e3+2e4) | \$ | \$ | \$ |
| (f) Statutory valuation allowance adjustment | | | |
| (g) Nonadmitted | | | |
| (h) Admitted capital deferred tax assets (2e99 - 2f - 2g) | | | |
| (i) Admitted deferred tax assets (2d + 2h) | \$ | \$ | \$ |
| | (1) 2024 | (2) 2023 | (3) Change (1-2) |
| 3. Deferred Tax Liabilities | | | |
| (a) Ordinary | | | |
| (1) Investments | \$ | \$ | \$ |
| (2) Fixed assets | | | |
| (3) Deferred and uncollected premium | | | |
| (4) Policyholder reserves | | | |
| (5) Other | | | |
| (99) Subtotal (3a1+3a2+3a3+3a4+3a5) | \$ | \$ | \$ |
| (b) Capital | | | |
| (1) Investments | \$ | \$ | \$ |
| (2) Real estate | | | |
| (3) Other | | | |
| (99) Subtotal (3b1+3b2+3b3) | \$ | \$ | \$ |
| (c) Deferred tax liabilities (3a99 + 3b99) | \$ | \$ | \$ |
| 4. Net deferred tax assets/liabilities (2i - 3c) | \$ | \$ | \$ |

Notes to the Financial Statements

9. Income Taxes (Continued)

D. Among the More Significant Book to Tax Adjustments

| | 2024 | Effective Tax Rate |
|---|-------------|--------------------|
| Provision computed at statutory rate..... | \$ 12,226 | 21.000 % |
| Tax allocation agreement..... | (12,331) | -21.180 ... |
| Fines and Penalties..... | 105 | 0.180 ... |
| Total..... | <u>\$ -</u> | <u>- %</u> |

| | 2024 | Effective Tax Rate |
|--|-----------|--------------------|
| Federal income taxes incurred..... | \$ | % |
| Change in net deferred income taxes..... | | |
| Total statutory income taxes..... | <u>\$</u> | <u>%</u> |

E. Operating Loss and Tax Credit Carryforwards

(1) At December 31, 2024, the Company has the following amount of available net operating loss carryforward available for use in future years: \$0.

(2) Income tax expense available for recoupment

The following is income tax expense for 2022, 2023, and 2024 that is available for recoupment in the event of future net losses:

| | Total |
|-----------|-------|
| 2022..... | \$ |
| 2023..... | |
| 2024..... | |

(3) The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

(1) The Company files a consolidated income tax return with its parent, Devoted Health, Inc. and the following entities:

- DEVOTED HEALTH HOLDCO, LLC
- DEVOTED HEALTH INSURANCE COMPANY
- DEVOTED MEDICAL GROUP, PROFESSIONAL CORPORATION
- DEVOTED MEDICAL PA, PC.
- DEVOTED MEDICAL NC, PC.
- DEVOTED HEALTH PLAN OF FLORIDA, INC.
- DEVOTED HEALTH MSC, INC.
- DEVOTED HEALTH SERVICES, INC.
- DEVOTED HEALTH PLAN OF ARIZONA, INC.
- DEVOTED HEALTH PLAN OF OHIO, INC.
- DEVOTED HEALTH PLAN OF NORTH CAROLINA, INC.
- DEVOTED HEALTH PLAN OF UTAH, INC.
- DEVOTED HEALTH PLAN OF ALABAMA, INC.
- DEVOTED HEALTH PLAN OF NEVADA, INC.
- DEVOTED MEDICAL GROUP, INC.
- DEVOTED HEALTH PLAN OF TEXAS, INC.
- DEVOTED MEDICAL GROUP OF TEXAS, INC.
- DEVOTED HEALTH INSURANCE COMPANY OF LOUISIANA, INC.
- DEVOTED HEALTH INSURANCE COMPANY OF ALABAMA, INC
- DEVOTED HEALTH INSURANCE COMPANY OF ARIZONA, INC
- DEVOTED HEALTH INSURANCE COMPANY OF HAWAII, INC
- DEVOTED HEALTH PLAN OF HAWAII, INC.
- DEVOTED MEDICAL, PC.
- DEVOTED HEALTH PLAN OF WASHINGTON, INC.
- DEVOTED HEALTH PLAN OF OREGON, INC.
- DEVOTED HEALTH PLAN OF NEW YORK, INC.
- DEVOTED HEALTH PLAN OF PENNSYLVANIA, INC.
- DEVOTED HEALTH PLAN OF COLORADO, INC.
- DEVOTED HEALTH PLAN OF VIRGINIA, INC.
- DEVOTED HEALTH PLAN OF MISSOURI, INC.
- DEVOTED HEALTH PLAN OF SOUTH CAROLINA, INC.
- DEVOTED HEALTH PLAN OF TENNESSEE, INC.
- DEVOTED HEALTH INSURANCE COMPANY OF NEVADA, INC.
- DEVOTED HEALTH INSURANCE COMPANY OF COLORADO, INC.
- DEVOTED HEALTH INSURANCE COMPANY OF PENNSYLVANIA, INC.
- DEVOTED HEALTH INSURANCE COMPANY OF SOUTH CAROLINA, INC.
- DEVOTED HEALTH INSURANCE COMPANY OF UTAH, INC.
- DEVOTED HEALTH INSURANCE COMPANY OF TENNESSEE, INC.
- DEVOTED HEALTH INSURANCE COMPANY OF WASHINGTON, INC.
- DEVOTED HEALTH INSURANCE COMPANY OF TEXAS, INC.
- DEVOTED MEDICAL SERVICES, INC.
- MY ENROLLMENT HELPER, INC.
- DEVOTED HEALTH PLAN OF GEORGIA, INC.
- DEVOTED HEALTH PLAN OF INDIANA, INC.
- DEVOTED HEALTH PLAN OF MICHIGAN, INC.
- DEVOTED HEALTH PLAN OF WISCONSIN, INC.
- DEVOTED HEALTH PLAN OF MISSISSIPPI, INC.
- DEVOTED HEALTH INSURANCE COMPANY OF KENTUCKY, INC.
- DEVOTED HEALTH INSURANCE COMPANY OF NEBRASKA, INC.
- DEVOTED HEALTH HOLDINGS, INC.

Notes to the Financial Statements

9. Income Taxes (Continued)

DEVOTED HEALTH INSURANCE COMPANY OF GEORGIA, INC.
 DEVOTED HEALTH PLAN OF NEW MEXICO, INC.
 DEVOTED HEALTH INSURANCE COMPANY OF INDIANA, INC.
 DEVOTED HEALTH INSURANCE COMPANY OF MISSISSIPPI, INC.
 DEVOTED HEALTH INSURANCE COMPANY OF KANSAS, INC.
 DEVOTED OF ILLINOIS, INC.
 DEVOTED HEALTH INSURANCE COMPANY OF DELAWARE, INC.
 CAPSTONE HEALTHCARE HOLDCO, LLC

- (2) The Company files a consolidated income tax return with its parent, DHI, and other affiliates. Allocation of federal income taxes with affiliates subject to the tax sharing agreement is based upon separate income tax return calculations with credit for net losses that can be used on a consolidated basis. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. The Company's returns for all filed tax years remain open for review.

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

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

A. Nature of the Relationship Involved

The Company is a wholly-owned subsidiary of Devoted Health Holdco, LLC ("Holdco"), whose direct parent is Devoted Health, Inc. ("DHI").

B. Transactions Greater than ½ of 1% of Total Admitted Assets

The Company recorded capital contributions for 2024 as follows:

- \$1,600,000 cash on February 2, 2024 from Holdco.

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

There are no transactions with related parties who are not reported on Schedule Y.

D. Amounts Due From or To Related Parties

At December 31, 2024, the Company had no amounts due from or due to related parties. Intercompany balances are settled on a monthly basis.

E. Material Management or Service Contracts and Cost-Sharing Arrangements

For the year ended December 31, 2024, the Company incurred no expenses for management, service contract or cost-sharing arrangements.

The Company has a Capital Maintenance Agreement (the "CM" Agreement) with DHI under which DHI agrees to maintain the capital level of the Company in accordance with certain prescribed levels. For the year ended December 31, 2024, no amounts were paid by DHI to the Company under the CM Agreement.

F. Guarantees or Contingencies - Not Applicable

G. Nature of the Control Relationship

All outstanding shares of the Company are owned by Holdco, whose direct parent is DHI.

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

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

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

K. Foreign Subsidiary Value Using CARVM - Not Applicable

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

M. All SCA Investments - Not Applicable

N. Investment in Insurance SCAs - Not Applicable

O. SCA and SSAP No. 48 Entity Loss Tracking - Not Applicable

11. Debt - Not Applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans - Not Applicable

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

A. Number of Shares and Par or Stated Value of Each Class

The Company had 7,500 shares of \$100 par value common stock authorized, issued and outstanding as of December 31, 2024. All shares are owned by Holdco. No other classes of common or preferred shares are authorized, issued, or outstanding as of December 31, 2024.

B. Dividend Rate of Preferred Stock - Not Applicable

C. Dividend Restrictions

Notes to the Financial Statements

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

The maximum amount of dividends that may be paid by an insurer without prior approval of the Department is subject to restrictions relating to statutory surplus and net income. The Company neither declared nor paid any dividends to its sole shareholder during the year ended December 31, 2024.

- D. Ordinary Dividends - Not Applicable
- E. Profits that may be Paid as Ordinary Dividends to Stockholders

Within the limitations of C above, there are no restrictions placed on the portion of Company profits, if applicable, that may be paid as ordinary dividends to stockholders.

- F. Surplus Restrictions - Not Applicable
- G. Surplus Advances - Not Applicable
- H. Stock Held for Special Purposes - Not Applicable
- I. Changes in Special Surplus Funds - Not Applicable
- J. Unassigned Funds (Surplus)

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is: \$0.

- K. Company-Issued Surplus Debentures or Similar Obligations - Not Applicable
- L. Impact of Any Restatement Due to Prior Quasi-Reorganizations - Not Applicable
- M. Effective Date(s) of Quasi-Reorganizations in the Prior 10 Years - Not Applicable

14. Liabilities, Contingencies and Assessments - Not Applicable

15. Leases - Not Applicable

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk - Not Applicable

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

- A. Transfers of Receivables Reported as Sales - None
- B. Transfer and Servicing of Financial Assets - None
- C. Wash Sales - None

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans - Not Applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators - Not Applicable

20. Fair Value Measurements

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

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

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

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

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

As of December 31, 2024, the Company's cash equivalents consisted of investments in money market mutual funds. As of December 31, 2024, the carrying value of the money market mutual funds approximated fair value due to the short-term nature of the investments.

A. Fair Value Measurement

(1) Fair value at reporting date

The following table presents information about the Company's financial assets that are measured and reported at fair value at December 31, 2024, in the statutory basis statements of admitted assets, liabilities, and capital and surplus according to the valuation techniques the Company used to determine their fair values:

| Description for each class of asset or liability | Level 1 | Level 2 | Level 3 | Net Asset Value (NAV) | Total |
|--|---------------------|-----------------|-----------------|-----------------------|---------------------|
| a. Assets at fair value | | | | | |
| Money market mutual funds | \$ 1,303,350 | \$ | \$ | \$ | \$ 1,303,350 |
| Total assets at fair value/NAV | <u>\$ 1,303,350</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$ 1,303,350</u> |
| b. Liabilities at fair value | | | | | |
| Total liabilities at fair value | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |

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

(3) There were no transfers between Levels 1, 2 or 3 of any financial assets or liabilities during the year ended December 31, 2024.

Notes to the Financial Statements

20. Fair Value Measurements (Continued)

- (4) The Company has no investments reported with a fair value hierarchy of Level 2 or Level 3 as of December 31, 2024 and therefore has no valuation technique(s) to disclose.
- (5) The Company has no derivative assets or liabilities as of December 31, 2024.

B. Other Fair Value Disclosures - Not Applicable

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

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2024 is presented in the table below:

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | Level 1 | Level 2 | Level 3 | Net Asset Value (NAV) | Not Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|--------------|---------|---------|-----------------------|----------------------------------|
| Money market mutual funds | \$ 1,303,350 | \$ 1,303,350 | \$ 1,303,350 | \$ | \$ | \$ | \$ |

D. Not Practicable to Estimate Fair Value - Not Applicable

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

21. Other Items - Not Applicable

22. Events Subsequent

Type I – Recognized Subsequent Events

Subsequent events have been considered through February 27, 2025, which was the date of issuance for these statutory financial statements. There are no subsequent events to be reported.

Type II – Nonrecognized Subsequent Events

Subsequent events have been considered through February 27, 2025, which was the date of issuance for these statutory financial statements.

The Company received a cash contribution of \$500,000 from Holdco on January 17, 2025, which was recorded as additional paid-in capital.

23. Reinsurance - Not Applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination - Not Applicable

25. Change in Incurred Claims and Claim Adjustment Expenses - Not Applicable

26. Intercompany Pooling Arrangements - Not Applicable

27. Structured Settlements - Not Applicable

28. Health Care Receivables - Not Applicable

29. Participating Policies - Not Applicable

30. Premium Deficiency Reserves

- 1. Liability carried for premium deficiency reserves:.....\$—
- 2. Date of the most recent evaluation of this liability:.....01/21/2025
- 3. Was anticipated investment income utilized in the calculation?.....YES

31. Anticipated Salvage and Subrogation - Not Applicable

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
If yes, complete Schedule Y, Parts 1, 1A, 2, and 3.
- 1.2. If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?..... YES
- 1.3. State Regulating?..... Arkansas
- 1.4. Is the reporting entity publicly traded or a member of a publicly traded group?..... NO
- 1.5. If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.....
- 2.1. Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?..... NO
- 2.2. If yes, date of change:.....
- 3.1. State as of what date the latest financial examination of the reporting entity was made or is being made.....
- 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.....
- 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).....
- 3.4. By what department or departments?.....
- 3.5. Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?..... N/A
- 3.6. Have all of the recommendations within the latest financial examination report been complied with?..... 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?..... NO
- 4.12. renewals?..... NO
- 4.2. During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:.....
- 4.21. sales of new business?..... NO
- 4.22. renewals?..... NO
- 5.1. Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?..... NO
If yes, complete and file the merger history data file with the NAIC.
- 5.2. If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1 | 2 | 3 |
|----------------|-------------------|-------------------|
| Name of Entity | NAIC Company Code | State of Domicile |
| | | |
- 6.1. Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?..... NO
- 6.2. If yes, give full information
- 7.1. Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?..... NO
- 7.2. If yes,
- 7.21. State the percentage of foreign control..... %
- 7.22. State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1 | 2 |
|-------------|----------------|
| Nationality | Type of Entity |
| | |
- 8.1. Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board?..... NO
- 8.2. If response to 8.1 is yes, please identify the name of the DIHC.....
- 8.3. Is the company affiliated with one or more banks, thrifts or securities firms?..... NO
- 8.4. If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

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

- 8.5. Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company?..... NO.....
- 8.6. If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule?..... NO.....
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Not applicable. The Company is exempt from filing a 2024 Audited Financial Statement.
- 10.1. Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?..... NO.....
- 10.2. If the response to 10.1 is yes, provide information related to this exemption:
- 10.3. Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?..... YES.....
- 10.4. If the response to 10.3 is yes, provide information related to this exemption:
The Company is automatically exempt from filing a 2024 Audited Financial Statement pursuant to Arkansas Insurance Department Rule 25, Section 2.
- 10.5. Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?..... YES.....
- 10.6. If the response to 10.5 is no or n/a, please explain.
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Not applicable. The Company is exempt from filing a 2024 statement of actuarial opinion/certification.
- 12.1. Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?..... NO.....
12.11 Name of real estate holding company

12.12 Number of parcels involved.....
12.13 Total book / adjusted carrying value..... \$.....
- 12.2. If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1. What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?.....
- 13.2. Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?.....
- 13.3. Have there been any changes made to any of the trust indentures during the year?.....
- 13.4. If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?.....
- 14.1. Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?..... YES.....
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.
- 14.11. If the response to 14.1 is no, please explain:
- 14.2. Has the code of ethics for senior managers been amended?..... NO.....
- 14.21. If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3. Have any provisions of the code of ethics been waived for any of the specified officers?..... NO.....
- 14.31. If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1. Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?..... NO.....
- 15.2. If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

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

BOARD OF DIRECTORS

- 16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? YES
- 17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? YES
- 18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? YES

FINANCIAL

- 19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? NO
- 20.1. Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 - 20.11 To directors or other officers \$
 - 20.12 To stockholders not officers \$
 - 20.13 Trustees, supreme or grand (Fraternal only) \$
- 20.2. Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
 - 20.21 To directors or other officers \$
 - 20.22 To stockholders not officers \$
 - 20.23 Trustees, supreme or grand (Fraternal only) \$
- 21.1. Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? NO
- 21.2. If yes, state the amount thereof at December 31 of the current year:
 - 21.21 Rented from others \$
 - 21.22 Borrowed from others \$
 - 21.23 Leased from others \$
 - 21.24 Other \$
- 22.1. Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? NO
- 22.2. If answer is yes:
 - 22.21 Amount paid as losses or risk adjustment \$
 - 22.22 Amount paid as expenses \$
 - 22.23 Other amounts paid \$
- 23.1. Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? NO
- 23.2. If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$
- 24.1. Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? NO
- 24.2. If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

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

INVESTMENT

- 25.01. Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03) YES
- 25.02. If no, give full and complete information, relating thereto
- 25.03. For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 25.04. For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions \$
- 25.05. For the reporting entity's securities lending program, report amount of collateral for other programs \$
- 25.06. Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? N/A
- 25.07. Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? N/A
- 25.08. Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? N/A

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

- 25.09. For the reporting entity's securities lending program, state the amount of the following as of December 31 of the current year:.....
- 25.091. Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2..... \$
- 25.092. Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2..... \$
- 25.093. Total payable for securities lending reported on the liability page..... \$

26.1. Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03)..... YES

- 26.2. If yes, state the amount thereof at December 31 of the current year:
- 26.21. Subject to repurchase agreements..... \$
- 26.22. Subject to reverse repurchase agreements..... \$
- 26.23. Subject to dollar repurchase agreements..... \$
- 26.24. Subject to reverse dollar repurchase agreements..... \$
- 26.25. Placed under option agreements..... \$
- 26.26. Letter stock or securities restricted as to sale - excluding FHLB Capital Stock..... \$
- 26.27. FHLB Capital Stock..... \$
- 26.28. On deposit with states..... \$ 100,000
- 26.29. On deposit with other regulatory bodies..... \$
- 26.30. Pledged as collateral - excluding collateral pledged to an FHLB..... \$
- 26.31. Pledged as collateral to FHLB - including assets backing funding agreements..... \$
- 26.32. Other..... \$

26.3. For category (26.26) provide the following:

| 1 | 2 | 3 |
|-----------------------|-------------|---------|
| Nature of Restriction | Description | Amount |
| | | \$..... |

27.1. Does the reporting entity have any hedging transactions reported on Schedule DB?..... NO

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

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

27.3. Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity?.....

- 27.4. If the response to 27.3 is YES, does the reporting entity utilize:
- 27.41 Special accounting provision of SSAP No. 108.....
- 27.42 Permitted accounting practice.....
- 27.43 Other accounting guidance.....

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

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

28.1. Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?..... NO

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

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

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

| 1 | 2 |
|----------------------|---------------------|
| Name of Custodian(s) | Custodian's Address |
| | |

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

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

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

29.05. Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. This includes both primary and sub-advisors. 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 | 2 |
|----------------------------|-------------|
| Name of Firm or Individual | Affiliation |
| Internally Managed | I |

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

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

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

| 1 | 2 | 3 | 4 | 5 |
|--|----------------------------|-------------------------------|-----------------|---|
| Central Registration Depository Number | Name of Firm or Individual | Legal Entity Identifier (LEI) | Registered With | Investment Management Agreement (IMA) Filed |
| | | | | |

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

30.2. If yes, complete the following schedule:

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

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

| 1 | 2 | 3 | 4 |
|--|--|--|-------------------|
| Name of Mutual Fund (from above table) | Name of Significant Holding of the Mutual Fund | Amount of Mutual Fund’s Book / Adjusted Carrying Value Attributable to the Holding | Date of Valuation |
| | | \$ | |

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

| | 1 | 2 | 3 |
|------------------------|----------------------------|------------|---|
| | Statement (Admitted) Value | Fair Value | Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
| 31.1. Bonds | \$ | \$ | \$ |
| 31.2. Preferred Stocks | \$ | \$ | \$ |
| 31.3. Totals | \$ | \$ | \$ |

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

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

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

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

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

33.2. If no, list exceptions:

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

- 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.
- Issuer or obligor is current on all contracted interest and principal payments.
- The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? NO

35. By self-designating PLGI securities, the reporting entity is certifying its compliance with the requirements as specified in the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* (P&P Manual) for private letter rating (PLR) securities and the following elements of each self-designated PLGI security:

- The security was either:
 - issued prior to January 1, 2018 (which is exempt from PLR filing requirements pursuant to the P&P Manual), or

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- ii. issued from January 1, 2018 to December 31, 2021 and subject to a confidentiality agreement executed prior to January 1, 2022 which confidentiality agreement remains in force, for which an insurance company cannot provide a copy of a private letter rating rationale report to the SVO due to confidentiality or other contractual reasons ("waived submission PLR securities").
- b. The reporting entity is holding capital commensurate with the NAIC Designation and NAIC Designation Category reported for the security.
- c. The NAIC Designation and NAIC Designation Category were 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, dated during the financial statement year, held by the insurer and available for examination by state insurance regulators.
- d. Other than for waived submission PLR securities, defined above, on or after January 1, 2024 for any PLR securities issued on or after January 1, 2022, if the reporting entity is not permitted to share this private credit rating or the private rating letter rationale report of the PL security with the SVO, it certifies that it is reporting it as an NAIC 5.B GI and may not assign any other self-designation.

Has the reporting entity self-designated PLGI to securities, all of which meet the above requirement and as specified in the P&P Manual?.....NO.....

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
- a. The shares were purchased prior to January 1, 2019.
 - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 - c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
 - d. The fund only or predominantly holds bonds in its portfolio.
 - e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
 - f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?.....NO.....

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

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria?.....N/A.....

38.1. Does the reporting entity directly hold cryptocurrencies?.....NO.....

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

39.1. Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies?.....NO.....

- 39.2. If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?
- 39.21 Held directly.....
 - 39.22 Immediately converted to U.S. dollars.....

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

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

OTHER

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

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

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

41.1. Amount of payments for legal expenses, if any?.....\$.....

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

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

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

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

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

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? NO
- 1.2 If yes, indicate premium earned on U.S. business only \$
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$
 - 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above \$
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance \$
- 1.6 Individual policies:
 - Most current three years:
 - 1.61 Total premium earned \$
 - 1.62 Total incurred claims \$
 - 1.63 Number of covered lives
 - All years prior to most current three years:
 - 1.64 Total premium earned \$
 - 1.65 Total incurred claims \$
 - 1.66 Number of covered lives
- 1.7 Group policies:
 - Most current three years:
 - 1.71 Total premium earned \$
 - 1.72 Total incurred claims \$
 - 1.73 Number of covered lives
 - All years prior to most current three years:
 - 1.74 Total premium earned \$
 - 1.75 Total incurred claims \$
 - 1.76 Number of covered lives

2. Health Test:

| | 1 Current Year | 2 Prior Year |
|-----------------------------------|-------------------|-----------------|
| 2.1 Premium Numerator | \$ | \$ |
| 2.2 Premium Denominator | \$ | \$ |
| 2.3 Premium Ratio (2.1/2.2) | % | % |
| 2.4 Reserve Numerator | \$ | \$ |
| 2.5 Reserve Denominator | \$ | \$ |
| 2.6 Reserve Ratio (2.4/2.5) | % | % |

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? NO
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? NO
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? NO
- 5.1 Does the reporting entity have stop-loss reinsurance? NO
- 5.2 If no, explain:
The Company has not commenced business and has no members at December 31, 2024.
- 5.3 Maximum retained risk (see instructions)
 - 5.31 Comprehensive Medical \$
 - 5.32 Medical Only \$
 - 5.33 Medicare Supplement \$
 - 5.34 Dental and Vision \$
 - 5.35 Other Limited Benefit Plan \$
 - 5.36 Other \$
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
 - 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? NO
 - 7.2 If no, give details
The Company does not currently have a claim liability.
- 8. Provide the following information regarding participating providers:
 - 8.1 Number of providers at start of reporting year
 - 8.2 Number of providers at end of reporting year
- 9.1 Does the reporting entity have business subject to premium rate guarantees? NO
- 9.2 If yes, direct premium earned:

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 9.21 Business with rate guarantees between 15-36 months \$
- 9.22 Business with rate guarantees over 36 months \$
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? NO
- 10.2 If yes:
 - 10.21 Maximum amount payable bonuses \$
 - 10.22 Amount actually paid for year bonuses \$
 - 10.23 Maximum amount payable withholds \$
 - 10.24 Amount actually paid for year withholds \$
- 11.1 Is the reporting entity organized as:
 - 11.12 A Medical Group/Staff Model, NO
 - 11.13 An Individual Practice Association (IPA), or, NO
 - 11.14 A Mixed Model (combination of above)? NO
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? YES
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. Arkansas
- 11.4 If yes, show the amount required. \$ 1,500,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? NO
- 11.6 If the amount is calculated, show the calculation

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

| |
|---|
| 1 |
| Name of Service Area |
| The Company is licensed to write PPO Medicare Advantage in all service areas in Arkansas..... |

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

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

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

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

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

FIVE-YEAR HISTORICAL DATA

| | 1 | 2 | 3 | 4 | 5 |
|---|-----------|------|------|------|------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Balance Sheet (Pages 2 and 3) | | | | | |
| 1. Total admitted assets (Page 2, Line 28) | 1,658,220 | | | | |
| 2. Total liabilities (Page 3, Line 24) | | | | | |
| 3. Statutory minimum capital and surplus requirement | 1,500,000 | | | | |
| 4. Total capital and surplus (Page 3, Line 33) | 1,658,220 | | | | |
| Income Statement (Page 4) | | | | | |
| 5. Total revenues (Line 8) | | | | | |
| 6. Total medical and hospital expenses (Line 18) | | | | | |
| 7. Claims adjustment expenses (Line 20) | | | | | |
| 8. Total administrative expenses (Line 21) | 30 | | | | |
| 9. Net underwriting gain (loss) (Line 24) | (30) | | | | |
| 10. Net investment gain (loss) (Line 27) | 58,750 | | | | |
| 11. Total other income (Lines 28 plus 29) | (500) | | | | |
| 12. Net income or (loss) (Line 32) | 58,220 | | | | |
| Cash Flow (Page 6) | | | | | |
| 13. Net cash from operations (Line 11) | 53,350 | | | | |
| Risk-Based Capital Analysis | | | | | |
| 14. Total adjusted capital | 1,658,220 | | | | |
| 15. Authorized control level risk-based capital | 3,070 | | | | |
| Enrollment (Exhibit 1) | | | | | |
| 16. Total members at end of period (Column 5, Line 7) | | | | | |
| 17. Total members months (Column 6, Line 7) | | | | | |
| 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) | % | % | % | % | % |
| 19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) | | | | | |
| 20. Cost containment expenses | | | | | |
| 21. Other claims adjustment expenses | | | | | |
| 22. Total underwriting deductions (Line 23) | | | | | |
| 23. Total underwriting gain (loss) (Line 24) | | | | | |
| Unpaid Claims Analysis (U&I Exhibit, Part 2B) | | | | | |
| 24. Total claims incurred for prior years (Line 17, Col. 5) | | | | | |
| 25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)] | | | | | |
| Investments in Parent, Subsidiaries and Affiliates | | | | | |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) | | | | | |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) | | | | | |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) | | | | | |
| 29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) | | | | | |
| 30. Affiliated mortgage loans on real estate | | | | | |
| 31. All other affiliated | | | | | |
| 32. Total of above Lines 26 to 31 | | | | | |
| 33. Total investment in parent included in Lines 26 to 31 above | | | | | |

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

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
Allocated by States and Territories

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

(a) Active Status Counts

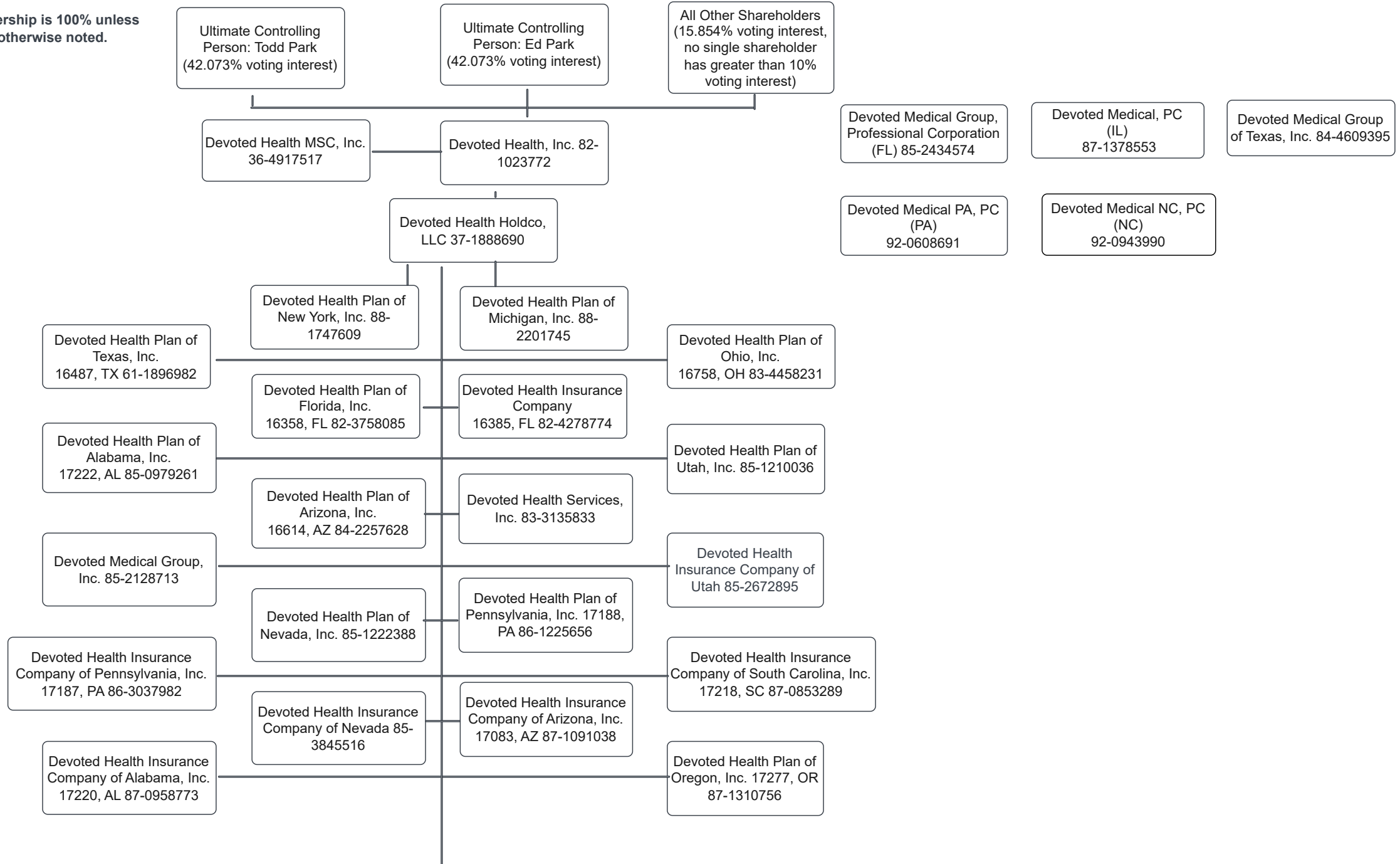
| | | | |
|---|---|---|----|
| 1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG | 1 | 4. Q - Qualified - Qualified or accredited reinsurer | - |
| 2. R - Registered - Non-domiciled RRGs | - | 5. N - None of the above - Not allowed to write business in the state | 56 |
| 3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state | - | | |

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

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

PART 1 - ORGANIZATIONAL CHART

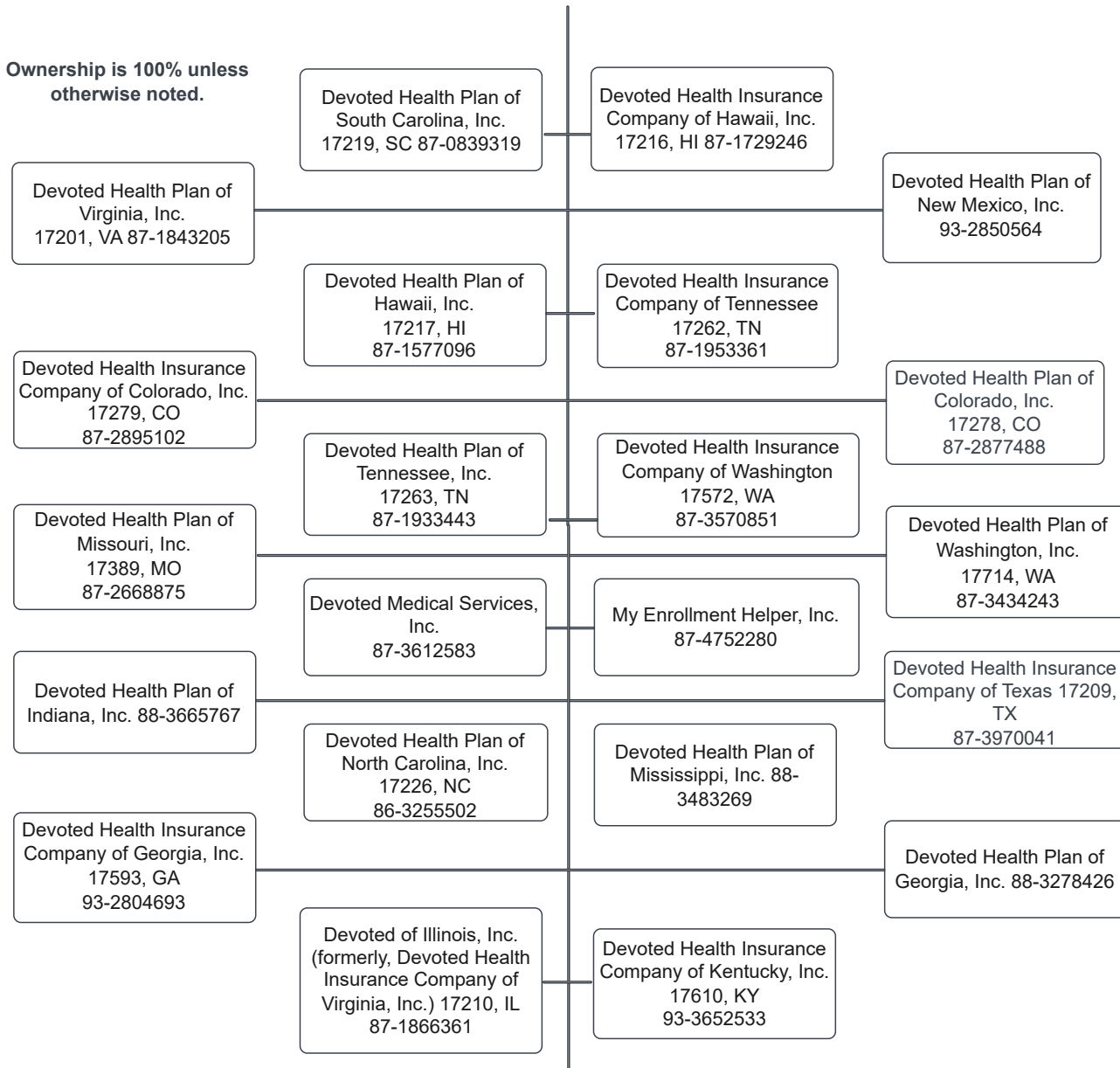
Ownership is 100% unless otherwise noted.



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

PART 1 - ORGANIZATIONAL CHART

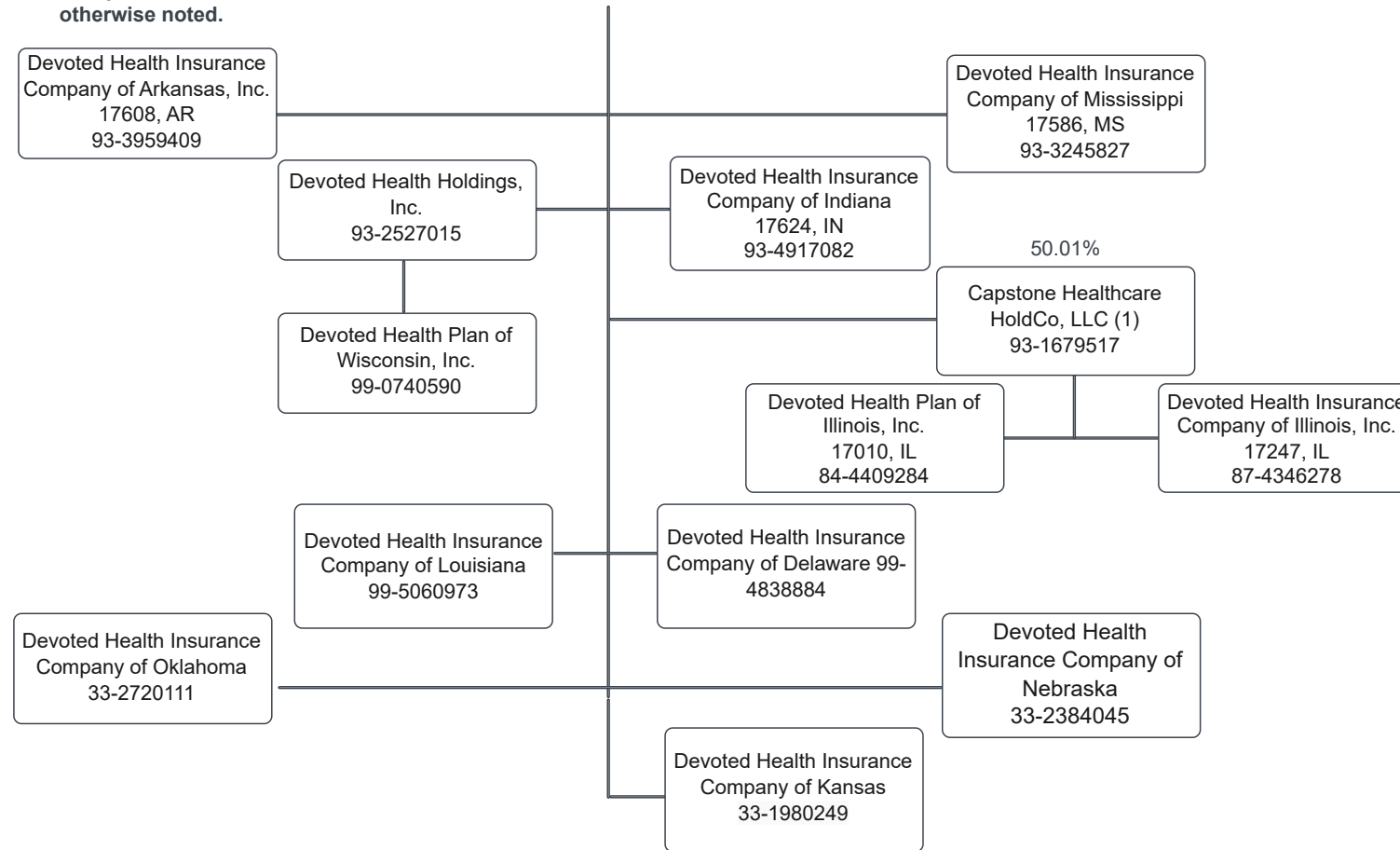
Ownership is 100% unless otherwise noted.



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

PART 1 - ORGANIZATIONAL CHART

Ownership is 100% unless otherwise noted.



(1) Capstone Healthcare HoldCo, LLC is also 49.99% owned by Advocate Health and Hospitals Corporation.