



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2020
OF THE CONDITION AND AFFAIRS OF THE

Oxford Health Plans (NJ), Inc.

NAIC Group Code 0707 0707 NAIC Company Code 95506 Employer's ID Number 22-2745725
(Current) (Prior)

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

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

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

Incorporated/Organized 04/17/1985 Commenced Business 09/12/1985

Statutory Home Office 170 Wood Avenue, Floor 3, Iselin, NJ, US 08830
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 4 Research Drive, 5th Floor
(Street and Number) Shelton, CT, US 06484, 203-447-4500
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

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

Primary Location of Books and Records 4 Research Drive, 5th Floor
(Street and Number) Shelton, CT, US 06484, 203-447-4500
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.oxfordhealth.com

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

President Charles Reeves Wayland # Treasurer Peter Marshall Gill
Secretary John Joseph Matthews Chief Financial Officer Richard Michael Hersch

OTHER

Sanford Paul Cohen M.D., Chief Medical Officer Nyle Brent Cottingham, Vice President William John Golden, Chair
Heather Anastasia Lang, Assistant Secretary Jessica Leigh Zuba M.D., Assistant Secretary

DIRECTORS OR TRUSTEES

Timothy James Burch # Phillip Robert Franz William John Golden
Donald Alan Stangler M.D. # Charles Reeves Wayland #

State of Connecticut SS:
County of Fairfield

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

Heather Anastasia Lang
Assistant Secretary

Charles Reeves Wayland
President

Richard Michael Hersch
Chief Financial Officer

Subscribed and sworn to before me this 3 day of February 2021

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

Cynthia Marcantonio
Notary Public
August 31, 2025

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

ASSETS

| | Current Year | | | Prior Year |
|--|--------------|-------------------------|---|-----------------------------|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | 4 Net Admitted Assets |
| 1. Bonds (Schedule D) | 145,011,509 | | 145,011,509 | 111,281,330 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | | | 0 | 0 |
| 2.2 Common stocks | | | 0 | 0 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | | | 0 | 0 |
| 3.2 Other than first liens | | | 0 | 0 |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$ | | | 0 | 0 |
| encumbrances) | | | | |
| 4.2 Properties held for the production of income (less | | | | |
| \$ | | | 0 | 0 |
| encumbrances) | | | | |
| 4.3 Properties held for sale (less \$ | | | 0 | 0 |
| encumbrances) | | | | |
| 5. Cash (\$168,696 , Schedule E - Part 1), cash equivalents | | | | |
| (\$43,085,945 , Schedule E - Part 2) and short-term | | | | |
| investments (\$999,933 , Schedule DA) | 44,254,574 | | 44,254,574 | 55,846,993 |
| 6. Contract loans, (including \$ premium notes) | | | 0 | 0 |
| 7. Derivatives (Schedule DB) | | | 0 | 0 |
| 8. Other invested assets (Schedule BA) | | | 0 | 0 |
| 9. Receivables for securities | 0 | | 0 | 0 |
| 10. Securities lending reinvested collateral assets (Schedule DL) | | | 0 | 0 |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 189,266,083 | 0 | 189,266,083 | 167,128,323 |
| 13. Title plants less \$ charged off (for Title insurers | | | 0 | 0 |
| only) | | | | |
| 14. Investment income due and accrued | 322,488 | | 322,488 | 487,185 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 45,631 | 37,058 | 8,573 | 2,304 |
| 15.2 Deferred premiums and agents' balances and installments booked but | | | | |
| deferred and not yet due (including \$ | | | 0 | 0 |
| earned but unbilled premiums) | | | | |
| 15.3 Accrued retrospective premiums (\$692,291) and | | | | |
| contracts subject to redetermination (\$43,823,655) | 41,395,479 | | 41,395,479 | 41,499,704 |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | | | 0 | 4,178 |
| 16.2 Funds held by or deposited with reinsured companies | | | 0 | 0 |
| 16.3 Other amounts receivable under reinsurance contracts | | | 0 | 0 |
| 17. Amounts receivable relating to uninsured plans | 17,675,241 | 13,021 | 17,662,220 | 9,426,712 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 2,381,696 | | 2,381,696 | 0 |
| 18.2 Net deferred tax asset | 2,089,331 | | 2,089,331 | 2,077,785 |
| 19. Guaranty funds receivable or on deposit | | | 0 | 0 |
| 20. Electronic data processing equipment and software | | | 0 | 0 |
| 21. Furniture and equipment, including health care delivery assets | | | | |
| (\$) | | | 0 | 0 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | 0 |
| 23. Receivables from parent, subsidiaries and affiliates | | | 0 | 0 |
| 24. Health care (\$40,703,119) and other amounts receivable | 43,207,160 | 2,504,041 | 40,703,119 | 35,189,748 |
| 25. Aggregate write-ins for other than invested assets | 4,313,533 | 4,313,533 | 0 | 0 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and | | | | |
| Protected Cell Accounts (Lines 12 to 25) | 300,696,642 | 6,867,653 | 293,828,989 | 255,815,939 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell | | | | |
| Accounts | | | 0 | 0 |
| 28. Total (Lines 26 and 27) | 300,696,642 | 6,867,653 | 293,828,989 | 255,815,939 |
| DETAILS OF WRITE-INS | | | | |
| 1101. | | | | |
| 1102. | | | | |
| 1103. | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | 0 | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) | 0 | 0 | 0 | 0 |
| 2501. Prepaid Program Receivable | 4,313,244 | 4,313,244 | 0 | 0 |
| 2502. Miscellaneous Receivables | 289 | 289 | 0 | 0 |
| 2503. | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 4,313,533 | 4,313,533 | 0 | 0 |

LIABILITIES, CAPITAL AND SURPLUS

| | Current Year | | | Prior Year |
|---|--------------|----------------|-------------|-------------|
| | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. Claims unpaid (less \$62 reinsurance ceded) | 53,824,613 | | 53,824,613 | 58,019,814 |
| 2. Accrued medical incentive pool and bonus amounts | 2,207,587 | | 2,207,587 | 1,803,352 |
| 3. Unpaid claims adjustment expenses | 849,892 | | 849,892 | 788,780 |
| 4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act | 1,178,394 | | 1,178,394 | 618,245 |
| 5. Aggregate life policy reserves | | | 0 | 0 |
| 6. Property/casualty unearned premium reserves | | | 0 | 0 |
| 7. Aggregate health claim reserves | 117,786 | | 117,786 | 100,675 |
| 8. Premiums received in advance | 145,102 | | 145,102 | 193,458 |
| 9. General expenses due or accrued | 4,841,354 | | 4,841,354 | 4,389,350 |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses)) | 0 | | 0 | 603,282 |
| 10.2 Net deferred tax liability | 0 | | 0 | 0 |
| 11. Ceded reinsurance premiums payable | | | 0 | 0 |
| 12. Amounts withheld or retained for the account of others | | | 0 | 0 |
| 13. Remittances and items not allocated | 694,144 | | 694,144 | 323,446 |
| 14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current) | | | 0 | 0 |
| 15. Amounts due to parent, subsidiaries and affiliates | 10,716,065 | | 10,716,065 | 13,366,955 |
| 16. Derivatives | | | 0 | 0 |
| 17. Payable for securities | | | 0 | 0 |
| 18. Payable for securities lending | | | 0 | 0 |
| 19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers) | | | 0 | 0 |
| 20. Reinsurance in unauthorized and certified (\$) companies | | | 0 | 0 |
| 21. Net adjustments in assets and liabilities due to foreign exchange rates | | | 0 | 0 |
| 22. Liability for amounts held under uninsured plans | 6,243 | | 6,243 | 26,863 |
| 23. Aggregate write-ins for other liabilities (including \$24,838 current) | 24,838 | 0 | 24,838 | 33,200 |
| 24. Total liabilities (Lines 1 to 23) | 74,606,018 | 0 | 74,606,018 | 80,267,420 |
| 25. Aggregate write-ins for special surplus funds | XXX | XXX | 0 | 15,370,755 |
| 26. Common capital stock | XXX | XXX | 50 | 50 |
| 27. Preferred capital stock | XXX | XXX | | |
| 28. Gross paid in and contributed surplus | XXX | XXX | 13,889,075 | 13,889,075 |
| 29. Surplus notes | XXX | XXX | | |
| 30. Aggregate write-ins for other than special surplus funds | XXX | XXX | 0 | 0 |
| 31. Unassigned funds (surplus) | XXX | XXX | 205,333,846 | 146,288,639 |
| 32. Less treasury stock, at cost: | | | | |
| 32.1 shares common (value included in Line 26 \$) | XXX | XXX | | |
| 32.2 shares preferred (value included in Line 27 \$) | XXX | XXX | | |
| 33. Total capital and surplus (Lines 25 to 31 minus Line 32) | XXX | XXX | 219,222,971 | 175,548,519 |
| 34. Total liabilities, capital and surplus (Lines 24 and 33) | XXX | XXX | 293,828,989 | 255,815,939 |
| DETAILS OF WRITE-INS | | | | |
| 2301. Escheatments | 24,838 | | 24,838 | 33,200 |
| 2302. | | | | |
| 2303. | | | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | 0 | 0 | 0 | 0 |
| 2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above) | 24,838 | 0 | 24,838 | 33,200 |
| 2501. Section 9010 ACA Subsequent Fee Year Assessment | XXX | XXX | 0 | 15,370,755 |
| 2502. | XXX | XXX | | |
| 2503. | XXX | XXX | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | XXX | XXX | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | XXX | XXX | 0 | 15,370,755 |
| 3001. | XXX | XXX | | |
| 3002. | XXX | XXX | | |
| 3003. | XXX | XXX | | |
| 3098. Summary of remaining write-ins for Line 30 from overflow page | XXX | XXX | 0 | 0 |
| 3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above) | XXX | XXX | 0 | 0 |

STATEMENT OF REVENUE AND EXPENSES

| | Current Year | | Prior Year |
|--|----------------|-------------|-------------|
| | 1 Uncovered | 2 Total | 3 Total |
| 1. Member Months..... | XXX | 631,810 | 559,225 |
| 2. Net premium income (including \$ non-health premium income) | XXX | 991,617,826 | 783,473,101 |
| 3. Change in unearned premium reserves and reserve for rate credits | XXX | 181,359 | 23,102,120 |
| 4. Fee-for-service (net of \$ medical expenses) | XXX | 0 | |
| 5. Risk revenue | XXX | 0 | |
| 6. Aggregate write-ins for other health care related revenues | XXX | 0 | 0 |
| 7. Aggregate write-ins for other non-health revenues | XXX | 0 | 0 |
| 8. Total revenues (Lines 2 to 7) | XXX | 991,799,185 | 806,575,221 |
| Hospital and Medical: | | | |
| 9. Hospital/medical benefits | | 716,651,844 | 600,669,551 |
| 10. Other professional services | | 1,684,623 | 1,831,891 |
| 11. Outside referrals | | 0 | 0 |
| 12. Emergency room and out-of-area | | 3,745,376 | 3,546,286 |
| 13. Prescription drugs | | 27,340,319 | 27,117,954 |
| 14. Aggregate write-ins for other hospital and medical | 0 | 0 | 0 |
| 15. Incentive pool, withhold adjustments and bonus amounts | | 2,945,624 | 1,597,608 |
| 16. Subtotal (Lines 9 to 15) | 0 | 752,367,786 | 634,763,290 |
| Less: | | | |
| 17. Net reinsurance recoveries | | 1,552 | 589,791 |
| 18. Total hospital and medical (Lines 16 minus 17) | 0 | 752,366,234 | 634,173,499 |
| 19. Non-health claims (net) | | | |
| 20. Claims adjustment expenses, including \$27,612,925 cost containment expenses | | 36,135,024 | 36,646,230 |
| 21. General administrative expenses | | 87,841,269 | 58,630,623 |
| 22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only) | | 0 | 0 |
| 23. Total underwriting deductions (Lines 18 through 22) | 0 | 876,342,527 | 729,450,352 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | XXX | 115,456,658 | 77,124,869 |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17) | | 2,469,734 | 5,165,887 |
| 26. Net realized capital gains (losses) less capital gains tax of \$(3,330) | | (12,526) | (246,663) |
| 27. Net investment gains (losses) (Lines 25 plus 26) | 0 | 2,457,208 | 4,919,224 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$68,234) (amount charged off \$52,804)] | | 15,430 | (21,700) |
| 29. Aggregate write-ins for other income or expenses | 0 | (2,511) | 0 |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) | XXX | 117,926,785 | 82,022,393 |
| 31. Federal and foreign income taxes incurred | XXX | 27,618,633 | 16,873,551 |
| 32. Net income (loss) (Lines 30 minus 31) | XXX | 90,308,152 | 65,148,842 |
| DETAILS OF WRITE-INS | | | |
| 0601. | XXX | | |
| 0602. | XXX | | |
| 0603. | XXX | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | XXX | 0 | 0 |
| 0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) | XXX | 0 | 0 |
| 0701. | XXX | | |
| 0702. | XXX | | |
| 0703. | XXX | | |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | XXX | 0 | 0 |
| 0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) | XXX | 0 | 0 |
| 1401. | | | |
| 1402. | | | |
| 1403. | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | 0 | 0 | 0 |
| 1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) | 0 | 0 | 0 |
| 2901. Miscellaneous Expense | | (2,511) | 0 |
| 2902. | | | |
| 2903. | | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | 0 | 0 | 0 |
| 2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) | 0 | (2,511) | 0 |

STATEMENT OF REVENUE AND EXPENSES (Continued)

| | 1 Current Year | 2 Prior Year |
|---|-------------------|-----------------|
| CAPITAL AND SURPLUS ACCOUNT | | |
| 33. Capital and surplus prior reporting year..... | 175,548,519 | 147,160,409 |
| 34. Net income or (loss) from Line 32..... | 90,308,152 | 65,148,842 |
| 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..... | | |
| 37. Change in net unrealized foreign exchange capital gain or (loss)..... | | |
| 38. Change in net deferred income tax..... | 11,546 | (1,326,189) |
| 39. Change in nonadmitted assets..... | (1,645,245) | 4,565,457 |
| 40. Change in unauthorized and certified reinsurance..... | 0 | 0 |
| 41. Change in treasury stock..... | 0 | 0 |
| 42. Change in surplus notes..... | 0 | 0 |
| 43. Cumulative effect of changes in accounting principles..... | | |
| 44. Capital Changes: | | |
| 44.1 Paid in..... | 0 | 0 |
| 44.2 Transferred from surplus (Stock Dividend)..... | 0 | 0 |
| 44.3 Transferred to surplus..... | | |
| 45. Surplus adjustments: | | |
| 45.1 Paid in..... | 0 | 0 |
| 45.2 Transferred to capital (Stock Dividend)..... | | |
| 45.3 Transferred from capital..... | | |
| 46. Dividends to stockholders..... | (45,000,000) | (40,000,000) |
| 47. Aggregate write-ins for gains or (losses) in surplus..... | 0 | 0 |
| 48. Net change in capital and surplus (Lines 34 to 47)..... | 43,674,453 | 28,388,110 |
| 49. Capital and surplus end of reporting period (Line 33 plus 48) | 219,222,971 | 175,548,519 |
| DETAILS OF WRITE-INS | | |
| 4701. | | |
| 4702. | | |
| 4703. | | |
| 4798. Summary of remaining write-ins for Line 47 from overflow page..... | 0 | 0 |
| 4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above) | 0 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

CASH FLOW

| | 1 | 2 |
|---|--------------|--------------|
| | Current Year | Prior Year |
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance | 992,399,886 | 795,721,308 |
| 2. Net investment income | 2,973,792 | 5,532,204 |
| 3. Miscellaneous income | 0 | 0 |
| 4. Total (Lines 1 through 3) | 995,373,678 | 801,253,512 |
| 5. Benefit and loss related payments | 762,306,838 | 646,374,730 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 131,706,542 | 110,089,120 |
| 8. Dividends paid to policyholders | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses) | 30,600,282 | 18,307,688 |
| 10. Total (Lines 5 through 9) | 924,613,662 | 774,771,538 |
| 11. Net cash from operations (Line 4 minus Line 10) | 70,760,016 | 26,481,974 |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 50,694,202 | 66,661,382 |
| 12.2 Stocks | 0 | 0 |
| 12.3 Mortgage loans | 0 | 0 |
| 12.4 Real estate | 0 | 0 |
| 12.5 Other invested assets | 0 | 0 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | 0 | 0 |
| 12.7 Miscellaneous proceeds | 0 | 0 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 50,694,202 | 66,661,382 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | 84,771,964 | 25,104,912 |
| 13.2 Stocks | 0 | 0 |
| 13.3 Mortgage loans | 0 | 0 |
| 13.4 Real estate | 0 | 0 |
| 13.5 Other invested assets | 0 | 0 |
| 13.6 Miscellaneous applications | 0 | 5,013,273 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 84,771,964 | 30,118,185 |
| 14. Net increase (decrease) in contract loans and premium notes | 0 | 0 |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | (34,077,762) | 36,543,197 |
| Cash from Financing and Miscellaneous Sources | | |
| 16. Cash provided (applied): | | |
| 16.1 Surplus notes, capital notes | 0 | 0 |
| 16.2 Capital and paid in surplus, less treasury stock | 0 | 0 |
| 16.3 Borrowed funds | 0 | 0 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | 0 | 0 |
| 16.5 Dividends to stockholders | 45,000,000 | 40,000,000 |
| 16.6 Other cash provided (applied) | (3,274,673) | 6,522,500 |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | (48,274,673) | (33,477,500) |
| 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) | (11,592,420) | 29,547,671 |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 55,846,993 | 26,299,322 |
| 19.2 End of year (Line 18 plus Line 19.1) | 44,254,574 | 55,846,993 |

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

| | | |
|--|--|--|
| | | |
|--|--|--|

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.
ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|-------------|---------------------------------------|------------------------|----------------|----------------|---|----------------------------|--------------------------|--------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Net premium income | 991,617,826 | 7,710,689 | | | | | 983,907,137 | | | |
| 2. Change in unearned premium reserves and reserve for rate credit | 181,359 | (456,330) | | | | | 637,689 | | | |
| 3. Fee-for-service (net of \$ medical expenses) | 0 | | | | | | | | | XXX |
| 4. Risk revenue | 0 | | | | | | | | | XXX |
| 5. Aggregate write-ins for other health care related revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 6. Aggregate write-ins for other non-health care related revenues | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 7. Total revenues (Lines 1 to 6) | 991,799,185 | 7,254,359 | 0 | 0 | 0 | 0 | 984,544,826 | 0 | 0 | 0 |
| 8. Hospital/medical benefits | 716,651,844 | 744,491 | | | | | 715,907,353 | | | XXX |
| 9. Other professional services | 1,684,623 | 11,873 | | | | | 1,672,750 | | | XXX |
| 10. Outside referrals | 0 | | | | | | | | | XXX |
| 11. Emergency room and out-of-area | 3,745,376 | 98,606 | | | | | 3,646,770 | | | XXX |
| 12. Prescription drugs | 27,340,319 | 189,544 | | | | | 27,150,775 | | | XXX |
| 13. Aggregate write-ins for other hospital and medical | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 14. Incentive pool, withhold adjustments and bonus amounts | 2,945,624 | (253,380) | | | | | 3,199,004 | | | XXX |
| 15. Subtotal (Lines 8 to 14) | 752,367,786 | 791,134 | 0 | 0 | 0 | 0 | 751,576,652 | 0 | 0 | XXX |
| 16. Net reinsurance recoveries | 1,552 | 1,581 | | | | | (29) | | | XXX |
| 17. Total medical and hospital (Lines 15 minus 16) | 752,366,234 | 789,553 | 0 | 0 | 0 | 0 | 751,576,681 | 0 | 0 | XXX |
| 18. Non-health claims (net) | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 19. Claims adjustment expenses including \$ 27,612,925 cost containment expenses | 36,135,024 | 77,953 | | | | | 36,057,071 | | | |
| 20. General administrative expenses | 87,841,269 | 1,267,314 | | | | | 86,573,955 | | | |
| 21. Increase in reserves for accident and health contracts | 0 | | | | | | | | | XXX |
| 22. Increase in reserves for life contracts | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 23. Total underwriting deductions (Lines 17 to 22) | 876,342,527 | 2,134,820 | 0 | 0 | 0 | 0 | 874,207,707 | 0 | 0 | 0 |
| 24. Total underwriting gain or (loss) (Line 7 minus Line 23) | 115,456,658 | 5,119,539 | 0 | 0 | 0 | 0 | 110,337,119 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 0501. | | | | | | | | | | XXX |
| 0502. | | | | | | | | | | XXX |
| 0503. | | | | | | | | | | XXX |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 0601. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 0602. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 0603. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 1301. | | | | | | | | | | XXX |
| 1302. | | | | | | | | | | XXX |
| 1303. | | | | | | | | | | XXX |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

| Line of Business | 1 Direct Business | 2 Reinsurance Assumed | 3 Reinsurance Ceded | 4 Net Premium Income (Cols. 1 + 2 - 3) |
|---|-------------------------|-----------------------------|---------------------------|---|
| 1. Comprehensive (hospital and medical) | 7,710,689 | | | 7,710,689 |
| 2. Medicare Supplement | | | | 0 |
| 3. Dental only | | | | 0 |
| 4. Vision only | | | | 0 |
| 5. Federal Employees Health Benefits Plan | 0 | | | 0 |
| 6. Title XVIII - Medicare | 983,907,137 | | | 983,907,137 |
| 7. Title XIX - Medicaid | 0 | | | 0 |
| 8. Other health | | | | 0 |
| 9. Health subtotal (Lines 1 through 8) | 991,617,826 | 0 | 0 | 991,617,826 |
| 10. Life | 0 | | | 0 |
| 11. Property/casualty | 0 | | | 0 |
| 12. Totals (Lines 9 to 11) | 991,617,826 | 0 | 0 | 991,617,826 |

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|-------------|---------------------------------------|------------------------|-------------|-------------|---|----------------------------|--------------------------|--------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Payments during the year: | | | | | | | | | | |
| 1.1 Direct | 759,773,048 | 1,684,000 | | | | | 758,089,048 | | | |
| 1.2 Reinsurance assumed | .0 | | | | | | | | | |
| 1.3 Reinsurance ceded | 7,600 | 7,629 | | | | | (29) | | | |
| 1.4 Net | 759,765,448 | 1,676,371 | .0 | .0 | .0 | .0 | 758,089,077 | .0 | .0 | .0 |
| 2. Paid medical incentive pools and bonuses | 2,541,389 | 145,331 | | | | | 2,396,058 | | | |
| 3. Claim liability December 31, current year from Part 2A: | | | | | | | | | | |
| 3.1 Direct | 53,824,674 | 377,110 | .0 | .0 | .0 | .0 | 53,447,564 | .0 | .0 | .0 |
| 3.2 Reinsurance assumed | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 3.3 Reinsurance ceded | 62 | 62 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 3.4 Net | 53,824,612 | 377,048 | .0 | .0 | .0 | .0 | 53,447,564 | .0 | .0 | .0 |
| 4. Claim reserve December 31, current year from Part 2D: | | | | | | | | | | |
| 4.1 Direct | 117,786 | 20 | | | | | 117,766 | | | |
| 4.2 Reinsurance assumed | .0 | | | | | | | | | |
| 4.3 Reinsurance ceded | .0 | | | | | | | | | |
| 4.4 Net | 117,786 | 20 | .0 | .0 | .0 | .0 | 117,766 | .0 | .0 | .0 |
| 5. Accrued medical incentive pools and bonuses, current year | 2,207,588 | 24,520 | | | | | 2,183,068 | | | |
| 6. Net healthcare receivables (a) | 6,170,929 | (2,180) | | | | | 6,173,109 | | | |
| 7. Amounts recoverable from reinsurers December 31, current year | .0 | | | | | | .0 | | | |
| 8. Claim liability December 31, prior year from Part 2A: | | | | | | | | | | |
| 8.1 Direct | 58,021,747 | 1,018,778 | .0 | .0 | .0 | .0 | 57,002,969 | .0 | .0 | .0 |
| 8.2 Reinsurance assumed | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 8.3 Reinsurance ceded | 1,932 | 1,932 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 8.4 Net | 58,019,815 | 1,016,846 | .0 | .0 | .0 | .0 | 57,002,969 | .0 | .0 | .0 |
| 9. Claim reserve December 31, prior year from Part 2D: | | | | | | | | | | |
| 9.1 Direct | 100,674 | 20 | | | | | 100,654 | | | |
| 9.2 Reinsurance assumed | .0 | | | | | | | | | |
| 9.3 Reinsurance ceded | .0 | | | | | | | | | |
| 9.4 Net | 100,674 | 20 | .0 | .0 | .0 | .0 | 100,654 | .0 | .0 | .0 |
| 10. Accrued medical incentive pools and bonuses, prior year | 1,803,352 | 423,231 | | | | | 1,380,121 | | | |
| 11. Amounts recoverable from reinsurers December 31, prior year | 4,178 | 4,178 | | | | | .0 | | | |
| 12. Incurred Benefits: | | | | | | | | | | |
| 12.1 Direct | 749,422,158 | 1,044,512 | .0 | .0 | .0 | .0 | 748,377,646 | .0 | .0 | .0 |
| 12.2 Reinsurance assumed | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 12.3 Reinsurance ceded | 1,552 | 1,581 | .0 | .0 | .0 | .0 | (29) | .0 | .0 | .0 |
| 12.4 Net | 749,420,606 | 1,042,931 | .0 | .0 | .0 | .0 | 748,377,675 | .0 | .0 | .0 |
| 13. Incurred medical incentive pools and bonuses | 2,945,625 | (253,380) | .0 | .0 | .0 | .0 | 3,199,005 | .0 | .0 | .0 |

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|------------|---------------------------------------|------------------------|-------------|-------------|---|----------------------------|--------------------------|--------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Reported in Process of Adjustment: | | | | | | | | | | |
| 1.1 Direct | 14,655,674 | 254,198 | | | | | 14,401,476 | | | |
| 1.2 Reinsurance assumed | 0 | | | | | | | | | |
| 1.3 Reinsurance ceded | 0 | | | | | | | | | |
| 1.4 Net | 14,655,674 | 254,198 | 0 | 0 | 0 | 0 | 14,401,476 | 0 | 0 | 0 |
| 2. Incurred but Unreported: | | | | | | | | | | |
| 2.1 Direct | 35,631,970 | 122,912 | | | | | 35,509,058 | | | |
| 2.2 Reinsurance assumed | 0 | | | | | | | | | |
| 2.3 Reinsurance ceded | 62 | 62 | | | | | | | | |
| 2.4 Net | 35,631,908 | 122,850 | 0 | 0 | 0 | 0 | 35,509,058 | 0 | 0 | 0 |
| 3. Amounts Withheld from Paid Claims and Capitations: | | | | | | | | | | |
| 3.1 Direct | 3,537,030 | | | | | | 3,537,030 | | | |
| 3.2 Reinsurance assumed | 0 | | | | | | | | | |
| 3.3 Reinsurance ceded | 0 | | | | | | | | | |
| 3.4 Net | 3,537,030 | 0 | 0 | 0 | 0 | 0 | 3,537,030 | 0 | 0 | 0 |
| 4. TOTALS: | | | | | | | | | | |
| 4.1 Direct | 53,824,674 | 377,110 | 0 | 0 | 0 | 0 | 53,447,564 | 0 | 0 | 0 |
| 4.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3 Reinsurance ceded | 62 | 62 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.4 Net | 53,824,612 | 377,048 | 0 | 0 | 0 | 0 | 53,447,564 | 0 | 0 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

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

| Line of Business | Claims Paid During the Year | | Claim Reserve and Claim Liability December 31 of Current Year | | 5 Claims Incurred In Prior Years (Columns 1 + 3) | 6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
|---|---|---------------------------------------|--|---------------------------------------|---|--|
| | 1 | 2 | 3 | 4 | | |
| | On Claims Incurred Prior to January 1 of Current Year | On Claims Incurred During the Year | On Claims Unpaid December 31 of Prior Year | On Claims Incurred During the Year | | |
| 1. Comprehensive (hospital and medical) | 223,602 | 1,456,947 | 132,427 | 244,641 | 356,029 | 1,016,866 |
| 2. Medicare Supplement | | | | | 0 | 0 |
| 3. Dental Only | | | | | 0 | 0 |
| 4. Vision Only | | | | | 0 | 0 |
| 5. Federal Employees Health Benefits Plan | | | | | 0 | 0 |
| 6. Title XVIII - Medicare | 8,339,823 | 749,749,255 | 2,041,995 | 51,523,336 | 10,381,818 | 57,103,622 |
| 7. Title XIX - Medicaid | | | | | 0 | 0 |
| 8. Other health | | | | | 0 | 0 |
| 9. Health subtotal (Lines 1 to 8) | 8,563,425 | 751,206,202 | 2,174,422 | 51,767,977 | 10,737,847 | 58,120,488 |
| 10. Healthcare receivables (a) | 743,852 | 38,028,361 | | 4,434,946 | 743,852 | 37,036,232 |
| 11. Other non-health | | | | | 0 | 0 |
| 12. Medical incentive pools and bonus amounts | 1,558,672 | 982,717 | 19,222 | 2,188,365 | 1,577,894 | 1,803,352 |
| 13. Totals (Lines 9 - 10 + 11 + 12) | 9,378,245 | 714,160,558 | 2,193,644 | 49,521,396 | 11,571,889 | 22,887,608 |

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

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

| Year in Which Losses Were Incurred | | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
| | | 1 2016 | 2 2017 | 3 2018 | 4 2019 | 5 2020 |
| 1. | Prior | 3,242 | 3,167 | 3,759 | 3,644 | 3,636 |
| 2. | 2016 | 73,166 | 77,235 | 76,555 | 76,570 | 76,567 |
| 3. | 2017 | XXX | 27,797 | 31,699 | 31,895 | 31,888 |
| 4. | 2018 | XXX | XXX | 20,106 | 22,814 | 22,827 |
| 5. | 2019 | XXX | XXX | XXX | 2,480 | 2,852 |
| 6. | 2020 | XXX | XXX | XXX | XXX | 1,457 |

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

| Year in Which Losses Were Incurred | | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|-------------|--|-----------|-----------|-----------|-----------|
| | | 1 2016 | 2 2017 | 3 2018 | 4 2019 | 5 2020 |
| 1. | Prior | 3,992 | 3,167 | 3,759 | 3,644 | 3,636 |
| 2. | 2016 | 84,186 | 79,888 | 76,555 | 76,570 | 76,567 |
| 3. | 2017 | XXX | 32,175 | 32,496 | 31,895 | 31,888 |
| 4. | 2018 | XXX | XXX | 23,288 | 23,219 | 22,827 |
| 5. | 2019 | XXX | XXX | XXX | 3,515 | 2,999 |
| 6. | 2020 | XXX | XXX | XXX | XXX | 1,712 |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payment | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|----------------------|---------------------|---|----------------------------|--|----------------------------|--------------------|--|--|-----------------------------|
| 1. 2016 | 93,642 | 76,567 | 8,870 | 11.6 | 85,437 | 91.2 | | | 85,437 | 91.2 |
| 2. 2017 | 41,856 | 31,888 | 6,545 | 20.5 | 38,433 | 91.8 | | | 38,433 | 91.8 |
| 3. 2018 | 25,632 | 22,827 | 3,177 | 13.9 | 26,004 | 101.5 | | | 26,004 | 101.5 |
| 4. 2019 | 3,566 | 2,852 | 728 | 25.5 | 3,580 | 100.4 | 146 | | 3,726 | 104.5 |
| 5. 2020 | 7,254 | 1,457 | 66 | 4.5 | 1,523 | 21.0 | 255 | 1 | 1,779 | 24.5 |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Title XVIII

| Year in Which Losses Were Incurred | | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
| | | 1 2016 | 2 2017 | 3 2018 | 4 2019 | 5 2020 |
| 1. | Prior | 64,209 | 63,622 | 63,654 | 63,600 | 63,527 |
| 2. | 2016 | 660,968 | 750,318 | 750,262 | 749,690 | 749,562 |
| 3. | 2017 | XXX | 248,485 | 259,812 | 259,880 | 259,901 |
| 4. | 2018 | XXX | XXX | 410,513 | 438,630 | 438,522 |
| 5. | 2019 | XXX | XXX | XXX | 613,533 | 623,574 |
| 6. | 2020 | XXX | XXX | XXX | XXX | 750,732 |

Section B - Incurred Health Claims - Title XVIII

| Year in Which Losses Were Incurred | | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|-------------|--|-----------|-----------|-----------|-----------|
| | | 1 2016 | 2 2017 | 3 2018 | 4 2019 | 5 2020 |
| 1. | Prior | 67,047 | 63,622 | 63,654 | 63,600 | 63,527 |
| 2. | 2016 | 787,022 | 755,795 | 750,262 | 749,690 | 749,562 |
| 3. | 2017 | XXX | 290,384 | 262,426 | 259,880 | 259,901 |
| 4. | 2018 | XXX | XXX | 473,472 | 440,948 | 438,522 |
| 5. | 2019 | XXX | XXX | XXX | 669,700 | 625,622 |
| 6. | 2020 | XXX | XXX | XXX | XXX | 804,433 |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payment | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|----------------------|---------------------|---|----------------------------|--|----------------------------|--------------------|--|--|-----------------------------|
| 1. 2016 | 963,371 | 749,562 | 37,632 | 5.0 | 787,194 | 81.7 | | | 787,194 | 81.7 |
| 2. 2017 | 370,809 | 259,901 | 50,009 | 19.2 | 309,910 | 83.6 | | | 309,910 | 83.6 |
| 3. 2018 | 550,710 | 438,522 | 61,436 | 14.0 | 499,958 | 90.8 | | | 499,958 | 90.8 |
| 4. 2019 | 803,009 | 623,574 | 54,265 | 8.7 | 677,839 | 84.4 | 2,047 | 31 | 679,917 | 84.7 |
| 5. 2020 | 984,545 | 750,732 | 32,203 | 4.3 | 782,935 | 79.5 | 53,701 | 818 | 837,454 | 85.1 |

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Grand Total

| Year in Which Losses Were Incurred | | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
| | | 1 2016 | 2 2017 | 3 2018 | 4 2019 | 5 2020 |
| 1. | Prior | 67,451 | 66,789 | 67,413 | 67,244 | 67,163 |
| 2. | 2016 | 734,134 | 827,553 | 826,817 | 826,260 | 826,129 |
| 3. | 2017 | XXX | 276,282 | 291,511 | 291,775 | 291,789 |
| 4. | 2018 | XXX | XXX | 430,619 | 461,444 | 461,349 |
| 5. | 2019 | XXX | XXX | XXX | 616,013 | 626,426 |
| 6. | 2020 | XXX | XXX | XXX | XXX | 752,189 |

Section B - Incurred Health Claims - Grand Total

| Year in Which Losses Were Incurred | | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|-------------|--|-----------|-----------|-----------|-----------|
| | | 1 2016 | 2 2017 | 3 2018 | 4 2019 | 5 2020 |
| 1. | Prior | 71,039 | 66,789 | 67,413 | 67,244 | 67,163 |
| 2. | 2016 | 871,208 | 835,683 | 826,817 | 826,260 | 826,129 |
| 3. | 2017 | XXX | 322,559 | 294,922 | 291,775 | 291,789 |
| 4. | 2018 | XXX | XXX | 496,760 | 464,167 | 461,349 |
| 5. | 2019 | XXX | XXX | XXX | 673,215 | 628,621 |
| 6. | 2020 | XXX | XXX | XXX | XXX | 806,145 |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payment | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|----------------------|---------------------|---|----------------------------|--|----------------------------|--------------------|--|--|-----------------------------|
| 1. 2016 | 1,057,013 | 826,129 | 46,502 | 5.6 | 872,631 | 82.6 | 0 | 0 | 872,631 | 82.6 |
| 2. 2017 | 412,665 | 291,789 | 56,554 | 19.4 | 348,343 | 84.4 | 0 | 0 | 348,343 | 84.4 |
| 3. 2018 | 576,342 | 461,349 | 64,613 | 14.0 | 525,962 | 91.3 | 0 | 0 | 525,962 | 91.3 |
| 4. 2019 | 806,575 | 626,426 | 54,993 | 8.8 | 681,419 | 84.5 | 2,193 | 31 | 683,643 | 84.8 |
| 5. 2020 | 991,799 | 752,189 | 32,269 | 4.3 | 784,458 | 79.1 | 53,956 | 819 | 839,233 | 84.6 |

12.GT

UNDERWRITING AND INVESTMENT EXHIBIT

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

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|-----------|---------------------------------------|------------------------|-------------|-------------|---|----------------------------|--------------------------|-------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other |
| 1. Unearned premium reserves | .0 | | | | | | | | |
| 2. Additional policy reserves (a) | .0 | | | | | | | | |
| 3. Reserve for future contingent benefits | .0 | | | | | | | | |
| 4. Reserve for rate credits or experience rating refunds (including \$) for investment income | 456,330 | 456,330 | | | | | | | |
| 5. Aggregate write-ins for other policy reserves | 722,063 | 603,325 | .0 | .0 | .0 | .0 | 118,738 | .0 | .0 |
| 6. Totals (gross) | 1,178,393 | 1,059,655 | .0 | .0 | .0 | .0 | 118,738 | .0 | .0 |
| 7. Reinsurance ceded | .0 | | | | | | | | |
| 8. Totals (Net)(Page 3, Line 4) | 1,178,393 | 1,059,655 | .0 | .0 | .0 | .0 | 118,738 | .0 | .0 |
| 9. Present value of amounts not yet due on claims | .0 | | | | | | | | |
| 10. Reserve for future contingent benefits | 117,786 | 20 | | | | | 117,766 | | |
| 11. Aggregate write-ins for other claim reserves | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 12. Totals (gross) | 117,786 | 20 | .0 | .0 | .0 | .0 | 117,766 | .0 | .0 |
| 13. Reinsurance ceded | .0 | | | | | | | | |
| 14. Totals (Net)(Page 3, Line 7) | 117,786 | 20 | 0 | 0 | 0 | 0 | 117,766 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 0501. Part D RAF Payable | 118,738 | | | | | | 118,738 | | |
| 0502. Risk Adjustments Payable | 171,813 | 171,813 | | | | | | | |
| 0503. HCRP Contribution Payable | 9,619 | 9,619 | | | | | | | |
| 0598. Summary of remaining write-ins for Line 5 from overflow page..... | 421,893 | 421,893 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) | 722,063 | 603,325 | 0 | 0 | 0 | 0 | 118,738 | 0 | 0 |
| 1101. | | | | | | | | | |
| 1102. | | | | | | | | | |
| 1103. | | | | | | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

| | Claim Adjustment Expenses | | 3 General Administrative Expenses | 4 Investment Expenses | 5 Total |
|---|--------------------------------------|--|--|-----------------------------|-----------------|
| | 1 Cost Containment Expenses | 2 Other Claim Adjustment Expenses | | | |
| 1. Rent (\$ for occupancy of own building) | 806,104 | 242,378 | 1,299,604 | | 2,348,086 |
| 2. Salary, wages and other benefits | 13,359,444 | 4,016,895 | 21,538,141 | | 38,914,480 |
| 3. Commissions (less \$ ceded plus \$ assumed) | | | 13,253,245 | | 13,253,245 |
| 4. Legal fees and expenses | 166,034 | 49,923 | 563,649 | | 779,606 |
| 5. Certifications and accreditation fees | | | | | 0 |
| 6. Auditing, actuarial and other consulting services | 1,423,518 | 428,021 | 2,295,000 | | 4,146,539 |
| 7. Traveling expenses | 154,848 | 46,559 | 249,646 | | 451,053 |
| 8. Marketing and advertising | 850,371 | 255,688 | 1,371,205 | | 2,477,264 |
| 9. Postage, express and telephone | 604,652 | 181,806 | 974,822 | | 1,761,280 |
| 10. Printing and office supplies | 928,306 | 279,121 | 1,496,618 | | 2,704,045 |
| 11. Occupancy, depreciation and amortization | 369,563 | 111,120 | 595,811 | | 1,076,494 |
| 12. Equipment | 102,566 | 30,839 | 165,357 | | 298,762 |
| 13. Cost or depreciation of EDP equipment and software | 1,558,120 | 468,493 | 2,512,006 | | 4,538,619 |
| 14. Outsourced services including EDP, claims, and other services | 1,753,489 | 894,204 | 2,181,607 | | 4,829,300 |
| 15. Boards, bureaus and association fees | 17,731 | 5,331 | 28,586 | | 51,648 |
| 16. Insurance, except on real estate | 187,069 | 56,248 | 301,594 | | 544,911 |
| 17. Collection and bank service charges | 73,280 | 22,034 | 118,142 | | 213,456 |
| 18. Group service and administration fees | 343,078 | 103,156 | 2,714,940 | | 3,161,174 |
| 19. Reimbursements by uninsured plans | | | | | 0 |
| 20. Reimbursements from fiscal intermediaries | | | | | 0 |
| 21. Real estate expenses | | | | | 0 |
| 22. Real estate taxes | 29,466 | 16,084 | 65,386 | | 110,936 |
| 23. Taxes, licenses and fees: | | | | | |
| 23.1 State and local insurance taxes | | | 13,632,545 | | 13,632,545 |
| 23.2 State premium taxes | | | | | 0 |
| 23.3 Regulatory authority licenses and fees | | | 15,552,633 | | 15,552,633 |
| 23.4 Payroll taxes | 584,684 | 319,195 | 1,297,607 | | 2,201,486 |
| 23.5 Other (excluding federal income and real estate taxes) | | | | | 0 |
| 24. Investment expenses not included elsewhere | | | | 92,065 | 92,065 |
| 25. Aggregate write-ins for expenses | 4,300,602 | 995,004 | 5,633,125 | 0 | 10,928,731 |
| 26. Total expenses incurred (Lines 1 to 25) | 27,612,925 | 8,522,099 | 87,841,269 | 92,065 | (a) 124,068,358 |
| 27. Less expenses unpaid December 31, current year | 649,453 | 200,439 | 4,841,354 | | 5,691,246 |
| 28. Add expenses unpaid December 31, prior year | 577,941 | 210,839 | 4,389,350 | | 5,178,130 |
| 29. Amounts receivable relating to uninsured plans, prior year | | | 9,447,198 | | 9,447,198 |
| 30. Amounts receivable relating to uninsured plans, current year | | | 17,662,220 | | 17,662,220 |
| 31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) | 27,541,413 | 8,532,499 | 95,604,287 | 92,065 | 131,770,264 |
| DETAILS OF WRITE-INS | | | | | |
| 2501. Information Technology | 87,300 | 26,249 | 140,746 | | 254,295 |
| 2502. Interest | 7,083 | 2,160 | 12,472 | | 21,715 |
| 2503. Managed Care & Network Access | 48,069 | 4,669 | 25,032 | | 77,770 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 4,158,150 | 961,926 | 5,454,875 | 0 | 10,574,951 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 4,300,602 | 995,004 | 5,633,125 | 0 | 10,928,731 |

(a) Includes management fees of \$61,657,300 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

| | 1 Collected During Year | 2 Earned During Year |
|---|----------------------------|-------------------------|
| 1. U.S. government bonds | (a) 377,350 | 389,761 |
| 1.1 Bonds exempt from U.S. tax | (a) | |
| 1.2 Other bonds (unaffiliated) | (a) 1,764,745 | 1,654,370 |
| 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) 515,161 | 517,668 |
| 7. Derivative instruments | (f) | |
| 8. Other invested assets | | |
| 9. Aggregate write-ins for investment income | 0 | 0 |
| 10. Total gross investment income | 2,657,256 | 2,561,799 |
| 11. Investment expenses | | (g) 92,065 |
| 12. Investment taxes, licenses and fees, excluding federal income taxes | | (g) 0 |
| 13. Interest expense | | (h) |
| 14. Depreciation on real estate and other invested assets | | (i) |
| 15. Aggregate write-ins for deductions from investment income | | 0 |
| 16. Total deductions (Lines 11 through 15) | | 92,065 |
| 17. Net investment income (Line 10 minus Line 16) | | 2,469,734 |
| DETAILS OF WRITE-INS | | |
| 0901. | | |
| 0902. | | |
| 0903. | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 |
| 0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) | 0 | 0 |
| 1501. | | |
| 1502. | | |
| 1503. | | |
| 1598. Summary of remaining write-ins for Line 15 from overflow page | | 0 |
| 1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) | | 0 |

- (a) Includes \$ 15,140 accrual of discount less \$ 346,871 amortization of premium and less \$ 29,729 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ 9 accrual of discount less \$ amortization of premium and less \$ 10,750 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | 1 Realized Gain (Loss) On Sales or Maturity | 2 Other Realized Adjustments | 3 Total Realized Capital Gain (Loss) (Columns 1 + 2) | 4 Change in Unrealized Capital Gain (Loss) | 5 Change in Unrealized Foreign Exchange Capital Gain (Loss) |
|--|---|------------------------------------|---|---|--|
| 1. U.S. Government bonds | 0 | 0 | 0 | 0 | 0 |
| 1.1 Bonds exempt from U.S. tax | | | | | |
| 1.2 Other bonds (unaffiliated) | (15,855) | 0 | (15,855) | 0 | 0 |
| 1.3 Bonds of affiliates | 0 | 0 | 0 | 0 | 0 |
| 2.1 Preferred stocks (unaffiliated) | 0 | 0 | 0 | 0 | 0 |
| 2.11 Preferred stocks of affiliates | 0 | 0 | 0 | 0 | 0 |
| 2.2 Common stocks (unaffiliated) | 0 | 0 | 0 | 0 | 0 |
| 2.21 Common stocks of affiliates | 0 | 0 | 0 | 0 | 0 |
| 3. Mortgage loans | 0 | 0 | 0 | 0 | 0 |
| 4. Real estate | 0 | 0 | 0 | 0 | 0 |
| 5. Contract loans | 0 | 0 | 0 | 0 | 0 |
| 6. Cash, cash equivalents and short-term investments | 0 | 0 | 0 | 0 | 0 |
| 7. Derivative instruments | 0 | 0 | 0 | 0 | 0 |
| 8. Other invested assets | 0 | 0 | 0 | 0 | 0 |
| 9. Aggregate write-ins for capital gains (losses) | 0 | 0 | 0 | 0 | 0 |
| 10. Total capital gains (losses) | (15,855) | 0 | (15,855) | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | |
| 0901. | | | | | |
| 0902. | | | | | |
| 0903. | | | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 | 0 | 0 | 0 |
| 0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) | 0 | 0 | 0 | 0 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

EXHIBIT OF NON-ADMITTED ASSETS

| | 1 | 2 | 3 |
|---|--|--|--|
| | Current Year Total Nonadmitted Assets | Prior Year Total Nonadmitted Assets | Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
| 1. Bonds (Schedule D) | | | 0 |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | | | 0 |
| 2.2 Common stocks | | | 0 |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | | | 0 |
| 3.2 Other than first liens | | | 0 |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | | | 0 |
| 4.2 Properties held for the production of income | | | 0 |
| 4.3 Properties held for sale | | | 0 |
| 5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) | | | 0 |
| 6. Contract loans | | | 0 |
| 7. Derivatives (Schedule DB) | | | 0 |
| 8. Other invested assets (Schedule BA) | | | 0 |
| 9. Receivables for securities | | | 0 |
| 10. Securities lending reinvested collateral assets (Schedule DL) | | | 0 |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 0 | 0 | 0 |
| 13. Title plants (for Title insurers only) | | | 0 |
| 14. Investment income due and accrued | | | 0 |
| 15. Premiums and considerations: | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 37,058 | 28,011 | (9,047) |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | 0 |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination | | | 0 |
| 16. Reinsurance: | | | |
| 16.1 Amounts recoverable from reinsurers | | | 0 |
| 16.2 Funds held by or deposited with reinsured companies | | | 0 |
| 16.3 Other amounts receivable under reinsurance contracts | | | 0 |
| 17. Amounts receivable relating to uninsured plans | 13,021 | 20,486 | 7,465 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | 0 |
| 18.2 Net deferred tax asset | | | 0 |
| 19. Guaranty funds receivable or on deposit | | | 0 |
| 20. Electronic data processing equipment and software | | | 0 |
| 21. Furniture and equipment, including health care delivery assets | | | 0 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 |
| 23. Receivable from parent, subsidiaries and affiliates | | | 0 |
| 24. Health care and other amounts receivable | 2,504,041 | 1,846,484 | (657,557) |
| 25. Aggregate write-ins for other than invested assets | 4,313,533 | 3,327,427 | (986,106) |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 6,867,653 | 5,222,408 | (1,645,245) |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 |
| 28. Total (Lines 26 and 27) | 6,867,653 | 5,222,408 | (1,645,245) |
| DETAILS OF WRITE-INS | | | |
| 1101. | | | |
| 1102. | | | |
| 1103. | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) | 0 | 0 | 0 |
| 2501. Prepaid Program Receivable | 4,313,244 | 3,327,409 | (985,835) |
| 2502. Miscellaneous Receivables | 289 | 18 | (271) |
| 2503. | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 4,313,533 | 3,327,427 | (986,106) |

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment | Total Members at End of | | | | | 6 Current Year Member Months |
|--|-------------------------|--------------------|---------------------|--------------------|-------------------|------------------------------------|
| | 1 Prior Year | 2 First Quarter | 3 Second Quarter | 4 Third Quarter | 5 Current Year | |
| 1. Health Maintenance Organizations | 403 | 367 | 339 | 326 | 345 | 4,245 |
| 2. Provider Service Organizations | | | | | | |
| 3. Preferred Provider Organizations | | | | | | |
| 4. Point of Service | 0 | | | | | |
| 5. Indemnity Only | | | | | | |
| 6. Aggregate write-ins for other lines of business | 47,751 | 51,068 | 51,934 | 53,439 | 54,017 | 627,565 |
| 7. Total | 48,154 | 51,435 | 52,273 | 53,765 | 54,362 | 631,810 |
| DETAILS OF WRITE-INS | | | | | | |
| 0601. Medicare | 47,751 | 51,068 | 51,934 | 53,439 | 54,017 | 627,565 |
| 0602. | | | | | | |
| 0603. | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) | 47,751 | 51,068 | 51,934 | 53,439 | 54,017 | 627,565 |

OXFORD HEALTH PLANS (CT), INC.

**NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

Organization and Operation

Oxford Health Plans (CT), Inc. (the “Company”), licensed as a health maintenance organization (“HMO”), offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is a wholly owned subsidiary of Oxford Health Plans, LLC (“Oxford”). Oxford is a wholly owned subsidiary of UnitedHealth Group Incorporated (“UnitedHealth Group”). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company was incorporated on April 18, 1995, as an HMO and operations commenced in October 1993. The Company is certified as an HMO by the State of Connecticut Insurance Department (“the Department”), and the New Jersey Department of Banking and Insurance. The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees.

The Company offers comprehensive commercial products to employer groups. Each contract outlines the coverage provided and renewal provisions.

The Company serves as a plan sponsor offering Medicare Parts A & B, along with Medicare Part D prescription drug insurance coverage (collectively “Medicare Plans”) under contracts with the Centers for Medicare and Medicaid Services (“CMS”). The Company receives seven different payment elements either during the year or at final settlement in the subsequent year: CMS premium, member premium, CMS low-income premium subsidy, CMS catastrophic reinsurance subsidy, CMS low-income member cost-sharing subsidy, CMS risk-share, and the CMS coverage gap discount program (“CGDP”). Each component of the Medicare program is further defined throughout Note 1.

A. Accounting Practices

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

| | SSAP # | F/S Page # | F/S Line # | December 31, 2020 | December 31, 2019 |
|---|--------|------------|------------|-----------------------|-----------------------|
| Net Income | | | | | |
| (1) Company state basis (Page 4, Line 32, Columns 2 & 3) | XXX | XXX | XXX | \$ 69,682,495 | \$ 90,570,440 |
| (2) State prescribed practices that are an increase/(decrease) from NAIC SAP: | | | | | |
| (3) State permitted practices that are an increase/(decrease) from NAIC SAP: | | | | | |
| (4) NAIC SAP (1 - 2 - 3 = 4) | XXX | XXX | XXX | <u>\$ 69,682,495</u> | <u>\$ 90,570,440</u> |
| Capital and Surplus | | | | | |
| (5) Company state basis (Page 3, Line 33, Columns 3 & 4) | XXX | XXX | XXX | \$ 232,043,430 | \$ 199,028,707 |
| (6) State prescribed practices that are an increase/(decrease) from NAIC SAP: | | | | | |
| (7) State permitted practices that are an increase/(decrease) from NAIC SAP: | | | | | |
| (8) NAIC SAP (5 - 6 - 7 = 8) | XXX | XXX | XXX | <u>\$ 232,043,430</u> | <u>\$ 199,028,707</u> |

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

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

C. Accounting Policy

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

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

- (1–2) Bonds and short-term investments are stated at book/adjusted carrying value if they meet NAIC designation of one or two and stated at the lower of book/adjusted carrying value or fair value if they meet an NAIC designation of three or higher. The Company does not have any mandatory convertible securities or Securities Valuation Office of the NAIC ("SVO") identified bond mutual funds (i.e.: exchange traded funds or bond mutual funds) in its bond portfolio. Amortization of bond premium or accretion of discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the SVO in accordance with the NAIC Valuation of Securities manual prepared by the SVO or an external pricing service;
- (3–4) The Company holds no common or preferred stock;
- (5) The Company holds no mortgage loans on real estate;
- (6) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in nonagency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets. Total combined investments in mortgage-backed securities and asset-backed securities cannot exceed more than 30% of total cash and invested assets;
- (7) The Company holds no investments in subsidiaries, controlled, or affiliated entities;

- (8) The Company has no investment interests with respect to joint ventures, partnerships, or limited liability companies;
- (9) The Company holds no derivatives;
- (10) PDR (inclusive of conversion reserves) and the related expenses are recognized when it is probable that expected future health care expenses, claims adjustment expenses (“CAE”), direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts, and are recorded as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts, and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, CAE and direct administration costs are considered. The data and assumptions underlying such estimates and the resulting reserves are periodically updated, and any adjustments are reflected as an increase or decrease in reserves for accident and health contracts in the statutory basis statements of operations in the period in which the change in estimate is identified. The Company does not anticipate investment income as a factor in the PDR calculation (see Note 30);
- (11) CAE are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the management agreement (the “Agreement”) (see Note 10), the Company pays a management fee to its affiliate, United HealthCare Services, Inc. (“UHS”), in exchange for administrative and management services. A detailed review of the administrative expenses of the Company and UHS is performed to determine the allocation between CAE and general administrative expenses (“GAE”) to be reported in the statutory basis statements of operations. It is the responsibility of UHS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid CAE associated with incurred but unpaid claims, which is included in unpaid CAE in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid CAE as of December 31, 2020 is adequate to cover the Company’s cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid CAE are reflected in operating results in the period in which the change in estimate is identified;
- (12) The Company does not carry any fixed assets in the statutory basis financial statements;
- (13) Health care and other amounts receivable consist of pharmacy rebates receivable estimated based on the most currently available data from the Company’s claims processing systems and from data provided by the Company’s affiliated pharmaceutical benefit manager, OptumRx, Inc. (“OptumRx”). Health care and other amounts receivable also include receivables for amounts due to the Company for provider advances, claim overpayments to providers, and hospitals and other health care organizations. Health care and other amounts receivable are considered nonadmitted assets under the NAIC SAP if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

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

ASSETS

Cash and Invested Assets

- Bonds include U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities, with a maturity of greater than one year at the time of purchase;
- Certain debt investments categorized as available-for-sale or held-to-maturity under GAAP are presented at the lower of book/adjusted carrying value or fair value in accordance with the NAIC designations in the statutory basis financial statements, whereas under GAAP, these investments are shown at fair value or book/adjusted carrying value, respectively;
- Cash, cash overdrafts, cash equivalents, and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash, cash equivalents, and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;

- Cash represents cash held by the Company in disbursement accounts. Claims and other payments are made from the disbursement account daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments;
- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;
- Cash equivalents include money-market funds and U.S. treasury bills. Cash equivalents have original maturity dates of three months or less from the date of acquisition. Effective June 2020, cash equivalents also consist of the Company's share of a qualified cash pool sponsored and administered by UHS. The investment pool consists principally of investments with original maturities of less than one year, with the average life of the individual investments being less than 60 days. The Company's share of the pool represents an undivided ownership interest in the pool and is immediately convertible to cash at no cost or penalty. The participants within the pool have an individual fund number to track those investments owned by the Company. In addition, the Company is listed as a participant in the executed custodial agreement between UHS and the custodian whereby the Company's share in the investment pool is segregated and separately maintained. The pool is primarily invested in government obligations, commercial paper, certificates of deposit, and short-term agency notes and is recorded at cost or book/adjusted carrying value depending on the composition of the underlying securities. Interest income from the pool accrues daily to participating members based upon ownership percentage. Prior to June 2020, the investment pool was reported in short-term investments (see Note 1 *Recently Issued Accounting Standards*). Cash equivalents, excluding money-market funds, are reported at cost or book/adjusted carrying value depending on the nature of the underlying security, which approximates fair value. Money-market funds are reported at fair value or net asset value ("NAV") as a practical expedient;
- Short-term investments have a maturity of greater than three months but less than one year at the time of purchase. Prior to June 2020, short-term investments also included the Company's share of an investment pool sponsored and administered by UHS (see Note 1 *Recently Issued Accounting Standards*);
- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses are reported as net realized capital gains less capital gains tax ("net realized capital gains less taxes") in the statutory basis statements of operations.
- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital gains (losses) less taxes in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for loan-backed securities for periods subsequent to the loss recognition. The Company recognized an other-than-temporary impairment ("OTTI") of \$103,068 and \$0 for the years ended December 31, 2020 and 2019, respectively.
- The NAIC SAP requires the following captions to be taken into consideration in the reconciliation of the statutory basis statements of cash flows: cash, including cash overdrafts, cash equivalents, and short-term investments, which can include restricted cash reserves, with original maturities of one year or less from the time of acquisition, whereas under GAAP, pursuant to Accounting Standards Update 2016-18, *Statement of Cash Flows, Restricted Cash*, the statements of cash flows reconcile the corresponding captions of cash, cash equivalents and restricted cash with maturities of three months or less. Short-term investments with a final maturity of one year or less from the balance sheet date are not included in the reconciliation of GAAP cash flows. In addition, there are classification differences within the presentation of the cash flow categories between GAAP and NAIC SAP. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

Other Assets

- **Investment Income Due and Accrued** — Investment income earned and due as of the reporting date, in addition to investment income earned but not paid or collected until subsequent periods, is reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and accrued and amounts determined to be uncollectible are written off in the period in which the determination is made. In addition, the remaining balance is assessed for admissibility and any balance greater than 90 days past due is considered a nonadmitted asset.

- **Premiums and Considerations** — The Company reports uncollected premium balances from its insured members, groups, and CMS as premiums and considerations in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential. Premiums and considerations also include the following (see Note 24):
 - a) commercial risk adjustment receivables as defined in Section 1343 of the Affordable Care Act (“ACA”). Premium adjustments are based upon the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. The risk adjustments and distributions are calculated using a high-cost risk pool which adds a reinsurance-like element to this program. A risk adjustment receivable is recorded when the Company estimates its average actuarial risk score for policies included in this program is greater than the average actuarial risk scores in that market and state risk pool;
 - b) CMS risk corridor receivables for which adjustments are based on whether the ultimate per member per month (“PMPM”) benefit costs of any Medicare Plan varies more than 5% above the level estimated in the original bid submitted by the Company and approved by CMS; and
 - c) CMS risk adjustment receivables for the Medicare Plans. The risk adjustment model apportions premiums paid to all health plans according to the health severity and certain demographic factors of its enrollees. The CMS risk adjustment model pays more for members whose medical history indicates they have certain medical conditions. Under this risk adjustment methodology, CMS calculates the risk-adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, and physician treatment settings. The Company and health care providers collect, capture, and submit the necessary and available diagnosis data to CMS within prescribed deadlines. The Company estimates risk adjustment revenues based upon the diagnosis data submitted and expected to be submitted to CMS. The Company recognizes such changes when the amounts become determinable and supportable and collectability is reasonably assured;

Premium adjustments for the CMS risk corridor programs are accounted for as premium adjustments subject to retrospectively rated features. Premium adjustments for the commercial ACA Section 1343 risk adjustment and CMS risk adjustment are accounted for as premium adjustments subject to redetermination.

- **Amounts Receivable Relating to Uninsured Plans** — The Company reports amounts due to the Company from CMS and groups for the administrative activities it performs for which it has no insurance risk as amounts receivable relating to uninsured plans (see Note 18). Amounts receivable relating to uninsured plans include the following:
 - a) costs incurred in excess of the cost reimbursement under the Medicare Plans for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy for the individual members. The Company is fully reimbursed by CMS for costs incurred for these contract elements, and accordingly, there is no insurance risk to the Company. Subsidies for individual members are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. If the Company incurs costs in excess of these subsidies, a corresponding receivable is recorded. For employer group members, the cost reimbursement under the Medicare program for the catastrophic reinsurance subsidy is consistent with reimbursement for individuals. The low-income member cost-sharing subsidy for employer group members is only received at settlement which is in the subsequent year; and
 - b) the Patient Protection and ACA mandates consumer discounts of 70% on brand name prescription drugs for Part D plan participants in the coverage gap. As part of the CGDP, the Company records a receivable from the pharmaceutical manufacturers for reimbursement of the discounts. There are no similar subsidies for employer group members. The Company solely administers the application of these funds and has no insurance risk.

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

LIABILITIES

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

The estimates for incurred but not yet reported claims are developed using an actuarial process that is consistently applied, centrally controlled, and automated. The actuarial models consider factors such as historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The Company estimates such liabilities for physician, hospital, and other medical cost disputes based upon an analysis of potential outcomes, assuming a combination of litigation and settlement strategies. These estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during 2020 and 2019. Management believes the amount of claims unpaid and aggregate health claim reserves is a best estimate of the Company's liability for unpaid claims and aggregate health claim reserves as of December 31, 2020; however, actual payments may differ from those established estimates.

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

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

- **Accrued Medical Incentive Pool and Bonus Amounts** —The Company has agreements with certain independent physicians and physician network organizations that provide for the establishment of a fund into which the Company places monthly premiums payable for members assigned to the physician. The Company manages the disbursement of funds from this account as well as reviews the utilization of nonprimary care medical services of members assigned to the physicians. Any surpluses in the fund are shared by the Company and the physician based upon predetermined risk-sharing percentage and the liability is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company also has incentive and bonus arrangements with providers that are based on quality, utilization, and/or various health outcome measures. The estimated amount due to providers that meet the established metrics is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **Aggregate Health Policy Reserves** —The Company establishes a liability for estimated accrued retrospective and redetermination premiums due from the Company based on the actuarial method and assumptions for each respective contract. Aggregate health policy reserves also includes:
 - a) commercial risk adjustment payables as defined in Section 1343 of the ACA. Premium adjustments are based upon the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. The risk adjustments and distributions are calculated using a high-cost risk pool which adds a reinsurance-like element to this program. A risk adjustment payable is recorded when the Company estimates its average actuarial risk score for policies included in this program is less than the average actuarial risk scores in that market and state risk pool. The data used by CMS to determine the risk adjustment amount is subject to risk adjustment data validation audits along with the true-up to the final CMS report, which may result in a material change to arrive at the final risk adjustment amount from the initial risk adjustment estimate recorded (see Note 24);
 - b) CMS risk adjustment payables for the Medicare Plans. The risk adjustment model apportions premiums paid to all health plans according to the health severity and certain demographic factors of its Medicare Plans enrollees. The CMS risk adjustment model pays more for members whose medical history indicates they have certain medical conditions. Under this risk adjustment methodology, CMS calculates the risk-adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, and physician treatment settings. The Company and health care providers collect, capture, and submit the necessary and available diagnosis data to CMS within prescribed deadlines. If diagnosis data submitted to CMS needs to be corrected or deleted, the revised diagnosis data can be re-submitted. The Company estimates reductions to risk adjustment revenues and corresponding change in CMS risk adjustment payables based upon the diagnosis data submitted and expected to be submitted to CMS. The Company recognizes such changes when the amounts become determinable and supportable (see Note 24); and
 - c) the estimated amount for PDR (see Note 30).
- **Premiums Received in Advance** — Premiums received in full for the policies processed during the current period, but prior to the commencement of the service period, are recorded as premiums received in advance in the statutory basis statements of admitted assets, liabilities, and capital and surplus.
- **General Expenses Due or Accrued** — General expenses that are due as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent period are reported as general expenses due or accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. General expenses due or accrued also include the amounts for unpaid assessments, state income taxes and the unpaid portion of the contributions required under the ACA risk adjustment program (see Note 24).
- **Remittances and Items Not Allocated** — Remittances and items not allocated generally represent monies received from policyholders for monthly premium billings or providers that have not been specifically identified or applied prior to year-end. The majority is from monies received in the lockbox account on the last day of the year.
- **Amounts due to Parent, Subsidiaries, and Affiliates, Net** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts owed as amounts payable to parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Liability for Amounts Held Under Uninsured Plans** — Liability for amounts held under uninsured plans represents amounts due from the Company to CMS for the administrative activities it performs for which it has no insurance risk (see Note 18). Liability for amounts held under uninsured plans includes the following:
 - a) costs incurred that are less than the cost reimbursement under the Medicare Plans for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy for the individual members. The Company is fully reimbursed by CMS for costs incurred for these contract elements, and accordingly, there is no insurance risk to the Company. Subsidies for individual members are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. If the Company incurs costs less than these subsidies, a corresponding liability is recorded. For employer group members, the cost reimbursement under the Medicare program for the catastrophic reinsurance subsidy is consistent with reimbursement for individuals. The low-income member cost-sharing subsidy for employer group members is only received at settlement which is in the subsequent year;
 - b) the ACA mandates consumer discounts of 70% on brand name prescription drugs for Part D plan participants in the coverage gap. These discounts are pre-funded for the individual members by CMS and a liability for the amount subject to recoupment is recorded. There are no similar subsidies for employer group members. The Company solely administers the application of these funds and has no insurance risk.

CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS

- **Nonadmitted Assets** — Certain assets, including certain aged premium receivables, certain health care and other amounts receivable, certain deferred tax assets, prepaid expenses, and amounts receivable relating to uninsured plans are considered nonadmitted assets under the NAIC SAP and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus and charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheet.

- **Restricted Cash Reserves** —

The Company held regulatory deposits in the amount of \$152,909,109 and \$152,845,899 as of December 31, 2020 and 2019, respectively, in compliance with the various states' requirements for qualification purposes as a domestic and foreign insurer. These restricted cash reserves consist principally of government obligations and are stated at book/adjusted carrying value, which approximates fair value. These restricted deposits are included in bonds, cash, cash equivalents and short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on these deposits accrues to the Company.

The Company is required by the State to maintain a minimum regulatory deposit of \$500,000. The Company has on deposit \$553,229 and \$522,640 as of December 31, 2020 and 2019, respectively, which is in compliance with this requirement.

Included in the restricted cash reserves as of December 31, 2020 are deposits required by the New Jersey Administrative Code for insolvency deposits and administrative expenses of \$142,052,612 and \$2,292,240, respectively. The Company had bonds on deposit with the State of New Jersey with book/adjusted carrying values of \$150,083,272 and \$2,272,607, respectively, and fair values of \$153,200,500 and \$2,311,943, respectively which is in compliance with the requirements as of December 31, 2020.

- **Minimum Capital and Surplus** —

Under the laws of the State of Connecticut, the Company's domiciliary state, the Department requires the Company to maintain a minimum capital and surplus equal to \$3,000,000.

Risk-based capital ("RBC") is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. The Department requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above, or the company action level as calculated by the RBC formula, or the level needed to avoid action pursuant to the trend test in the RBC formula.

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

The Company has \$232,043,430 and \$199,028,707 in total statutory basis capital and surplus as of December 31, 2020 and 2019, respectively, which is in compliance with the required amounts where it is licensed to do business.

- **Section 9010 ACA subsequent fee year assessment** — The Company is subject to the Section 9010 ACA subsequent fee year assessment. Under the NAIC SAP, as of December 31, 2019, an amount equal to the estimated subsequent year fee was apportioned out of unassigned surplus and reported as Section 9010 ACA subsequent fee year assessment, in the statutory basis statements of admitted assets, liabilities, and capital and surplus, whereas under GAAP, no such special surplus designation is required. In accordance with the 2021 Health Insurer Fee (“HIF”) repeal, no HIF will be payable in 2021 or thereafter, therefore no amounts will be apportioned out of unassigned surplus after December 31, 2019.

STATEMENTS OF OPERATIONS

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

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

Pursuant to Section 1343 of the ACA, the Company records premium adjustments for changes to the commercial risk adjustment balances which are reflected in change in net premium income, in the statutory basis statements of operations (see Note 24).

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

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

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

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

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

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

The Company is subject to an annual fee under Section 9010 of the ACA. A health insurance entity's annual fee becomes payable once the entity provides health insurance for any U.S. health risk during the calendar year, which is nondeductible for tax purposes (see Note 22). Under the NAIC SAP, the entire amount of the estimated annual fee expense is recognized on January 1 of the fee year in GAE in the statutory basis statements of operations, whereas under GAAP, a deferred asset is created on January 1 of the fee year which is amortized to expense on a straight-line basis throughout the year.

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

REINSURANCE

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

OTHER

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

The Company has no commercial customers that individually exceed 10% of total direct premiums written and premiums and considerations, including receivables for contracts subject to redetermination, for the years ended December 31, 2020 and 2019.

Direct premiums written and uncollected premiums, including receivables for contracts subject to redetermination, from members and CMS related to the Medicare Plans as a percentage of total direct premiums written and total uncollected premiums, including receivables for contracts subject to redetermination, are 98% and 99% as of December 31, 2020 and 97% and 99% as of December 31, 2019, respectively.

Recently Issued Accounting Standards — In May 2020, the NAIC revised Statement of Statutory Accounting Principles ("SSAP") No. 2R, *Cash, Cash Equivalents, Drafts, and Short-Term Investments* ("SSAP No. 2R") for the presentation of qualifying cash pools. The revision clarified the types of cash pooling structures and the investments required to be maintained in those structures for the cash pools to qualify as cash, cash equivalents or short-term investments. This revised guidance is effective for reporting periods on and after January 1, 2021 with early adoption permitted. The Company has elected to early adopt the revised change effective June 2020 (see Note 5 and Note 20).

The Company reviewed all other recently issued guidance in 2020 and 2019 that has been adopted for 2020 or subsequent years' implementation and has determined that none of the items would have a significant impact to the statutory basis financial statements.

D. Going Concern

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

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

No changes in accounting principles or corrections of errors have been recorded during the years ended December 31, 2020 and 2019.

3. BUSINESS COMBINATIONS AND GOODWILL

A–D. The Company was not party to a business combination during the years ended December 31, 2020 and 2019 and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

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

(1–4) The Company did not have any discontinued operations disposed of or classified as held for sale during 2020 and 2019.

B. Change in Plan of Sale of Discontinued Operation — Not applicable.

C. Nature of any Significant Continuing Involvement with Discontinued Operations after Disposal — Not applicable.

D. Equity Interest Retained in the Discontinued Operation after Disposal — Not applicable.

5. INVESTMENTS

Pursuant to the early adoption of SSAP No. 2R (see Note 1), the Company's investment in the qualified cash pool is included in cash equivalents in 2020 and was reported in short-term investments in 2019. The Company's investment in the qualified cash pool balance is \$36,179,341 and \$6,074,080 as of December 31, 2020 and December 31, 2019, respectively.

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of long-term investments were \$3,082,740 and \$285,081, respectively, for 2020 and \$6,236,278 and \$186,056, respectively, for 2019. There were no gross realized gains and losses on sales of short-term investments for 2020 or 2019. The net realized gain or loss is included in net realized capital gains less taxes in the statutory basis statements of operations. Total proceeds on the sale of long-term investments were \$63,662,872 and \$231,638,472 and for short-term investments were \$1,350,565,131 and \$2,792,109,077 in 2020 and 2019, respectively.

As of December 31, 2020 and 2019, the book/adjusted carrying value, fair value, and gross unrecognized unrealized gains and losses of the Company's investments, excluding cash (overdrafts) and cash equivalents of \$40,601,631 and \$2,223,019 respectively, are disclosed in the table below:

| | 2020 | | | | |
|--|------------------------------|-------------------------------------|---|---|-----------------------|
| | Book/Adjusted Carrying Value | Gross Unrecognized Unrealized Gains | Gross Unrecognized Unrealized Losses < 1 Year | Gross Unrecognized Unrealized Losses > 1 Year | Fair Value |
| U.S. government and agency securities | \$ 210,200,537 | \$ 5,908,383 | \$ 2,272 | \$ - | \$ 216,106,648 |
| State and agency municipal securities | 25,954,700 | 2,059,182 | - | - | 28,013,882 |
| City and county municipal securities | 31,560,677 | 2,870,383 | - | - | 34,431,060 |
| Corporate debt securities | <u>103,810,826</u> | <u>6,194,780</u> | <u>2,622</u> | <u>-</u> | <u>110,002,984</u> |
| Total bonds and short-term investments | <u>\$ 371,526,740</u> | <u>\$ 17,032,728</u> | <u>\$ 4,894</u> | <u>\$ -</u> | <u>\$ 388,554,574</u> |

| | 2020 | | | | |
|--|------------------------------|-------------------------------------|---|---|-----------------------|
| | Book/Adjusted Carrying Value | Gross Unrecognized Unrealized Gains | Gross Unrecognized Unrealized Losses < 1 Year | Gross Unrecognized Unrealized Losses > 1 Year | Fair Value |
| Less than one year | \$ 51,149,380 | \$ 320,128 | \$ - | \$ - | \$ 51,469,508 |
| One to five years | 172,288,879 | 6,384,843 | 6 | - | 178,673,716 |
| Five to ten years | 78,084,086 | 7,358,564 | - | - | 85,442,650 |
| Over ten years | <u>70,004,395</u> | <u>2,969,193</u> | <u>4,888</u> | <u>-</u> | <u>72,968,700</u> |
| Total bonds and short-term investments | <u>\$ 371,526,740</u> | <u>\$ 17,032,728</u> | <u>\$ 4,894</u> | <u>\$ -</u> | <u>\$ 388,554,574</u> |

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

| | 2019 | | | | Fair Value |
|--|------------------------------|-------------------------------------|---|---|-----------------------|
| | Book/Adjusted Carrying Value | Gross Unrecognized Unrealized Gains | Gross Unrecognized Unrealized Losses < 1 Year | Gross Unrecognized Unrealized Losses > 1 Year | |
| U.S. government and agency securities | \$ 213,713,315 | \$ 1,669,133 | \$ 55,496 | \$ 12,938 | \$ 215,314,014 |
| State and agency municipal securities | 30,573,522 | 918,627 | 36,676 | - | 31,455,473 |
| City and county municipal securities | 47,047,958 | 2,560,448 | 34,168 | - | 49,574,238 |
| Corporate debt securities | 121,502,334 | 2,786,327 | 16,268 | 2,941 | 124,269,452 |
| Total bonds and short-term investments | <u>\$ 412,837,129</u> | <u>\$ 7,934,535</u> | <u>\$ 142,608</u> | <u>\$ 15,879</u> | <u>\$ 420,613,177</u> |

Included in U.S. government and agency securities and corporate debt securities in the tables above are mortgage-related loan-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities' final maturity date and at a book/adjusted carrying value of \$51,652,839 and fair value of \$53,571,610.

The following table illustrates the fair value and gross unrecognized unrealized losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrecognized unrealized loss position as of December 31, 2020 and 2019:

| | 2020 | | | | | |
|--|---------------------|--------------------------------------|-------------|--------------------------------------|---------------------|--------------------------------------|
| | < 1 Year | | > 1 Year | | Total | |
| | Fair Value | Gross Unrecognized Unrealized Losses | Fair Value | Gross Unrecognized Unrealized Losses | Fair Value | Gross Unrecognized Unrealized Losses |
| U.S. government and agency securities | \$ 1,013,434 | \$ 2,272 | \$ - | \$ - | \$ 1,013,434 | \$ 2,272 |
| Corporate debt securities | 1,828,632 | 2,622 | - | - | 1,828,632 | 2,622 |
| Total bonds and short-term investments | <u>\$ 2,842,066</u> | <u>\$ 4,894</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,842,066</u> | <u>\$ 4,894</u> |

| | 2019 | | | | | |
|--|---------------------|--------------------------------------|---------------------|--------------------------------------|---------------------|--------------------------------------|
| | < 1 Year | | > 1 Year | | Total | |
| | Fair Value | Gross Unrecognized Unrealized Losses | Fair Value | Gross Unrecognized Unrealized Losses | Fair Value | Gross Unrecognized Unrealized Losses |
| U.S. government and agency securities | \$54,502,046 | \$ 55,496 | \$ 1,543,892 | \$ 12,938 | \$56,045,938 | \$ 68,434 |
| State and agency municipal securities | 10,066,000 | 36,676 | - | - | 10,066,000 | 36,676 |
| City and county municipal securities | 1,982,016 | 34,168 | - | - | 1,982,016 | 34,168 |
| Corporate debt securities | 8,748,330 | 16,268 | 1,637,012 | 2,941 | 10,385,342 | 19,209 |
| Total bonds and short-term investments | <u>\$75,298,392</u> | <u>\$ 142,608</u> | <u>\$ 3,180,904</u> | <u>\$ 15,879</u> | <u>\$78,479,296</u> | <u>\$ 158,487</u> |

The unrecognized unrealized losses on investments in U.S. government and agency securities, state and agency municipal securities, city and county municipal securities, and corporate debt securities at December 31, 2020 and 2019, were mainly caused by interest rate fluctuations and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its book/adjusted carrying value. The contractual cash flows of the U.S. government and agency securities are guaranteed either by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company assessed the credit quality of the state and agency municipal securities, city and county municipal securities and corporate debt securities, noting whether a significant deterioration since purchase or other factors that may indicate an OTTI, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain loan-backed securities for a period of time sufficient to recover the amortized cost. As a result of these reviews, the Company recorded an OTTI of \$103,068 and \$0 as of December 31, 2020 and 2019, respectively, which are included in net realized capital gains less taxes in the statutory basis statements of operations.

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

D. Loan-Backed Securities

- (1) U.S. government and agency securities and corporate debt securities include loan-backed securities (mortgage-backed securities and asset-backed securities), which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the book/adjusted carrying value, commonly referred to as amortized cost, of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.
- (2) The Company did not recognize any OTTI on loan-backed securities as of December 31, 2020 and 2019.
- (3) The Company did not have any loan-backed securities with OTTI to report by CUSIP as of December 31, 2020 or 2019.
- (4) The following table illustrates the fair value, gross unrecognized unrealized losses, and length of time that the loan-backed securities have been in a continuous unrecognized unrealized loss position as of December 31, 2020 and 2019:

| | 2020 |
|--|-------------|
| The aggregate amount of unrealized losses: | |
| 1. Less than 12 months | \$ 2,276 |
| 2. 12 months or longer | - |
| The aggregate related fair value of securities with unrealized losses: | |
| 1. Less than 12 months | 1,448,016 |
| 2. 12 months or longer | - |
| | 2019 |
| The aggregate amount of unrealized losses: | |
| 1. Less than 12 months | \$ 9,520 |
| 2. 12 months or longer | 15,879 |
| The aggregate related fair value of securities with unrealized losses: | |
| 1. Less than 12 months | 8,944,528 |
| 2. 12 months or longer | 3,180,905 |

- (5) The Company believes that it will continue to collect timely the principal and interest due on its loan-backed securities that have an amortized cost in excess of fair value. The unrealized losses were primarily caused by interest rate changes and not by unfavorable changes in the credit quality associated with these securities that impacted the assessment on collectability of principle and interest. At each reporting period, the Company evaluates available-for-sale debt securities for any credit-related impairment when the fair value of the investment is less than its amortized cost. The Company evaluated the expected cash flows, the underlying credit quality and credit ratings of the issuers, and the potential economic impacts of COVID-19 on the issuers, noting no significant credit deterioration since purchase. As of December 31, 2020, the unrealized loss on any security that the Company classified as intent to sell was not material to the Company's investment portfolio. Any other securities in an unrealized loss position as of December 31, 2020, the Company considers to be temporary.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions — Not applicable.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing — Not applicable.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing — Not applicable.

H. Repurchase Agreements Transactions Accounted for as a Sale — Not applicable.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale — Not applicable.

J. Real Estate — Not applicable.

K. Low-Income Housing Tax Credits — Not applicable.

L. Restricted Assets —

- (1) Restricted assets, including pledged securities as of December 31, 2020 and 2019, are presented below:

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

| Restricted Asset Category | 1 Total Gross (Admitted & Nonadmitted) Restricted From Current Year | 2 Total Gross (Admitted & Nonadmitted) Restricted From Prior Year | 3 Increase/ (Decrease) (1 Minus 2) | 4 Total Current Year Nonadmitted Restricted | 5 Total Current Year Admitted Restricted (1 minus 4) | 6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a) | 7 Admitted Restricted to Total Admitted Assets (b) |
|--|--|--|---------------------------------------|--|---|--|---|
| a. Subject to contractual obligation for which liability is not shown | \$ - | \$ - | \$ - | \$ - | \$ - | 0 % | 0 % |
| b. Collateral held under security lending agreements | - | - | - | - | - | 0 % | 0 % |
| c. Subject to repurchase agreements | - | - | - | - | - | 0 % | 0 % |
| d. Subject to reverse repurchase agreements | - | - | - | - | - | 0 % | 0 % |
| e. Subject to dollar repurchase agreements | - | - | - | - | - | 0 % | 0 % |
| f. Subject to dollar reverse repurchase agreements | - | - | - | - | - | 0 % | 0 % |
| g. Placed under option contracts | - | - | - | - | - | 0 % | 0 % |
| h. Letter stock or securities restricted as to sale—excluding FHLB capital stock | - | - | - | - | - | 0 % | 0 % |
| i. FHLB capital stock | - | - | - | - | - | 0 % | 0 % |
| j. On deposit with states | 152,909,109 | 152,845,899 | 63,210 | - | 152,909,109 | 27 % | 28 % |
| k. On deposit with other regulatory bodies | - | - | - | - | - | 0 % | 0 % |
| l. Pledged as collateral to FHLB (including assets backing funding agreements) | - | - | - | - | - | 0 % | 0 % |
| m. Pledged as collateral not captured in other categories | - | - | - | - | - | 0 % | 0 % |
| n. Other restricted assets | - | - | - | - | - | 0 % | 0 % |
| o. Total restricted assets | \$ 152,909,109 | \$ 152,845,899 | \$ 63,210 | \$ - | \$ 152,909,109 | 27 % | 28 % |

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

(2–4) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2020 or 2019.

M. Working Capital Finance Investments — Not applicable.

N. Offsetting and Netting of Assets and Liabilities

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

O. 5GI Securities

The Company does not have any investments with an NAIC designation of 5GI as of December 31, 2020 and 2019.

P. Short Sales — Not applicable.

Q. Prepayment Penalty and Acceleration Fees —

The following table illustrates prepayment penalty and acceleration fees as of December 31, 2020:

| | General Account |
|--|-----------------|
| 1. Number of CUSIPs | 3 |
| 2. Aggregate Amount of Investment Income | \$ 144,121 |

R. Reporting Entity's Share of Cash Pool by Asset Type — Not applicable.

Pursuant to the early adoption of SSAP No. 2R in June 2020 (see Note 1), the Company's investment in the qualified cash pool is being reported in cash equivalents. Prior to the early adoption, the qualified cash pool was being reported in short-term investments. The Company's investment in the qualified cash pool balance is \$36,179,341 and \$6,074,080 as of December 31, 2020 and December 31, 2019, respectively.

The following table presents the percent share distribution by asset type of the total qualified cash pool balance as of December 31, 2020:

| Asset Type | Percent Share |
|----------------------------|---------------|
| (1) Cash | 0% |
| (2) Cash Equivalents | 85% |
| (3) Short-Term Investments | 15% |
| (4) Total | 100% |

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

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

7. INVESTMENT INCOME

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

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

8. DERIVATIVE INSTRUMENTS

A–B. The Company has no derivative instruments.

9. INCOME TAXES

A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset at December 31, 2020 and 2019 are as follows:

| | 2020 | | | 2019 | | | 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 | \$ 2,125,134 | \$ - | \$ 2,125,134 | \$ 3,663,873 | \$ 23,904 | \$ 3,687,777 | \$ (1,538,739) | \$ (23,904) | \$ (1,562,643) |
| (b) Statutory valuation allowance adjustments | - | - | - | - | 23,904 | 23,904 | - | (23,904) | (23,904) |
| (c) Adjusted gross deferred tax assets (1a - 1b) | 2,125,134 | - | 2,125,134 | 3,663,873 | - | 3,663,873 | (1,538,739) | - | (1,538,739) |
| (d) Deferred tax assets nonadmitted | - | - | - | - | - | - | - | - | - |
| (e) Subtotal net admitted deferred tax asset (1c - 1d) | 2,125,134 | - | 2,125,134 | 3,663,873 | - | 3,663,873 | (1,538,739) | - | (1,538,739) |
| (f) Deferred tax liabilities | 185,789 | - | 185,789 | 286,502 | - | 286,502 | (100,713) | - | (100,713) |
| (g) Net admitted deferred tax asset/(net deferred tax liability) (1e - 1f) | <u>\$ 1,939,345</u> | <u>\$ -</u> | <u>\$ 1,939,345</u> | <u>\$ 3,377,371</u> | <u>\$ -</u> | <u>\$ 3,377,371</u> | <u>\$ (1,438,026)</u> | <u>\$ -</u> | <u>\$ (1,438,026)</u> |

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

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

| Admission Calculation Components SSAP No. 101 | 2020 | | | 2019 | | | 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 | \$2,125,134 | \$ - | \$2,125,134 | \$ 3,594,287 | \$ - | \$ 3,594,287 | \$ (1,469,153) | \$ - | \$ (1,469,153) |
| (b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below) | - | - | - | 69,586 | - | 69,586 | (69,586) | - | (69,586) |
| 1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date | - | - | - | 69,586 | - | 69,586 | (69,586) | - | (69,586) |
| 2. Adjusted gross deferred tax assets allowed per limitation threshold | XXX | XXX | 34,515,613 | XXX | XXX | 29,347,700 | XXX | XXX | 5,167,913 |
| (c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities | - | - | - | - | - | - | - | - | - |
| (d) Deferred tax assets admitted as the result of application of SSAP No. 101 | | | | | | | | | |
| Total (2(a) + 2(b) + 2(c)) | <u>\$2,125,134</u> | <u>\$ -</u> | <u>\$2,125,134</u> | <u>\$ 3,663,873</u> | <u>\$ -</u> | <u>\$ 3,663,873</u> | <u>\$ (1,538,739)</u> | <u>\$ -</u> | <u>\$ (1,538,739)</u> |

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

| | 2020 | 2019 |
|--|----------------|----------------|
| (a) Ratio percentage used to determine recovery period and threshold limitation amount | 425 % | 343 % |
| (b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above | \$ 230,104,085 | \$ 195,651,336 |

(4) The impact to the gross deferred tax assets balances as a result of tax-planning strategies as of December 31, 2020 and 2019 is presented below:

| Impact of Tax-Planning Strategies | 2020 | | 2019 | | Change | |
|--|---------------|--------------|---------------|--------------|------------------------------|-----------------------------|
| | 1 Ordinary | 2 Capital | 3 Ordinary | 4 Capital | 5 (Col 1 - 3) Ordinary | 6 (Col 2 - 4) Capital |
| (a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets by tax character as a percentage. | | | | | | |
| 1. Adjusted gross DTAs amount from Note 9A1(c) | \$ 2,125,134 | \$ - | \$ 3,663,873 | \$ - | \$ (1,538,739) | \$ - |
| 2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax-planning strategies | - % | - % | - % | - % | - % | - % |
| 3. Net admitted adjusted gross DTAs amount from Note 9A1(e) | \$ 2,125,134 | \$ - | \$ 3,663,873 | \$ - | \$ (1,538,739) | \$ - |
| 4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax-planning strategies | - % | - % | - % | - % | - % | - % |
| (b) Does the Company's tax-planning strategies include the use of reinsurance? | | | Yes | _____ | No | <u>X</u> _____ |

B. Unrecognized Deferred Tax Liabilities

(1-4) There are no unrecognized deferred tax liabilities for the years ended December 31, 2020 and 2019.

C. Significant Components of Income Taxes

- (1) The current federal and foreign income taxes incurred for the years ended December 31, 2020 and 2019 are as follows:

| | 1 | 2 | 3 |
|---|----------------------|----------------------|-----------------------|
| | 2020 | 2019 | (Col 1 - 2) Change |
| 1. Current income tax | | | |
| (a) Federal | \$ 24,717,121 | \$ 23,760,048 | \$ 957,073 |
| (b) Foreign | - | - | - |
| (c) Subtotal | 24,717,121 | 23,760,048 | 957,073 |
| (d) Federal income tax on net capital gains | 565,875 | 1,289,652 | (723,777) |
| (e) Utilization of capital loss carryforwards | - | - | - |
| (f) Other | - | - | - |
| (g) Total federal and foreign income taxes incurred | <u>\$ 25,282,996</u> | <u>\$ 25,049,700</u> | <u>\$ 233,296</u> |

- (2-4) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2020 and 2019, are as follows:

| | 1 | 2 | 3 |
|---|---------------------|---------------------|-----------------------|
| | 2020 | 2019 | (Col 1 - 2) Change |
| 2 Deferred tax assets: | | | |
| (a) Ordinary: | | | |
| (1) Discounting of unpaid losses | \$ 601,359 | \$ 639,952 | \$ (38,593) |
| (2) Unearned premium reserve | 86,966 | 93,505 | (6,539) |
| (3) Policyholder reserves | - | 1,378,440 | (1,378,440) |
| (4) Investments | - | - | - |
| (5) Deferred acquisition costs | - | - | - |
| (6) Policyholder dividends accrual | - | - | - |
| (7) Fixed assets | - | - | - |
| (8) Compensation and benefits accrual | - | - | - |
| (9) Pension accrual | - | - | - |
| (10) Receivables — nonadmitted | 1,208,867 | 1,161,405 | 47,462 |
| (11) Net operating loss carryforward | - | - | - |
| (12) Tax credit carryforward | - | - | - |
| (13) Other (including items <5% of total ordinary tax assets) | 227,942 | 390,571 | (162,629) |
| (99) Subtotal | - | 3,663,873 | (3,663,873) |
| (b) Statutory valuation allowance adjustment | - | - | - |
| (c) Nonadmitted | - | - | - |
| (d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c) | 2,125,134 | 3,663,873 | (1,538,739) |
| (e) Capital: | | | |
| (1) Investments | - | 23,904 | (23,904) |
| (2) Net capital loss carryforward | - | - | - |
| (3) Real estate | - | - | - |
| (4) Other (including items <5% of total capital tax assets) | - | - | - |
| (99) Subtotal | - | 23,904 | (23,904) |
| (f) Statutory valuation allowance adjustment | - | 23,904 | (23,904) |
| (g) Nonadmitted | - | - | - |
| (h) Admitted capital deferred tax assets (2e99 - 2f - 2g) | - | - | - |
| (i) Admitted deferred tax assets (2d + 2h) | 2,125,134 | 3,663,873 | (1,538,739) |
| 3 Deferred tax liabilities: | | | |
| (a) Ordinary: | | | |
| (1) Investments | - | 63,555 | (63,555) |
| (2) Fixed assets | - | - | - |
| (3) Deferred and uncollected premium | - | - | - |
| (4) Policyholder reserves | - | - | - |
| (5) Other (including items <5% of total ordinary tax liabilities) | 185,789 | 222,947 | (37,158) |
| (99) Subtotal | 185,789 | 286,502 | (100,713) |
| (b) Capital: | | | |
| (1) Investments | - | - | - |
| (2) Real estate | - | - | - |
| (3) Other (including items <5% of total capital tax liabilities) | - | - | - |
| (99) Subtotal | - | - | - |
| (c) Deferred tax liabilities (3a99 + 3b99) | 185,789 | 286,502 | (100,713) |
| 4 Net deferred tax assets/liabilities (2i - 3c) | <u>\$ 1,939,345</u> | <u>\$ 3,377,371</u> | <u>\$ (1,438,026)</u> |

The other ordinary deferred tax asset of \$227,942 for 2020 consists of intangibles of \$227,087 and general expenses due and accrued of \$855. The other ordinary deferred tax asset of \$390,571 for 2019 consists of intangibles of \$384,589, bad debt expense of \$4,648 and general expenses due and accrued of \$1,334. The other ordinary/capital deferred tax liability of \$185,789 and \$222,947 for 2020 and 2019, respectively, consists of loss reserve discounting.

The Company assessed the potential realization of the gross deferred tax asset and established a valuation allowance of \$0 and \$23,904 to reduce the gross deferred tax asset to \$2,125,134 and

\$3,663,873 as of December 31, 2020 and 2019, respectively, which represents the amount of the asset estimated to be recoverable via carryback of losses and reduction of future taxes. The change in the valuation allowance is attributable to the change in timing of deductibility of expenses and/or expectations for future taxable income.

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 21% to net income before federal income taxes incurred, less capital gains tax. A summarization of the significant items causing this difference as of December 31, 2020 and 2019 is as follows:

| | 2020 | | 2019 | |
|---|----------------------|--------------------|----------------------|--------------------|
| | Amount | Effective Tax Rate | Amount | Effective Tax Rate |
| Tax provision at the federal statutory rate | \$ 19,942,753 | 21% | \$ 24,280,238 | 21% |
| Tax-exempt interest | (257,632) | - | (500,534) | - |
| Current year tax credit | 7,108,056 | 7 | - | - |
| Tax effect of nonadmitted assets | (48,247) | - | 894,803 | - |
| Deferred corrections | (4) | - | - | - |
| Change in statutory valuation allowance | (23,904) | - | 19,105 | - |
| Total statutory income taxes | <u>\$ 26,721,022</u> | <u>28%</u> | <u>\$ 24,693,612</u> | <u>21%</u> |
| Federal income taxes incurred | \$ 24,717,121 | 26% | \$ 23,760,048 | 20% |
| Capital gains tax | 565,875 | - | 1,289,652 | 1 |
| Change in net deferred income tax | 1,438,026 | 2 | (356,088) | - |
| Total statutory income taxes | <u>\$ 26,721,022</u> | <u>28%</u> | <u>\$ 24,693,612</u> | <u>21%</u> |

- E. At December 31, 2020, the Company had no net operating loss carryforwards.

Current federal income tax recoverable of \$9,021,764 and \$4,075,304 as of December 31, 2020 and 2019, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds were \$30,229,456 and \$25,283,400 in 2020 and 2019, respectively.

Federal income taxes incurred of \$25,285,235 and \$25,047,456 for 2020 and 2019, respectively, are available for recoupment in the event of future net losses.

- F. The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y—Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The IRS has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2016 and prior. UnitedHealth Group's 2017 through 2020 tax returns are under review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to the 2013 tax year. In general, the Company is subject to examination in non-U.S. jurisdictions for years 2015 and forward. The Company does not believe any adjustments that may result from these examinations will be material to the Company.
- G. **Tax Contingencies** — Not applicable.
- H. **Repatriation Transition Tax** — Not applicable.
- I. **Alternative Minimum Tax Credit** — Not applicable.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

A–B. In the ordinary course of business, the Company contracts with several affiliates to provide a wide variety of services to the Company's members. These agreements are filed with and approved by the Department according to Management's understanding of the current requirements and standards. Within the confines of the applicable filed and approved agreements (including subsequent amendments thereto), the amount and types of services provided by these affiliated entities can change year over year.

UHS maintains a private short-term investment pool in which affiliated companies may participate (see Note 1). At December 31, 2020 and 2019, the Company's portion was \$36,179,341 and \$6,074,080, respectively, and pursuant to SSAP No. 2R (see Note 1), is included in cash equivalents as of December 31, 2020 and in short-term investments as of December 31, 2019 in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company has a tax-sharing agreement with UnitedHealth Group (see Note 9).

The Company paid dividends of \$35,000,000 and \$80,000,000 in 2020 and 2019, respectively, to its parent (see Note 13).

The Company holds a \$75,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The credit agreement is for a one-year term and automatically renews annually, unless terminated by either party. The agreement was renewed effective February 1, 2019. No amounts were outstanding under the line of credit as of December 31, 2020 and 2019.

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

C. Transactions With Related Parties Who Are Not Reported On Schedule Y

The Company has no material related party transactions that meet the disclosure requirements pursuant to SSAP No. 25, *Affiliates and Other Related Parties* ("SSAP No. 25") that are not included in NAIC Statutory Statement Schedule Y—Part 2 Summary Of Insurer's Transactions With Any Affiliates.

D. At December 31, 2020 and 2019, the Company reported \$110,950,541 and \$139,106,897, respectively, as amounts due to parent, subsidiaries, and affiliates, net which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

E. The administrative services, access fees, and cost of care services provided by affiliates are calculated using one or more of the following methods: (1) a percentage of premiums; (2) use of assets; (3) direct pass-through of charges; (4) PMPM; (5) per employee per month; (6) per claim; or (7) a combination thereof consistent with the provisions contained in each contract. These amounts are included in GAE, CAE, and hospital and medical expenses in the statutory basis statements of operations. The following table identifies the amounts reported for the administrative services, access fees, and cost of care services provided by related parties for the years ended December 31, 2020 and 2019, which meet the disclosure requirements pursuant to SSAP No. 25, regardless of the effective date of the contract:

| | 2020 | 2019 |
|------------------------------------|----------------|----------------|
| United HealthCare Services, Inc. | \$ 161,497,330 | \$ 169,140,022 |
| Optum Networks of New Jersey, Inc. | 115,351,472 | - |
| Lifepoint East, Inc. | 106,936,611 | 113,405,888 |
| OptumRx, Inc. | 98,288,355 | 97,768,283 |
| United Behavioral Health | 7,411,687 | 7,758,854 |
| Prospero Health Partners, P.C. | 3,072,257 | - |
| OptumInsight, Inc. | 2,772,202 | 6,415,323 |

UHS provides, or arranges for the provision of, management, administrative, and other services deemed necessary or appropriate for UHS to provide management and operational support to the Company. The services can include, but are not limited to, the categories of management and operational services outlined in the Agreement, such as human resources, legal, facilities, general administration, treasury and investment functions, claims adjudication and payment, benefit administration, disease management, health care decision support, medical management, credentialing, preventative health services, and utilization management reporting.

Optum Networks of New Jersey, Inc. provides medical services to the Company's eligible Medicare members.

LifePrint East, Inc., provides medical management services for the Company's eligible members. LifePrint East, Inc., also provides managed care program services including, but not limited to, quality management and improvement, medical management, credentialing, preventive health services, and utilization management reporting.

OptumRx provides services that may include, but are not limited to, administrative services related to pharmacy management and pharmacy claims processing for enrollees, manufacturer rebate administration, pharmacy incentive services, specialty drug pharmacy services, durable medical equipment services including orthotics and prosthetics and personal health products catalogues showing the healthcare products and benefit credits enrollees needed to redeem the respective products.

United Behavioral Health provides services related to mental health and substance abuse treatment.

Prospero Health Partners, P.C., provides medical services to the Company's eligible members.

OptumInsight, Inc. provides services that may include, but are not limited to, claim analytics and recovery of medical expense overpayments, retroactive fraud, waste and abuse, subrogation and premium audit services. All recoveries are returned to the Company by OptumInsight, Inc. on a monthly basis.

The Company has premium payments that are received and claim payments and direct expenses such as broker commissions, Department exam fees, ACA assessments and premium taxes that are processed and paid by an affiliated UnitedHealth Group entity. Premiums, claims, and direct expenses applicable to the Company are settled at regular intervals throughout the month via the intercompany settlement process and any amounts outstanding are reflected in payable amounts due to parent, subsidiaries, and affiliates, net in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- F.** The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party.
- G.** The Company is part of an insurance holding company system with UnitedHealth Group as the ultimate parent. Management believes that the Company's transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.
- H.** The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.
- I.** The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.
- J.** The Company does not have any investments in impaired subsidiaries, controlled, or affiliated entities.
- K.** The Company does not have any investments in foreign insurance subsidiaries.
- L.** The Company does not hold any investments in a downstream noninsurance holding company.
- M.** The Company does not have any investments in noninsurance subsidiaries, controlled, or affiliated entities.
- N.** The Company does not have any investments in insurance subsidiaries, controlled, or affiliated entities.
- O.** The Company does not have any investments in subsidiary, controlled, or affiliated entities or joint ventures, partnerships and limited liability companies in which the Company's share of losses exceeds the investment.

11. DEBT

- A–B.** The Company had no outstanding debt with third-parties or outstanding Federal Home Loan Bank agreements during 2020 and 2019.

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

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

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

A-B. The Company has 20 shares authorized and 20 shares issued and outstanding of \$10 par value common stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, Oxford.

C. Dividend payment requirements are outlined in the domiciliary state statutes and may be further restricted by the Department.

D. On November 19, 2020, the Company declared an ordinary cash dividend of \$35,000,000 to the sole shareholder, Oxford. The dividend was paid on December 2, 2020. The ordinary dividend complied with the provisions set forth in the statutes of Department. The dividend was recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus

On December 13, 2019, the Company declared an ordinary cash dividend of \$50,000,000 to the sole shareholder, Oxford. The dividend was paid on December 24, 2019. The ordinary dividend complied with the provisions set forth in the statutes of Department. The dividend was recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

On May 17, 2019, the Company declared an ordinary cash dividend of \$30,000,000 to the sole shareholder, Oxford. The dividend was paid on June 4, 2019. The ordinary dividend complied with the provisions set forth in the statutes of Department. The dividend was recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

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

F. There are no restrictions placed on the Company's unassigned surplus.

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

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

I. As discussed in Note 1, in 2020 no amount was required to be apportioned out of unassigned surplus as the HIF was repealed by Congress, effective January 1, 2021. For the year ended December 31, 2019, the amount of the estimated Section 9010 ACA subsequent fee year assessment apportioned out of unassigned surplus was \$33,772,116.

J. The portion of unassigned surplus, excluding the apportionment of estimated Section 9010 ACA subsequent fee year assessment, net income, and dividends, represented (or reduced) by each item below is as follows:

| | 2020 | 2019 |
|---------------------------|-----------------------|-----------------------|
| Net deferred income taxes | 1,939,345 | 3,377,371 |
| Nonadmitted assets | <u>(5,765,856)</u> | <u>(5,536,110)</u> |
| Total | <u>\$ (3,826,511)</u> | <u>\$ (2,158,739)</u> |

K-M. The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

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

C. Gain Contingencies

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

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

E. Joint and Several Liabilities — Not applicable.

F. All Other Contingencies

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

The Company has been, or is currently involved, in various governmental investigations, audits and reviews. These include routine, regular and special investigations, audits and reviews by CMS, state insurance and health and welfare departments and other governmental authorities. The Company cannot reasonably estimate the range of loss, if any, that may result from any material government investigations, audits and reviews in which it is currently involved given the inherent difficulty in predicting regulatory action, fines and penalties, if any, and the various remedies and levels of judicial review available to the Company in the event of an adverse finding.

On February 14, 2017, the Department of Justice ("DOJ") announced its decision to pursue certain claims within a lawsuit initially asserted against the Company and filed under seal by a whistleblower in 2011. The whistleblower's complaint, which was unsealed on February 15, 2017, alleges that the Company made improper risk adjustment submissions and violated the False Claims Act. On February 12, 2018, the court granted in part and denied in part the Company's motion to dismiss. In May 2018, the DOJ moved to dismiss the Company's counterclaims, which were filed in March 2018, and moved for partial summary judgment. In March 2019, the court denied the government's motion for partial summary judgment and dismissed the Company's counterclaims without prejudice. The Company cannot reasonably estimate the outcome that may result from this matter given its procedural status.

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

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

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

There are no assets that the Company considers to be impaired at December 31, 2020 and 2019, except as disclosed in Note 5.

15. LEASES

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

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

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

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

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

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

A–B. The Company has no operations from Administrative Services Only Contracts or Administrative Services Contracts in 2020 and 2019.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

The Medicare Part D program is a partially insured plan. The Company recorded a payable of \$96,442 and a receivable of \$6,536,928 at December 31, 2020 and 2019, respectively, for cost reimbursement under the Medicare Part D program for the catastrophic reinsurance and low-income member cost-sharing subsidies. The Company also recorded a receivable of \$11,810,444 and \$9,114,512 and also a payable of \$8,592,495 and \$9,100,833 at December 31, 2020 and 2019, respectively, for the Medicare Part D CGDP. The receivables and payables are recorded in amounts receivable relating to uninsured plans and liability for amounts held under uninsured plans, respectively, in the statutory basis statements of admitted assets, liabilities and capital and surplus. These Medicare subsidies are described in Note 1, *Amounts Receivable Relating to Uninsured Plans and Liability for Amounts Held Under Uninsured Plans*.

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

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2020 and 2019.

20. FAIR VALUE MEASUREMENTS

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

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

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

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

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

The estimated fair values of bonds, and cash equivalents (collectively “investment holdings”) are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (“pricing service”), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker

quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company's internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

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

A. Fair Value

(1) Fair Value Measurements at Reporting Date

The following tables present information about the Company's financial assets that are measured and reported at fair value at December 31, 2020 and 2019, in the statutory basis statements of admitted assets, liabilities, and capital and surplus according to the valuation techniques the Company used to determine their fair values:

| Description for Each Class of Asset or Liability | December 31, 2020 | | | | Total |
|---|-------------------|-----------|-----------|-----------------------------|--------------|
| | (Level 1) | (Level 2) | (Level 3) | Net Asset Value (NAV) | |
| a. Assets at fair value: | | | | | |
| Perpetual preferred stock: | | | | | |
| Industrial and misc Parent, subsidiaries, and affiliates | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total perpetual preferred stocks | - | - | - | - | - |
| Bonds: | | | | | |
| U.S. governments | - | - | - | - | - |
| Industrial and misc | - | - | - | - | - |
| Hybrid securities | - | - | - | - | - |
| Parent, subsidiaries, and affiliates | - | - | - | - | - |
| Total bonds | - | - | - | - | - |
| Common stock: | | | | | |
| Industrial and misc | - | - | - | - | - |
| Parent, subsidiaries, and affiliates | - | - | - | - | - |
| Total common stocks | - | - | - | - | - |
| Derivative assets: | | | | | |
| Interest rate contracts | - | - | - | - | - |
| Foreign exchange contracts | - | - | - | - | - |
| Credit contracts | - | - | - | - | - |
| Commodity futures contracts | - | - | - | - | - |
| Commodity forward contracts | - | - | - | - | - |
| Total derivatives | - | - | - | - | - |
| Money-market funds | 2,841,689 | - | - | - | 2,841,689 |
| Qualified cash pool | 36,179,341 | - | - | - | 36,179,341 |
| Separate account assets | - | - | - | - | - |
| Total assets at fair value/NAV | \$ 39,021,030 | \$ - | \$ - | \$ - | \$ 2,841,689 |
| b. Liabilities at fair value: | | | | | |
| Derivative liabilities | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total liabilities at fair value | \$ - | \$ - | \$ - | \$ - | \$ - |

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

| Description for Each Class of Asset or Liability | December 31, 2019 | | | | Total |
|---|-------------------|-------------|-------------|-----------------------------|-------------------|
| | (Level 1) | (Level 2) | (Level 3) | Net Asset Value (NAV) | |
| a. Assets at fair value: | | | | | |
| Perpetual preferred stock: | | | | | |
| Industrial and misc | \$ - | \$ - | \$ - | \$ - | \$ - |
| Parent, subsidiaries, and affiliates | - | - | - | - | - |
| Total perpetual preferred stocks | - | - | - | - | - |
| Bonds: | | | | | |
| U.S. governments | - | - | - | - | - |
| Industrial and misc | - | - | - | - | - |
| Hybrid securities | - | - | - | - | - |
| Parent, subsidiaries, and affiliates | - | - | - | - | - |
| Total bonds | - | - | - | - | - |
| Common stock: | | | | | |
| Industrial and misc | - | - | - | - | - |
| Parent, subsidiaries, and affiliates | - | - | - | - | - |
| Total common stock | - | - | - | - | - |
| Derivative assets: | | | | | |
| Interest rate contracts | - | - | - | - | - |
| Foreign exchange contracts | - | - | - | - | - |
| Credit contracts | - | - | - | - | - |
| Commodity futures contracts | - | - | - | - | - |
| Commodity forward contracts | - | - | - | - | - |
| Total derivatives | - | - | - | - | - |
| Money-market funds | 448,148 | - | - | - | 448,148 |
| Separate account assets | - | - | - | - | - |
| Total assets at fair value/NAV | <u>\$ 448,148</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 448,148</u> |
| b. Liabilities at fair value: | | | | | |
| Derivative liabilities | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total liabilities at fair value | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

- (2) The Company does not have any financial assets with a fair value hierarchy of Level 3 that were measured and reported at fair value.
- (3) Transfers between fair value hierarchy levels, if any, are recorded as of the beginning of the reporting period in which the transfer occurs. There were no transfers between Levels 1, 2 or 3 of any financial assets or liabilities during the years ended December 31, 2020 or 2019.
- (4) The Company has no investments reported with a fair value hierarchy of Level 2 or Level 3 and therefore has no valuation technique to disclose.
- (5) The Company has no derivative assets and liabilities to disclose.

B. Fair Value Combination — Not applicable.

C. Aggregate Fair Value Hierarchy

Pursuant to the early adoption of SSAP No. 2R in June 2020 (see Note 1), the Company's investment in the qualified cash pool is being reported in cash equivalents in the December 31, 2020 table below. Prior to the early adoption, the qualified cash pool was being reported in short-term investments and presented in corporate debt securities in the December 31, 2019 table below. The Company's investment in the qualified cash pool balance is \$36,179,341 and \$6,074,080 as of and December 31, 2020 and 2019, respectively.

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2020 and 2019 is presented in the table below:

| Type of Financial Instrument | December 31, 2020 | | | | | | Net Asset Value (NAV) | Not Practicable (Carrying Value) |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------|-------------|-----------------------|----------------------------------|
| | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | | | |
| U.S. government and agency securities | \$ 216,106,647 | \$ 210,200,537 | \$ 165,041,854 | \$ 51,064,793 | \$ - | \$ - | \$ - | |
| State and agency municipal securities | 28,013,883 | 25,954,700 | - | 28,013,883 | - | - | - | |
| City and county municipal securities | 34,431,060 | 31,560,677 | - | 34,431,060 | - | - | - | |
| Corporate debt securities | 110,002,983 | 103,810,826 | - | 110,002,983 | - | - | - | |
| Cash equivalents | 41,385,984 | 41,385,984 | 41,385,984 | - | - | - | - | |
| Total bonds and cash equivalents | <u>\$ 429,940,557</u> | <u>\$ 412,912,724</u> | <u>\$ 206,427,838</u> | <u>\$ 223,512,719</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | |

| Type of Financial Instrument | December 31, 2019 | | | | | | Net Asset Value (NAV) | Not Practicable (Carrying Value) |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-------------|-------------|-----------------------|----------------------------------|
| | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | | | |
| U.S. government and agency securities | \$ 215,314,014 | \$ 213,713,315 | \$ 161,230,962 | \$ 54,083,052 | \$ - | \$ - | \$ - | |
| State and agency municipal securities | 31,455,473 | 30,573,522 | - | 31,455,473 | - | - | - | |
| City and county municipal securities | 49,574,238 | 47,047,958 | - | 49,574,238 | - | - | - | |
| Corporate debt securities | 124,269,452 | 121,502,334 | 6,074,080 | 118,195,372 | - | - | - | |
| Cash equivalents | 2,846,657 | 2,846,657 | 2,846,657 | - | - | - | - | |
| Total bonds, short-term investments and cash equivalents | <u>\$ 423,459,834</u> | <u>\$ 415,683,786</u> | <u>\$ 170,151,699</u> | <u>\$ 253,308,135</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | |

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

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

21. OTHER ITEMS**COVID-19 Trends and Uncertainties**

The COVID-19 pandemic continues to evolve and the ultimate impact on the Company and its statutory basis results of operations, financial condition and cash flows remains uncertain. During the second quarter, the global health system experienced unprecedented levels of care deferral. As the pandemic advanced, access to and demand for care was most constrained from mid-March through April, began to recover in May and June and restored to near normal seasonal levels in the third quarter. Care patterns continued to normalize in the fourth quarter, returning to, and even exceeding, seasonal baselines, including COVID-19 treatment and testing costs, towards the end of the quarter. The temporary deferral of care experienced in 2020 may cause care patterns to moderately exceed normal baselines in future periods as utilization of health system capacity continues to increase. From time to time, health system capacity may be subject to possible increased volatility due to the pandemic. The Company has taken various measures which could include expanded benefit coverage in areas such as COVID-19 care and testing, telemedicine, and pharmacy benefits; provided customers assistance in the form of co-pay waivers and premium forgiveness; offered additional enrollment opportunities to those who previously declined employer-sponsored offerings; extended certain premium payment terms for customers experiencing financial hardship; simplified administrative practices; and accelerated payments to care providers, all with the aim of assisting customers, care providers, members and communities in addressing the COVID-19 crisis. Temporary care deferrals impacted the Company's results of operations for the year ended December 31, 2020. The impact of temporary care deferrals was partially offset by COVID-19 related care and testing, the significant financial assistance provided to customers, rebate requirements and broader economic impacts.

Increased consumer demand for care, potentially even higher acuity care, along with continued COVID-19 care and testing costs are expected to result in increased future medical costs. Disrupted care patterns, as a result of the pandemic, may temporarily affect the ability to obtain complete member health status information, impacting future revenue in businesses utilizing risk adjustment methodologies. The ultimate overall impact is uncertain and dependent on the future pacing and intensity of the pandemic, the duration of policies and initiatives to address COVID-19, and general economic uncertainty.

Throughout 2020, the Company's ultimate parent announced a number of programs to directly support people affected by the COVID-19 pandemic, including a plan to grant premium credits to the Company's fully insured commercial customers. The total amount of premium credits granted through

December 31, 2020 of \$386,893 has been reflected as a reduction to net premium income in the statutory basis statements of revenue and expenses.

A. Unusual or Infrequent Items

The Company did not encounter any unusual or infrequent items for the years ended December 31, 2020 and 2019.

B. Troubled Debt Restructuring: Debtors

The Company has no troubled debt restructurings as of December 31, 2020 and 2019.

C. Other Disclosures

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

D. Business Interruption Insurance Recoveries

The Company has not received any business interruption insurance recoveries during 2020 and 2019.

E. State Transferable and Non-transferable Tax Credits

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

F. Sub-Prime Mortgage-Related Risk Exposure

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

G. Retained Assets

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

H. Insurance-Linked Securities Contracts

As of December 31, 2020, the Company is not aware of any possible proceeds of insurance-linked securities.

I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy — Not applicable.

22. EVENTS SUBSEQUENT

Subsequent events have been evaluated through February 25, 2020, which is the date these statutory basis financial statements were available for issuance.

TYPE I — Recognized Subsequent Events

Any material Type I events subsequent to December 31, 2020, have been recognized in the statutory basis financial statements and corresponding disclosures.

TYPE II — Non-Recognized Subsequent Events

For the years ended December 31, 2020 and 2019, the Company was subject to the annual fee under Section 9010 of the ACA. The fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, of the year the fee is due. The HIF was repealed by Congress, effective January 1, 2021.

The table below presents information regarding the annual fee under Section 9010 of the ACA as of December 31, 2020 and 2019:

| | 2020 | 2019 |
|--|-------------|---------------|
| A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)? | <u>Yes</u> | |
| B. ACA fee assessment payable for the upcoming year | \$ 0 | \$ 33,772,116 |
| C. ACA fee assessment paid | 33,847,886 | - |
| D. Premium written subject to ACA 9010 assessment | 0 | 1,770,452,624 |
| E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14) | 232,043,430 | |
| F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above) | 232,043,430 | |
| G. Authorized Control Level (Five-Year Historical Line 15) | 54,146,281 | |
| H. Would reporting the ACA assessment as of December 31, 2020, have triggered an RBC action level (YES/NO)? | <u>No</u> | |

There are no other material non-recognized Type II events that require disclosure.

23. REINSURANCE

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

The Company has an insolvency-only reinsurance agreement with UnitedHealthcare Insurance Company ("UHIC"), an affiliate of the Company, to provide insolvency protection for its enrollees. The Company remains primarily liable as the direct insurer on all risks reinsured.

The Company participates in the Connecticut Small Employer Health Reinsurance Pool ("CSEHRP"), which allows Connecticut health plans to purchase low deductible stop-loss coverage from the CSEHRP for individuals ceded by the plans to the CSEHRP. Plans are assessed based on market share to cover CSEHRP losses, which have commonly occurred in years past. Membership in CSEHRP is mandatory for all Connecticut small employer health insurers. At December 31, 2020 and 2019, the Company recorded \$(239,454) and \$362,384, related to this pool which is included in net reinsurance (incurred) and recoveries, respectively and \$575,331 and \$135,964 respectively, relating to premiums ceded which is included in net premium income in the statutory basis statements of operations.

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

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

| | 2020 | 2019 |
|-----------------------------------|-------------------------|-------------------------|
| Premiums: | | |
| Direct | \$ 1,749,849,289 | \$ 1,755,196,922 |
| Ceded: | | |
| Affiliate | 1,753,720 | 1,771,903 |
| Nonaffiliate | <u>575,331</u> | <u>135,964</u> |
| Net premium income | <u>\$ 1,747,520,238</u> | <u>\$ 1,753,289,055</u> |
| Hospital and medical expenses: | | |
| Direct | \$ 1,417,715,659 | \$ 1,437,981,464 |
| Ceded: | | |
| Affiliate | (528) | 21,602 |
| Nonaffiliate | <u>(239,454)</u> | <u>362,384</u> |
| Net hospital and medical expenses | <u>\$ 1,417,955,641</u> | <u>\$ 1,437,597,478</u> |

The Company did not assume or cede any GAE or CAE in 2020 or 2019.

The Company recognized reinsurance expenses related to internal and external reinsurance agreements of \$239,982 and recoveries of \$383,986 in 2020 and 2019, respectively, which are recorded as net reinsurance incurred and net reinsurance recoveries in the statutory basis statements of operations. In addition, \$397,603 and \$682,004 for unpaid losses are recorded as a reduction to claims unpaid in 2020 and 2019, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

A. Ceded Reinsurance Report

Section 1 — General Interrogatories

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

Yes () No (X)

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

Yes () No (X)

Section 2 — Ceded Reinsurance Report — Part A

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

Yes () No (X)

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

Yes () No (X)

Section 3 — Ceded Reinsurance Report — Part B

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

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2020.

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

Yes () No (X)

B. Uncollectible Reinsurance — During 2020 and 2019, there were no uncollectible reinsurance recoverables.

C. Commutation of Ceded Reinsurance — There was no commutation of reinsurance in 2020 or 2019.

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

E. Reinsurance Credit

- (1) The Company has no reinsurance contracts subject to Appendix A-791 – *Life and Health Reinsurance Agreements* (“A-791”) that includes a provision which limits the reinsurer’s assumption of significant risk.
- (2) The Company has no reinsurance contracts not subject to A-791, for which reinsurance accounting was applied and which include provisions that limits the reinsurer’s assumption of risk.
- (3) The Company’s reinsurance contracts do not contain features which result in delays in payment in form or in fact.
- (4) The Company has not reflected a reinsurance accounting credit for any contracts not subject to Appendix A-791 and not yearly renewable term, which meet the risk transfer requirements of SSAP No. 61R, *Life, Deposit-Type, and Accident and Health Reinsurance* (“SSAP No. 61R”).
- (5) The Company did not cede any risk which is not subject to A-791 and not yearly renewable term reinsurance, under any reinsurance contract during the period covered by these financial statements, for which the statutory accounting treatment and GAAP accounting treatment were not the same.
- (6) The Company’s ceded reinsurance contracts which are not subject to A-791 and not yearly renewable term reinsurance, are treated the same for GAAP and statutory accounting principles.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

- A.** The Company estimates accrued retrospective premium adjustments for its group health insurance business based on mathematical calculations in accordance with contractual terms.
- B.** Estimated accrued retrospective premiums due from the Company are recorded in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.
- C.** Pursuant to the ACA, the Company’s commercial business is subject to retrospectively rated features based on the actual medical loss ratios experienced on the commercial lines of business and redetermination features for premium adjustments for changes to each member’s health scores based on guidelines determined by the ACA. The total amount of direct premiums written for the commercial lines of business for which a portion is subject to the retrospectively rated and redetermination features was \$42,594,575 and \$55,739,879, representing 2% and 3% of total direct premiums written as of December 31, 2020 and December 31, 2019, respectively.

Pursuant to the ACA, the Company’s Medicare business is subject to retrospectively rated features based on the actual medical loss ratios experienced on the Medicare line of business and redetermination features for premium adjustments for changes to each member’s health scores based on guidelines determined by CMS. The formula is calculated pursuant to the ACA guidance. The total amount of direct premiums written for the Medicare line of business for which a portion is subject to the retrospectively rated and redetermination features was \$1,707,254,714 and \$1,699,457,043, representing 98% and 97% of total direct premiums written as of December 31, 2020 and December 31, 2019, respectively.

The Company has Medicare Part D risk-corridor amounts from CMS which are subject to a retrospectively rated feature related to Part D premiums. The Company has estimated accrued retrospective premiums related to certain Part D premiums based on guidelines determined by CMS. The formula is tiered and based on the bid medical loss ratio. The amount of Medicare Part D direct premiums written subject to the retrospectively rated feature was \$63,806,402 and \$63,833,231, representing 4% of total direct premiums written as of December 31, 2020 and December 31, 2019.

- D.** The Company is required to maintain specific minimum loss ratios on the comprehensive commercial and Medicare lines of business.

The Company's actual loss ratios on the comprehensive commercial and Medicare lines of business were in excess of the minimum requirements and as a result, no minimum medical loss ratio rebate liability was required to be established at December 31, 2020 and 2019.

E. Risk-Sharing Provisions of the Affordable Care Act

- (1) The Company has accident and health insurance premiums in 2020 and 2019 subject to the risk-sharing provisions of the ACA.

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

Risk Adjustment — The permanent risk adjustment program, designed to mitigate the potential impact of adverse selection and provide stability for health insurance issuers, applies to all non-grandfathered plans not subject to transitional relief in the individual and small group markets both inside and outside of the insurance exchanges. The risk adjustments and distributions are calculated using a high-cost risk pool which adds a reinsurance-like element to this program. The operation of the high-cost risk pools excludes a percentage of costs above a threshold level determined by federal regulations. The program operates two national high-cost risk pools, one for individuals and one for small groups. The data used by CMS to determine the risk adjustment amount is subject to risk adjustment data validation audits along with the true-up to the final CMS report, which may result in a material change to arrive at the final risk adjustment amount from the initial risk adjustment estimate recorded. The risk adjustment data validation audits for 2017 and 2018 have been finalized and any adjustment from the estimate recorded is included in net premium income in the statutory basis financial statements in the period in which the amount became known. The remaining audits for the open years have not been completed. Estimates related to the open years have incorporated CMS' Final Rule on Amendments to the U.S. Department of Health & Human Services ("HHS") operated Risk Adjustment Data Validation under the ACA's HHS-operated Risk Adjustment Program published December 1, 2020 and any estimated amounts receivable from or due to CMS are included in premiums and considerations and aggregate health policy reserves, respectively, in the statutory basis statements of assets, liabilities, and capital and surplus. Premium adjustments pursuant to the risk adjustment program are accounted for as premium subject to redetermination and user fees are accounted for as assessments.

Reinsurance — The transitional reinsurance program was designed to protect issuers in the individual market from an expected increase in large claims due to the elimination of preexisting condition limitations. The transitional reinsurance program expired at the end of 2016.

Risk Corridors — The temporary risk corridors program, designed to provide some aggregate protection against variability for issuers in the individual and small group markets during the period 2014 through 2016, applied to Qualified Health Plans in the individual and small group markets both inside and outside of the insurance exchanges. The Company received \$0 from CMS for the settlement of the temporary ACA risk corridor program.

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

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

| a. Permanent ACA Risk Adjustment Program | December 31, 2020 |
|--|--------------------------|
| <u>Assets</u> | |
| 1. Premium adjustments receivable due to ACA Risk Adjustment (including high-risk pool payments) | \$ 899,114 |
| <u>Liabilities</u> | |
| 2. Risk adjustment user fees payable for ACA Risk Adjustment | 7,499 |
| 3. Premium adjustments payable due to ACA Risk Adjustment (including high-risk pool premium) | 5,753,074 |
| <u>Operations (Revenue & Expense)</u> | |
| 4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment | (4,793,823) |
| 5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid) | 7,522 |
| b. Transitional ACA Reinsurance Program | |
| <u>Assets</u> | |
| 1. Amounts recoverable for claims paid due to ACA Reinsurance | \$ - |
| 2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) | - |
| 3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance | - |
| <u>Liabilities</u> | |
| 4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium | - |
| 5. Ceded reinsurance premiums payable due to ACA Reinsurance | - |
| 6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance | - |
| <u>Operations (Revenue & Expense)</u> | |
| 7. Ceded reinsurance premiums due to ACA Reinsurance | - |
| 8. Reinsurance recoveries (income statement) due to ACA reinsurance payments or expected payments | - |
| 9. ACA Reinsurance contributions - not reported as ceded premium | - |
| c. Temporary ACA Risk Corridors Program | |
| <u>Assets</u> | |
| 1. Accrued retrospective premium due to ACA Risk Corridors | \$ - |
| <u>Liabilities</u> | |
| 2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors | - |
| <u>Operations (Revenue & Expense)</u> | |
| 3. Effect of ACA Risk Corridors on net premium income (paid/received) | - |
| 4. Effect of ACA Risk Corridors on change in reserves for rate credits | - |

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

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

| | Accrued During the Prior Year on Business Written before December 31 of the Prior Year | | Received or Paid as of the Current Year on Business Written before December 31 of the Prior Year | | Differences | | Adjustments | | Unsettled Balances as of the Reporting Date | | |
|---|--|----------------|--|-------------|--|--|------------------------|------------------------|---|---|--------------|
| | 1 | 2 | 3 | 4 | Prior Year Accrued Less Payments (Col 1 - 3) | Prior Year Accrued Less Payments (Col 2 - 4) | To Prior Year Balances | To Prior Year Balances | Cumulative Balance from Prior Years (Col 1 - 3 + 7) | Cumulative Balance from Prior Years (Col 2 - 4 + 8) | |
| | Receivable | (Payable) | Receivable | (Payable) | Receivable | (Payable) | Receivable | (Payable) | 9 | 10 | |
| a. Permanent ACA Risk Adjustment Program | | | | | | | | | | | |
| 1. Premium adjustment receivable (including high-risk pool payments) | \$ 23,249 | \$ - | \$ (3,658,063) | \$ - | \$ 3,681,311 | \$ - | \$ (2,953,428) | \$ - | A | \$ 727,883 | \$ - |
| 2. Premium adjustment (payable) (including high-risk pool premium) | - | (3,833,569) | - | (92,120) | - | (3,741,449) | - | 3,019,232 | B | - | (722,217) |
| 3. Subtotal ACA Permanent Risk Adjustment Program | 23,249 | (3,833,569) | (3,658,063) | (92,120) | 3,681,312 | (3,741,449) | (2,953,428) | 3,019,232 | | 727,883 | (722,217) |
| b. Transitional ACA Reinsurance Program | | | | | | | | | | | |
| 1. Amounts recoverable for claims paid | - | - | - | - | - | - | - | - | C | - | - |
| 2. Amounts recoverable for claims unpaid (contra liability) | - | - | - | - | - | - | - | - | D | - | - |
| 3. Amounts receivable relating to uninsured plans | - | - | - | - | - | - | - | - | E | - | - |
| 4. Liabilities for contributions payable due to ACA Reinsurance—not reported as ceded premium | - | - | - | - | - | - | - | - | F | - | - |
| 5. Ceded reinsurance premiums payable | - | - | - | - | - | - | - | - | G | - | - |
| 6. Liability for amounts held under uninsured plans | - | - | - | - | - | - | - | - | H | - | - |
| 7. Subtotal ACA Transitional Reinsurance Program | - | - | - | - | - | - | - | - | | - | - |
| c. Temporary ACA Risk Corridors Program | | | | | | | | | | | |
| 1. Accrued retrospective premium | - | - | - | - | - | - | - | - | I | - | - |
| 2. Reserve for rate credits or policy experience rating refunds | - | - | - | - | - | - | - | - | J | - | - |
| 3. Subtotal ACA Risk Corridors Program | - | - | - | - | - | - | - | - | | - | - |
| d. Total for ACA Risk-Sharing Provisions | \$ 23,249 | \$ (3,833,569) | \$ (3,658,063) | \$ (92,120) | \$ 3,681,312 | \$ (3,741,449) | \$ (2,953,428) | \$ 3,019,232 | | \$ 727,883 | \$ (722,217) |

Explanation of Adjustments

- A. The risk adjustment receivable as of December 31, 2019 utilized paid claims through October 31, 2019. As of the Reporting Date, the risk adjustment receivable related to prior periods was adjusted based on CMS' Summary Report on Permanent Risk Adjustment Transfers for the 2019 Benefit Year. The risk adjustment receivable was further adjusted based on CMS' Summary Report of 2018 Benefit Year Risk Adjustment Data Validation Adjustments to Risk Adjustment Transfers and estimates related to the open years have incorporated CMS' Final Rule on Amendments to the HHS-operated Risk Adjustment Data Validation (HHS - RADV) under the Patient Protection and Affordable Care Act's HHS-operated Risk Adjustment Program published Dec 1, 2020.
- B. The risk adjustment payable as of December 31, 2019 utilized paid claims through October 31, 2019. As of the Reporting Date, the risk adjustment payable related to the prior period was adjusted based on CMS' Summary Report on Permanent Risk Adjustment Transfers for the 2019 Benefit Year. The risk adjustment payable was further adjusted based on CMS' Summary Report of 2018 Benefit Year Risk Adjustment Data Validation Adjustments to Risk Adjustment Transfers and estimates related to the open years have incorporated CMS' Final Rule on Amendments to the HHS-operated Risk Adjustment Data Validation (HHS - RADV) under the Patient Protection and Affordable Care Act's HHS-operated Risk Adjustment Program published Dec 1, 2020.
- C. N/A
- D. N/A
- E. N/A
- F. N/A
- G. N/A
- H. N/A
- I. N/A
- J. N/A

(4) The Company does not have any risk corridor receivables or payables to present in the table below:

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

Explanation of Adjustments

- A.
- B.
- C.
- D.
- E.
- F.

(5) The Company does not have any risk corridor receivables to present in the table below.:

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

25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

A. Changes in estimates related to the prior year incurred claims are included in total hospital and medical expenses in the current year in the statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, health care and other amounts receivable and reinsurance recoverables for the years ended December 31, 2020 and 2019:

| | 2020 | | |
|---|-------------------------------------|------------------------------------|-------------------------|
| | Current Year Incurred Claims | Prior Years Incurred Claims | Total |
| Beginning of year claim reserve | \$ - | \$ (198,162,341) | \$ (198,162,341) |
| Paid claims—net of health care receivables and reinsurance recoveries collected | 1,300,522,875 | 122,850,641 | 1,423,373,516 |
| End of year claim reserve | <u>187,245,464</u> | <u>354,913</u> | <u>187,600,377</u> |
| Incurred claims excluding the change in health care receivables and reinsurance recoverables as presented below | 1,487,768,339 | (74,956,787) | 1,412,811,552 |
| Beginning of year health care receivables and reinsurance recoverables | - | 57,538,226 | 57,538,226 |
| End of year health care receivables and reinsurance recoverables | <u>(51,697,218)</u> | <u>(696,919)</u> | <u>(52,394,137)</u> |
| Total incurred claims | <u>\$ 1,436,071,121</u> | <u>\$ (18,115,480)</u> | <u>\$ 1,417,955,641</u> |
| | 2019 | | |
| | Current Year Incurred Claims | Prior Years Incurred Claims | Total |
| Beginning of year claim reserve | \$ - | \$ (208,779,898) | \$ (208,779,898) |
| Paid claims—net of health care receivables and reinsurance recoveries collected | 1,312,623,940 | 129,437,196 | 1,442,061,136 |
| End of year claim reserve | <u>191,205,788</u> | <u>6,956,553</u> | <u>198,162,341</u> |
| Incurred claims excluding the change in health care receivables and reinsurance recoverables as presented below | 1,503,829,728 | (72,386,149) | 1,431,443,579 |
| Beginning of year health care receivables and reinsurance recoverables | - | 63,692,125 | 63,692,125 |
| End of year health care receivables and reinsurance recoverables | <u>(53,324,741)</u> | <u>(4,213,485)</u> | <u>(57,538,226)</u> |
| Total incurred claims | <u>\$ 1,450,504,987</u> | <u>\$ (12,907,509)</u> | <u>\$ 1,437,597,478</u> |

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, net of health care receivables, and reinsurance recoverables as of December 31, 2019 was \$140,624,115. As of December 31, 2020, \$122,850,641 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years, net of health care receivables and reinsurance recoverables are now \$(342,006), as a result of re-estimation of unpaid claims. Therefore, there has been \$18,115,480 favorable prior year development since December 31, 2019 to December 31, 2020. The primary drivers consist of favorable development as a result of a change in the provision for adverse deviations in experience of \$9,897,854 and favorable development of \$8,765,844 in retroactivity for inpatient, outpatient, physician, and pharmacy claims. At December 31, 2019, the Company recorded \$12,907,509 of favorable development. The primary drivers consist of favorable development as a result of a change in the provision for adverse deviations in experience of \$11,857,878; partially offset by unfavorable development of \$237,679 in retroactivity for inpatient, outpatient, physician, and pharmacy claims. Original estimates are increased or decreased, as additional information becomes known regarding individual claims, which could have an impact to the accruals for medical loss ratio rebates and retrospectively rated contracts. As a result of the prior year effects, on a regular basis, the Company adjusts revenue and the corresponding liability and/or receivable related to retrospectively rated policies and the impact of the change is included as a component of change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

The Company incurred CAE of \$67,191,911 and \$75,139,206 in 2020 and 2019, respectively. These costs are included in the management service fees paid by the Company to UHS as a part of the Agreement (see Note 10). The following table discloses paid CAE, incurred CAE, and the balance in unpaid CAE reserve for 2020 and 2019:

| | 2020 | 2019 |
|--|----------------------|----------------------|
| Total claims adjustment expenses | \$ 67,191,911 | \$ 75,139,206 |
| Less: current year unpaid claims adjustment expenses | 1,217,603 | (1,426,971) |
| Add: prior year unpaid claims adjustment expenses | <u>1,426,971</u> | <u>1,549,369</u> |
| Total claims adjustment expenses paid | <u>\$ 69,836,485</u> | <u>\$ 75,261,604</u> |

- B.** The Company did not make any significant changes in methodologies and assumptions used in the calculation of the liability for claims unpaid and unpaid CAE in 2020.

26. INTERCOMPANY POOLING ARRANGEMENTS

A–G. The Company did not have any intercompany pooling arrangements in 2020 or 2019.

27. STRUCTURED SETTLEMENTS

A–B. The Company did not have structured settlements in 2020 or 2019.

28. HEALTH CARE RECEIVABLES

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

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

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

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

| Quarter | Estimated Pharmacy Rebates as Reported on Financial Statements | Pharmacy Rebates as Billed or Otherwise Confirmed | Actual Rebates Received within 90 Days of Billing | Actual Rebates Received within 91 to 180 Days of Billing | Actual Rebates Received More than 180 Days after Billing |
|------------|--|---|---|--|--|
| 12/31/2020 | \$ 35,804,873 | \$ 11,423,212 | \$ - | \$ - | \$ - |
| 9/30/2020 | 34,415,818 | 34,328,887 | 21,342,145 | - | - |
| 6/30/2020 | 34,982,644 | 34,743,050 | 28,631,639 | 4,716,558 | - |
| 3/31/2020 | 35,926,920 | 35,784,101 | 14,979,461 | 19,973,390 | 179,867 |
| 12/31/2019 | 33,090,830 | 34,141,956 | 26,108,983 | 4,820,930 | 2,405,655 |
| 9/30/2019 | 33,401,355 | 33,562,264 | 25,170,232 | 5,918,000 | 2,289,344 |
| 6/30/2019 | 33,897,029 | 34,011,399 | 24,835,610 | 8,157,590 | 995,653 |
| 3/31/2019 | 33,150,458 | 33,481,415 | 28,038,990 | 3,047,458 | 2,559,923 |
| 12/31/2018 | 32,452,117 | 31,959,603 | 27,165,539 | 4,853,199 | 265,129 |
| 9/30/2018 | 31,252,213 | 30,793,332 | 26,023,054 | 3,856,600 | 1,035,589 |
| 6/30/2018 | 30,456,192 | 30,174,073 | 25,715,713 | 3,595,294 | 987,494 |
| 3/31/2018 | 28,955,159 | 28,934,230 | 25,040,838 | 3,192,285 | 846,913 |

Of the amount reported as health care and other amounts receivable, \$48,187,261 and \$46,847,234 relates to pharmacy rebates receivable as of December 31, 2020 and 2019, respectively. This increase is primarily due to the change in generic/name brand mix.

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

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2020 or 2019.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any PDR as of December 31, 2020. The analysis of PDR was completed as of December 31, 2020 and 2019. The Company did consider anticipated investment income when calculating the PDR.

The following table summarizes the Company's PDR as of December 31, 2020 and 2019:

| | 2020 |
|--|---|
| 1. Liability carried for premium deficiency reserves | \$ - |
| 2. Date of the most recent evaluation of this liability | <u>12/31/2020</u> |
| 3. Was anticipated investment income utilized in this calculation? | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| | 2019 |
| 1. Liability carried for premium deficiency reserves | \$ 6,564,000 |
| 2. Date of the most recent evaluation of this liability | <u>12/31/2019</u> |
| 3. Was anticipated investment income utilized in this calculation? | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |

PDR is included in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

31. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written, the Company has no salvage. As of December 31, 2020, and 2019, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

* * * * *

GENERAL INTERROGATORIES

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
If yes, complete Schedule Y, Parts 1, 1A and 2
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State Regulating? New Jersey
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes No
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 0000731766
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2016
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2016
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/14/2018
- 3.4 By what department or departments?
New Jersey Department of Banking and Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes No
4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes No
4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1 Name of Entity | 2 NAIC Company Code | 3 State of Domicile |
|---------------------|------------------------|------------------------|
| | | |

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
7.21 State the percentage of foreign control; 0.0 %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

| 1 Nationality | 2 Type of Entity |
|------------------|---------------------|
| | |

GENERAL INTERROGATORIES

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

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

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Gary A. Iannone, Vice President of Actuarial Services of United HealthCare Services Inc., an affiliate of Oxford Health Plans (NJ), Inc., 185 Asylum Street, Hartford, CT 06103
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved 0
- 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If, yes provide explanation:
.....

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

GENERAL INTERROGATORIES

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

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 0
 - 20.12 To stockholders not officers \$ 0
 - 20.13 Trustees, supreme or grand (Fraternal Only) \$ 0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ 0
 - 20.22 To stockholders not officers \$ 0
 - 20.23 Trustees, supreme or grand (Fraternal Only) \$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ 0
 - 21.22 Borrowed from others \$ 0
 - 21.23 Leased from others \$ 0
 - 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [X] No []
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ 5,356
 - 22.22 Amount paid as expenses \$ 15,410,334
 - 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 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 securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$
- 24.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$ 0
- 24.06 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]
- 24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 24.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

GENERAL INTERROGATORIES

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

| | | |
|--|----------|---|
| 24.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | 0 |
| 24.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$ | 0 |
| 24.093 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 | \$ | 167,287,882 |
| 25.29 On deposit with other regulatory bodies | \$ | 0 |
| 25.30 Pledged as collateral - excluding collateral pledged to an FHLB | \$ | 0 |
| 25.31 Pledged as collateral to FHLB - including assets backing funding agreements | \$ | 0 |
| 25.32 Other | \$ | 0 |

25.3 For category (25.26) provide the following:

| 1 Nature of Restriction | 2 Description | 3 Amount |
|----------------------------|------------------|-------------|
| | | |

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

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

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 [] |
| 26.42 Permitted accounting practice | Yes [] No [] |
| 26.43 Other accounting guidance | Yes [] No [] |

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

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

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

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

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

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

| 1 Name of Custodian(s) | 2 Custodian's Address |
|---------------------------|--|
| Northern Trust | 50 S. LaSalle, Chicago, IL 60675 |

GENERAL INTERROGATORIES

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 |
|--|------------------|
| JP Morgan Asset Management Inc. | U..... |
| DWS Investment Management Americas Inc. | U..... |

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

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

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

| 1 | 2 | 3 | 4 | 5 |
|--|--|-------------------------------|-----------------|---|
| Central Registration Depository Number | Name of Firm or Individual | Legal Entity Identifier (LEI) | Registered With | Investment Management Agreement (IMA) Filed |
| 107038 | JP Morgan Asset Management Inc. | 549300W78QH4XMM6K69 | SEC | NO..... |
| 104518 | DWS Investment Management Americas Inc. | CZ83K4EEE8QVCT3B128 | SEC | NO..... |

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

29.2 If yes, complete the following schedule:

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

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

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

GENERAL INTERROGATORIES

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 | 2 | 3 |
|-----------------------------|-------------------------------|-------------|--|
| | Statement (Admitted) Value | Fair Value | Excess of Statement over Fair Value (-), or Fair Value over Statement (+) |
| 30.1 Bonds | 146,011,442 | 147,609,885 | 1,598,442 |
| 30.2 Preferred stocks | 0 | | 0 |
| 30.3 Totals | 146,011,442 | 147,609,885 | 1,598,442 |

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

For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from Hub which is an external data sources vendor. Hub utilizes various pricing sources.

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

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

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

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

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

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
 a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
 b. Issuer or obligor is current on all contracted interest and principal payments.
 c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
 Has the reporting entity self-designated 5GI securities? Yes [] No [X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
 a. The security was purchased prior to January 1, 2018.
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
 d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
 Has the reporting entity self-designated PLGI securities? Yes [] No [X]

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]

36. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:
 a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
 b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
 c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
 d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a - 36.c are reported as long-term investments.
 Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [] No [X] N/A []

GENERAL INTERROGATORIES

OTHER

37.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$1,606,917

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

| 1 Name | 2 Amount Paid |
|-----------|------------------|
| | |

38.1 Amount of payments for legal expenses, if any?\$295,968

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

| 1 Name | 2 Amount Paid |
|--|------------------|
| Quinn Emanuel Urquhart & Sullivan, LLP | 295,968 |

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

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

| 1 Name | 2 Amount Paid |
|-----------|------------------|
| | |

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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

1.2 If yes, indicate premium earned on U.S. business only. \$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 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 | 991,617,826 | 783,473,101 | |
| 2.2 Premium Denominator | 991,617,826 | 783,473,101 | |
| 2.3 Premium Ratio (2.1/2.2) | 1.000 | 1.000 | |
| 2.4 Reserve Numerator | 57,328,380 | 60,542,086 | |
| 2.5 Reserve Denominator | 57,328,380 | 60,542,086 | |
| 2.6 Reserve Ratio (2.4/2.5) | 1.000 | 1.000 | |

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

3.2 If yes, give particulars:

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

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

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

5.2 If no, explain:
Oxford Health Plans (NJ), Inc. has a reinsurance arrangement with Oxford Health Insurance, Inc., an affiliate of the Company.

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical \$ 0

5.32 Medical Only \$ 0

5.33 Medicare Supplement \$ 0

5.34 Dental & Vision \$ 0

5.35 Other Limited Benefit Plan \$ 0

5.36 Other \$ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
Hold harmless clauses in provider agreements and continuation of coverage endorsements in reinsurance agreements.

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

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 138,682

8.2 Number of providers at end of reporting year 129,142

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

GENERAL INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No []
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses\$2,207,587
- 10.22 Amount actually paid for year bonuses.....\$2,541,389
- 10.23 Maximum amount payable withholds.....\$3,537,030
- 10.24 Amount actually paid for year withholds.....\$3,341,401

- 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
- 11.4 If yes, show the amount required.\$61,317,184
- 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
 125% of the sum of \$42,645,544(8% fee for service and hospital non contracted costs) and \$6,408,202
 (4% of contracted hospital costs).

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

| 1 Name of Service Area |
|---------------------------------|
| New Castle, DE |
| New Jersey = All Counties |
| Lane County, OR |
| Alleghany, PA |
| Beaver, PA |
| Berks, PA |
| Butler, PA |
| Erie, PA |
| Fayette, PA |
| Greene, PA |
| Lackawanna, PA |
| Lancaster, PA |
| Lawrence, PA |
| Lehigh, PA |
| Northampton, PA |
| Westmoreland, PA |
| York, PA |
| Bristol, RI |
| Kent, RI |
| Newport, RI |
| Providence, RI |
| Washington, RI |
| |

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

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

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

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

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

FIVE-YEAR HISTORICAL DATA

| | 1 2020 | 2 2019 | 3 2018 | 4 2017 | 5 2016 |
|--|-------------|-------------|-------------|--------------|---------------|
| Balance Sheet (Pages 2 and 3) | | | | | |
| 1. Total admitted assets (Page 2, Line 28) | 293,828,989 | 255,815,939 | 269,481,689 | 268,780,784 | 302,758,921 |
| 2. Total liabilities (Page 3, Line 24) | 74,606,018 | 80,267,420 | 122,321,280 | 122,705,966 | 185,576,223 |
| 3. Statutory minimum capital and surplus requirement | 61,317,184 | 52,936,743 | 37,053,095 | 23,710,625 | 64,589,748 |
| 4. Total capital and surplus (Page 3, Line 33) | 219,222,971 | 175,548,519 | 147,160,409 | 146,074,818 | 117,182,698 |
| Income Statement (Page 4) | | | | | |
| 5. Total revenues (Line 8) | 991,799,185 | 806,575,221 | 576,341,912 | 412,664,743 | 1,057,013,334 |
| 6. Total medical and hospital expenses (Line 18) | 752,366,234 | 634,173,499 | 453,757,358 | 300,364,779 | 818,402,717 |
| 7. Claims adjustment expenses (Line 20) | 36,135,024 | 36,646,230 | 21,349,582 | 20,492,091 | 67,003,706 |
| 8. Total administrative expenses (Line 21) | 87,841,269 | 58,630,623 | 55,099,754 | 32,498,003 | 101,432,101 |
| 9. Net underwriting gain (loss) (Line 24) | 115,456,658 | 77,124,869 | 48,682,218 | 56,762,870 | 76,958,810 |
| 10. Net investment gain (loss) (Line 27) | 2,457,208 | 4,919,224 | 4,097,034 | 2,367,495 | 3,309,625 |
| 11. Total other income (Lines 28 plus 29) | 12,919 | (21,700) | 60,112 | (705,218) | (676,381) |
| 12. Net income or (loss) (Line 32) | 90,308,152 | 65,148,842 | 40,916,572 | 38,213,453 | 48,929,650 |
| Cash Flow (Page 6) | | | | | |
| 13. Net cash from operations (Line 11) | 70,760,016 | 26,481,974 | 44,891,402 | (22,049,843) | 55,722,374 |
| Risk-Based Capital Analysis | | | | | |
| 14. Total adjusted capital | 219,222,971 | 175,548,519 | 147,160,409 | 146,074,818 | 117,182,698 |
| 15. Authorized control level risk-based capital | 25,782,664 | 22,971,364 | 13,352,977 | 12,890,651 | 33,503,175 |
| Enrollment (Exhibit 1) | | | | | |
| 16. Total members at end of period (Column 5, Line 7) | 54,362 | 48,154 | 43,645 | 33,266 | 107,485 |
| 17. Total members months (Column 6, Line 7) | 631,810 | 559,225 | 480,594 | 353,068 | 1,277,979 |
| 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) | 75.9 | 78.6 | 78.7 | 72.8 | 77.4 |
| 20. Cost containment expenses | 2.8 | 3.3 | 1.7 | 3.4 | 4.4 |
| 21. Other claims adjustment expenses | 0.9 | 1.2 | 2.0 | 1.6 | 1.9 |
| 22. Total underwriting deductions (Line 23) | 88.4 | 90.4 | 91.6 | 86.2 | 92.7 |
| 23. Total underwriting gain (loss) (Line 24) | 11.6 | 9.6 | 8.4 | 13.8 | 7.3 |
| Unpaid Claims Analysis (U&I Exhibit, Part 2B) | | | | | |
| 24. Total claims incurred for prior years (Line 13, Col. 5) | 11,571,889 | 32,128,340 | 16,318,616 | 99,016,590 | 75,764,156 |
| 25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] | 22,887,608 | 35,284,634 | 27,680,193 | 101,497,727 | 88,528,929 |
| Investments In Parent, Subsidiaries and Affiliates | | | | | |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) | | | | | |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) | 0 | 0 | | | |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) | 0 | 0 | | | |
| 29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) | 0 | 0 | 0 | 0 | 0 |
| 30. Affiliated mortgage loans on real estate | | | | | |
| 31. All other affiliated | | | | | |
| 32. Total of above Lines 26 to 31 | 0 | 0 | 0 | 0 | 0 |
| 33. Total investment in parent included in Lines 26 to 31 above. | | | | | |

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

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

| 1 States, etc. | Active Status (a) | Direct Business Only | | | | | | | 9 Deposit-Type Contracts | |
|--|-------------------|---------------------------------|---------------------------|-------------------------|--|---|---------------------------------|--------------------------------|-----------------------------|---|
| | | 2 Accident & Health Premiums | 3 Medicare Title XVIII | 4 Medicaid Title XIX | 5 Federal Employees Health Benefits Plan Premiums | 6 Life & Annuity Premiums & Other Considerations | 7 Property/Casualty Premiums | 8 Total Columns 2 Through 7 | | |
| 1. Alabama | AL | N | | | | | | | 0 | |
| 2. Alaska | AK | N | | | | | | | 0 | |
| 3. Arizona | AZ | N | | | | | | | 0 | |
| 4. Arkansas | AR | N | | | | | | | 0 | |
| 5. California | CA | N | | | | | | | 0 | |
| 6. Colorado | CO | N | | | | | | | 0 | |
| 7. Connecticut | CT | N | | | | | | | 0 | |
| 8. Delaware | DE | L | | 60,661,143 | | | | | 60,661,143 | |
| 9. District of Columbia | DC | N | | | | | | | 0 | |
| 10. Florida | FL | N | | | | | | | 0 | |
| 11. Georgia | GA | N | | | | | | | 0 | |
| 12. Hawaii | HI | N | | | | | | | 0 | |
| 13. Idaho | ID | N | | | | | | | 0 | |
| 14. Illinois | IL | N | | | | | | | 0 | |
| 15. Indiana | IN | N | | | | | | | 0 | |
| 16. Iowa | IA | N | | | | | | | 0 | |
| 17. Kansas | KS | N | | | | | | | 0 | |
| 18. Kentucky | KY | N | | | | | | | 0 | |
| 19. Louisiana | LA | N | | | | | | | 0 | |
| 20. Maine | ME | N | | | | | | | 0 | |
| 21. Maryland | MD | N | | | | | | | 0 | |
| 22. Massachusetts | MA | N | | | | | | | 0 | |
| 23. Michigan | MI | N | | | | | | | 0 | |
| 24. Minnesota | MN | N | | | | | | | 0 | |
| 25. Mississippi | MS | N | | | | | | | 0 | |
| 26. Missouri | MO | L | | | | | | | 0 | |
| 27. Montana | MT | N | | | | | | | 0 | |
| 28. Nebraska | NE | N | | | | | | | 0 | |
| 29. Nevada | NV | N | | | | | | | 0 | |
| 30. New Hampshire | NH | N | | | | | | | 0 | |
| 31. New Jersey | NJ | L | 7,710,689 | 486,852,731 | | | | | 494,563,420 | |
| 32. New Mexico | NM | N | | | | | | | 0 | |
| 33. New York | NY | N | | | | | | | 0 | |
| 34. North Carolina | NC | N | | | | | | | 0 | |
| 35. North Dakota | ND | N | | | | | | | 0 | |
| 36. Ohio | OH | N | | | | | | | 0 | |
| 37. Oklahoma | OK | N | | | | | | | 0 | |
| 38. Oregon | OR | L | | 8,560,433 | | | | | 8,560,433 | |
| 39. Pennsylvania | PA | L | | 352,482,773 | | | | | 352,482,773 | |
| 40. Rhode Island | RI | L | | 75,350,057 | | | | | 75,350,057 | |
| 41. South Carolina | SC | N | | | | | | | 0 | |
| 42. South Dakota | SD | N | | | | | | | 0 | |
| 43. Tennessee | TN | N | | | | | | | 0 | |
| 44. Texas | TX | N | | | | | | | 0 | |
| 45. Utah | UT | N | | | | | | | 0 | |
| 46. Vermont | VT | N | | | | | | | 0 | |
| 47. Virginia | VA | N | | | | | | | 0 | |
| 48. Washington | WA | N | | | | | | | 0 | |
| 49. West Virginia | WV | N | | | | | | | 0 | |
| 50. Wisconsin | WI | N | | | | | | | 0 | |
| 51. Wyoming | WY | N | | | | | | | 0 | |
| 52. American Samoa | AS | N | | | | | | | 0 | |
| 53. Guam | GU | N | | | | | | | 0 | |
| 54. Puerto Rico | PR | N | | | | | | | 0 | |
| 55. U.S. Virgin Islands | VI | N | | | | | | | 0 | |
| 56. Northern Mariana Islands | MP | N | | | | | | | 0 | |
| 57. Canada | CAN | N | | | | | | | 0 | |
| 58. Aggregate other alien | OT | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Subtotal | XXX | | 7,710,689 | 983,907,137 | 0 | 0 | 0 | 0 | 991,617,826 | 0 |
| 60. Reporting entity contributions for Employee Benefit Plans | XXX | | | | | | | | 0 | |
| 61. Total (Direct Business) | XXX | | 7,710,689 | 983,907,137 | 0 | 0 | 0 | 0 | 991,617,826 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 58001. | XXX | | | | | | | | | |
| 58002. | XXX | | | | | | | | | |
| 58003. | XXX | | | | | | | | | |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | XXX | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above) | XXX | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

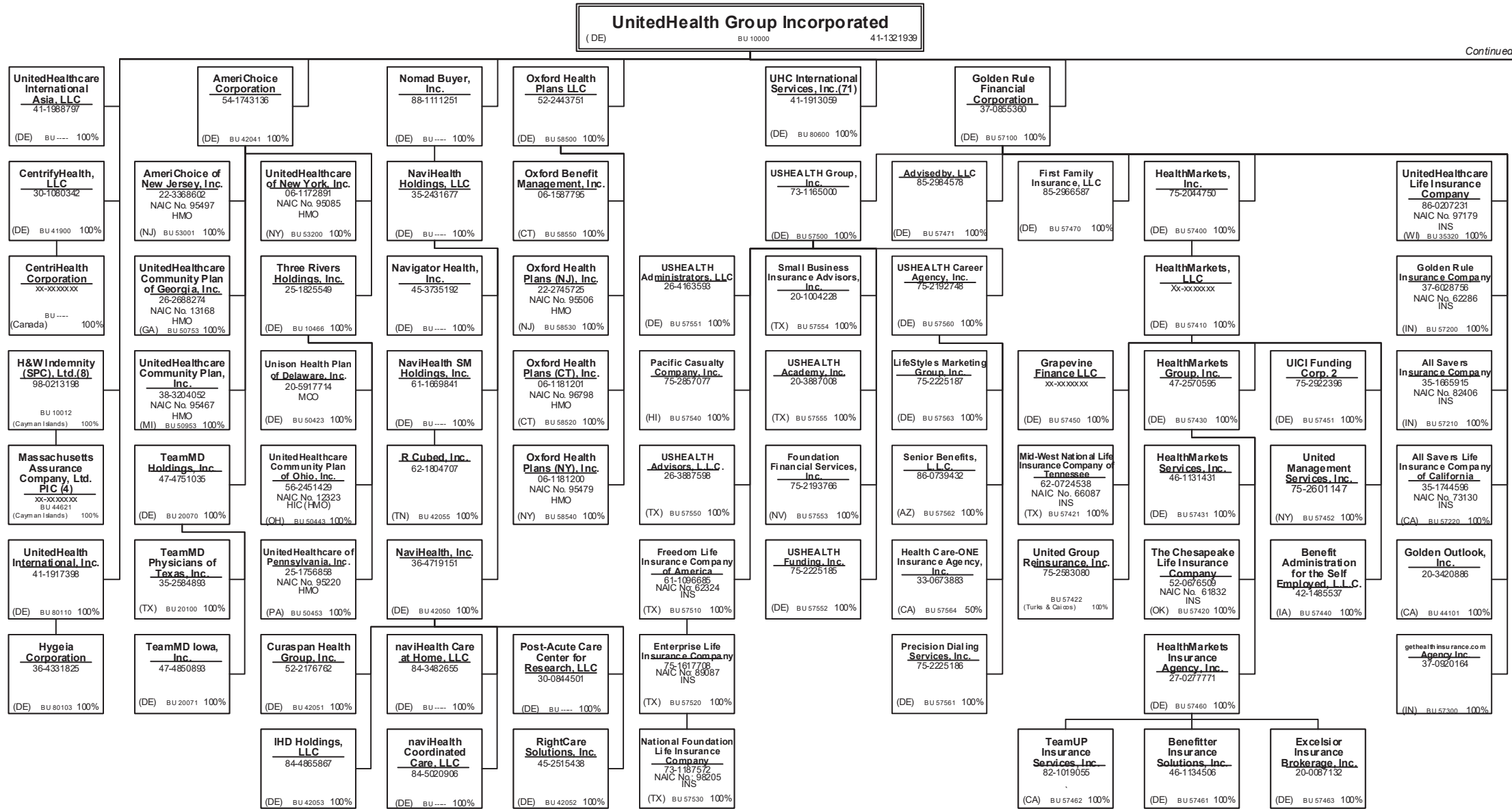
(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....6 R - Registered - Non-domiciled RRGs.....0
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....0 Q - Qualified - Qualified or accredited reinsurer.....0
 N - None of the above - Not allowed to write business in the state.....51

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

The premiums are allocated based on the sales location of the group or address of the individual and recorded in the financial system by state as the premiums are received.

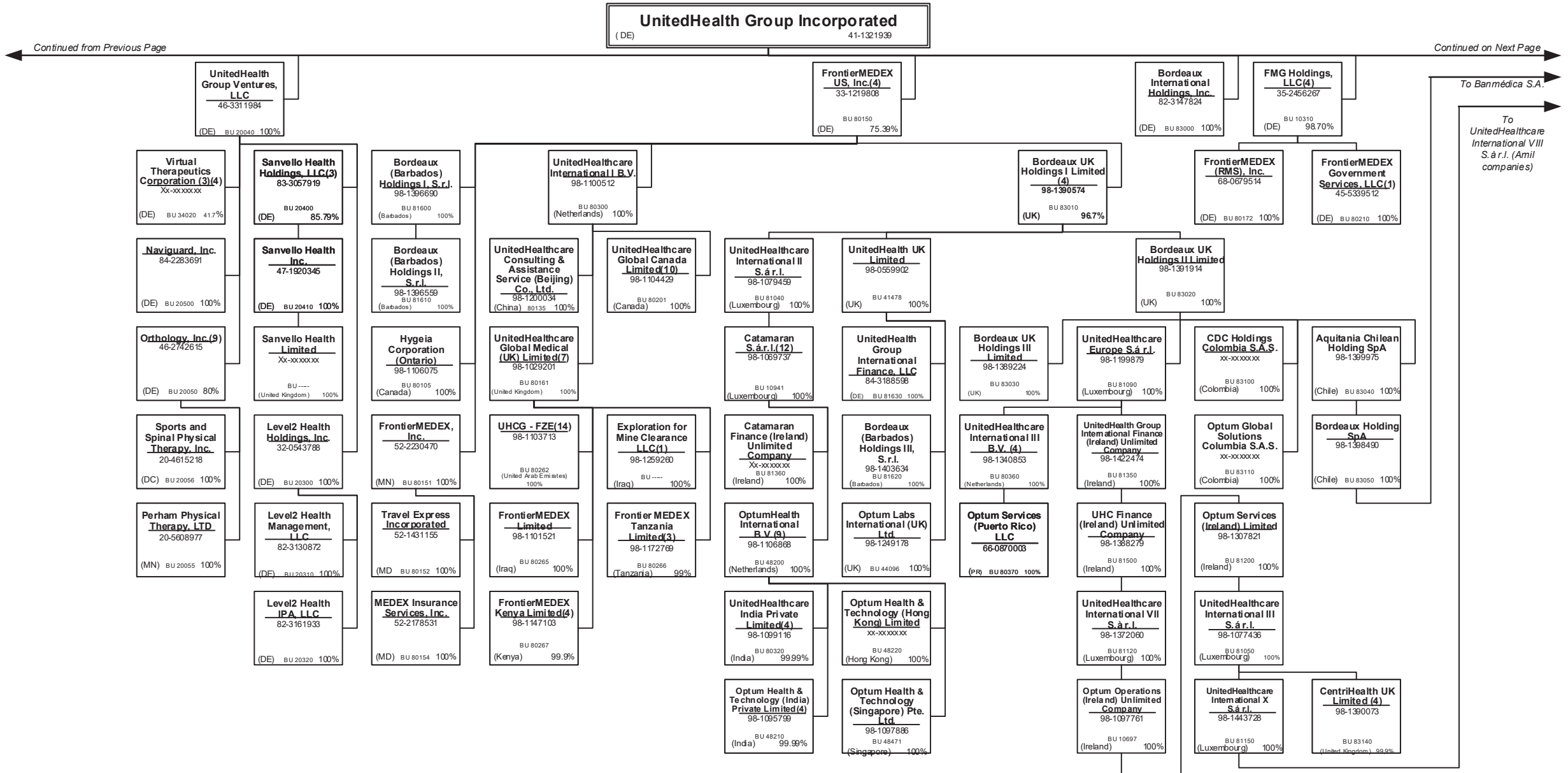
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



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

PART 1 – ORGANIZATIONAL CHART

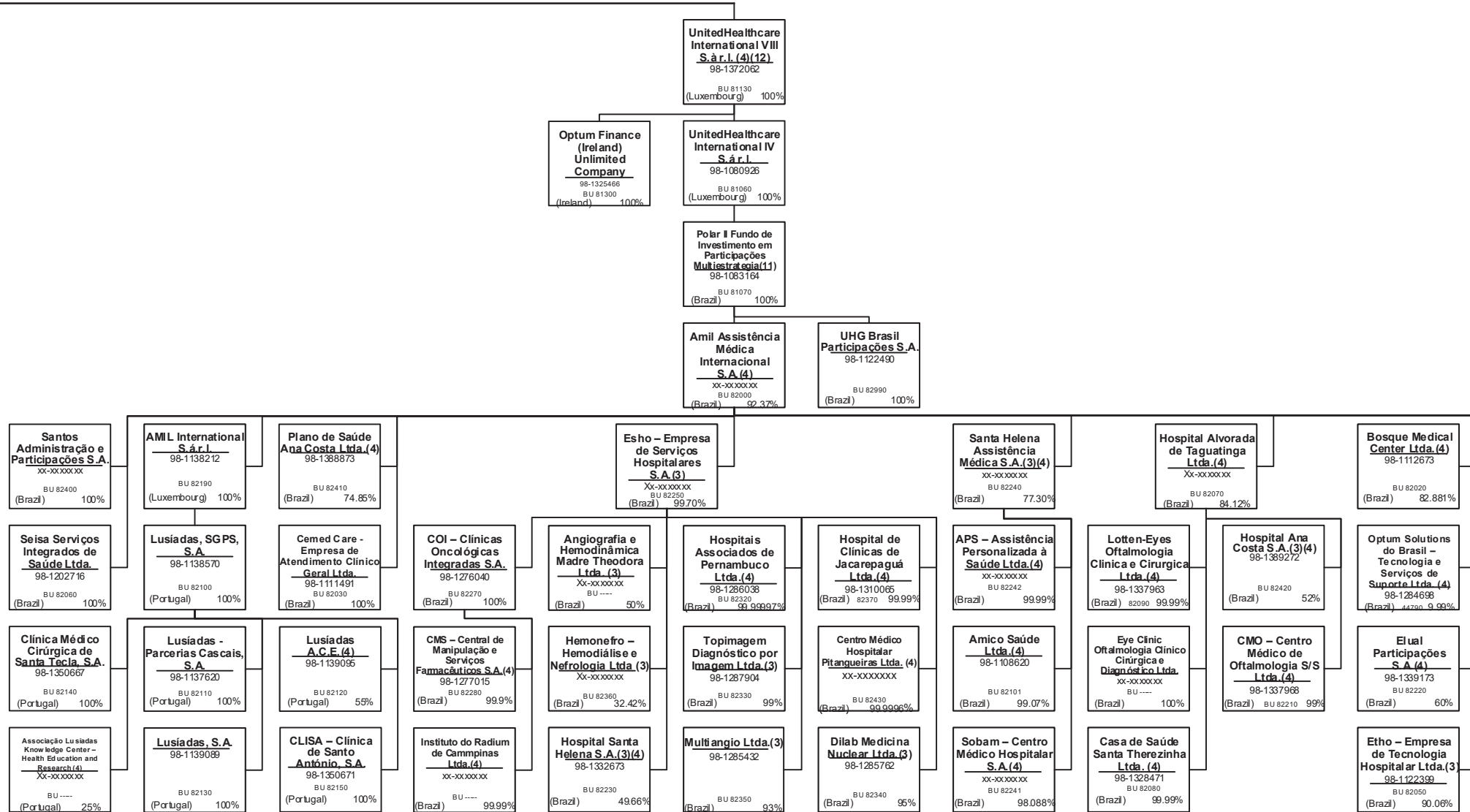


SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

UnitedHealth Group Incorporated
 (DE) 41-1321939

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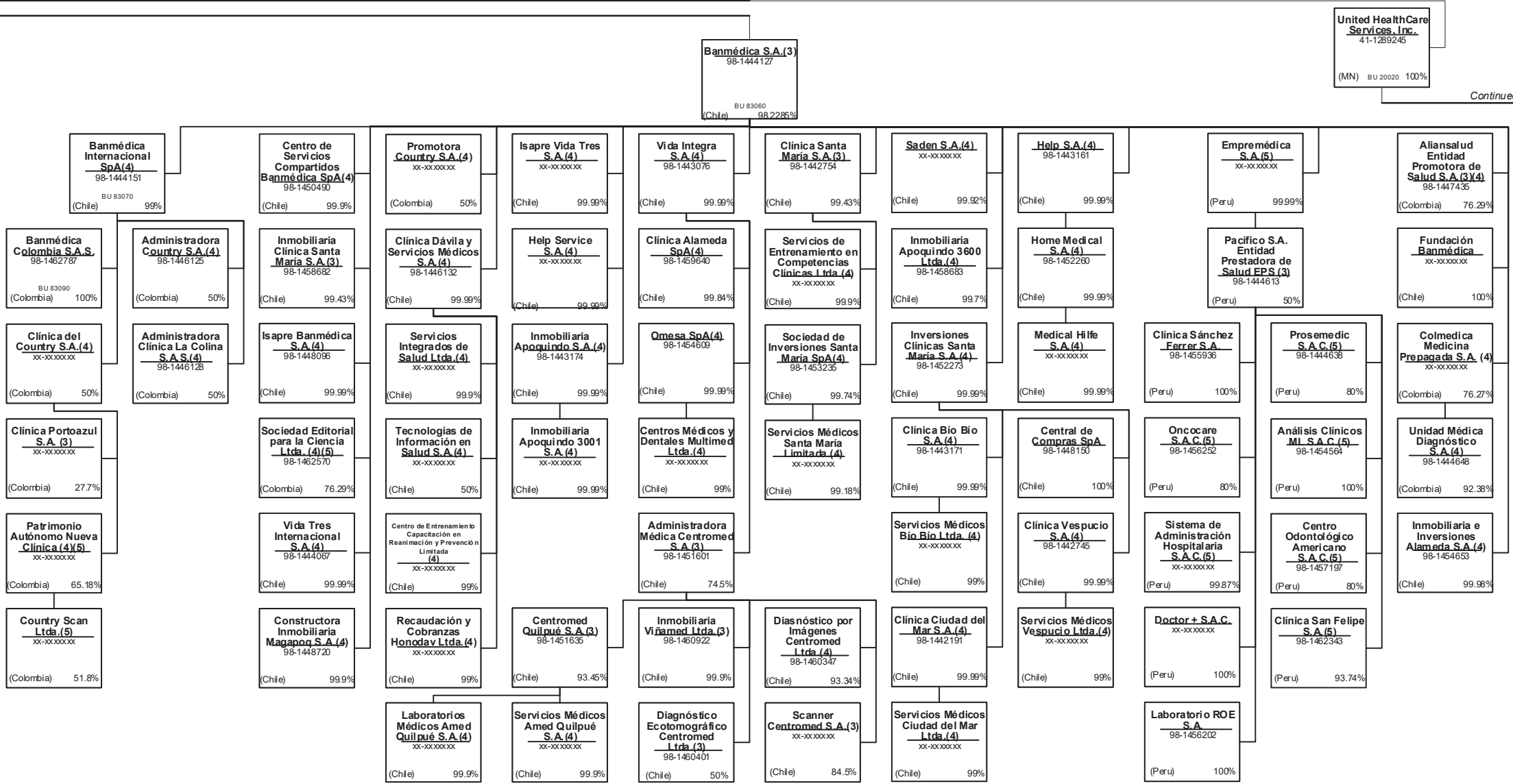
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

UnitedHealth Group Incorporated
 (DE) 41-1321939

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United HealthCare Services, Inc.
 41-1289245
 (MN) BU 20020 100%

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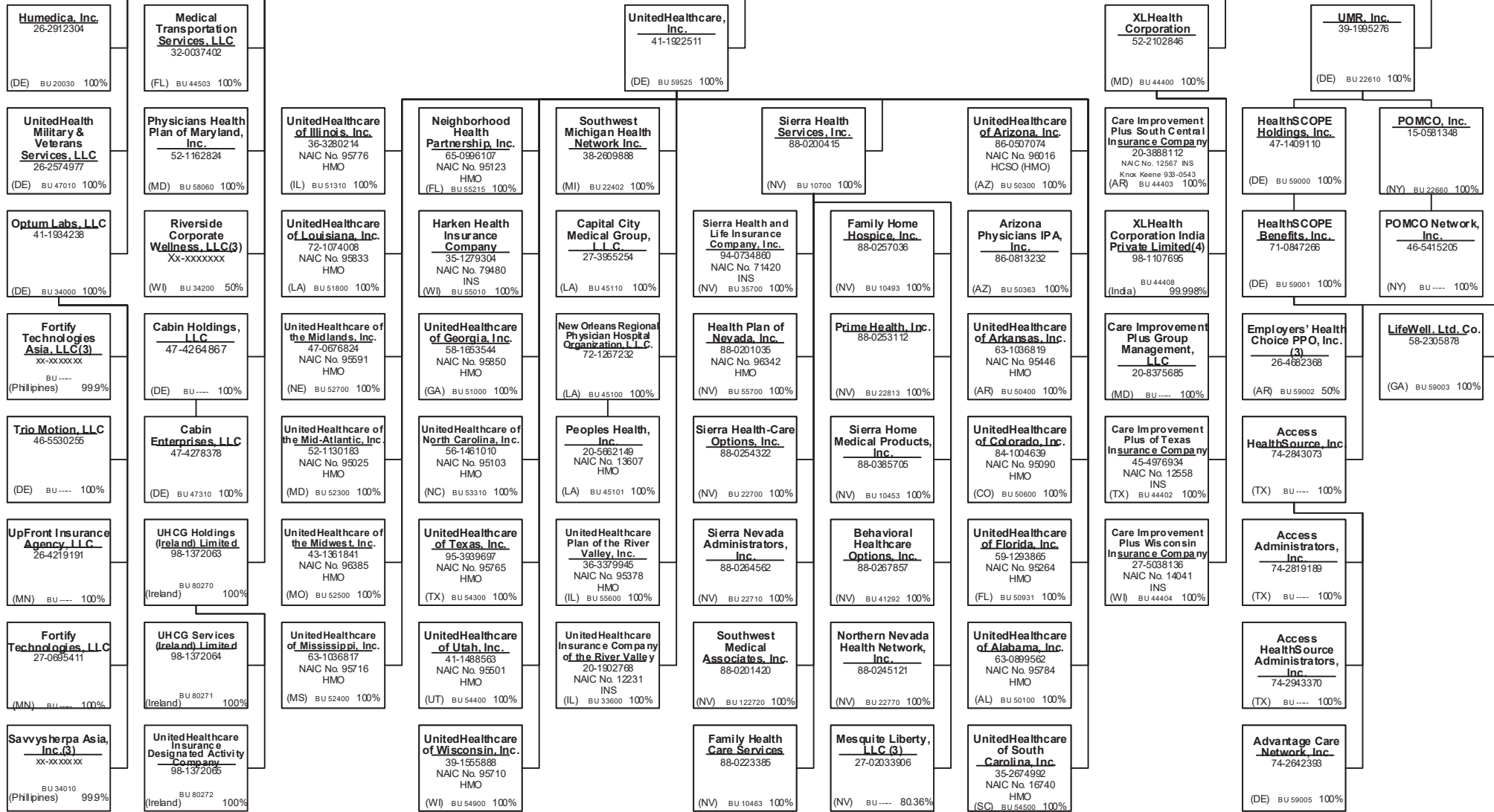
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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

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

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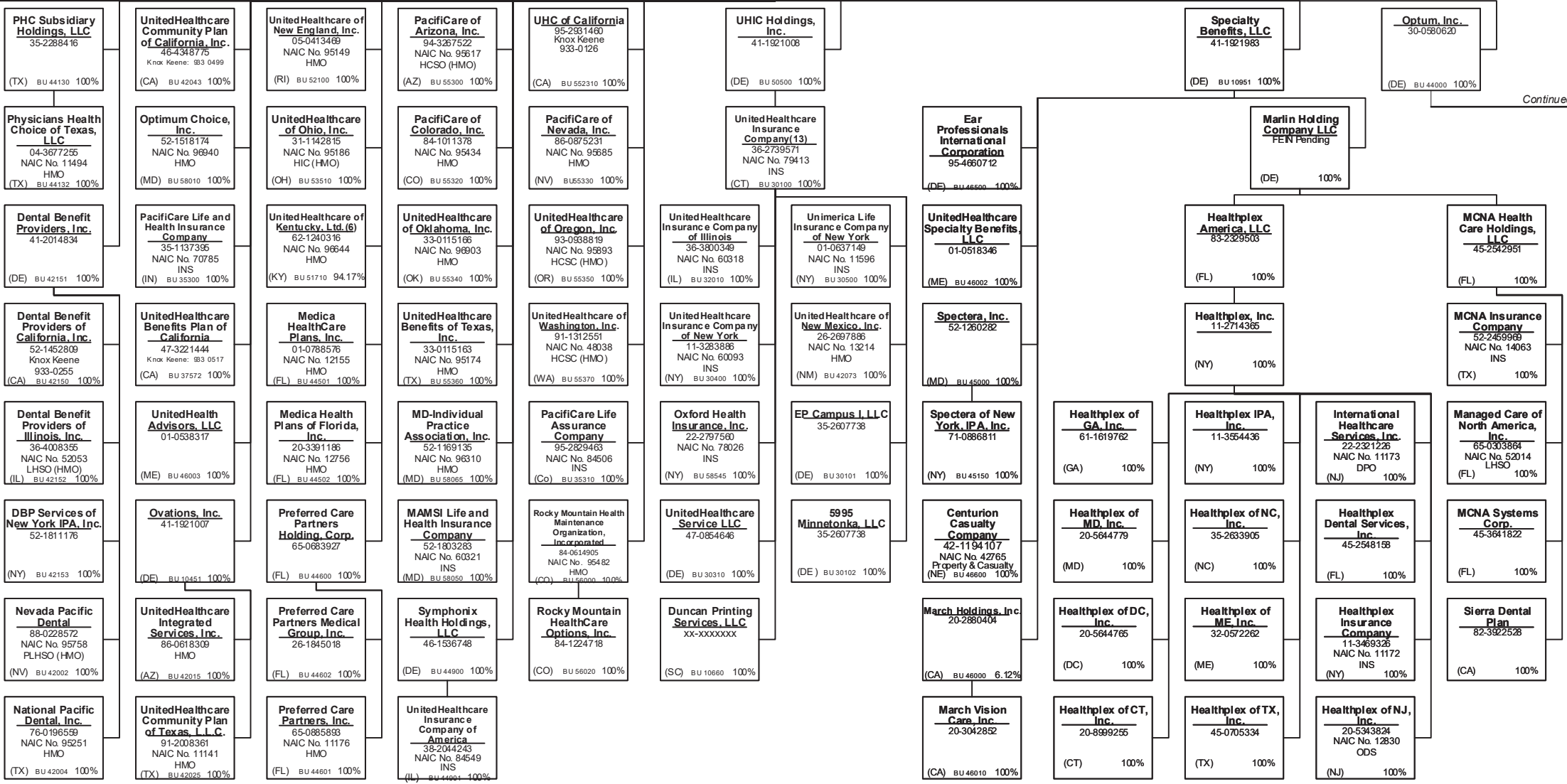


SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

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

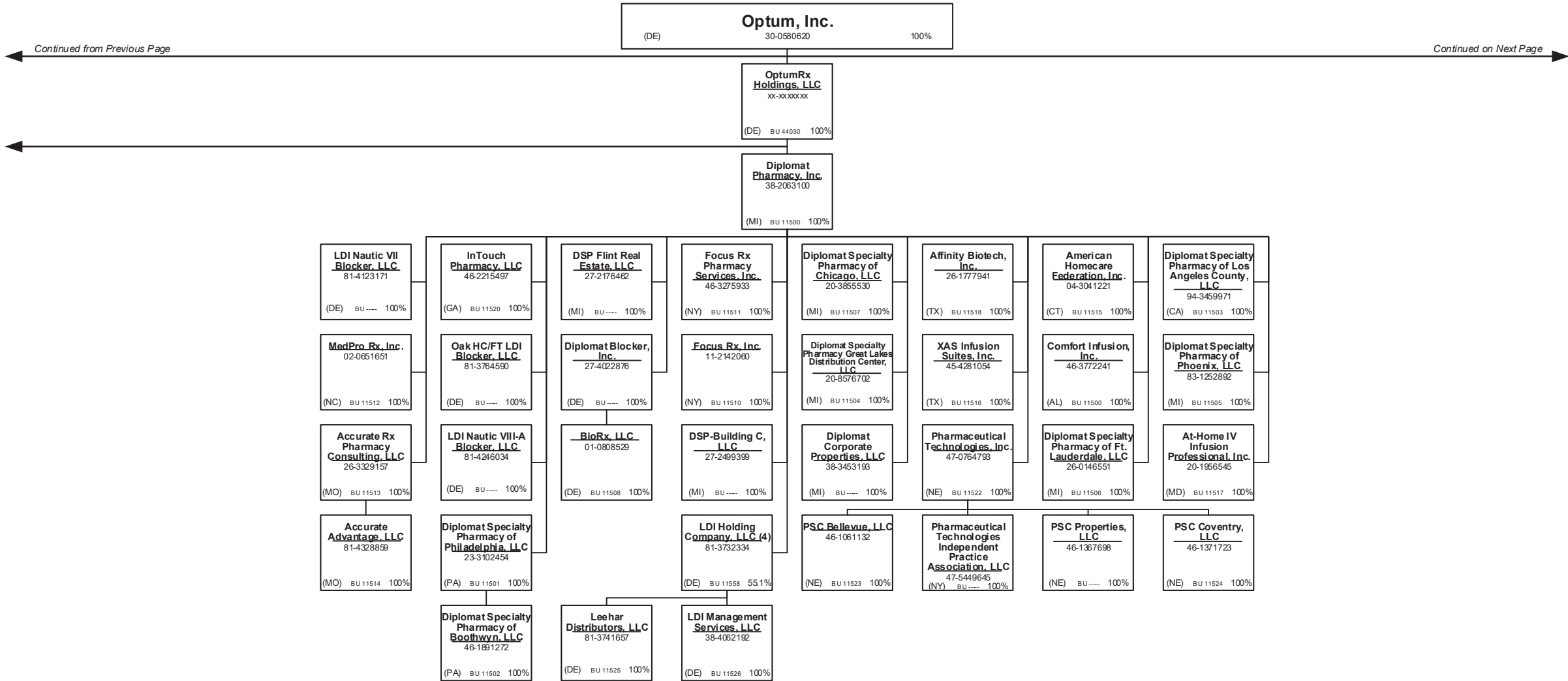
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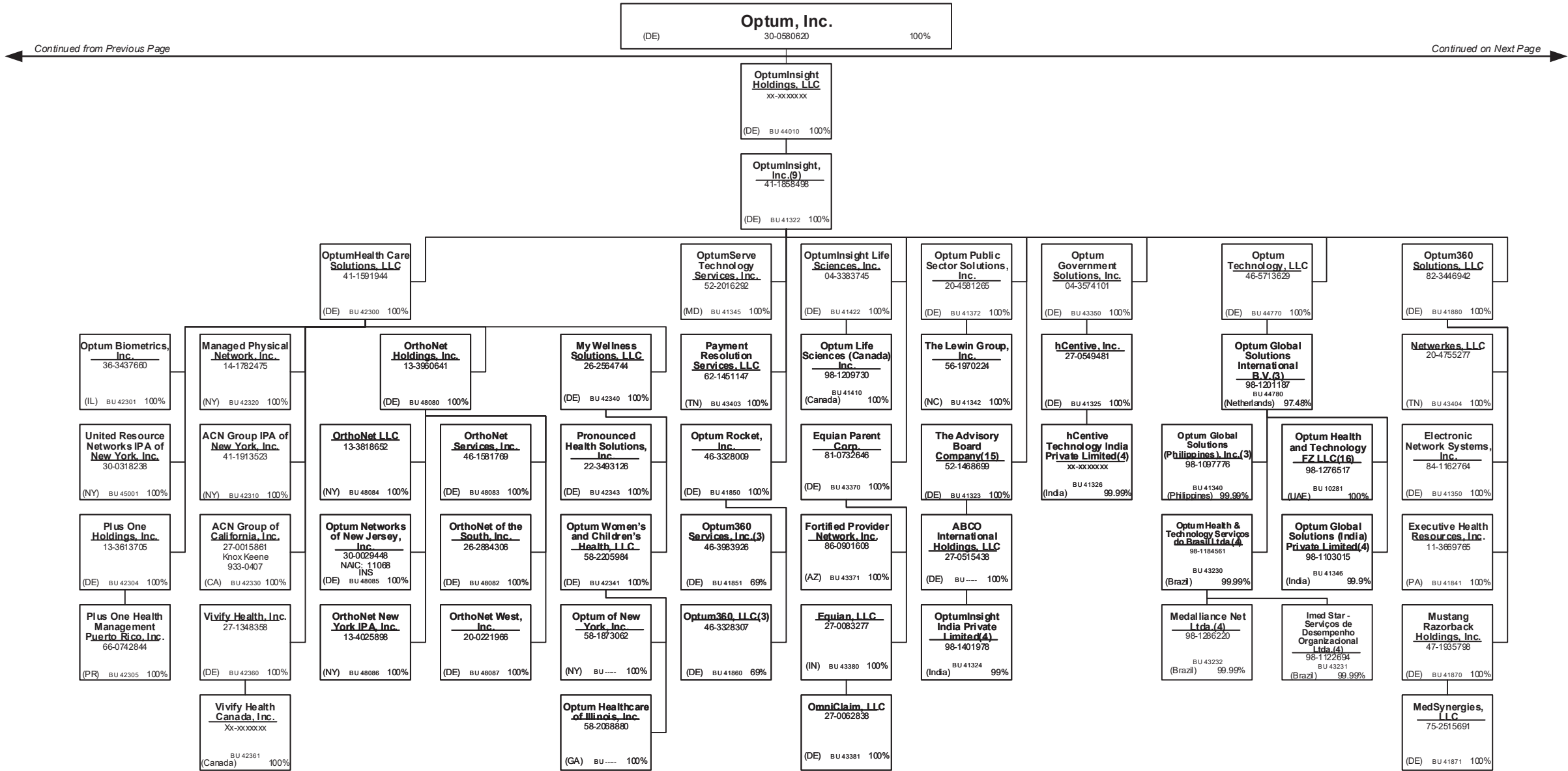


40.5

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



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

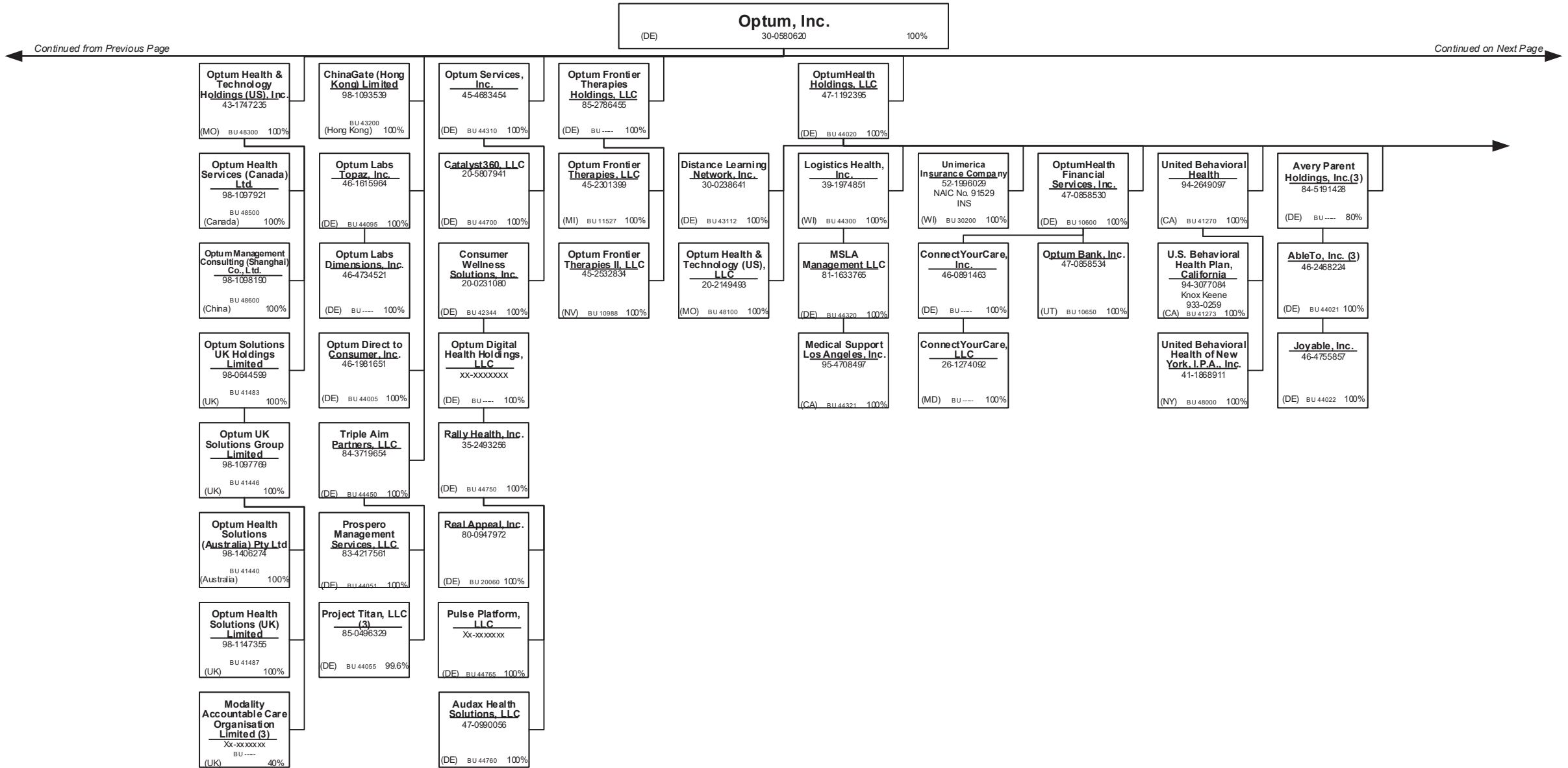


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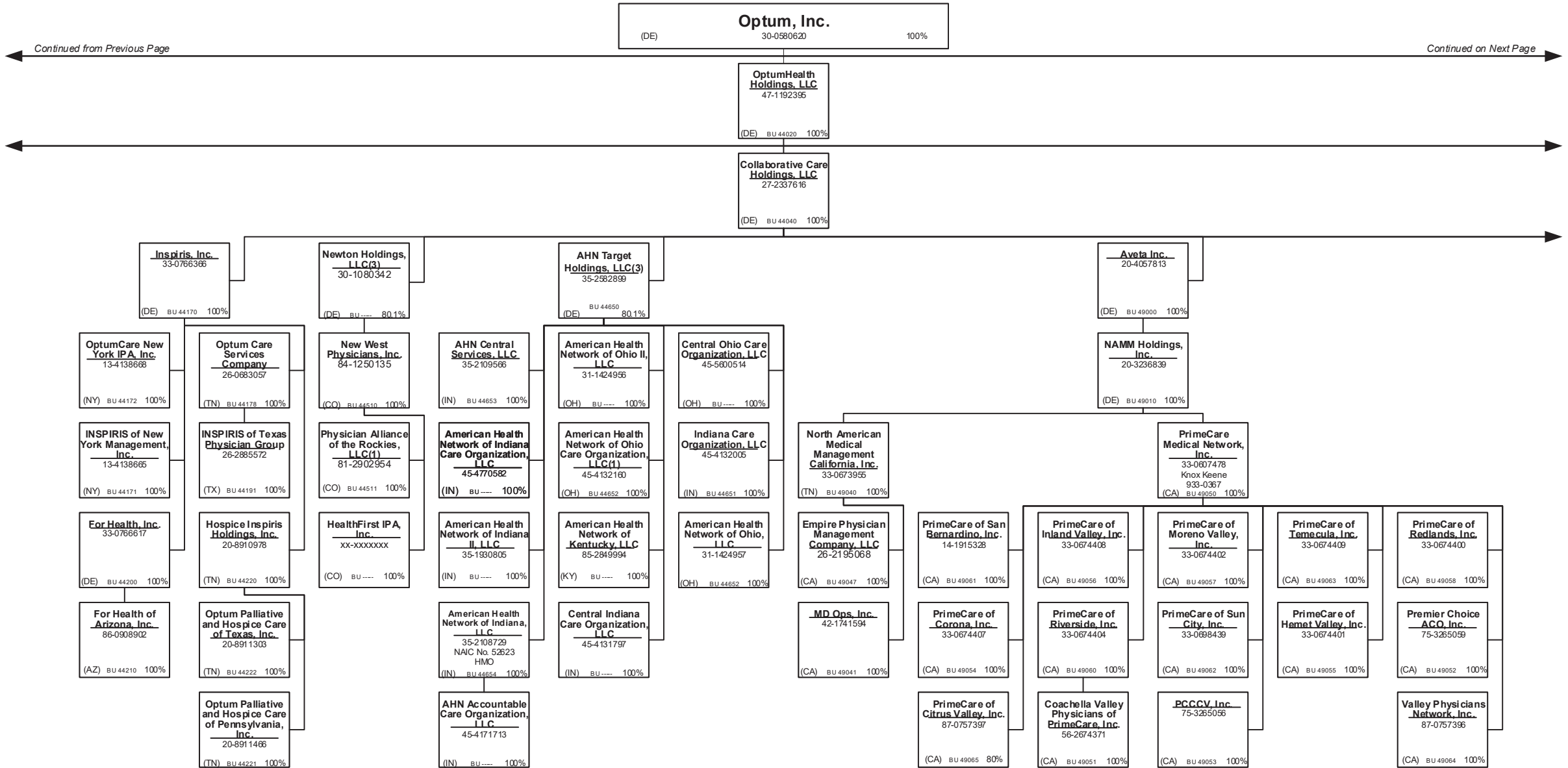
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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



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

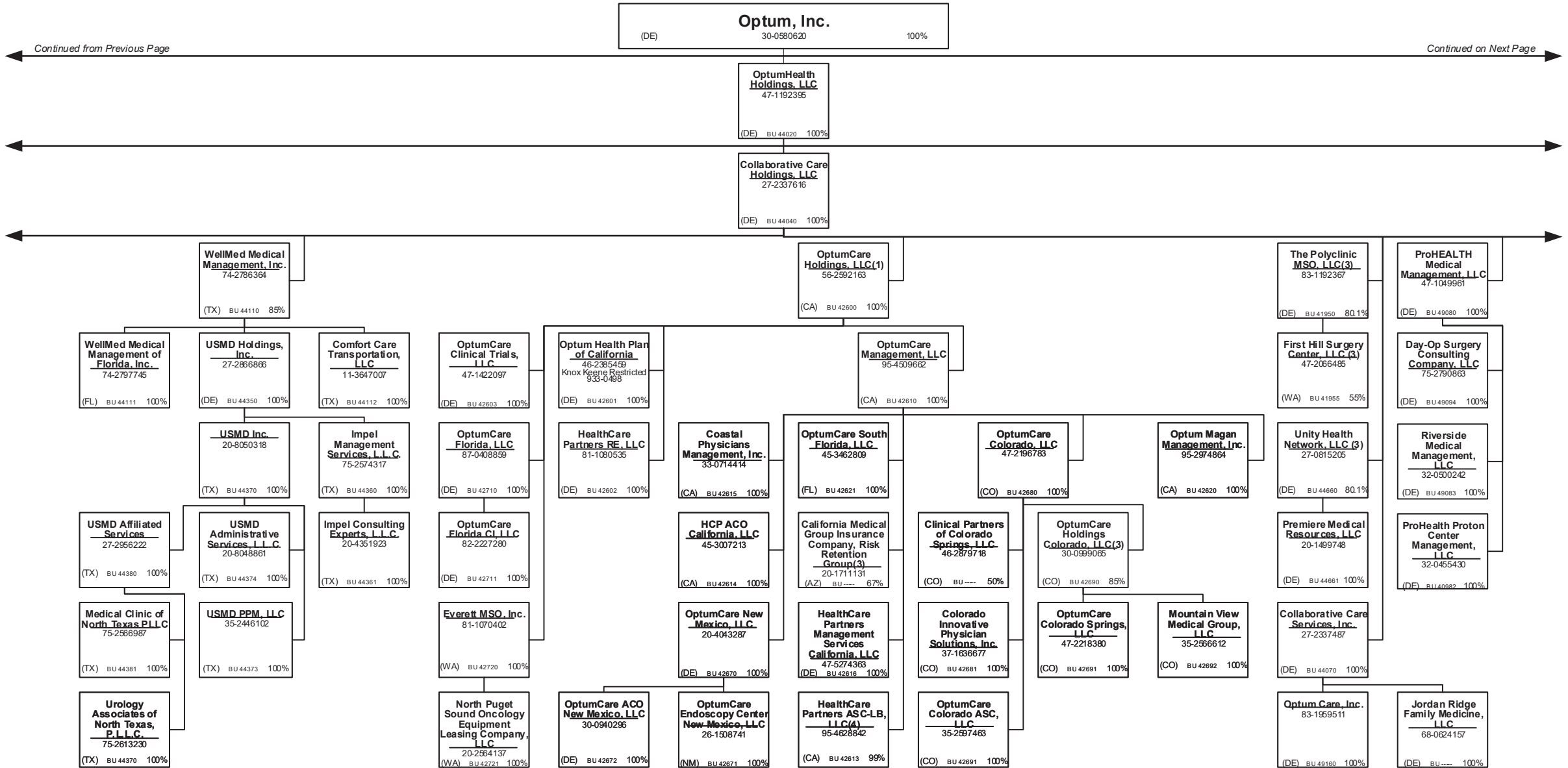


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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

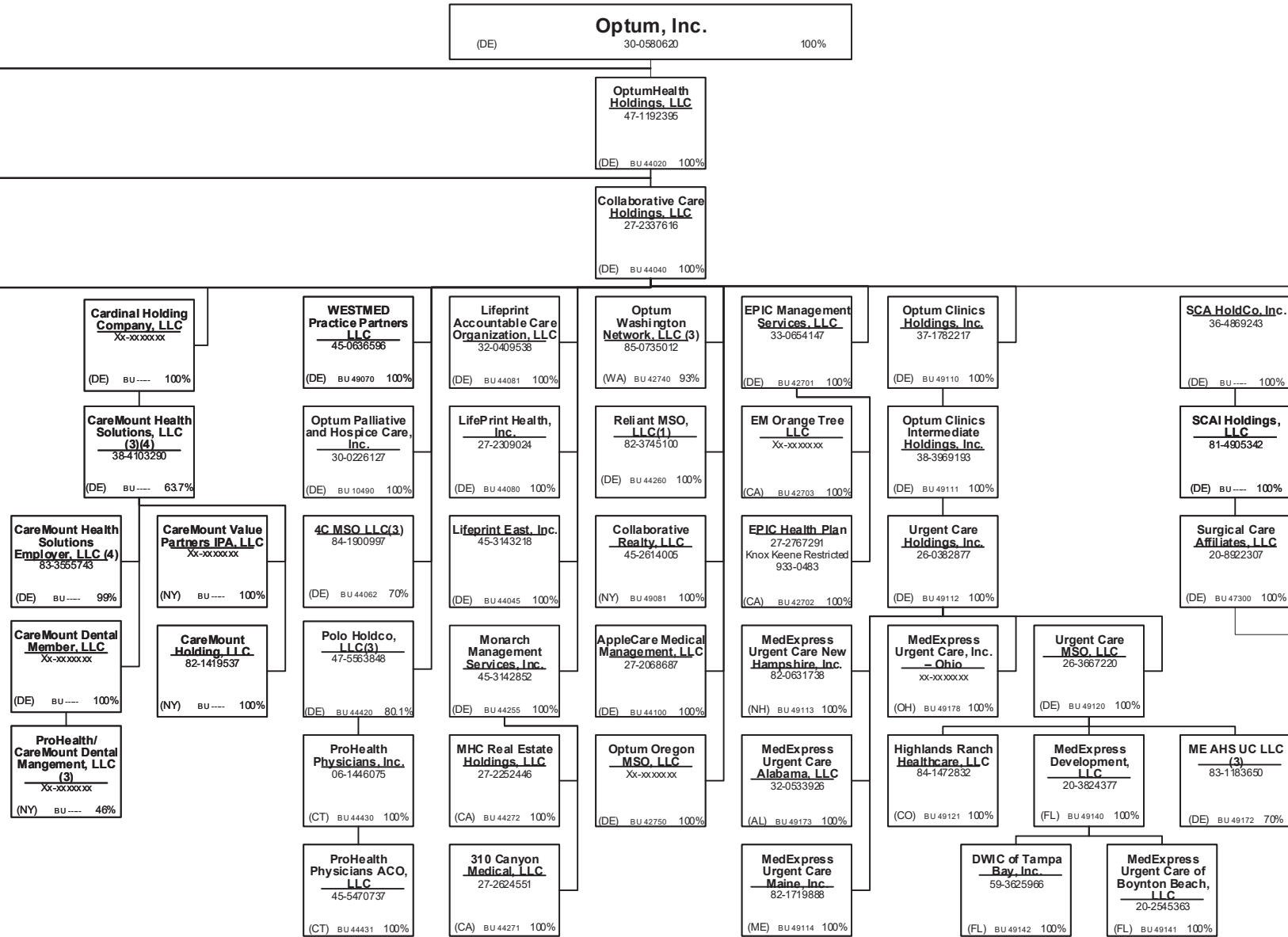


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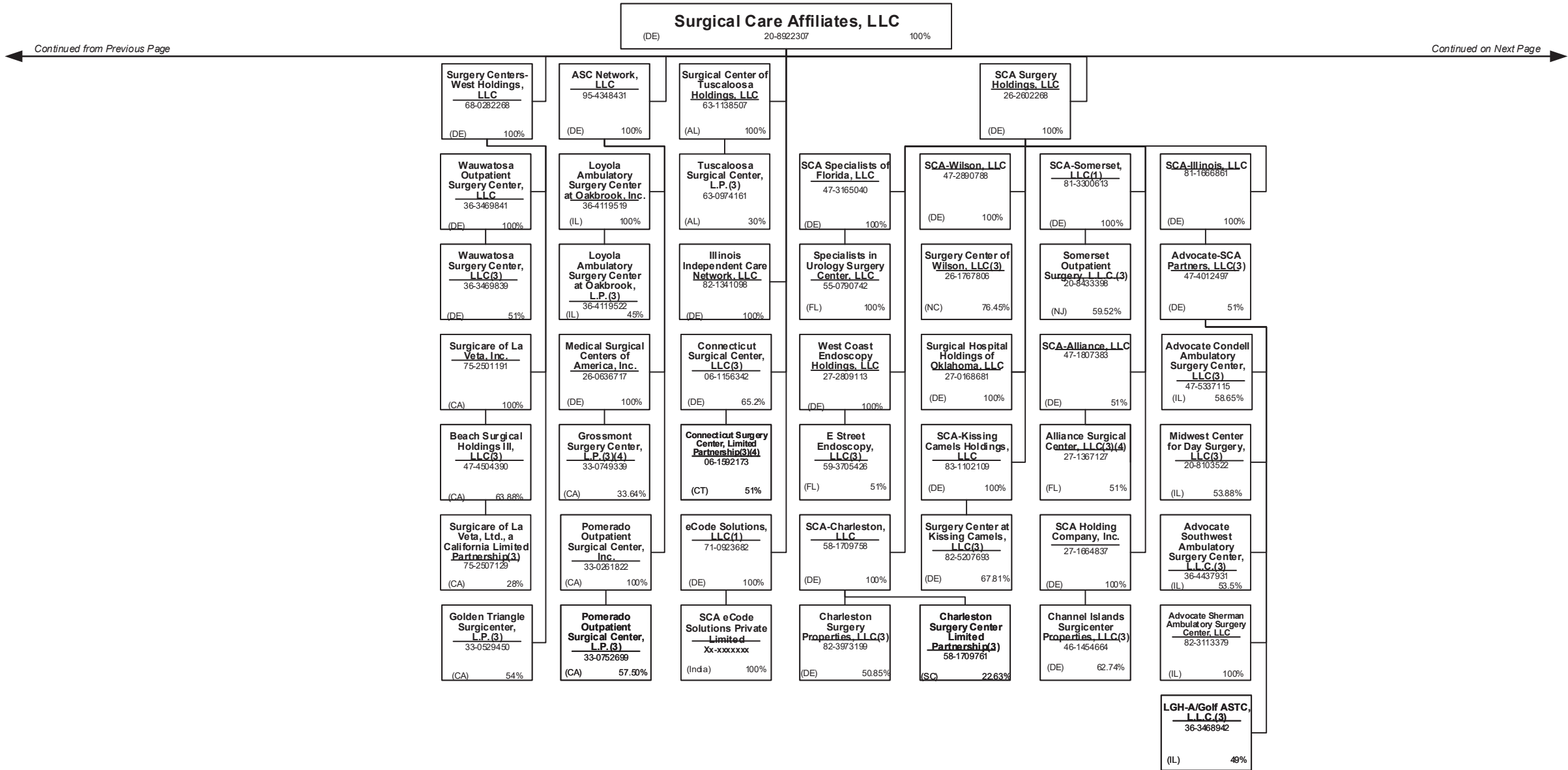
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



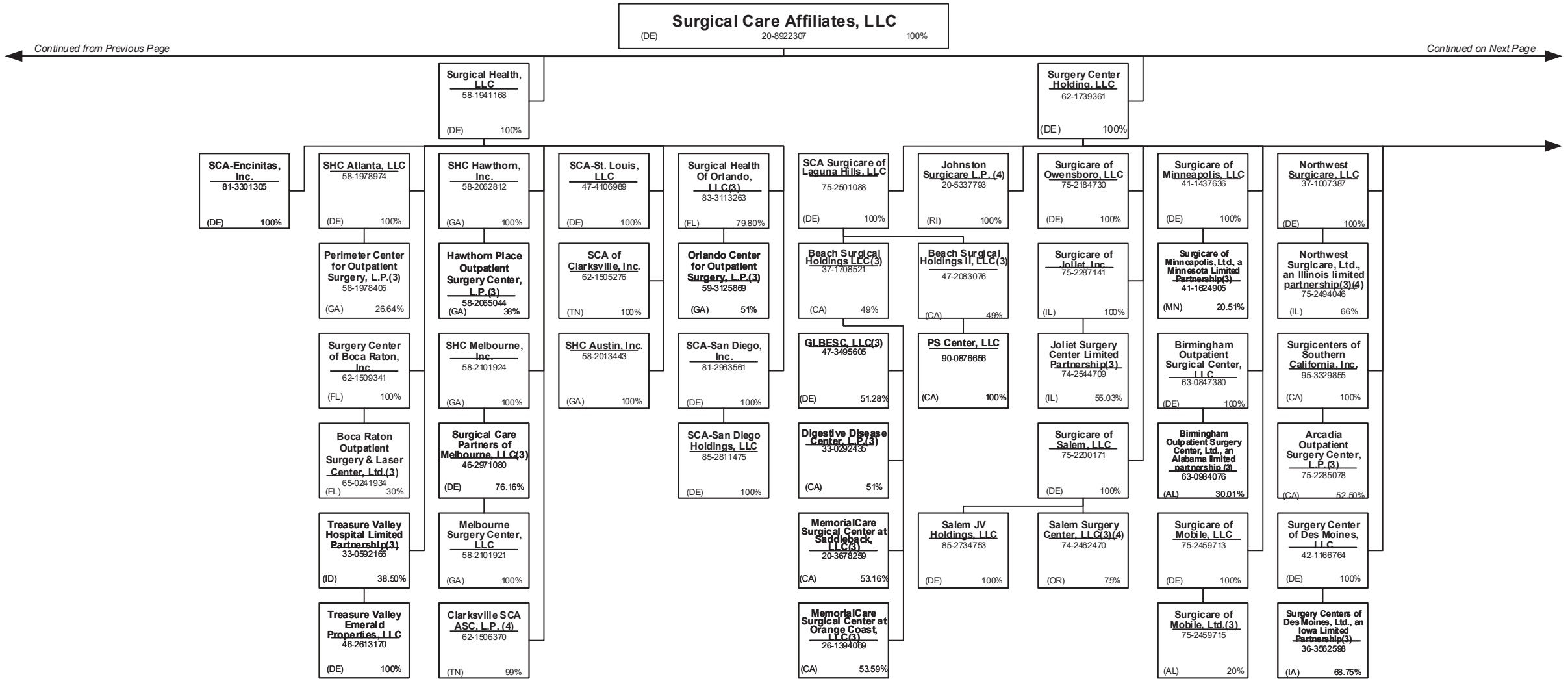
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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



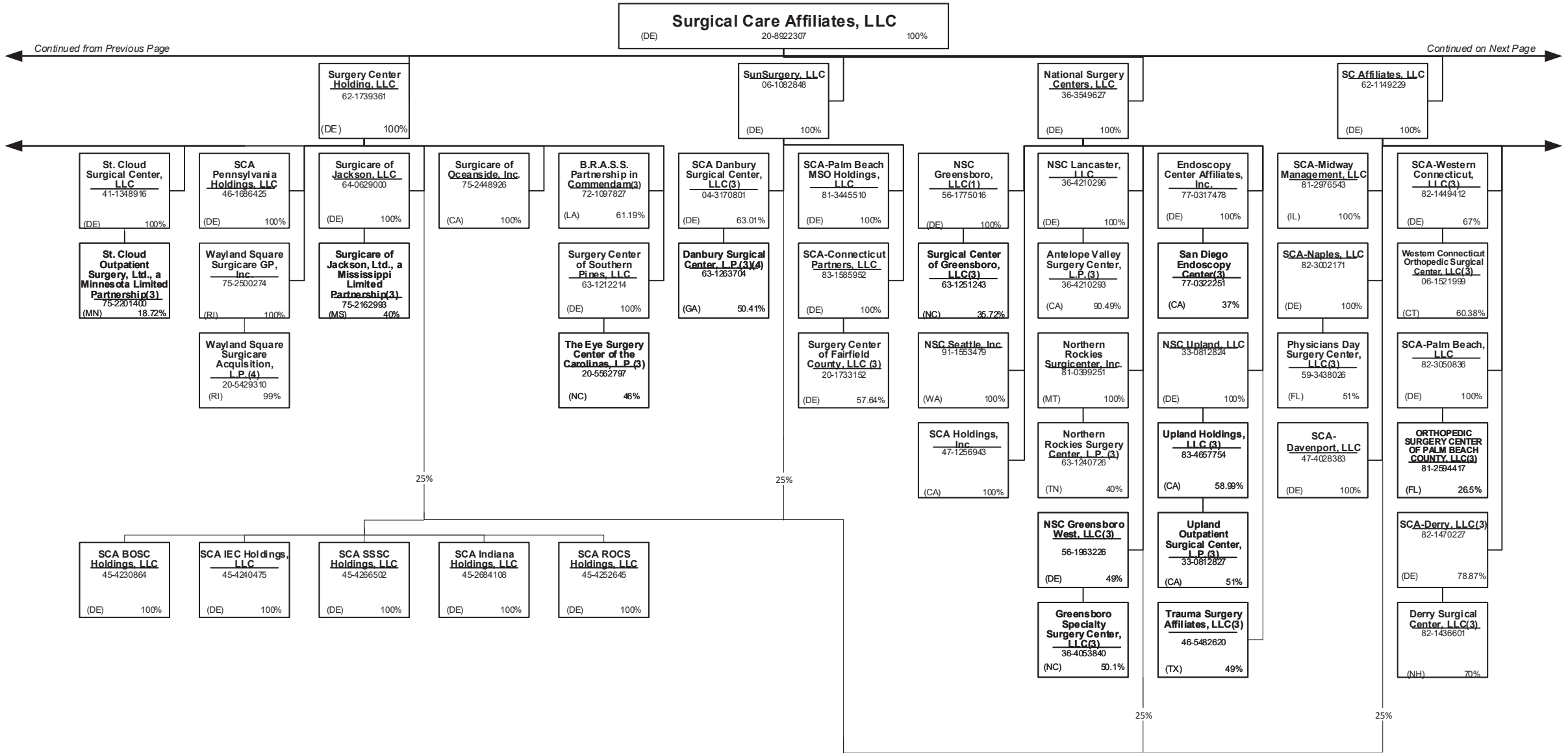
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



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



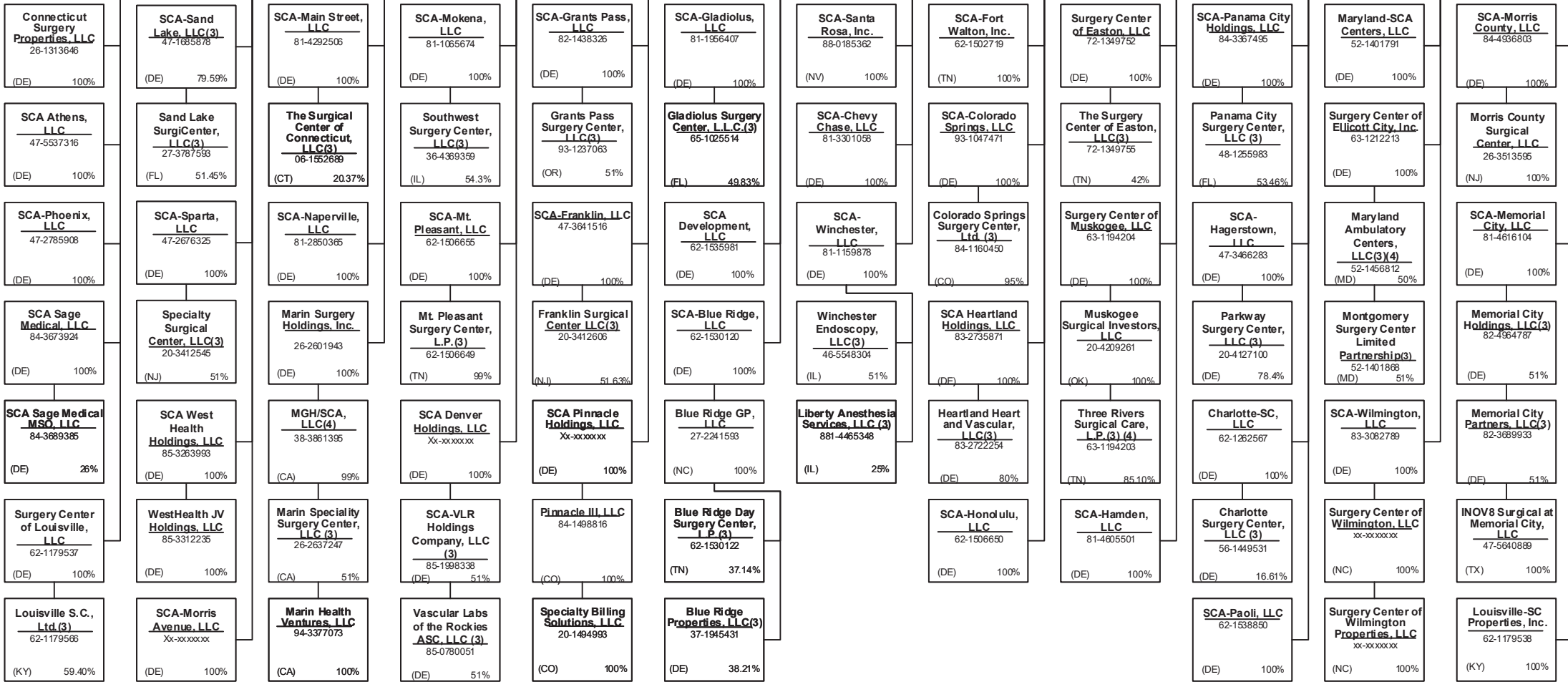
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

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

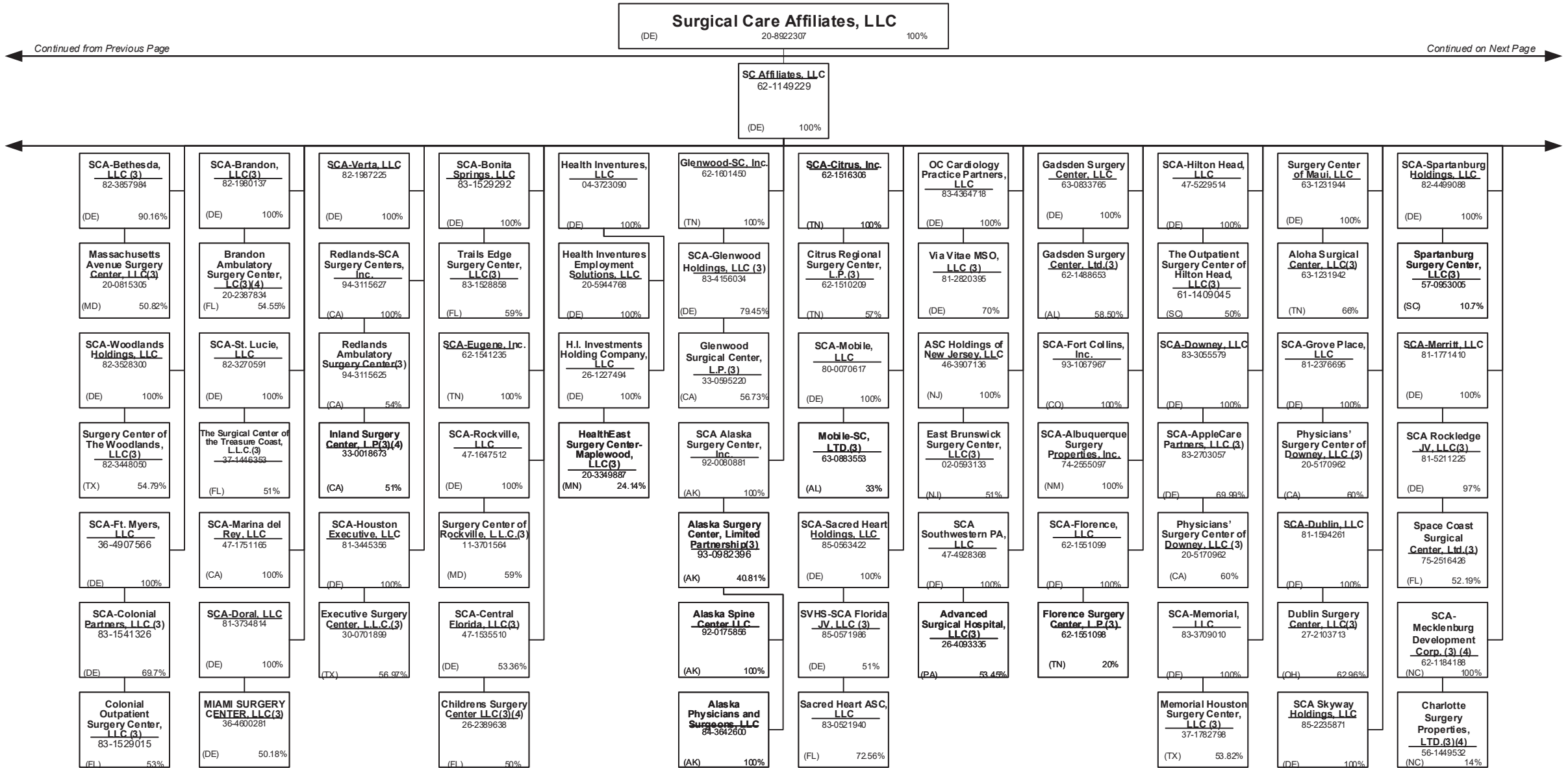
SC Affiliates, LLC
 62-1149229
 (DE) 100%

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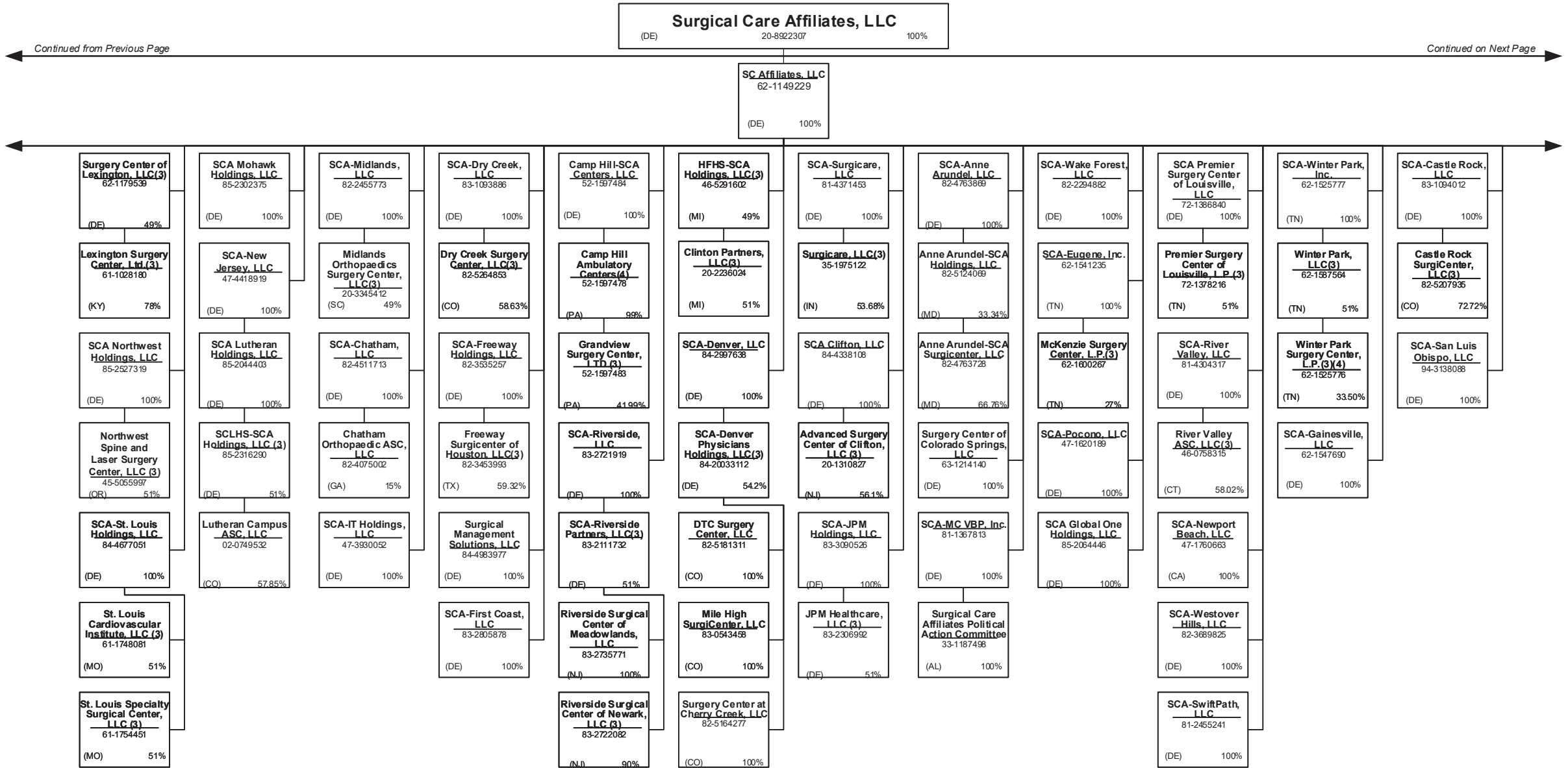
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



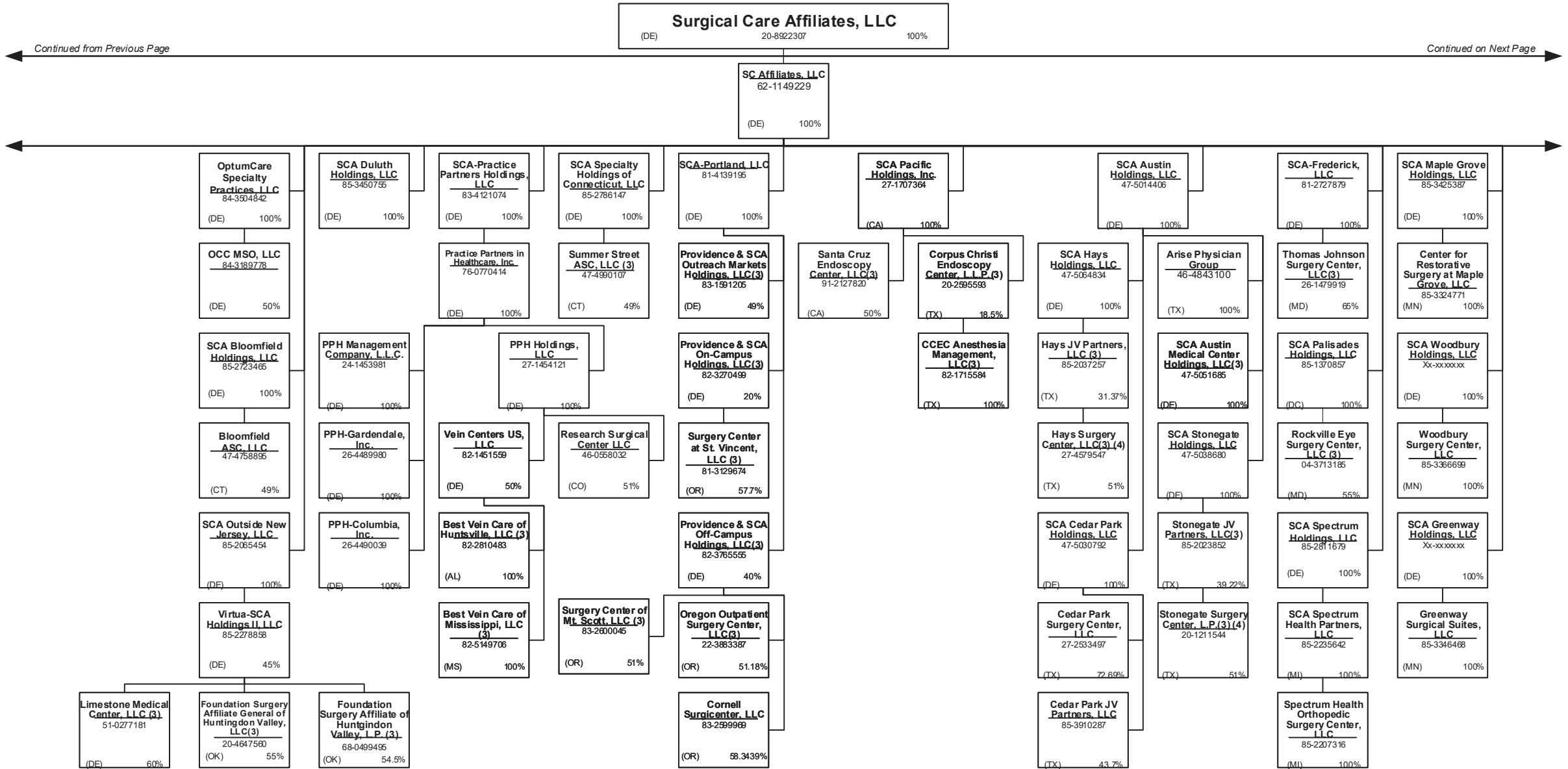
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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



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



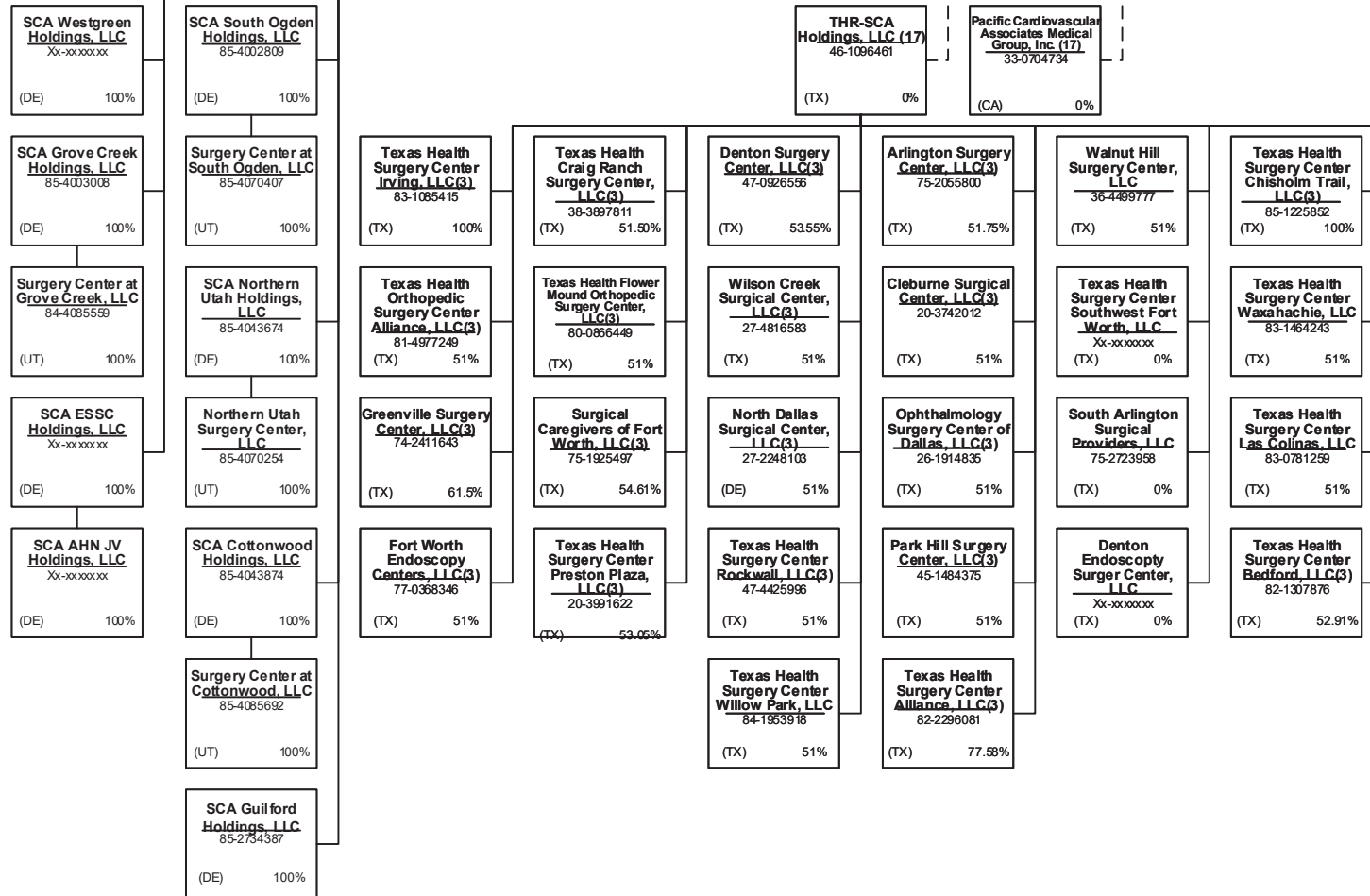
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SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

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

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

Continued from Previous Page



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

PART 1 – ORGANIZATIONAL CHART

Physician Owned Entities

| Entity Name | Juris. | Federal Tax ID | Entity Name | Juris. | Federal Tax ID |
|---|--------|----------------|---|--------|----------------|
| 4C Medical Group, PLC | AZ | 45-2402948 | Homecare Dimensions, Inc. | TX | 74-2758644 |
| A.G. Dikengil, Inc. | NJ | 22-3149900 | IN Style OPTICAL, LLC | MA | 27-3296953 |
| AbleTo Behavioral Health Services, P.C. | CT | 47-5519672 | Inland Faculty Medical Group, Inc. | CA | 33-0618077 |
| AbleTo Licensed Clinical Social Worker Services, P.C. | CA | -- | Inspiris Medical Services of New Jersey, P.C. | NJ | 45-2563134 |
| AppleCare Hospitalists Medical Group, Inc. | CA | 14-1890491 | INSPIRIS of Michigan Medical Services, P.C. | MI | 27-1561674 |
| AppleCare Medical ACO, LLC | CA | 45-2852872 | INSPIRIS of New York Medical Services, P.C. | NY | 13-4168739 |
| AppleCare Medical Group St. Francis, Inc. | CA | 33-0845269 | INSPIRIS of Pennsylvania Medical Services, P.C. | PA | 26-2895670 |
| AppleCare Medical Group, Inc. | CA | 33-0898174 | Level 2 Medical Services, P.A. (ALASKA) | AK | 84-5003916 |
| ARTA Health Network, P.C. | CA | 46-1772418 | Level2 Medical Services, P.A. | DE | 84-5003916 |
| ARTA Western California, Inc. | CA | 33-0658815 | March Vision Care Group, Incorporated | CA | 95-4874334 |
| Aspectus, Inc. | MA | 04-3403101 | March Vision Care IPA, Inc. | NY | 27-3115058 |
| Beaver Medical Group, P.C. | CA | 33-0645967 | March Vision Care of Texas, Inc. | TX | 45-4227915 |
| Bedford Physicians Risk Retention Group, Inc. | VT | 20-8773716 | MAT-RX DEVELOPMENT, L.L.C. | TX | 43-1967820 |
| Better Health Value Network, LLC | WA | 47-4349079 | Mat-Rx Fort Worth GP, L.L.C. | TX | 35-2262695 |
| Bexar Imaging Center, LLC | TX | 22-3858211 | ME Urgent Care Nebraska, Inc. | NE | 81-0938574 |
| Bongiorno Physical Therapy, P.C. | NY | -- | MedExpress Employed Services, Inc. | DE | 81-1265129 |
| California Spring Holdings, PC | CA | 81-0881243 | MedExpress Primary Care Arizona, P.C. | AZ | 81-4550969 |
| CareMount Health Solutions ACO, LLC | NY | -- | MedExpress Primary Care Arkansas, P.A. | AR | 84-4234388 |
| CareMount Medical, P.C. | NY | 13-3544120 | MedExpress Primary Care Kansas, P.A. | KS | 81-4605885 |
| Centers for Family Medicine, GP | CA | 33-0483510 | MedExpress Primary Care Maryland, P.C. | MD | 82-3384324 |
| David Moen, M.D. P.C. | NY | 81-5101448 | MedExpress Primary Care Massachusetts, P.C. | MA | 82-1096099 |
| David R. Ferrell, M.D., P.C. | NV | 45-2380022 | MedExpress Primary Care Minnesota P.C. | MIN | 81-4396738 |
| Day-OP Center Of Long Island Inc. | NY | 11-2811353 | MedExpress Primary Care Oklahoma, P.C. | OK | 83-1077265 |
| Durable Medical Equipment, Inc. | MA | 04-3106404 | MedExpress Primary Care South Carolina, P.C. | SC | 83-0764858 |
| Empire Physicians' Medical Group, Inc. | CA | 33-0181426 | MedExpress Primary Care Texas, P.A. | TX | 84-2500750 |
| Everett Physicians, Inc. P.S. | WA | 81-1625636 | MedExpress Primary Care Virginia, P.C. | VA | 82-3395792 |
| First Hill Surgery Center, LLC | WA | 47-2066485 | MedExpress Primary Care West Virginia, Inc. | WV | 82-4401181 |
| Greater Phoenix Collaborative Care, P.C. | AZ | 27-2337725 | MedExpress Primary Care Wisconsin, S.C. | WI | 81-4563448 |
| HealthCare Partners Affiliates Medical Group | CA | 95-4526112 | MedExpress Urgent Care – New Jersey, P.C. | NJ | 45-5388778 |
| HealthCare Partners ASC-HB, LLC | CA | 26-4247365 | MedExpress Urgent Care - Northern New Jersey PC | NJ | 83-2089623 |
| HealthCare Partners Associates Medical Group, P.C. | CA | 45-5273760 | MedExpress Urgent Care Arizona, P.C. | AZ | 81-4030280 |
| HealthCare Partners Medical Group, P.C. | CA | 95-4340584 | MedExpress Urgent Care Arkansas, P.A. | AR | 46-4348120 |
| Homecare Dimensions of Florida, Inc. | TX | 81-0884465 | MedExpress Urgent Care California, P.C. | CA | 82-0930142 |

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

PART 1 – ORGANIZATIONAL CHART

Physician Owned Entities

| Entity Name | Juris. | Federal Tax ID | Entity Name | Juris. | Federal Tax ID |
|---|--------|----------------|---|--------|----------------|
| MedExpress Urgent Care Connecticut, P.C. | CT | 81-1956812 | Monarch Health Plan, Inc. | CA | 22-3935634 |
| MedExpress Urgent Care Idaho, P.C. | ID | 82-1135336 | Monarch HealthCare, A Medical Group, Inc. | CA | 33-0587660 |
| MedExpress Urgent Care Illinois, P.C. | IL | 47-4308614 | Monika Roots, M.D., P.C. | CA | 84-4887072 |
| MedExpress Urgent Care Iowa, P.C. | IA | 81-5353472 | Mosaic Management Services, Inc. | CA | 20-5892451 |
| MedExpress Urgent Care Kansas, P.A. | KS | 47-1919283 | NAMM Medical Group Holdings, Inc. | CA | 56-2627070 |
| MedExpress Urgent Care Minnesota P.C. | MN | 81-1125396 | NAMM MGH, Inc. | CA | 61-1627269 |
| MedExpress Urgent Care Missouri P.C. | MO | 47-3132625 | naviHealth Coordinated Care SC, P.C. | MI | 85-0975337 |
| MedExpress Urgent Care North Carolina, P.C. | NC | 81-5138747 | naviHealth Michigan HBPC, P.C. | MI | 84-3469040 |
| MedExpress Urgent Care Oregon, P.C. | OR | 82-1919436 | Nifty After Fifty/Monarch, LLC | CA | 26-2995765 |
| MedExpress Urgent Care Rhode Island, P.C. | RI | 81-5362765 | Northridge Medical Group, Inc. | CA | 95-4748023 |
| MedExpress Urgent Care South Carolina, P.C. | SC | 81-5380706 | Northwest Medical Group Alliance, LLC | WA | 91-1699944 |
| MedExpress Urgent Care Texas, P.A. | TX | 47-5147441 | NPN IPA Washington, PLLC | WA | 61-1855159 |
| MedExpress Urgent Care Washington, P.C. | WA | 82-2443118 | Optum Clinic, P.A. | TX | 75-2778455 |
| MedExpress Urgent Care Wisconsin, S.C. | WI | 81-4281678 | Optum Medical Services of California, P.C. | CA | 30-0826311 |
| MedExpress Urgent Care, Inc. – West Virginia | WV | 26-4546400 | Optum Medical Services of Colorado, P.C. | CO | 45-5424191 |
| MedExpress Urgent Care, P.C. – Georgia | GA | 47-1804667 | Optum Medical Services, P.C. | NC | 45-3866363 |
| MedExpress Urgent Care, P.C. – Indiana | IN | 90-0929572 | Physician Associates of the Greater San Gabriel Valley, a Medical Group, Inc. | CA | 95-4747379 |
| MedExpress Urgent Care, P.C. – Maryland | MD | 45-3461101 | Physician Partners Medical Group, Inc. | CA | 30-0516435 |
| MedExpress Urgent Care, P.C. – Massachusetts | MA | 47-1857908 | Physicians Care Network, L.L.C. | WA | 91-1822767 |
| MedExpress Urgent Care, P.C. – Michigan | MI | 46-4793937 | Polyclinic Holdings, P.C. | WA | 83-3042027 |
| MedExpress Urgent Care, P.C. – Oklahoma | OK | 47-1824365 | Polyclinic Management Services Company, LLC | WA | 46-0508606 |
| MedExpress Urgent Care, P.C. – Pennsylvania | PA | 26-3750502 | Primary Care Associated Medical Group, Inc. | CA | 33-0527335 |
| MedExpress Urgent Care, P.C. – Tennessee | TN | 45-4973138 | Prime Community Care, Inc. | CA | 30-0516440 |
| MedExpress Urgent Care, P.C. – Virginia | VA | 45-3123110 | PrimeCare Medical Group of Chino Valley, Inc. | CA | 33-0645768 |
| MedExpress Urgent Care, P.S.C. - Kentucky | KY | 83-1565124 | ProHEALTH Accountable Care Medical Group, PLLC | NY | 45-4469117 |
| MedExpress, Inc. – Delaware | DE | 45-5436856 | ProHEALTH Ambulatory Surgery Center, Inc. | NY | 11-3447394 |
| Memorial Healthcare IPA, GP | CA | 95-4688463 | ProHEALTH Care Associates of New Jersey LLP | NJ | 47-5656253 |
| MH Physician Three Holdco, a Medical Corporation | CA | 27-4691544 | ProHEALTH Care Associates, L.L.P. | NY | 11-3355604 |
| MHCH, Inc. | CA | 80-0507474 | ProHEALTH Medical NY, P.C. | NY | 47-1388406 |
| MHIPA Physician Two Holdco, a Medical Corporation | CA | 27-4691508 | ProHealth Physicians, P.C. | CT | 06-1469068 |
| Mobile Medical Services of New Jersey, PC | NJ | 81-2977678 | ProHEALTH Urgent Care Medicine of New Jersey LLP | NJ | 47-5661535 |
| Mobile Medical Services, P.C. | NY | 30-0445773 | ProHEALTH Urgent Care Medicine, PLLC | NY | 46-1883579 |
| Moen, M.D., P.C. | CA | 85-3287029 | Prospero Health Partners Florida, Inc. | FL | 85-0775386 |

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

PART 1 – ORGANIZATIONAL CHART

Physician Owned Entities

| Entity Name | Juris. | Federal Tax ID | Entity Name | Juris. | Federal Tax ID |
|---|---------------|-----------------------|---|---------------|-----------------------|
| Prospero Health Partners New York, P.C. | NY | 82-2400620 | WellMed Florida Medicare ACO, LLC | TX | 84-2233329 |
| Prospero Health Partners North Carolina, P.C. | NC | 84-4569314 | WellMed Greater Texas Medicare ACO, LLC | TX | 84-2178104 |
| Prospero Health Partners, P.C. | MN | 84-3234753 | WellMed Medical Group, P.A. | TX | 74-2574229 |
| Prospero Medical Services New Jersey, P.C. | NJ | 84-3844362 | WellMed Network of Florida, Inc. | TX | 35-2314192 |
| Psychiatry Services of New York, P.C. | NY | 85-0921665 | WellMed Networks - DFW, Inc. | TX | 41-2250215 |
| Redlands Family Practice Medical Group, Inc. | CA | 56-2627067 | WellMed Networks, Inc. | TX | 74-2889447 |
| Reliant Medical Group The Endoscopy Center, LLC | MA | 20-5251393 | WellMed of Las Cruces, Inc. | TX | 92-0183013 |
| Reliant Medical Group, Inc. | MA | 04-2472266 | WellMed Tampa/Orlando Medicare ACO, LLC | TX | 84-2193803 |
| Riverside Community Healthplan Medical Group, Inc. | CA | 33-0055097 | WellMed Texas Medicare ACO, LLC | TX | 84-2219968 |
| Riverside Electronic Healthcare Resources, Inc. | CA | 20-3420379 | WND Medical, PLLC | TX | 45-2158334 |
| Riverside Pediatric Group, P.C. | NJ | 22-3624559 | XLHome Michigan, P.C. | MI | 46-3537245 |
| Robert B. McBeath, M.D. II, P.C. | NV | 86-0857176 | XLHome Northeast, P.C. | NJ | 45-5530241 |
| Robert B. McBeath, M.D. III, P.C. | NV | 46-2662506 | XLHome Oklahoma, Inc. | OK | 46-2931689 |
| Robert B. McBeath, M.D., Professional Corporation | NV | 88-0310956 | XLHome, P.C. | MD | 27-3543997 |
| San Bernardino Medical Group, Inc. | CA | -- | | | |
| Sanvello Behavioral Health Services of Michigan, P.C. | DE | 85-1941832 | | | |
| Sanvello Behavioral Health Services of New Jersey, P.C. | NJ | 85-0666386 | | | |
| Sanvello Behavioral Health Services of North Carolina, P.C. | NC | 85-1959641 | | | |
| Sanvello Behavioral Health Services of Texas, P.A. | TX | 84-3152209 | | | |
| Sanvello Behavioral Health Services, P.A. | DE | 84-1754732 | | | |
| Southern California Medical Practice Concepts, LLC | CA | 30-0743767 | | | |
| Surgical Eye Experts, LLC | MA | 65-1321064 | | | |
| Talbert Medical Group, P.C. | CA | 93-1172065 | | | |
| TeamMD Physicians, P.C. | IA | 42-1446216 | | | |
| The Everett Clinic, PLLC | WA | 91-0214500 | | | |
| The Polyclinic, PLLC | WA | 91-0369070 | | | |
| USMD Diagnostic Services, LLC | TX | 27-2803133 | | | |
| USMD Hospital at Arlington, L.P. | TX | 73-1662763 | | | |
| USMD Hospital at Fort Worth, L.P. | TX | 20-3571243 | | | |
| USMD of Arlington GP, L.L.C. | TX | 73-1662757 | | | |
| Vitucci, LCSW, P.C. | IL | 85-1453387 | | | |
| Waypoint Minnesota PC | MN | 46-2854394 | | | |
| Waypoint Minnesota Sports PC | MN | 46-2859426 | | | |

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

PART 1 – ORGANIZATIONAL CHART

Organizational Chart Footnotes

- (1) Entity is owned in full or in part by a UnitedHealth Group Incorporated friendly physician.
- (2) Control of the Foundation is based on sole membership, not the ownership of voting securities.
- (3) The remaining percentage is owned either by a non-affiliated entity, outside investor(s), former company officer(s), or third party shareholder(s).
- (4) The minority percentage is owned by one or more affiliated UnitedHealth Group Incorporated subsidiaries. Voting rights do vary.
- (5) No information of the other shareholder(s) has been provided
- (6) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.
- (7) Branch offices in Iraq and Uganda.
- (8) H&W Indemnity (SPC), Ltd. is an exempted segregated portfolio company organized under the laws of the Cayman Islands and holds a Cayman insurance license.
- (9) Registered as a foreign shareholder in Brazil.
- (10) Registered in Nova Scotia and Newfoundland & Labrador.
- (11) Polar II Fundo de Investimento em Participações is a Brazilian private equity investment fund incorporated in the form of a closed-end condominium.
- (12) Branch office located in the United States.
- (13) Entity has a representative office in Beijing, China.
- (14) Registered in the Dubai Silicon Oasis free zone.
- (15) Registered branches in Australia and the UK.
- (16) Registered in the Dubai Healthcare City free zone.
- (17) Entity is not directly owned by the parent. However, the parent does have a viable economic interest as well as control over the entity through contractual agreements.

OVERFLOW PAGE FOR WRITE-INS

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

| | Claim Adjustment Expenses | | 3 General Administrative Expenses | 4 Investment Expenses | 5 Total |
|--|--------------------------------------|--|--|-----------------------------|------------|
| | 1 Cost Containment Expenses | 2 Other Claim Adjustment Expenses | | | |
| 2504. Miscellaneous Losses | 20,605 | 6,195 | 32,760 | | 59,560 |
| 2505. Professional Fees/Consulting | 350,685 | 105,443 | 565,376 | | 1,021,504 |
| 2506. Sundry General Expenses | 3,786,860 | 850,288 | 4,856,739 | | 9,493,887 |
| 2597. Summary of remaining write-ins for Line 25 from overflow page | 4,158,150 | 961,926 | 5,454,875 | 0 | 10,574,951 |

ANNUAL STATEMENT FOR THE YEAR 2020 OF THE Oxford Health Plans (NJ), Inc.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 2D Line 5

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|---------|---------------------------------------|------------------------|-------------|-------------|---|----------------------------|--------------------------|-------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other |
| 0504. RADV Payable | 421,893 | 421,893 | | | | | | | |
| 0597. Summary of remaining write-ins for Line 5 from overflow page | 421,893 | 421,893 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |