

Amended Explanation Page

As a result of adjustments identified and effected during the statutory audit process, the Company is hereby filing this amended 2019 Annual Statement and Risk-Based Capital Report as the proper action to effect agreement with the Company's audited financial statements.



ANNUAL STATEMENT

For the Year Ending DECEMBER 31, 2019

OF THE CONDITION AND AFFAIRS OF THE

Clover HMO of New Jersey Inc.

NAIC Group Code 4918 , 4918 NAIC Company Code 16347 Employer's ID Number 38-4057194
(Current Period) (Prior Period)

Organized under the Laws of New Jersey , State of Domicile or Port of Entry NJ

Country of Domicile United States

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

Incorporated/Organized 11/21/2017 Commenced Business 01/01/2019

Statutory Home Office 30 Montgomery Street, 15th Floor , Jersey City, NJ, US 07302
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 30 Montgomery Street, 15th Floor
(Street and Number)
Jersey City, NJ, US 07302 (201)432-2133
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 30 Montgomery Street, 15th Floor , Jersey City, NJ, US 07302
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 30 Montgomery Street, 15th Floor
(Street and Number)
Jersey City, NJ, US 07302 (201)432-2133
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Joseph Wagner (410)274-6891
(Name) (Area Code)(Telephone Number)(Extension)
joe.wagner@cloverhealth.com (000)000-0000
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title
Vivek Garipalli	Chief Executive Officer
Joseph Wagner	Chief Financial Officer #

OTHERS

Wendy Richey, Chief Medicare Compliance Officer	Gia Lee, General Council #
Rachel Fish, Chief People Officer	Andrew Toy, President & Chief Technology Officer
Mark Spektor, Chief Medical Officer	Sophia Chang, Chief Clinical Informatics Officer

DIRECTORS OR TRUSTEES

Vivek Garipalli	Edward Berde
Justin Doheny	

State of New Jersey
 County of Hudson ss

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

(Signature)	(Signature)	(Signature)
Vivek Garipalli	Joseph Wagner	
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
Chief Executive Officer	Chief Financial Officer	
(Title)	(Title)	(Title)

Subscribed and sworn to before me this _____ day of _____, 2020

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

Yes[] No[X]
 1
 07/21/2020
 52

 (Notary Public Signature)

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)	1,004,243		1,004,243	694,027
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 \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....3,007,217, Schedule E Part 1), cash equivalents (\$.....4,882,306, Schedule E Part 2) and short-term investments (\$.....7,064,627, Schedule DA)	14,954,150		14,954,150	7,617,271
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	1,424,579		1,424,579	
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)	17,382,972		17,382,972	8,311,297
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,858		1,858	1,592
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	99,601	56,221	43,380	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....313,067)	313,067		313,067	
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 (\$.....0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	6,061,236		6,061,236	
24. Health care (\$.....838,826) and other amounts receivable	1,306,410	467,584	838,826	
25. Aggregate write-ins for other than invested assets	2,079	2,079		
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	25,167,224	525,885	24,641,339	8,312,889
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	25,167,224	525,885	24,641,339	8,312,889
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. Miscellaneous Receivables	2,079	2,079		
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)	2,079	2,079		

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	5,184,775		5,184,775	
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	189,657		189,657	
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	3,264,113		3,264,113	
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 \$.....0 on realized capital gains (losses))				1,463
10.2 Net deferred tax liability				124
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 \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	7,023,866		7,023,866	
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	838,984		838,984	
23. Aggregate write-ins for other liabilities (including \$.....0 current)				
24. TOTAL Liabilities (Lines 1 to 23)	16,501,395		16,501,395	1,587
25. Aggregate write-ins for special surplus funds	X X X	X X X	759,819	
26. Common capital stock	X X X	X X X	10	10
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	15,768,339	8,305,324
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	(8,388,224)	5,968
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2 .....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	8,139,944	8,311,302
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	24,641,340	8,312,889
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. ACA Section 9010 Health Insurance Providers Fee	X X X	X X X	759,819	
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X	759,819	
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	31,920	
2. Net premium income (including \$.....0 non-health premium income)	X X X	24,357,882	
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$.....0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. TOTAL Revenues (Lines 2 to 7)	X X X	24,357,882	
Hospital and Medical:			
9. Hospital/medical benefits		13,625,505	
10. Other professional services		977,254	
11. Outside referrals		8,037,622	
12. Emergency room and out-of-area		1,071,170	
13. Prescription drugs		1,604,727	
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)		25,316,278	
Less:			
17. Net reinsurance recoveries			
18. TOTAL Hospital and Medical (Lines 16 minus 17)		25,316,278	
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....530,887 cost containment expenses		1,419,346	
21. General administrative expenses		1,450,978	
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)		3,086,173	
23. TOTAL Underwriting Deductions (Lines 18 through 22)		31,272,775	
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(6,914,893)	
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		138,821	7,555
26. Net realized capital gains (losses) less capital gains tax of \$.....0		9	
27. Net investment gains (losses) (Lines 25 plus 26)		138,830	7,555
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29. Aggregate write-ins for other income or expenses			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(6,776,063)	7,555
31. Federal and foreign income taxes incurred	X X X	(1,463)	1,463
32. Net income (loss) (Lines 30 minus 31)	X X X	(6,774,600)	6,092
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
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.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	8,311,302	
34.	Net income or (loss) from Line 32	(6,774,600)	6,092
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(334,012)	
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	124	(124)
39.	Change in nonadmitted assets	(525,885)	
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		10
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in	7,463,015	8,305,324
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)	(171,358)	8,311,302
49.	Capital and surplus end of reporting year (Line 33 plus 48)	8,139,944	8,311,302
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 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	24,123,154	
2. Net investment income	134,159	5,374
3. Miscellaneous income		
4. TOTAL (Lines 1 through 3)	24,257,312	5,374
5. Benefit and loss related payments	21,437,913	
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	1,841,682	
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	1	
10. TOTAL (Lines 5 through 9)	23,279,596	
11. Net cash from operations (Line 4 minus Line 10)	977,717	5,374
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	700,000	
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	9	
12.7 Miscellaneous proceeds		
12.8 TOTAL Investment proceeds (Lines 12.1 to 12.7)	700,009	
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,005,820	693,438
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	1,758,591	
13.6 Miscellaneous applications		
13.7 TOTAL Investments acquired (Lines 13.1 to 13.6)	2,764,411	693,438
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)	(2,064,402)	(693,438)
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	7,463,015	8,305,335
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)	960,550	
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	8,423,565	8,305,335
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)	7,336,880	7,617,271
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	7,617,271	
19.2 End of year (Line 18 plus Line 19.1)	14,954,150	7,617,271

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	24,357,882						24,357,882			
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. TOTAL Revenues (Lines 1 to 6)	24,357,882						24,357,882			
8. Hospital/medical benefits	13,625,505						13,625,505			X X X
9. Other professional services	977,254						977,254			X X X
10. Outside referrals	8,037,622						8,037,622			X X X
11. Emergency room and out-of-area	1,071,170						1,071,170			X X X
12. Prescription drugs	1,604,727						1,604,727			X X X
13. Aggregate write-ins for other hospital and medical										X X X
14. Incentive pool, withhold adjustments and bonus amounts										X X X
15. Subtotal (Lines 8 to 14)	25,316,278						25,316,278			X X X
16. Net reinsurance recoveries										X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16)	25,316,278						25,316,278			X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$.....530,887 cost containment expenses	1,419,346						1,419,346			
20. General administrative expenses	1,450,978						1,450,978			
21. Increase in reserves for accident and health contracts	3,086,173						3,086,173			X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	31,272,775						31,272,775			
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(6,914,893)						(6,914,893)			
DETAILS OF WRITE-INS										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.										X X X
1302.										X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
	Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6.	Title XVIII - Medicare	24,369,692	.....	11,810	24,357,882
7.	Title XIX - Medicaid .....	.....	.....	.....	.....
8.	Other health .....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 through 8)	24,369,692	.....	11,810	24,357,882
10.	Life .....	.....	.....	.....	.....
11.	Property/casualty .....	.....	.....	.....	.....
12.	TOTALS (Lines 9 to 11)	24,369,692	.....	11,810	24,357,882

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	21,437,913						21,437,913			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	21,437,913						21,437,913			
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	5,184,775						5,184,775			
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	5,184,775						5,184,775			
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 healthcare receivables (a)	1,306,410						1,306,410			
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	25,316,278						25,316,278			
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net	25,316,278						25,316,278			
13. Incurred medical incentive pools and bonuses										

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	1,192,996						1,192,996			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	1,192,996						1,192,996			
2. Incurred but Unreported:										
2.1 Direct	3,991,779						3,991,779			
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	3,991,779						3,991,779			
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	5,184,775						5,184,775			
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	5,184,775						5,184,775			

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	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)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare		21,437,913		5,184,775		
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)		21,437,913		5,184,775		
10. Healthcare receivables (a)		1,306,410				
11. Other non-health						
12. Medical incentive pool and bonus amounts						
13. TOTALS (Lines 9 - 10 + 11 + 12)		20,131,503		5,184,775		

(a) Excludes \$.....0 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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior					
2. 2015					
3. 2016	X X X				
4. 2017	X X X	X X X			
5. 2018	X X X	X X X	X X X		
6. 2019	X X X	X X X	X X X	X X X	20,132

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior					
2. 2015					
3. 2016	X X X				
4. 2017	X X X	X X X			
5. 2018	X X X	X X X	X X X		
6. 2019	X X X	X X X	X X X	X X X	25,316

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. 2015										
2. 2016										
3. 2017										
4. 2018										
5. 2019	24,358	20,132	1,230	6.109	21,361	87.698	5,185	190	26,736	109.762

12 Grand Total

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior					
2. 2015					
3. 2016	X X X				
4. 2017	X X X	X X X			
5. 2018	X X X	X X X	X X X		
6. 2019	X X X	X X X	X X X	X X X	20,132

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior					
2. 2015					
3. 2016	X X X				
4. 2017	X X X	X X X			
5. 2018	X X X	X X X	X X X		
6. 2019	X X X	X X X	X X X	X X X	25,316

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. 2015										
2. 2016										
3. 2017										
4. 2018										
5. 2019	24,358	20,132	1,230	6.109	21,361	87.698	5,185	190	26,736	109.762

12 Title XVIII-Medicare

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

UNDERWRITING AND INVESTMENT EXHIBIT PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)	16,651	16,657	39,574		72,882
2. Salaries, wages and other benefits	282,517	282,621	671,443		1,236,581
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)			80,170		80,170
4. Legal fees and expenses	4,386	4,387	10,423		19,196
5. Certifications and accreditation fees	3,599	3,601	8,554		15,754
6. Auditing, actuarial and other consulting services	91,007	91,040	216,291		398,338
7. Traveling expenses	22,861	22,870	54,333		100,064
8. Marketing and advertising			99,428		99,428
9. Postage, express and telephone	7,556	7,559	17,958		33,073
10. Printing and office supplies	6,632	6,634	15,761		29,027
11. Occupancy, depreciation and amortization					
12. Equipment	2,180	2,181	5,182		9,543
13. Cost or depreciation of EDP equipment and software	30,931	30,942	73,512		135,385
14. Outsourced services including EDP, claims, and other services	38,791	396,183	92,192		527,166
15. Boards, bureaus and association fees	517	517	1,228		2,262
16. Insurance, except on real estate	2,104	2,105	5,000		9,209
17. Collection and bank service charges				13,698	13,698
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			9,649		9,649
23.2 State premium taxes					
23.3 Regulatory authority licenses and fees	4,394	4,396	10,444		19,234
23.4 Payroll taxes	16,154	16,160	38,392		70,706
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses	607	607	1,443		2,657
26. TOTAL Expenses Incurred (Lines 1 to 25)	530,887	888,460	1,450,977	13,698	(a) 2,884,022
27. Less expenses unpaid December 31, current year		189,657			189,657
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)	530,887	698,803	1,450,977	13,698	2,694,365
DETAILS OF WRITE-INS					
2501. Sponsorships and Charitable Contributions	607	607	1,443		2,657
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)	607	607	1,443		2,657

(a) Includes management fees of \$.....2,680,667 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 26,168	26,949
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	(e) 126,087	125,571
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL gross investment income	152,254	152,519
11. Investment expenses		(g) 13,698
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)		13,698
17. Net Investment income (Line 10 minus Line 16)		138,821
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 \$ 5,973 accrual of discount less \$ 1,577 amortization of premium and less \$ 1,103 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 122,819 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
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	9		9		
7. Derivative instruments					
8. Other invested assets				(334,012)	
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	9		9	(334,012)	
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. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	56,221		(56,221)
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	467,584		(467,584)
25. Aggregate write-ins for other than invested assets	2,079		(2,079)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	525,885		(525,885)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. TOTAL (Lines 26 and 27)	525,885		(525,885)
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. Miscellaneous Receivables	2,079		(2,079)
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)	2,079		(2,079)

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying statutory-basis financial statements have been prepared in conformity with accounting practices prescribed or permitted by the New Jersey Department of Banking and Insurance ("NJ DOBI").

The NJ DOBI recognizes only statutory accounting practices prescribed or permitted by the State of New Jersey for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the New Jersey State 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 New Jersey. For purposes of preparing the financial statements of the Company, no differences exist between the accounting practices prescribed by the State of New Jersey and the NAIC.

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

		SSAP#	F/S Page	F/S Line	2019	2018
NET INCOME						
(1)	State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$(6,774,600)	\$6,092
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP:					
(201)						
(299)	Total				\$0	\$0
(3)	State Permitted Practices that increase/(decrease) NAIC SAP:					
(301)						
(399)	Total				\$0	\$0
(4)	NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$(6,774,600)	\$6,092
SURPLUS						
(5)	State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$8,139,944	\$8,311,303
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP:					
(601)						
(699)	Total				\$0	\$0
(7)	State Permitted Practices that increase/(decrease) NAIC SAP:					
(701)						
(799)	Total				\$0	\$0
(8)	NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$8,139,944	\$8,311,303

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Health capitation premiums are recognized in the period members are entitled to related health care services. Health care service costs and the related liabilities for claims payable are recorded when medical services are authorized, as well as when services are provided without authorization to the extent such services are expected to be ultimately authorized. Expenses are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost using the scientific interest method. The Company does not own any mandatory convertible securities or SVO-Identified bond ETFs.
- (3) The Company had no common stock.
- (4) The Company had no preferred stock.
- (5) The Company had no mortgage loans.
- (6) The Company had no loan-backed securities.

Notes to Financial Statements

- (7) The Company carries its 100% owned subsidiaries, MSPNJ, LLC and Principium Health, LLC, on an audited GAAP equity basis in accordance with SSAP No. 97; 8b.III.
- (8) The Company had no investments in joint ventures or partnerships. The Company carries investments in limited liability companies on an audited GAAP equity basis.
- (9) The Company had no derivatives.
- (10) The Company utilizes anticipated investment income as a factor in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include amounts determined from claims estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company's capitalization policy has not changed.
- (13) The Company's pharmaceutical rebate receivables are based on actual billed rebates. Any rebates billed and unpaid after 90 days are non-admitted.

D. Going Concern

Management has evaluated the Company's ability to continue as a going concern. In Management's assessment there is no substantial doubt in the Company's ability to continue as a going concern

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

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

4. Discontinued Operations

- A. Discontinued Operation Disposed of or Classified as Held for Sale - None
- B. Change in Plan of Sale of Discontinued Operation - None
- C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal - None
- D. Equity Interest Retained in Discontinued Operation After Disposal - None

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans - None
- B. Debt Restructuring - None
- C. Reverse Mortgages - None
- D. Loan-Backed Securities - None
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions - None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
- H. Repurchase Agreements Transactions Accounted for as a Sale - None
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None
- J. Real Estate - None
- K. Low-income housing tax credits (LIHTC) - None

----- Continued on next Page -----

Notes to Financial Statements

L. Restricted Assets –

(1) Restricted Assets (Including Pledged)

	1	2	3	4	5	6	7
Restricted Asset Category	Total Gross (Admitted and Nonadmitted) Restricted from Current Year	Total Gross (Admitted and Nonadmitted) Restricted from Prior Year	Increase /(Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted and Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown							
b. Collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under options contracts							
h. Letter stock or securities restricted as to sale-excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states	\$832,893	\$811,296	\$21,597	\$0	\$832,893	3.309%	3.380%
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	\$832,893	\$811,296	\$21,597	\$0	\$832,893	3.309%	3.380%

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

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

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

(3) Detail of Other Restricted Assets – None

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements – None

M. Working Capital Finance Investments – None

N. Offsetting and Netting of Assets and Liabilities – None

O. 5GI Securities – None

P. Short Sales – None

Q. Prepayment Penalty and Acceleration Fees - None

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company does not have any Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of the admitted assets.

B. The Company does not have any impaired Joint Ventures, Partnerships and Limited Liability Companies.

7. Investment Income

A. Due and accrued income was excluded from surplus that are over 90 days past due with the exception of mortgage loans in default.

B. The Company had no investment income due and accrued excluded from surplus.

8. Derivative Instruments

None

Notes to Financial Statements

9. Income Taxes

- A. The statutory basis of accounting requires that the Company record deferred tax assets and liabilities for certain temporary differences between statutory basis income before federal income taxes, plus certain items recorded directly to surplus, and taxable income as reflected in the Company's federal income tax return, subject to certain limitations.

The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.

Description	12/31/2019			12/31/2018			Change		
	1 Ordinary	2 Capital	3 (Col. 1 + 2) Total	4 Ordinary	5 Capital	6 (Col. 4 + 5) Total	7 (Col. 1 - 4) Ordinary	8 (Col. 2 - 5) Capital	9 (Col. 7 + 8) Total
a. Gross Deferred Tax Assets	\$1,547,767	-	\$1,547,767	-	-	-	\$1,547,767	-	\$1,547,767
b. Statutory Valuation Allowance Adjustments	\$1,531,822	-	\$1,531,822	-	-	-	\$1,531,822	-	\$1,531,822
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	\$15,945	-	\$15,945	-	-	-	\$15,945	-	\$15,945
d. Deferred Tax Assets Non-admitted	-	-	-	-	-	-	-	-	-
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$15,945	-	\$15,945	-	-	-	\$15,945	-	\$15,945
f. Deferred Tax Liabilities	\$15,945	-	\$15,945	-	\$(124)	\$(124)	\$15,945	\$124	\$16,069
g. Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	-	-	-	-	\$124	\$124	-	\$(124)	\$(124)

2.

Description	12/31/2019			12/31/2018			Change		
	1 Ordinary	2 Capital	3 (Col. 1 + 2) Total	4 Ordinary	5 Capital	6 (Col. 4 + 5) Total	7 (Col. 1 - 4) Ordinary	8 (Col. 2 - 5) Capital	9 (Col. 7 + 8) Total
a. Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	-	-	-	-	-	-	-	-	-
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2a Above) After Application of the Threshold Limitation (The Lesser of 2b1 and 2b2 below)	-	-	-	-	-	-	-	-	-
b1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	\$15,945	-	\$15,945	-	-	-	\$15,945	-	\$15,945
b2. 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 2a and 2b Above) Offset by Gross Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2a + 2b - 2c)	-	-	-	-	-	-	-	-	-

3.

	Description	12/31/2019	12/31/2018
a.	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	0%	0%
b.	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation in 2(b)2 Above	\$0	\$0

4.

Description	12/31/2019		12/31/2018		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1 + 3) Ordinary	6 (Col. 2 + 4) Capital
Impact of Tax-Planning Strategies						
a.	Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character as a Percentage					
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	\$15,945	-	-	-	\$15,945
2.	Percentage of Adjusted Gross DTAs by tax character attributable to the impact of tax planning strategies	-	-	-	-	-
3.	Net Admitted Adjusted Gross DTAs Amount from Note 9a1(c)	\$15,945	-	-	-	\$15,945
4.	Percentage of Net Admitted Adjusted Gross DTAs by tax character attributable to the impact of tax planning strategies	-	-	-	-	-

b.	Does the Company's tax-planning strategies include the use of reinsurance? (Yes / No)	No
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- B. Regarding deferred tax liabilities that are not recognized: Not Applicable

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Notes to Financial Statements

C. Current income taxes incurred consist of the following major components:

	Description	1 12/31/2019	2 12/31/2018	3 (Col. 1 – 2) Change
1.	Current Income Tax			
a.	Federal	\$(1,463)	\$1,463	\$(2,926)
b.	Foreign	\$0	\$0	\$0
c.	Subtotal	\$(1,463)	\$1,463	\$(2,926)
d.	Federal income tax on net capital gains	\$0	\$0	\$0
e.	Utilization of capital loss carry-forwards	\$0	\$0	\$0
f.	Other	\$0	\$0	\$0
g.	Federal and foreign income taxes incurred	\$(1,463)	\$1,463	\$(2,926)
2.	Deferred Tax Assets:			
a.	Ordinary			
1.	Discounting of unpaid losses	\$(17,173)	\$0	\$(17,173)
2.	Unearned premium reserve			
3.	Policyholder reserves	\$648,096	\$0	\$648,096
4.	Investments			
5.	Deferred acquisition costs			
6.	Policyholder dividends accrual			
7.	Fixed assets			
8.	Compensation and benefits accrual			
9.	Pension accrual			
10.	Nonadmitted Assets	\$110,436	\$0	\$110,436
11.	Net operating loss carry-forward	\$806,408	\$0	\$806,408
12.	Tax credit carry-forward			
13.	Other (including items < 5% of total ordinary tax assets)			
99.	Subtotal	\$1,547,767	\$0	\$1,547,767
b.	Statutory valuation allowance adjustment	\$1,531,822	\$0	\$1,531,822
c.	Nonadmitted			
d.	Admitted ordinary deferred tax assets (2a99 – 2b – 2c)	\$15,945	\$0	\$15,945
e.	Capital:			
1.	Investments			
2.	Net capital loss carry-forward			
3.	Real estate			
4.	Other (including items < 5% of total capital tax assets)			
99.	Subtotal	\$0	\$0	\$0
f.	Statutory valuation allowance adjustment			
g.	Nonadmitted			
h.	Admitted capital deferred tax assets (2e99 – 2f – 2g)			
i.	Admitted deferred tax assets (2d + 2h)	\$15,945	\$0	\$15,945
3.	Deferred Tax Liabilities:			
a.	Ordinary			
1.	Investments			
2.	Fixed assets			
3.	Deferred and uncollected premium			
4.	Policyholder reserves			
5.	Other (including items < 5% of total ordinary tax liabilities)	\$15,945	\$0	\$15,945
99.	Subtotal	\$15,945	\$0	\$15,945
b.	Capital:			
1.	Investments	\$0	\$124	\$(124)
2.	Real estate			
3.	Other (including items < 5% of total capital tax liabilities)			
99.	Subtotal	\$0	\$124	\$(124)
c.	Deferred tax liabilities (3a99 + 3b99)	\$15,945	\$124	\$15,821
4.	Net deferred tax assets/liabilities (2i – 3c)	\$0	\$(124)	\$124

The change in net deferred income taxes is comprised of the following, before consideration of non-admitted deferred tax assets:

	12/31/2019	12/31/2018	Change
Adjusted gross deferred tax assets	\$15,945	\$0	\$15,945
Total deferred tax liabilities	\$15,945	\$124	\$15,821
Net deferred tax assets (liabilities)	\$0	\$(124)	\$124
Tax effect of change in unrealized gains (losses)			-
Total change in net deferred income tax			\$124

Notes to Financial Statements

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

	<u>12/31/2019</u>	<u>Tax Effect</u>	<u>12/31/2018</u>	<u>Tax Effect</u>
Provision computed at statutory rate	\$(1,422,973)	21.00%	\$1,587	21.00%
Change in Non-admitted Assets	\$(110,436)	-1.63%	-	0.00%
Change in deferred income taxes	\$124	0.00%	\$(124)	-1.64%
Change in Valuation Allowance	\$1,531,822	22.61%	-	0.00%
Total Tax (Benefit) Expense	<u>\$(1,463)</u>	<u>0.02%</u>	<u>\$1,463</u>	<u>19.36%</u>

	<u>12/31/2019</u>	<u>12/31/2018</u>
Federal and foreign income taxes incurred	\$(1,463)	\$1,463
Current taxes on realized capital gains	-	-
Total statutory income taxes	<u>\$(1,463)</u>	<u>\$1,463</u>

- E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

At December 31, 2019, the Company had unused operating loss carryforwards available to offset against future taxable income of \$3,840,038. The carryforwards begin to expire in 2029.

The following are federal income taxes incurred in the current and prior year that may be available for recovery in the event of future net operating losses.

2019	\$	-
2018	\$	<u>-</u>
Total	\$	-

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

- F. Consolidated Federal Income Tax Return - The Company's federal income tax return is filed on a consolidated basis with Clover Health Investments Corp. and its subsidiaries.

- G. Federal or Foreign Federal Income Tax Loss Contingencies
The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

The Consolidated Federal Income Tax Returns filed in relation to tax years subsequent to 2015 remain subject to examination by the IRS. The Company is not aware of any material adjustments that may be proposed as a result of any ongoing or future examinations. The Company does not have material uncertain tax positions reflected in the statements of admitted assets, liabilities, capital and surplus.

- H. Alternative Minimum Tax (AMT) Credit

The Company has no AMT credit carryforward, and has no related recoverable to report.

- I. Repatriation Transition Tax (RTT) and Global Intangible Low-Taxed Income (GILTI)

The Company has no foreign activity, and is not subject to the RTT or the tax on GILTI under sections 965 or 951A of the Code.

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

A, B, & C –

In April 2018, Clover Health Holdings, Inc. purchased \$10 of common stock of the Company for capital funding and contributed \$2,990,000 in additional surplus. Clover Health Holdings, Inc. made additional contributions to surplus of \$5,315,335 in May of 2018.

Clover Health Investments, Corp. made a contribution to surplus of \$1,863,015 to the Company in February 2019.

The Company also has a commitment for receipt of another \$5,600,000 in contributed surplus from Clover Health Investments, Corp. The surplus contribution had been committed as of December 31, 2019 and the funds are to be received and deposited as of February 28, 2020. This contribution has been booked as a receivable and admitted pursuant to SSAP No. 72 in the Company's December 31, 2019 Annual Statement.

In February 2019 the Company purchased Principium Health, LLC for \$600,000 and MSPNJ, LLC for \$400,000. An adjustment was made during the year, adding \$158,591 to the original purchase price of MSPNJ, LLC. An additional investment in MSPNJ, LLC of \$600,000 was executed in August 2019.

Notes to Financial Statements

Amounts From or Due To Related Parties

Due from or (Due to) Related Parties:	12/31/2019	12/31/2018
Clover Health Investments, Corp	\$5,600,000	\$0
Principium Health, LLC	\$461,236	\$0
Clover Health, LLC	\$126,142	\$0
Clover Insurance Company	(\$7,039,399)	\$0
MSPNJ, LLC	(\$110,609)	\$0

- D. Guarantees – None
- E. Material Management Contracts – The Company has an administrative services agreement with Clover Health, LLC (ASO) to make use of certain employees, equipment and facilities in the operations and management of the Company. Under the terms of this agreement that was filed and approved by NJ DOBI, the Company will pay an administrative fee of 11.0% of the premiums it earned for all the services and expenses incurred by ASO on the Company's behalf.
- F. Common Control – The Company is owned by Clover Health Holdings, Inc. which is a member of Clover Health Investments, Corp., a Delaware domesticated company.
- G. Deductions in Value – There have been no deductions recognized from the value of an upstream intermediate entity or ultimate parent owned.
- H. SCA that exceed 10% of Admitted Assets – None
- I. Impaired SCAs – None
- J. Foreign Subsidiary – None
- K. Downstream Noninsurance Holding Company – None
- L. All SCA Investments - None
- M. Investment in Insurance SCA – None
- N. SCA and SSAP No. 48 Entity Loss Tracking – The Company has no SCA investments in a negative equity position.

11. Debt

- A. Debt – None
- B. FHLB (Federal Home Loan Bank) Agreements – None

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

- A. Defined Benefit Plan - None
- B. Investment Policies and Strategies – None
- C. Plan Assets – None
- D. Long-term Rate-of-return-on-assets Assumption - None
- E. Defined Contribution Plans - None
- F. Multi-Employer Plan – None
- G. Consolidated/Holding Company Plans – None
- H. Post-Employment Benefits and Compensated Absences – None
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None

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

- (1) On April 2018, Clover Health Investments, Corp. purchased \$10 of common stock of the Company for capital funding. The Company has 1,000 shares at \$1 per share authorized and outstanding and has only issued 10 shares.
- (2) The Company has no preferred stock issued or outstanding.
- (3) The Company's ability to declare and pay dividends is limited by state regulations. Also such regulations do not specifically restrict the Company from paying dividends; rather they require the Company to be financially sound as determined by the NJ Department of Banking and Insurance.
- (4) The Company did not pay any dividends.
- (5) There were no restrictions placed on the Company's surplus.
- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being paid.
- (7) The Company has no advances to surplus not repaid.
- (8) The Company held no stock for special purposes.
- (9) The change in the balance of special surplus funds from the prior year of \$0 in 2018 to \$759,819 in 2019 is due to the estimated ACA fee assessment based on 2019 premium revenue which is to be paid in Fee Year 2020. The Company had no premium revenue in 2018 as operations had not yet commenced.
- (10) The portion of unassigned funds represented or reduced by unrealized gains or losses is \$(334,012).
- (11) Surplus Notes - None
- (12) and (13) There have been no quasi-reorganizations.

14. Liabilities, Contingencies and Assessments

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

Notes to Financial Statements

15. Leases

- A. Lessee Operating Lease – None
- B. Lessor Leases – None

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

None

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

- 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

- A. ASO Plans – None
- B. ASC Plans – None
- C. Medicare or Similarly Structured Cost Based Reimbursement Contract
 - (1) Revenue from the AHP's Medicare Part D cost based reimbursement portion of the contract for the year 2019, consisted of \$2,953,696 for reinsurance subsidy and \$2,279,668 for low-income cost sharing subsidy.
 - (2) As of December 31, 2019, the Company does not have any receivables for Medicare Part D cost sharing portion.
 - (3) In connection the Company's Medicare Part D contract, as of December 31, 2019, the Company has recorded allowance payable in the amount of \$495,277 for Reinsurance Subsidy and \$371,710 for low-income cost sharing subsidy.
 - (4) The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period

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

None

20. Fair Value Measurements

- A. The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The hierarchy gives the highest priority to fair values determined using unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to fair values determined using unobservable inputs (Level 3). An asset's or liability's classification is determined based on the lowest level input that is significant to its measurement.

For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2: Inputs are other than quoted prices included in level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3: Inputs are unobservable and reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Fair value of actively traded fixed-income and equity securities is based on quoted market prices. Fair value of inactively traded fixed-income securities is based on quoted market prices of identical or similar securities based on observable inputs like interest rates using a market valuation approach is generally classified as Level 2. Investments measured based on the practical expedient being net asset value (NAV), based on the NAV of the fund as provided for in the audited financial statements and other fund reporting, are generally classified as Level 3.

Notes to Financial Statements

(1) Fair Value Measurements at Reporting Date

	Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a.	Assets at fair value					
01	Cash Equivalents					
	Exempt Money Market Mutual Funds	\$4,150,214				\$4,150,214
	All Other Money Market Mutual Funds	\$732,092				\$732,092
99	Subtotal – Assets at fair value	\$4,882,306	-	-	-	\$4,882,306
b.	Liabilities at fair value					
01						
99	Subtotal–Liabilities at fair value	-	-	-	-	-

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy - None

(3) The Company's policy for determining when transfers between levels are recognized is determined at the end of the reporting period.

(4) The Company has not valued any securities at a Level 2 or 3.

(5) Derivative assets and liabilities- None

B. Fair Value Information under SSAP No. 100 combined with Fair Value information Under Other Account Pronouncements – None

C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$1,007,230	\$1,004,243	\$1,007,230				
Short-term Investments	\$7,073,836	\$7,064,627	\$7,073,836				
Cash Equivalents	\$4,882,306	\$4,882,306	\$4,882,306				

D. Not Practicable to Estimate Fair Value – None

E. Net Asset Value - None

21. Other Items

A. Unusual and Infrequent Items – None

B. Troubled Debt Restructuring – None

C. Other Disclosures – None

D. Business Interruption Insurance Recoveries - None

E. State Transferable and Non-transferable Tax Credits - None

F. Subprime-Mortgage-Related Risk Exposure – None

G. Retained Assets – None

H. Insurance-Linked Securities (ILS) Contracts – None

I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to the Policy - None

22. Events Subsequent

Type I. – Recognized Subsequent Events

Subsequent events have been considered through February 29, 2020 for the statutory statement issued on December 31, 2019.

Clover HMO of New Jersey Inc. is requesting approval for the recognition of a \$5,600,000 receivable from the parent company as of December 31, 2019 as governed by SSAP No. 9 as a Type 1 subsequent event. Clover HMO of New Jersey Inc. required the need for the additional capital primarily due to recording the 2020 premium deficiency reserve as part of the 2019 year-end financial statements. The additional capital had been committed as December 31, 2019 and the funds have been received and deposited as of February 28, 2020 prior to the filing of our Annual Statements on March 1, 2020.

Type II. – Nonrecognized Subsequent Events

Subsequent events have been considered through February 29, 2020 for the statutory statement issued on December 31, 2019.

On January 1, 2020, the Company will be subject to an annual fee under Section 9010 of the federal Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for all U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2019, the Company has

Notes to Financial Statements

written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2020, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2020, to be \$759,819, this amount being reflected in special surplus. This assessment is expected to impact risk based capital (RBC) by (38.8) percentage points. Reporting the ACA assessment as of December 31, 2019, would not have triggered an RBC action level.

Due to the recording the 2020 premium deficiency reserve, which was inclusive of the ACA annual fee, our capital and surplus already reflects the impact of the 2020 ACA annual fee prior to this required additional surplus adjustment.

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of Federal Affordable Care Act (YES/NO)? YES		
B. ACA fee assessment payable for the upcoming year	\$759,819	\$0
C. ACA fee assessment paid	\$0	\$0
D. Premium written subject to ACA 9010 assessment	\$24,357,882	\$0
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	\$8,139,944	
F. Total Adjusted Capital after surplus adjustment(Five-Year Historical Line 14 minus 22B)	\$7,380,125	
G. Authorized Control Level (Five-Year Historical Line 15)	\$1,960,738	
H. Would reporting the ACA assessment as of December 31, 2019, have triggered an RBC action level (YES/NO)? NO		

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

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

Yes () No (x)

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

Yes () No (x)

Section 2 – Ceded Reinsurance Report – Part A

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

Yes () No (x)

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

Yes () No (x)

Section 3 – Ceded Reinsurance Report – Part B – None

- B. Uncollectible Reinsurance – None
- C. Commutation of Ceded Reinsurance – None
- D. Certified Reinsurer Downgraded or Status Subject to Revocation – None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. The Company estimates accrued retrospective premium adjustments for its Medicare Part D based on the Company's underwriting rules and experience rating practices.

B. The Company records accrued retrospective premium as an adjustment to earned premium.

C. The amount of net premiums written by the Company as of December 31, 2019 that are subject to retrospective rating features is \$1,789,423 representing 7.3% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

Notes to Financial Statements

D. Medical loss ratio rebates required pursuant to the Public Health Service Act – None

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

- (1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? No
- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year - None
- (3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance. - None
- (4) Roll Forward of ACA Risk Corridor Asset and Liability Balances - None
- (5) ACA Risk Corridor Receivable - None

25. Changes in Incurred Losses and Loss Adjustment Expenses

The Company did not have any unpaid claims or claims adjustment expenses at the end of 2018.

The Company did not have any significant changes in methodologies or assumptions used in the calculation the liability for unpaid losses or loss adjustment expenses.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2019	\$1,101,410	\$838,826	\$0	\$0	\$0
09/30/2019	\$957,724	\$758,458	\$701,773	\$0	\$0
06/30/2019	\$654,193	\$616,520	\$508,965	\$0	\$0
03/31/2019	\$499,483	\$528,359	\$430,015	\$0	\$0

F. Risk Sharing Receivables - None

29. Participating Policies

None

30. Premium Deficiency Reserves

- | | |
|--|-------------|
| 1. Liability carried for premium deficiency reserves | \$3,086,173 |
| 2. Date of the most recent evaluation of this liability | 02/25/2020 |
| 3. Was anticipated investment income utilized in the calculation? (Yes / No) | Yes |

31. Anticipated Salvage and Subrogation

None

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?
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
- 1.3 State Regulating? New Jersey
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes[] No[X]
- 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? Yes[] No[X]
- 2.2 If yes, date of change:

- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.
- 3.2 State 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?
The Company was incorporated on 11/21/2017 and commenced operations on 1/1/2019 and thus has had no examinations conducted as of 12/31/2019.
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]

- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]

- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If yes, complete and file the merger history data file with the NAIC. Yes[] No[X]
- 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. Yes[] No[X]

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control 0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. Yes[] No[X]
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 5 Times Square, New York, NY 10036-6530
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Michael L. Rasmussen, Fellow, Society of Actuaries Member, American Academy of Actuaries, OptumInsight, 2170 Satellite Blvd, Ste 150, Duluth, GA 30097

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[] No[X]
 12.11 Name of real estate holding company
 12.12 Number of parcels involved
 12.13 Total book/adjusted carrying value \$ 0
 12.2 If yes, provide explanation \$ 0
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes[] No[] N/A[X]
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes[] No[] N/A[X]
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes[] No[] N/A[X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[]
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 c. Compliance with applicable governmental laws, rules and regulations;
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 e. Accountability for adherence to the code.
 14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes[] No[X]
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes[] No[X]
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes[] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 20.11 To directors or other officers \$ 0
 20.12 To stockholders not officers \$ 0
 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 20.21 To directors or other officers \$ 0
 20.22 To stockholders not officers \$ 0
 20.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes[] No[X]
 21.2 If yes, state the amount thereof at December 31 of the current year:
 21.21 Rented from others \$ 0
 21.22 Borrowed from others \$ 0
 21.23 Leased from others \$ 0
 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes[] No[X]
 22.2 If answer is yes:
 22.21 Amount paid as losses or risk adjustment \$ 0
 22.22 Amount paid as expenses \$ 0
 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[X] No[]
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes[X] No[]
 24.02 If no, give full and complete information, relating thereto
 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes[] No[] N/A[X]
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes[] No[] N/A[X]
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes[] No[] N/A[X]
 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[] No[] N/A[X]
 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

GENERAL INTERROGATORIES (Continued)

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

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

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

25.21 Subject to repurchase agreements	\$ 0
25.22 Subject to reverse repurchase agreements	\$ 0
25.23 Subject to dollar repurchase agreements	\$ 0
25.24 Subject to reverse dollar repurchase agreements	\$ 0
25.25 Placed under option agreements	\$ 0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ 0
25.27 FHLB Capital Stock	\$ 0
25.28 On deposit with states	\$ 832,893
25.29 On deposit with other regulatory bodies	\$ 0
25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ 0
25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ 0
25.32 Other	\$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]
 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
 If no, attach a description with this statement.

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

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

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

26.41 Special Accounting Provision of SSAP No. 108	Yes[] No[X]
26.42 Permitted Accounting Practice	Yes[] No[X]
26.43 Other Accounting Guidance	Yes[] No[X]

26.5 By responding yes to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, does the reporting entity at tests to the following: Yes[] No[X]

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

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]
 27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

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

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

1 Name of Custodian(s)	2 Custodian's Address
US Bank National Association	Minneapolis, Minnesota

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

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

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

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

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

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

1 Name of Firm or Individual	2 Affiliation
Bowie Capital Management, LLC	U
Joseph Wagner - Chief Financial Officer	A

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

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

GENERAL INTERROGATORIES (Continued)

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
171023	Bowie Capital Management, LLC		SEC	NO

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes [] No [X]

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	8,068,870	8,081,066	12,196
30.2 Preferred stocks			
30.3 Totals	8,068,870	8,081,066	12,196

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

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes[X] No [] N/A []

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

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

Yes[X] No []

32.2 If no, list exceptions:

33. By self-designation 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

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

Has the reporting-entity self-designated 5GI securities?

Yes [] No[X]

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

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?

Yes [] No[X]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?

Yes [] No[X]

OTHER

36.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 0

36.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid

- 37.1 Amount of payments for legal expenses, if any? \$ 0
- 37.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

- 38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 0
- 38.2 List the name of 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 (Continued)

PART 2 - HEALTH INTERROGATORIES

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

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	24,357,882	.....
2.2 Premium Denominator	24,357,882	.....
2.3 Premium Ratio (2.1 / 2.2)	1.000	.....
2.4 Reserve Numerator	8,448,888	.....
2.5 Reserve Denominator	8,448,888	.....
2.6 Reserve Ratio (2.4 / 2.5)	1.000	.....

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No []
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [] N/A[X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes[X] No []
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
 - 5.31 Comprehensive Medical \$ 390,000
 - 5.32 Medical Only \$ 0
 - 5.33 Medicare Supplement \$ 0
 - 5.34 Dental & Vision \$ 0
 - 5.35 Other Limited Benefit Plan \$ 0
 - 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
 Provider contracts contain provisions requiring providers to hold subscribers harmless in the event of non-payment by insurer.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes[X] No []
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
 - 8.1 Number of providers at start of reporting year 0
 - 8.2 Number of providers at end of reporting year 30,225
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No[X]
- 9.2 If yes, direct premium earned:
 - 9.21 Business with rate guarantees between 15-36 months 0
 - 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [] No[X]
- 10.2 If yes:
 - 10.21 Maximum amount payable bonuses \$ 0
 - 10.22 Amount actually paid for year bonuses \$ 0
 - 10.23 Maximum amount payable withholds \$ 0
 - 10.24 Amount actually paid for year withholds \$ 0
- 11.1 Is the reporting entity organized as:
 - 11.12 A Medical Group/Staff Model, Yes [] No[X]
 - 11.13 An Individual Practice Association (IPA), or, Yes [] No[X]
 - 11.14 A Mixed Model (combination of above)? Yes [] No[X]
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes[X] No []
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus.
 New Jersey \$ 2,133,666
- 11.4 If yes, show the amount required. \$ 2,133,666
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No[X]
- 11.6 If the amount is calculated, show the calculation.
 Greater of \$2,133,666 or 2% of firs \$150M premiums an 1% over \$150M premiums, or 3 months of uncovered expenditures or 8% of fee for service and hospital noncontracted costs and 4% of contracted hospital costs.
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
NJ - Atlantic County
NJ - Bergen County
NJ - Burlington County
NJ - Cumberland County
NJ - Essex County
NJ - Gloucester County
NJ - Hudson County
NJ - Mercer County
NJ - Middlesex County
NJ - Monmouth County

GENERAL INTERROGATORIES (Continued)

1 Name of Service Area
Nj - Morris County
NJ - Ocean County
NJ - Passaic County
NJ - Salem County
NJ - Somerset County
NJ - Union County
TX - Bexar County
TX - El Paso County

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

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

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

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

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

FIVE-YEAR HISTORICAL DATA

	1 2019	2 2018	3 2017	4 2016	5 2015
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	24,641,339	8,312,889			
2. TOTAL Liabilities (Page 3, Line 24)	16,501,395	1,587			
3. Statutory minimum capital and surplus requirement	2,133,666	2,133,666			
4. TOTAL Capital and Surplus (Page 3, Line 33)	8,139,944	8,311,302			
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	24,357,882				
6. TOTAL Medical and Hospital Expenses (Line 18)	25,316,278				
7. Claims adjustment expenses (Line 20)	1,419,346				
8. TOTAL Administrative Expenses (Line 21)	1,450,978				
9. Net underwriting gain (loss) (Line 24)	(6,914,893)				
10. Net investment gain (loss) (Line 27)	138,830	7,555			
11. TOTAL Other Income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	(6,774,600)	6,092			
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	977,717	5,374			
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	8,139,944	8,311,303			
15. Authorized control level risk-based capital	1,960,738	15,791			
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	3,116				
17. TOTAL Members Months (Column 6, Line 7)	31,920				
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	103.9				
20. Cost containment expenses	2.2				
21. Other claims adjustment expenses	3.6				
22. TOTAL Underwriting Deductions (Line 23)	128.4				
23. TOTAL Underwriting Gain (Loss) (Line 24)	(28.4)				
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)					
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]					
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 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	1,357,080				
32. TOTAL of Above Lines 26 to 31	1,357,080				
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

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

If no, please explain: