

HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021 OF THE CONDITION AND AFFAIRS OF THE

AMERIGROUP New Jersey, Inc.

| | (Current) (Prior) | , , | e <u>95373</u> Employer's I | - | 3375292 NJ |
|---|---|---|--|--|---|
| _ | | | | | 140 |
| Country of Domicile | | United States | of America | | |
| Licensed as business type: | | Health Maintenand | ce Organization | | |
| Is HMO Federally Qualified? Yes | [] No [X] | | | | |
| ganized under the Laws of Current) (P. New Je untry of Domicile ensed as business type: | | | Commenced Business | | 02/01/1996 |
| Statutory Home Office | 101 Wood Avenue South, 8th | Floor, | | lselin, NJ, US 08 | 830 |
| | (Street and Number) | | (City o | r Town, State, Country | y and Zip Code) |
| Main Administrative Office | | 1300 Amerig | | | |
| Virgi | nia Beach, VA, US 23464 | (Street and | Number) | 757-490-6900 |) |
| | | | (<i>i</i> | Area Code) (Telephon | e Number) |
| Mail Address | 1300 Amerigroup Way | | | Virginia Beach, VA, U | IS 23464 |
| | (Street and Number or P,O, Box) | | (City o | r Town, State, Country | y and Zip Code) |
| Primary Location of Books and Re | cords | 1300 Americ | | | |
| Virgi | nia Beach, VA, US 23464 | (Street and | Number) | 757-490-6900 |) |
| | | • | () | Area Code) (Telephon | e Number) |
| Internet Website Address | | WWW,AMERIC | ROUP,COM | | |
| Statutory Statement Contact | Bette Lou Gro | nseth | | 757-490 | -6900 |
| _ | (Name) | | , | (Area Code) (Tele | |
| Bette,Gr | | | 7 | (FAX Number | •) |
| | (= | | | (| , |
| Chairparean Brasidant & | | OFFIC | ERS | | |
| | Teresa Thomas Hurse | <u> </u> | Treasurer _ | Vinc | ent Edward Scher |
| Secretary | Kathleen Susan Kiefe | r | Vice President/Asst. Secretary _ | Ja | ack Louis Young |
| Eric (Rick) Kenneth Noble, | Assistant Treasurer | ОТН | ER | | |
| | | DIRECTORS OF | | | |
| Teresa Thomas | Hursey | Jack Loui | s Young | Ron | ald William Penczek |
| State of | Indiana | | | | |
| County of | | SS | | | |
| all of the herein described assets statement, together with related ex condition and affairs of the said rej in accordance with the NAIC Anni rules or regulations require differ | were the absolute property of the hibits, schedules and explanations oorting entity as of the reporting per ual Statement Instructions and Acci- rences in reporting not related to | said reporting entity, therein contained, an iod stated above, and ounting Practices and accounting practices | free and clear from any liens nexed or referred to, is a full a l of its income and deductions Procedures manual except is and procedures, according | s or claims thereon, eand true statement of stherefrom for the perto the extent that: (1) to the best of their | except as herein stated, and that this all the assets and liabilities and of the iod ended, and have been completed state law may differ; or, (2) that state information, knowledge and belief, |
| | | | nent. The electronic filing may | | |
| teresa thu | omas Hursey | Vincent 485A3372 | t E. Scher 2D4143E | | Yathy Kiefer |
| | • | Vincent Edw Treasu | | | Kathleen Susan Kiefer Secretary |
| 31st day of J. Antry Rita F. Gentry | | | a. Is this an original filin b. If no, 1. State the amendm 2. Date filed | nent number | Yes[X]No[] |
| Executive Assistant 1/17/2029 | | | | | |

Rita F. Gentry
Notary Public
SEAL
Johnson County, State of Indiana
My Commission Expires January 17, 2029
Commission No: NP0641321

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) | 486,733,037 | | 486,733,037 | 307,870,531 |
| 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 (less \$ | | | | |
| | encumbrances) | | | 0 | |
| | 4.2 Properties held for the production of income (less | | | | |
| | \$ encumbrances) | | | 0 | |
| | 4.3 Properties held for sale (less \$ | | | | |
| | encumbrances) | | | 0 | |
| 5. | Cash (\$119,766,971 , Schedule E - Part 1), cash equivalents | | | | |
| | (\$12,942,372 , Schedule E - Part 2) and short-term | | | | |
| | investments (\$0 , Schedule DA) | 132,709,343 | | 132,709,343 | 195,489,072 |
| 6. | Contract loans, (including \$ premium notes) | | | 0 | |
| 7. | Derivatives (Schedule DB) | | | 0 | |
| | Other invested assets (Schedule BA) | | | | |
| | Receivables for securities | | | | |
| | Securities lending reinvested collateral assets (Schedule DL) | | | | |
| | Aggregate write-ins for invested assets | | | | |
| 12. | Subtotals, cash and invested assets (Lines 1 to 11) | 628,808,404 | 0 | 628,808,404 | |
| 13. | Title plants less \$ charged off (for Title insurers | | | | |
| | only) | | | | |
| 14. | Investment income due and accrued | 3,589,557 | 0 | 3,589,557 | 2,837,972 |
| | Premiums and considerations: | | | | |
| | 15.1 Uncollected premiums and agents' balances in the course of collection | 21,704,249 | 0 | 21,704,249 | 19,479,122 |
| | 15.2 Deferred premiums and agents' balances and installments booked but | | | | |
| | deferred and not yet due (including \$ | | | | |
| | earned but unbilled premiums) | | | 0 | |
| | 15.3 Accrued retrospective premiums (\$ | | | | |
| | contracts subject to redetermination (\$12,932,968) | 12,932,968 | 0 | 12,932,968 | 7,832,213 |
| | Reinsurance: | | | | |
| | 16.1 Amounts recoverable from reinsurers | | | | |
| | 16.2 Funds held by or deposited with reinsured companies | | | | |
| | 16.3 Other amounts receivable under reinsurance contracts | | | | |
| | Amounts receivable relating to uninsured plans | | | | |
| | <u> </u> | | | | |
| | Net deferred tax asset | | | | |
| 19. | Guaranty funds receivable or on deposit | | | | |
| 20. | Electronic data processing equipment and software | | | 0 | |
| 21. | Furniture and equipment, including health care delivery assets | | | | |
| | (\$ | | | | |
| | Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| | Receivables from parent, subsidiaries and affiliates | | | | |
| | · · · · · · · · · · · · · · · · · · · | | | | |
| | Aggregate write-ins for other than invested assets | 1,886,311 | 1,886,311 | 0 | 0 |
| 26. | Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 690,343,251 | 14,413,748 | 675,929,503 | 549,411,915 |
| 27. | From Separate Accounts, Segregated Accounts and Protected Cell | | | | |
| | Accounts | | | | |
| 28. | Total (Lines 26 and 27) | 690,343,251 | 14,413,748 | 675,929,503 | 549,411,915 |
| | DETAILS OF WRITE-INS | | | | |
| 1101. | | | | | |
| 1102. | | | | | |
| 1103. | | | | | |
| 1198. | Summary of remaining write-ins for Line 11 from overflow page | | | 0 | 0 |
| | Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) | 0 | | _ | 0 |
| 2501. | Prepaid Expenses | 1,882,081 | 1,882,081 | 0 | 0 |
| 2502. | Other | 4,230 | 4,230 | 0 | |
| 2503. | | | | | |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 | 0 |
| | Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 1,886,311 | | | |

LIABILITIES, CAPITAL AND SURPLUS

| 2. Accrued medical is Unpaid claims add 4. Aggregate health \$ | aid (less \$ | | | | 4,089,146 |
|--|--|---|--|---|-------------|
| 2. Accrued medical is Unpaid claims add 4. Aggregate health \$ | ms adjustment expenses | | | 216,809,361 14,189,580 5,357,401 118,528,679 | |
| 2. Accrued medical is Unpaid claims adjustrely adjustrely and is a control of the | ms adjustment expenses | | | 216,809,361 14,189,580 5,357,401 118,528,679 | |
| 2. Accrued medical is Unpaid claims add 4. Aggregate health \$ | ms adjustment expenses | | | | 12,770,080 |
| 3. Unpaid claims adj 4. Aggregate health \$ | ms adjustment expenses. health policy reserves, including the liability of | 5,357,401 | | 5,357,401 | 4,089,146 |
| 4. Aggregate health \$ | health policy reserves, including the liability of | 118,528,679 | | 118,528,679 | |
| \$ Health Service A 5. Aggregate life pol 6. Property/casualty 7. Aggregate health 8. Premiums receive 9. General expenses 10.1 Current federal ar | | | | | |
| Health Service A 5. Aggregate life pol 6. Property/casualty 7. Aggregate health 8. Premiums receive 9. General expenses 10.1 Current federal ar | rvice Act life policy reserves. sualty unearned premium reserves. health claim reserves. received in advance. penses due or accrued. | | | | |
| 5. Aggregate life pol 6. Property/casualty 7. Aggregate health 8. Premiums receive 9. General expenses 10.1 Current federal ar | life policy reserves | | | | |
| 6. Property/casualty 7. Aggregate health 8. Premiums receive 9. General expenses 10.1 Current federal ar (including \$ 10.2 Net deferred tax li 11. Ceded reinsuranc 12. Amounts withheld 13. Remittances and 14. Borrowed money interest thereon s \$ 15. Amounts due to p 16. Derivatives 17. Payable for secur 18. Payable for secur 19. Funds held under authorized reinsurers and \$ 20. Reinsurance in ur companies 21. Net adjustments i 22. Liability for amour 23. Aggregate write-in current) 24. Total liabilities (Li 25. Aggregate write-ir current capital s 27. Preferred capital s 28. Gross paid in and 29. Surplus notes 30. Aggregate write-ir 31. Unassigned funds 32. Less treasury stor 32.1 \$ | sualty unearned premium reserves. health claim reserves. received in advance. penses due or accrued. | | | 0 | 85,572,964 |
| 7. Aggregate health 8. Premiums receive 9. General expenses 10.1 Current federal ar | health claim reserves. received in advance. penses due or accrued. | | | | |
| 8. Premiums receive 9. General expenses 10.1 Current federal ar (including \$ | received in advancepenses due or accrued | | | 0 | |
| 9. General expenses 10.1 Current federal ar | penses due or accrued | 3 311 | | 0 | 126,111 |
| 10.1 Current federal ar (including \$ | | , 0, 0, 1, 1, | | 3,311 | 3,385 |
| (including \$ | eral and foreign income tax payable and interest thereon | 51,224,681 | | 51,224,681 | 45,709,644 |
| 10.2 Net deferred tax li 11. Ceded reinsurance 12. Amounts withheld 13. Remittances and 14. Borrowed money interest thereon is 15. Amounts due to p 16. Derivatives | • | | | | |
| 10.2 Net deferred tax li 11. Ceded reinsurance 12. Amounts withheld 13. Remittances and 14. Borrowed money interest thereon is 15. Amounts due to p 16. Derivatives | \$ on realized capital gains (losses)) | 1,460,117 | | 1.460.117 | 0 |
| 11. Ceded reinsurance 12. Amounts withheld 13. Remittances and 14. Borrowed money interest thereon is interest thereon in the second in the second interest thereon in the second | d tax liability | | | | |
| 12. Amounts withheld 13. Remittances and 14. Borrowed money interest thereon should be a continuous and should be a continuous an | surance premiums payable. | | | | |
| 13. Remittances and 14. Borrowed money interest thereon is | ithheld or retained for the account of others. | | | | |
| 14. Borrowed money interest thereon should be supported by the second should be supported by the support of the | s and items not allocated. | · · | | | |
| interest thereon shall be interest thereon shall be interest thereon shall be interest. 15. Amounts due to put 16. Derivatives | | 1,304,303 | | 1,304,303 | 2,099,500 |
| \$ | noney (including \$ current) and | | | | |
| Amounts due to p Derivatives | ereon \$ (including | | | | |
| 16. Derivatives | current) | | | | |
| Payable for secur Payable for secur Funds held under authorized reinsurers and \$ Reinsurance in ur companies | ue to parent, subsidiaries and affiliates | · · | | | 5,071,525 |
| 18. Payable for secur 19. Funds held under authorized reinsurers and \$ 20. Reinsurance in ur companies | | | | 0 | |
| 19. Funds held under authorized reinsurers and \$ 20. Reinsurance in ur companies | securities | 5,552,991 | | 5,552,991 | 3,500,000 |
| 19. Funds held under authorized reinsurers and \$ 20. Reinsurance in ur companies | securities lending | 9,366,024 | | 9,366,024 | 3,076,001 |
| reinsurers and \$ 20. Reinsurance in ur companies | under reinsurance treaties (with \$ | | | | |
| reinsurers and \$ 20. Reinsurance in ur companies | reinsurers, \$0 unauthorized | | | | |
| 20. Reinsurance in ur companies | and \$0 certified reinsurers) | | | 0 | |
| companies | e in unauthorized and certified (\$) | | | | |
| 21. Net adjustments i 22. Liability for amour 23. Aggregate write-in current) | s | | | 0 | |
| 22. Liability for amour 23. Aggregate write-in current) | | | | | |
| 23. Aggregate write-in current) | nents in assets and liabilities due to foreign exchange rates | 05 004 050 | | U | |
| current) | amounts held under uninsured plans | 25,991,350 | | 25,991,350 | 24,421 |
| 24. Total liabilities (Lii 25. Aggregate write-ir 26. Common capital s 27. Preferred capital s 28. Gross paid in and 29. Surplus notes 30. Aggregate write-ir 31. Unassigned funds 32. Less treasury stor 32.1 \$ 32.2 \$ 33. Total capital and s | write-ins for other liabilities (including \$1,024,483 | | | | |
| 25. Aggregate write-ir 26. Common capital s 27. Preferred capital s 28. Gross paid in and 29. Surplus notes 30. Aggregate write-ir 31. Unassigned funds 32. Less treasury stor 32.1 \$ | | | | | |
| 26. Common capital s 27. Preferred capital s 28. Gross paid in and 29. Surplus notes 30. Aggregate write-ir 31. Unassigned funds 32. Less treasury stor 32.1 \$ | ies (Lines 1 to 23) | 454,699,806 | 0 | 454,699,806 | 352,419,195 |
| 27. Preferred capital s 28. Gross paid in and 29. Surplus notes 30. Aggregate write-ir 31. Unassigned funds 32. Less treasury stor 32.1 \$ | write-ins for special surplus funds | XXX | XXX | 0 | 0 |
| 28. Gross paid in and 29. Surplus notes 30. Aggregate write-ir 31. Unassigned funds 32. Less treasury stor 32.1 \$ | apital stock | XXX | XXX | 10 | 10 |
| Surplus notes | apital stock | xxx | XXX | | |
| 29. Surplus notes | in and contributed surplus. | XXX | XXX | 40,322,020 | 40,322,020 |
| 30. Aggregate write-ir 31. Unassigned funds 32. Less treasury stor 32.1 | es | | | | |
| 31. Unassigned funds 32. Less treasury stor 32.1 | write-ins for other than special surplus funds | | | | |
| 32. Less treasury stor 32.1 | d funds (surplus) | | | | 156.670.690 |
| 32.1 | | | | | 130,070,030 |
| \$ | | | | | |
| 32.2\$ | shares common (value included in Line 26 | | | | |
| \$33. Total capital and |) | XXX | XXX | | |
| 33. Total capital and | shares preferred (value included in Line 27 | | | | |
| |) | XXX | XXX | | |
| 34 Total liabilities on | al and surplus (Lines 25 to 31 minus Line 32) | xxx | XXX | 221,229,697 | 196,992,720 |
| o-r. rotar nabilities, Ca | ies, capital and surplus (Lines 24 and 33) | XXX | XXX | 675,929,503 | 549,411,915 |
| DETAILS OF WR | OF WRITE-INS | | | | |
| | ability | 3,322.911 | | 3,322,911 | 3,468.229 |
| | • | | | | 503,930 |
| | UIII LIADIIIIV | | | | 114,484 |
| | ium Liability | | 0 | | 18,700,000 |
| | ns Payable | | 0 | 4,027,615 | 22,786,643 |
| • | ns Payable | | U | | |
| | rs Payable | 4,027,615 | | | |
| | of remaining write-ins for Line 23 from overflow page | 4,027,615 XXX | | | |
| | of remaining write-ins for Line 23 from overflow page es 2301 thru 2303 plus 2398)(Line 23 above) | 4,027,615 XXX XXX | xxx | | |
| 2598. Summary of rema | ns Payable | 4,027,615 XXX XXX XXX | XXX XXX | | |
| 2599. Totals (Lines 250 | of remaining write-ins for Line 23 from overflow page es 2301 thru 2303 plus 2398)(Line 23 above) | 4,027,615 XXX XXX XXX | XXX XXX | | 0 |
| 3001 | ns Payable | 4,027,615 XXX XXX XXX | XXX XXX | | |
| | rs Payable | 4,027,615 XXX XXX XXX XXX XXX XXX | XXX XXX XXX XXX | 0 | 0 |
| | of remaining write-ins for Line 23 from overflow page | 4,027,615 XXX XXX XXX XXX XXX XXX XXX | XXX XXX XXX XXX | 0 | 0 |
| | of remaining write-ins for Line 23 from overflow page | 4,027,615 XXX XXX XXX XXX XXX XXX XXX | XXX XXX XXX XXX XXX | 0 0 | 0 |
| 3099. Totals (Lines 300) | of remaining write-ins for Line 23 from overflow page | 4,027,615 XXX XXX XXX XXX XXX XXX XXX | XXX XXX XXX XXX XXX XXX | 0 | 0 |

STATEMENT OF REVENUE AND EXPENSES

| | | Curren | t Year | Prior Year |
|-------|---|-----------|---------------|---------------|
| | | 1 | 2 | 3 |
| | Marka Marka | Uncovered | Total | Total |
| 1. | Member Months. | xxx | 3, 116, 132 | 2,683,523 |
| _ | Not assessing in a second (including 0 | yyyy | 0.016.041.004 | 1 750 040 000 |
| 2. | Net premium income (including \$ non-health premium income) | | | |
| 3. | Change in unearned premium reserves and reserve for rate credits | | | |
| 4. | Fee-for-service (net of \$ medical expenses) | | | |
| 5. | Risk revenue | | | |
| 6. | Aggregate write-ins for other health care related revenues | | | 0 |
| 7. | Aggregate write-ins for other non-health revenues | XXX | 0 | 0 |
| 8. | Total revenues (Lines 2 to 7) | XXX | 1,982,549,867 | 1,682,573,259 |
| | Hospital and Medical: | | | |
| 9. | Hospital/medical benefits | | | |
| 10. | Other professional services | | 231,387,341 | 195,407,586 |
| 11. | Outside referrals | | 0 | |
| 12. | Emergency room and out-of-area | | 307,364,853 | 236,704,077 |
| 13. | Prescription drugs | | 221,715,547 | 192,393,538 |
| 14. | Aggregate write-ins for other hospital and medical | 0 | 100,467 | 0 |
| 15. | Incentive pool, withhold adjustments and bonus amounts | | | 11,553,844 |
| 16. | Subtotal (Lines 9 to 15) | | | |
| | Less: | | | , , , |
| 17. | Net reinsurance recoveries | | 0 | |
| 18. | Total hospital and medical (Lines 16 minus 17) | 0 | 1,705,042,918 | 1,417,927,937 |
| 19. | Non-health claims (net) | | | |
| 20. | Claims adjustment expenses, including \$70,030,810 cost containment expenses | | | |
| 21. | General administrative expenses | | | |
| | | | 154,057,054 | 141,307,202 |
| 22. | Increase in reserves for life and accident and health contracts (including \$ | | | |
| | increase in reserves for life only) | | | |
| 23. | Total underwriting deductions (Lines 18 through 22) | | | 1,643,803,865 |
| 24. | Net underwriting gain or (loss) (Lines 8 minus 23) | | | |
| 25. | Net investment income earned (Exhibit of Net Investment Income, Line 17) | | | |
| 26. | Net realized capital gains (losses) less capital gains tax of \$(55,814) | | (724,423) | 336,393 |
| 27. | Net investment gains (losses) (Lines 25 plus 26) | 0 | 7,273,061 | 6,938,768 |
| 28. | Net gain or (loss) from agents' or premium balances charged off [(amount recovered | | | |
| | \$(81,888))] | | (81,888) | (36,426) |
| 29. | Aggregate write-ins for other income or expenses | 0 | 1,620,575 | 1,335,364 |
| 30. | Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus | | | |
| | 27 plus 28 plus 29) | | 38,739,002 | 47,007,100 |
| 31. | Federal and foreign income taxes incurred | XXX | 6,708,488 | 15,254,348 |
| 32. | Net income (loss) (Lines 30 minus 31) | XXX | 32,030,514 | 31,752,752 |
| | 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. | Other benefit expense | | 100,467 | |
| 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 | 100,467 | 0 |
| 2901. | Miscellaneous (expense) income | | 1,620,575 | 1,335,364 |
| 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 | 1,620,575 | 1,335,364 |
| | | | | |

STATEMENT OF REVENUE AND EXPENSES (Continued)

| 1 | STATEMENT OF REVENUE AND EXPENSES | Oonanaoa | |
|-------|--|-------------------|-----------------|
| | | 1 Current Year | 2 Prior Year |
| | | | |
| | | | |
| | CAPITAL AND SURPLUS ACCOUNT | | |
| | | | |
| | | | |
| 33. | Capital and surplus prior reporting year | 196,992,720 | 182,413,614 |
| 34. | Net income or (loss) from Line 32 | 32,030,514 | 31,752,752 |
| 35. | Change in valuation basis of aggregate policy and claim reserves | | |
| 36. | Change in net unrealized capital gains (losses) less capital gains tax of \$(16,880) | (63 499) | (10, 185 |
| | Change in net unrealized depital gains (losses) less capital gain or (loss) | | |
| | Change in net deferred income tax | | |
| | Change in nonadmitted assets | | |
| 40 | Change in unauthorized and certified reinsurance | | 231,300 |
| 41. | Change in treasury stock | | |
| | | | |
| | Change in surplus notes | | |
| | Cumulative effect of changes in accounting principles. | | |
| 44. | Capital Changes: | | |
| | 44.1 Paid in | | |
| | 44.2 Transferred from surplus (Stock Dividend) | | |
| | 44.3 Transferred to surplus | | |
| 45. | Surplus adjustments: | | |
| | 45.1 Paid in | 0 | |
| | 45.2 Transferred to capital (Stock Dividend) | | |
| | 45.3 Transferred from capital | | |
| 46. | Dividends to stockholders | | (18,700,000 |
| 47. | Aggregate write-ins for gains or (losses) in surplus | 0 | 0 |
| 48. | Net change in capital and surplus (Lines 34 to 47) | 24,236,977 | 14,579,106 |
| 49. | Capital and surplus end of reporting period (Line 33 plus 48) | 221,229,697 | 196,992,720 |
| | DETAILS OF WRITE-INS | | |
| 4701. | | | |
| 4702. | | | |
| 4703. | | | |
| 4798. | Summary of remaining write-ins for Line 47 from overflow page | 0 | 0 |
| 4799. | Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above) | 0 | 0 |

CASH FLOW

| | | 1 | 2 |
|-----|---|---------------|---------------|
| | | Current Year | Prior Year |
| | Cash from Operations | | |
| 1. | Premiums collected net of reinsurance | | 1,755,813,057 |
| 2. | Net investment income | 12,761,610 | 10,888,173 |
| 3. | Miscellaneous income | 0 | |
| 4. | Total (Lines 1 through 3) | 2,020,941,236 | 1,766,701,230 |
| 5. | Benefit and loss related payments | 1,661,325,038 | 1,368,390,448 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 209,723,305 | 192,421,500 |
| 8. | Dividends paid to policyholders | | |
| 9. | Federal and foreign income taxes paid (recovered) net of \$(55,814) tax on capital gains (losses) | 2,798,039 | 18,491,021 |
| 10. | Total (Lines 5 through 9) | 1,873,846,382 | 1,579,302,969 |
| 11. | Net cash from operations (Line 4 minus Line 10) | 147,094,854 | 187,398,261 |
| | | | |
| | Cash from Investments | | |
| 12. | Proceeds from investments sold, matured or repaid: | | |
| | 12.1 Bonds | 111,750,958 | 62,073,745 |
| | 12.2 Stocks | 0 | |
| | 12.3 Mortgage loans | 0 | |
| | 12.4 Real estate | 0 | |
| | 12.5 Other invested assets | 0 | |
| | 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | 8,688 | 3, 184 |
| | 12.7 Miscellaneous proceeds | 2,052,991 | 3,500,000 |
| | 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 113,812,637 | 65,576,929 |
| 13. | Cost of investments acquired (long-term only): | | |
| | 13.1 Bonds | 296,967,717 | 121,972,773 |
| | 13.2 Stocks | 0 | |
| | 13.3 Mortgage loans | 0 | |
| | 13.4 Real estate | 0 | |
| | 13.5 Other invested assets | 0 | |
| | 13.6 Miscellaneous applications | 6,290,023 | 3,076,001 |
| | 13.7 Total investments acquired (Lines 13.1 to 13.6) | 303,257,740 | 125,048,774 |
| 14. | Net increase (decrease) in contract loans and premium notes | 0 | |
| 15. | Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | (189,445,103) | (59,471,845) |
| | | | |
| | Cash from Financing and Miscellaneous Sources | | |
| 16. | Cash provided (applied): | | |
| | 16.1 Surplus notes, capital notes | 0 | |
| | 16.2 Capital and paid in surplus, less treasury stock | 0 | |
| | 16.3 Borrowed funds | 0 | |
| | 16.4 Net deposits on deposit-type contracts and other insurance liabilities | 0 | |
| | 16.5 Dividends to stockholders | | 0 |
| | 16.6 Other cash provided (applied) | === | (1,690,030) |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | | (1,690,030) |
| | | | |
| | 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) | (62,779,729) | 126,236,386 |
| 19. | Cash, cash equivalents and short-term investments: | | |
| | 19.1 Beginning of year | | 69,252,686 |
| | 19.2 End of year (Line 18 plus Line 19.1) | 132,709,343 | 195,489,072 |

| Note: Supplemental disclosures of cash flow information for non-cash transactions: |
|--|
| on and the manifestion |

| 20.0001. Depreciation | 66,415 | 213,521 | |
|-----------------------|--------|---------|--|
| 20.0002. Amortization | | 188,667 | |
| | | · | |

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | | | VAL I SIS C | | TIONS D | LINES | DI DOSINE | _00 | | | |
|-------|---|---------------|---------------------------------------|------------------------|----------------|----------------|---------------------------|-------------------|-----------------|----------------|---------------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 Federal Employees | 7 Title | 8 Title | 9 | 10 |
| | | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Health Benefits Plan | XVIII Medicare | XIX Medicaid | Other Health | Other Non-Health |
| 1. | Net premium income | 2,016,041,024 | 39,744,498 | Supplement | Offity | Offity | Deficites Figure | 531,950,533 | 1,444,345,993 | Other rieditii | Non-riealth |
| 2. | | (33,491,157) | , , | | | | | (18,236,455) | (15,254,702) | | |
| 3. | Fee-for-service (net of \$ | | , | | | | | (10,230,433) | (13,234,702) | | |
| 4. | medical expenses) | 0 | | | | | | | | | XXX XXX |
| 5. | Aggregate write-ins for other health care related revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 6. | | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 7. | | 1,982,549,867 | 39,744,498 | n | | 0 | | 513,714,078 | 1,429,091,291 | 0 | ر ۱ |
| 8. | Hospital/medical benefits | 929, 173, 897 | 14,200,434 | u | | g | u | 264,023,504 | | | XXX |
| 9. | Other professional services | 231,387,341 | 6,568,554 | | | | | 25,689,037 | 199, 129, 750 | | XXX |
| 10. | Outside referrals | 0 | | | | | | | | | XXX |
| 11. | Emergency room and out-of-area | 307,364,853 | 3,140,480 | | | | | 137,910,877 | 166,313,496 | | XXX |
| 12. | Prescription drugs | 221,715,547 | 3,781,251 | | | | | 31,448,593 | 186,485,703 | | XXX |
| 13. | Aggregate write-ins for other hospital and medical | 100,467 | 0 | 0 | 0 | 0 | 0 | 0 | 100,467 | 0 | XXX |
| 14. | Incentive pool, withhold adjustments and bonus amounts | 15,300,813 | 554,082 | | | | | (80, 124) | 14,826,855 | | XXX |
| 15. | Subtotal (Lines 8 to 14) | 1,705,042,918 | 28,244,801 | 0 | 0 | 0 | 0 | 458,991,887 | 1,217,806,230 | 0 | XXX |
| 16. | Net reinsurance recoveries | 0 | | | | | | | | | XXX |
| 17. | Total medical and hospital (Lines 15 minus 16) | 1,705,042,918 | 28,244,801 | 0 | 0 | 0 | 0 | 458,991,887 | 1,217,806,230 | 0 | XXX |
| 18. | Non-health claims (net) | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 19. | | | | | | | | | | | |
| | \$70,030,811 cost containment expenses | 92,721,862 | 2,937,755 | | | | | 20,521,781 | 69,262,326 | | |
| 20. | General administrative expenses | 154,857,834 | 4,906,441 | | | | | 34,274,102 | 115,677,291 | | |
| 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) | 1,952,622,614 | 36,088,997 | 0 | 0 | 0 | 0 | 513,787,770 | 1,402,745,847 | 0 | 0 |
| 24. | Total underwriting gain or (loss) (Line 7 minus Line 23) | 29,927,253 | 3,655,501 | 0 | 0 | 0 | 0 | (73,692) | 26,345,444 | 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 | |
| 0602. | | | XXX | xxx | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0603. | | | xxx | xxx | XXX | xxx | XXX | XXX | XXX | XXX | |
| 0698. | Summary of remaining write-ins for Line 6 from overflow page | 0 | xxx | XXX | xxx | xxx | xxx | xxx | xxx | XXX | 0 |
| 0699. | Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | N |
| 1301. | Aggregate Claims | 100.467 | | | | | | , | 100.467 | | XXX |
| 1301. | 1991 09410 0141110 | | | | | | | | | | XXX |
| 1303. | | | | | | | | | | | XXX |
| 1398. | Summary of remaining write-ins for Line 13 from overflow page | Λ | 0 | 0 | n | 0 | 0 | 0 | 0 | 0 | XXX |
| 1399. | Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) | 100.467 | ν | ן ת | v | ν | ν | | 100.467 | | XXX |
| เงฮฮ. | Totals (Lines 1301 tillu 1303 plus 1330) (Line 13 above) | 100,467 | 1 01 | 0 1 | U | 1 0 | 1 01 | 0 1 | 100,407 | 0 | ^^^ |

7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

| | 1 | 2 | 3 | 4 |
|---|--------------------|------------------------|----------------------|--|
| Line of Business | Direct Business | Reinsurance Assumed | Reinsurance Ceded | Net Premium Income (Cols. 1 + 2 - 3) |
| Comprehensive (hospital and medical) | 39,744,498 | 0 | 0 | 39,744,498 |
| 2. Medicare Supplement | 0 | 0 | 0 | 0 |
| 3. Dental only | 0 | 0 | 0 | 0 |
| 4. Vision only | 0 | 0 | 0 | 0 |
| 5. Federal Employees Health Benefits Plan | 0 | 0 | 0 | 0 |
| 6. Title XVIII - Medicare | 531,950,533 | 0 | 0 | 531,950,533 |
| 7. Title XIX - Medicaid | 1,444,345,993 | 0 | 0 | 1,444,345,993 |
| 8. Other health | 0 | 0 | 0 | 0 |
| 9. Health subtotal (Lines 1 through 8) | 2,016,041,024 | 0 | 0 | 2,016,041,024 |
| 10. Life | 0 | | 0 | 0 |
| 11. Property/casualty | 0 | | | 0 |
| 12. Totals (Lines 9 to 11) | 2,016,041,024 | 0 | 0 | 2,016,041,024 |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

| | | | | PART 2 - CLAI | MS INCURRED DU | RING THE YEAR | | | | | |
|-----|---|---------------|---|------------------------|----------------|---------------|--------------------------------------|----------------------------|--------------------------|--------------|---------------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 Federal | 7 | 8 | 9 | 10 |
| | | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. | Payments during the year: | | | • • | • | • | | | | | |
| | 1.1 Direct | 1,647,443,725 | 28,271,998 | 0 | 0 | 0 | 0 | 460,819,512 | 1, 158, 352, 215 | | |
| | 1.2 Reinsurance assumed | 0 | , , | | | | | , ,,, | 0 | | |
| | 1.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| | 1.4 Net | 1,647,443,725 | 28,271,998 | 0 | 0 | 0 | 0 | 460,819,512 | 1,158,352,215 | 0 | (|
| 2. | | 13,881,313 | 671,234 | 0 | 0 | 0 | 0 | (2,223,387) | 15,433,466 | | |
| | Claim liability December 31, current year from Part 2A: | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | - | | | | | | |
| ٥. | 3.1 Direct | 216,809,361 | 1,894,916 | 0 | 0 | 0 | 0 | 56,467,608 | 158,446,837 | 0 | (|
| | 3.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| | 3.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| | 3.4 Net | 216,809,361 | 1,894,916 | 0 | 0 | 0 | 0 | 56,467,608 | | 0 | (|
| 4 | Claim reserve December 31, current year from Part 2D: | | | | | | | | | | |
| • | 4.1 Direct | 0 | | | | | | | | | |
| | 4.2 Reinsurance assumed | 0 | | | | | | | | | |
| | 4.3 Reinsurance ceded | 0 | | | | | | | | | |
| | 4.4 Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| 5. | Accrued medical incentive pools and bonuses, current | | | | | | | | | | |
| 0. | year | 14, 189, 580 | 512,656 | 0 | 0 | 0 | 0 | 4,886,410 | 8,790,514 | | |
| 6. | • | 6,798,424 | 1,270,830 | 0 | 0 | 0 | 0 | 5,670,657 | (143,063) | | |
| | Amounts recoverable from reinsurers December 31, current year | 0 | , , , | | | | | | , | | |
| 8. | Claim liability December 31, prior year from Part 2A: | | | | | | | | | | |
| | 8.1 Direct | 167,586,446 | 1,205,364 | 0 | 0 | 0 | 0 | 52.544.450 | 113,836,632 | 0 | (|
| | 8.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| | 8.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| | 8.4 Net | 167,586,446 | 1,205,364 | 0 | 0 | 0 | 0 | 52,544,450 | 113,836,632 | 0 | |
| 9. | Claim reserve December 31, prior year from Part 2D: | , , | , ,,, | | | | | , , , | | | |
| | 9.1 Direct | 126,111 | 0 | 0 | 0 | 0 | 0 | 0 | 126,111 | 0 | (|
| | 9.2 Reinsurance assumed | 0 | | | | | | | 0 | | |
| | 9.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| | 9.4 Net | 126,111 | 0 | 0 | 0 | 0 | 0 | 0 | 126,111 | 0 | (|
| 10. | Accrued medical incentive pools and bonuses, prior year | 12,770,080 | 629,808 | 0 | 0 | 0 | 0 | 2,743,147 | 9,397,125 | 0 | (|
| 11. | Amounts recoverable from reinsurers December 31, | , , | - , | | | | | , -, | .,, | | |
| | prior year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| 12. | Incurred Benefits: | | | | | | | | | | |
| | 12.1 Direct | 1,689,742,105 | 27,690,720 | 0 | 0 | 0 | 0 | 459,072,013 | 1,202,979,372 | 0 | (|
| | 12.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| | 12.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| | 12.4 Net | 1,689,742,105 | 27,690,720 | 0 | 0 | 0 | 0 | 459,072,013 | 1,202,979,372 | 0 | |
| 13 | Incurred medical incentive pools and bonuses | 15,300,813 | 554,082 | 0 | 0 | 0 | 0 | (80, 124) | 14,826,855 | 0 | |

⁽a) Excludes \$3,985,906 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

| | | | | 0 2 <i>0</i> (B1211 1 2115 1 | OI CONNENT TEAT | | | | | |
|--|-------------|------------------------------------|------------------------|------------------------------|-----------------|---------------------------|-------------------|-----------------|--------------|---------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 Federal Employees | 7 Title | 8 Title | 9 | 10 |
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Health Benefits Plan | XVIII Medicare | XIX Medicaid | Other Health | Other Non-Health |
| Reported in Process of Adjustment: | | | | | | | | | | |
| 1.1 Direct | 63,901,062 | 888,851 | | | | | 24,634,069 | 38,378,142 | | |
| 1.2 Reinsurance assumed | 0 | | | | | | | | | |
| 1.3 Reinsurance ceded | 0 | | | | | | | | | |
| 1.4 Net | 63,901,062 | 888,851 | 0 | 0 | 0 | 0 | 24,634,069 | 38,378,142 | 0 | 0 |
| Incurred but Unreported: | | | | | | | | | | |
| 2.1 Direct | 152,908,299 | 1,006,065 | | | | | 31,833,539 | 120,068,695 | | |
| 2.1 Direct 2.2 Reinsurance assumed | 152,906,299 | 1,000,000 | | | | | | 120,000,093 | | |
| | 0 | 0 | | | | | | | | |
| 2.3 Reinsurance ceded | 152,908,299 | | 0 | | 0 | | 04 000 500 | 120.068.695 | | |
| 2.4 Net | 152,908,299 | 1,000,000 | | 0 | U | | 31,833,539 | 120,068,695 | | 0 |
| Amounts Withheld from Paid Claims and Capitations: | | | | | | | | | | |
| 3.1 Direct | 0 | | | | | | | | | |
| 3.2 Reinsurance assumed | 0 | | | | | | | | | |
| 3.3 Reinsurance ceded | 0 | | | | | | | | | |
| 3.4 Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | |
| 4. TOTALS: | | | | | | | | | | |
| 4.1 Direct | 216,809,361 | 1,894,916 | 0 | 0 | 0 | 0 | 56,467,608 | 158,446,837 | 0 | 0 |
| 4.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.4 Net | 216,809,361 | 1,894,916 | 0 | 0 | 0 | 0 | 56,467,608 | 158,446,837 | 0 | 0 |

UNDERWRITING AND INVESTMENT EXHIBIT

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

| | Claims Paid D | | Claim Reserve a December 31 | nd Claim Liability of Current Year | 5 | 6 |
|---|---------------------------------------|--------------------|------------------------------------|---------------------------------------|-----------------------------------|--------------------------------------|
| | 1 | 2 | 3 | 4 | | Estimated Claim Reserve and Claim |
| | On Claims Incurred Prior to January 1 | On Claims Incurred | On Claims Unpaid December 31 of | On Claims Incurred | Claims Incurred In Prior Years | Liability December 31 of |
| Line of Business | of Current Year | During the Year | Prior Year | During the Year | (Columns 1 + 3) | Prior Year |
| Comprehensive (hospital and medical) | 1,429,501 | 27,925,683 | 102,409 | 1,792,508 | 1,531,910 | 1,205,365 |
| Medicare Supplement | | | | | 0 | 0 |
| 3. Dental Only | | | | | 0 | 0 |
| 4. Vision Only | | | | | 0 | 0 |
| Federal Employees Health Benefits Plan | | | | | 0 | 0 |
| 6. Title XVIII - Medicare | 43,526,812 | 420,434,888 | 2,739,058 | 53,728,549 | 46,265,870 | 52,544,450 |
| 7 Title XIX - Medicaid | 77,249,302 | 1,081,815,316 | 6,974,339 | 151,472,498 | 84,223,641 | 113,962,742 |
| 8. Other health | | | | | 0 | 0 |
| 9. Health subtotal (Lines 1 to 8) | 122,205,615 | 1,530,175,887 | 9,815,806 | 206,993,555 | 132,021,421 | 167,712,557 |
| 10. Healthcare receivables (a) | 416,576 | 11,319,625 | | | 416,576 | 0 |
| 11. Other non-health | | | | | 0 | 0 |
| 12. Medical incentive pools and bonus amounts | 8,622,264 | 5,259,049 | 4,921,581 | 9,267,999 | 13,543,845 | 12,770,080 |
| 13. Totals (Lines 9 - 10 + 11 + 12) | 130,411,303 | 1,524,115,311 | 14,737,387 | 216,261,554 | 145,148,690 | 180,482,637 |

UNDERWRITING AND INVESTMENT EXHIBIT

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

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

| | | Cumulative Net Amounts Paid | | | | | | | |
|----|------------------------------------|-----------------------------|--------|--------|--------|--------|--|--|--|
| | | 1 | 2 | 3 | 4 | 5 | | | |
| | Year in Which Losses Were Incurred | 2017 | 2018 | 2019 | 2020 | 2021 | | | |
| 1. | Prior | 965 | 931 | 939 | 939 | 939 | | | |
| 2. | 2017 | 16,514 | 17,513 | 17,509 | 17,501 | 17,501 | | | |
| 3. | 2018 | XXX | 16,716 | 17,831 | 17,842 | 17,842 | | | |
| 4. | 2019 | XXX | XXX | 18,750 | 20,059 | 20,061 | | | |
| 5. | 2020 | XXX | XXX | XXX | 21,933 | 22,609 | | | |
| 6. | 2021 | XXX | XXX | XXX | XXX | 26,995 | | | |

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

| | | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bor Outstanding at End of Year | | | | | | | |
|----|------------------------------------|---|-----------|-----------|-----------|-----------|--|--|--|
| | Year in Which Losses Were Incurred | 1 2017 | 2 2018 | 3 2019 | 4 2020 | 5 2021 | | | |
| 1. | Prior | 968 | 930 | 939 | 939 | 991 | | | |
| 2. | 2017 | 17,629 | 17,498 | 17,509 | 17,501 | 17,511 | | | |
| 3. | 2018 | XXX | 17,667 | 17,848 | 17,842 | 17,852 | | | |
| 4. | 2019 | XXX | XXX | 20,110 | 20,210 | 20,072 | | | |
| 5. | 2020 | XXX | XXX | XXX | 23,617 | 22,597 | | | |
| 6. | 2021 | XXX | XXX | XXX | XXX | 29,331 | | | |

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

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|----|---------------------------------|-----------------|----------------|------------------|------------|--------------------|------------|---------------|---------------|-------------------|------------|
| | | | | | | Claim and Claim | | | | Total Claims and | |
| | Years in which | | | | | Adjustment Expense | | | Unpaid Claims | Claims Adjustment | |
| | Premiums were Earned and Claims | | | Claim Adjustment | (Col. 3/2) | Payments | (Col. 5/1) | | Adjustment | Expense Incurred | (Col. 9/1) |
| | were Incurred | Premiums Earned | Claims Payment | Expense Payments | Percent | (Col. 2 + 3) | Percent | Claims Unpaid | Expenses | (Col. 5+7+8) | Percent |
| 1. | 2017 | 24,115 | 17,501 | 1,825 | 10.4 | 19,326 | 80.1 | 10 | | 19,336 | 80.2 |
| 2. | 2018 | 24,743 | 17,842 | 2,148 | 12.0 | 19,990 | 80.8 | 10 | | 20,000 | 80.8 |
| 3. | 2019 | 28,743 | 20,061 | 2,282 | 11.4 | 22,343 | 77.7 | 11 | | 22,354 | 77.8 |
| 4. | 2020 | 39,116 | 22,609 | 3,206 | 14.2 | 25,815 | 66.0 | (12) | 1 | 25,804 | 66.0 |
| 5. | 2021 | 39,744 | 26,995 | 2,577 | 9.5 | 29,572 | 74.4 | 2,336 | 50 | 31,958 | 80.4 |

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Title XVIII

| | | | Cumu | lative Net Amounts P | aid | |
|----|------------------------------------|---------|---------|----------------------|---------|---------|
| | | 1 | 2 | 3 | 4 | 5 |
| | Year in Which Losses Were Incurred | 2017 | 2018 | 2019 | 2020 | 2021 |
| 1. | Prior | 11,629 | 12,027 | 11,437 | 11,369 | 11,407 |
| 2. | 2017 | 143,669 | 158,465 | 159,667 | 159,374 | 158,989 |
| 3. | 2018 | XXX | 170,452 | 190,671 | 193,444 | 192,875 |
| 4. | 2019 | XXX | XXX | 220,004 | 246,904 | 246,386 |
| 5. | 2020 | XXX | XXX | XXX | 295,700 | 340,987 |
| 6. | 2021 | XXX | XXX | XXX | XXX | 409,072 |

Section B - Incurred Health Claims - Title XVIII

| | Sum of Cumulative Net A | | Liability, Claim Rese standing at End of Yea | | ve Pool and Bonuses | |
|------------------------------------|-------------------------|---------|---|---------|---------------------|--|
| | 1 2 3 4 | | | | | |
| Year in Which Losses Were Incurred | 2017 | 2018 | 2019 | 2020 | 2021 | |
| 1. Prior | 11,476 | 11,869 | 11,437 | 11,370 | 11,407 | |
| 2. 2017 | 160,470 | 159,508 | 159,834 | 160,011 | 159,613 | |
| 3. 2018 | XXX | 188,690 | 194,684 | 194,437 | 194,259 | |
| 4. 2019 | XXX | XXX | 247,687 | 249,878 | 248,162 | |
| 5. 2020 | XXX | XXX | XXX | 346,383 | | |
| 6. 2021 | XXX | XXX | XXX | XXX | 463,356 | |

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

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--------------------------------|-----------------|----------------|------------------|------------|--------------------|------------|---------------|---------------|-------------------|------------|
| | | | | | Claim and Claim | | | | Total Claims and | |
| Years in which | | | | | Adjustment Expense | | | Unpaid Claims | Claims Adjustment | |
| Premiums were Earned and Clair | ns | | Claim Adjustment | (Col. 3/2) | Payments | (Col. 5/1) | | Adjustment | Expense Incurred | (Col. 9/1) |
| were Incurred | Premiums Earned | Claims Payment | Expense Payments | Percent | (Col. 2 + 3) | Percent | Claims Unpaid | Expenses | (Col. 5+7+8) | Percent |
| 1. 2017 | 219,745 | 158,989 | 8,660 | 5.4 | 167,649 | 76.3 | 623 | | 168,272 | 76.6 |
| 2. 2018 | | 192,875 | 11,664 | 6.0 | 204,539 | 77.2 | 1,384 | 3 | 205,926 | 77.7 |
| 3. 2019 | 340,441 | 246,386 | 14,600 | 5.9 | 260,986 | 76.7 | 1,776 | 1 | | 77.2 |
| 4. 2020 | | 340,987 | 20,543 | 6.0 | 361,530 | 90.9 | 3,287 | 68 | 364,885 | 91.7 |
| 5. 2021 | 513,714 | 409,072 | 17,489 | 4.3 | 426,561 | 83.0 | 54,284 | 1,459 | 482,304 | 93.9 |

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Title XIX

| | | | Cumu | ulative Net Amounts P | aid | |
|----|------------------------------------|--------|---------|-----------------------|---------|-----------|
| | | 1 | 2 | 3 | 4 | 5 |
| | Year in Which Losses Were Incurred | 2017 | 2018 | 2019 | 2020 | 2021 |
| 1. | Prior | 88,705 | 87,544 | 90,661 | 90,934 | 91,888 |
| 2. | 2017 | | 966,565 | 967,639 | 967,402 | 967,303 |
| 3. | 2018 | XXX | 876,236 | 961, 107 | 961,770 | 962,111 |
| 4. | 2019 | XXX | XXX | 909,264 | 997,394 | 998,060 |
| 5. | 2020 | XXX | XXX | XXX | 935,024 | 1,019,042 |
| 6. | 2021 | XXX | XXX | XXX | XXX | 1,088,048 |

Section B - Incurred Health Claims - Title XIX

| | Sum of Cumulative N | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuse Outstanding at End of Year | | | | | | | | |
|------------------------------------|---------------------|---|-----------|-----------|-----------|--|--|--|--|--|
| Year in Which Losses Were Incurred | 1 2017 | 2 2018 | 3 2019 | 4 2020 | 5 2021 | | | | | |
| 1. Prior | 90,453 | 88,350 | 90,676 | 91,009 | 93,805 | | | | | |
| 2. 2017 | 977,336 | 966,712 | 968,398 | 967,860 | 967,419 | | | | | |
| 3. 2018 | XXX | 964,894 | 962,590 | 962,310 | 962,219 | | | | | |
| 4. 2019 | XXX | XXX | 1,008,430 | 1,000,710 | 997,869 | | | | | |
| 5. 2020 | XXX | xxx | XXX | 1,053,993 | 1,024,687 | | | | | |
| 6. 2021 | XXX | XXX | XXX | XXX | 1,247,690 | | | | | |

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

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|----|---------------------------------|-----------------|----------------|------------------|------------|--------------------|------------|---------------|---------------|-------------------|------------|
| | | | | | | Claim and Claim | | | | Total Claims and | |
| | Years in which | | | | | Adjustment Expense | | | Unpaid Claims | Claims Adjustment | |
| | Premiums were Earned and Claims | | | Claim Adjustment | (Col. 3/2) | Payments | (Col. 5/1) | | Adjustment | Expense Incurred | (Col. 9/1) |
| | were Incurred | Premiums Earned | Claims Payment | Expense Payments | Percent | (Col. 2 + 3) | Percent | Claims Unpaid | Expenses | (Col. 5+7+8) | Percent |
| 1. | 2017 | 1,122,060 | 967,303 | 55,794 | 5.8 | 1,023,097 | 91.2 | 2,085 | 3 | 1,025,185 | 91.4 |
| 2. | 2018 | 1,091,352 | 962,111 | 59,829 | 6.2 | 1,021,940 | 93.6 | 108 | 3 | 1,022,051 | 93.6 |
| 3. | 2019 | 1,082,755 | 998,060 | 54,252 | 5.4 | 1,052,312 | 97.2 | (190) | (5) | 1,052,117 | 97.2 |
| 4. | 2020 | 1,245,675 | 1,019,042 | 54,505 | 5.3 | 1,073,547 | 86.2 | 5,645 | 122 | 1,079,314 | 86.6 |
| 5. | 2021 | 1,429,092 | 1,088,048 | 59,606 | 5.5 | 1,147,654 | 80.3 | 159,642 | 3,652 | 1,310,948 | 91.7 |

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Grand Total

| | | | Cumu | lative Net Amounts P | aid | |
|----|------------------------------------|-----------|-----------|----------------------|-------------|------------|
| | | 1 | 2 | 3 | 4 | 5 |
| | Year in Which Losses Were Incurred | 2017 | 2018 | 2019 | 2020 | 2021 |
| 1. | Prior | 101,299 | 100,502 | 103,037 | 103,242 | 104,234 |
| 2. | 2017 | 1,041,067 | 1,142,543 | 1, 144,815 | 1, 144, 277 | 1,143,793 |
| 3. | 2018 | XXX | 1,063,404 | 1,169,609 | 1, 173, 056 | 1, 172,828 |
| 4. | 2019 | XXX | XXX | 1,148,018 | 1,264,357 | 1,264,507 |
| 5. | 2020 | XXX | XXX | XXX | 1,252,657 | 1,382,638 |
| 6. | 2021 | XXX | XXX | XXX | XXX | 1,524,115 |

Section B - Incurred Health Claims - Grand Total

| | Sum of Cumulative Net A | | Liability, Claim Rese tanding at End of Yea | | e Pool and Bonuses | |
|------------------------------------|--------------------------------|-----------|--|------------|--------------------|--|
| Year in Which Losses Were Incurred | 1 2 3 4 2017 2018 2019 2020 | | | | | |
| 1. Prior | 102,897 | 101,149 | 103,052 | 103,318 | 2021 | |
| 2. 2017 | 1,155,435 | 1,143,718 | 1,145,741 | 1,145,372 | 1, 144, 543 | |
| 3. 2018 | XXX | 1,171,251 | 1, 175, 122 | 1, 174,589 | 1, 174, 330 | |
| 4. 2019 | XXX | XXX | 1,276,227 | 1,270,798 | 1,266,103 | |
| 5. 2020 | XXX | XXX | XXX | 1,423,993 | 1,391,558 | |
| 6. 2021 | XXX | XXX | XXX | XXX | 1,740,377 | |

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

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
|----|---------------------------------|-----------------|----------------|------------------|------------|--------------------|------------|---------------|---------------|-------------------|------------|--|
| | | | | | | Claim and Claim | | | | Total Claims and | | |
| | Years in which | | | | | Adjustment Expense | | | Unpaid Claims | Claims Adjustment | | |
| | Premiums were Earned and Claims | | | Claim Adjustment | (Col. 3/2) | Payments | (Col. 5/1) | | Adjustment | Expense Incurred | (Col. 9/1) | |
| | were Incurred | Premiums Earned | Claims Payment | Expense Payments | Percent | (Col. 2 + 3) | Percent | Claims Unpaid | Expenses | (Col. 5+7+8) | Percent | |
| 1. | 2017 | 1,365,920 | 1,143,793 | 66,279 | 5.8 | 1,210,072 | 88.6 | 2,718 | 3 | 1,212,793 | 88.8 | |
| 2. | 2018 | 1,381,153 | 1,172,828 | 73,641 | 6.3 | 1,246,469 | 90.2 | 1,502 | 6 | 1,247,977 | 90.4 | |
| 3. | 2019 | 1,451,939 | 1,264,507 | 71,134 | 5.6 | 1,335,641 | 92.0 | 1,597 | (4) | 1,337,234 | 92.1 | |
| 4. | 2020 | 1,682,573 | 1,382,638 | 78,254 | 5.7 | 1,460,892 | 86.8 | 8,920 | 191 | 1,470,003 | 87.4 | |
| 5. | 2021 | 1,982,550 | 1,524,115 | 79,672 | 5.2 | 1,603,787 | 80.9 | 216,262 | 5,161 | 1,825,210 | 92.1 | |

UNDERWRITING AND INVESTMENT EXHIBIT

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

| | | PART 2D - AC | GGREGATE RESER | VE FOR ACCIDEN | T AND HEALTH CO | NTRACTS ONLY | | | | |
|-------|--|--------------|----------------------|----------------|-----------------|--------------|-------------------------------------|---------------------|-------------------|-------|
| | | 1 | 2 Comprehensive | 3 Medicare | 4 | 5 | 6 Federal Employees Health | 7 Title XVIII | 8 Title XIX | 9 |
| | | Total | (Hospital & Medical) | Supplement | Dental Only | Vision Only | Benefits Plan | Medicare | 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 | 118,528,679 | 339,468 | | | | | 56,399,471 | 61,789,740 | |
| 5. | Aggregate write-ins for other policy reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| 6. | Totals (gross) | 118,528,679 | 339,468 | 0 | 0 | 0 | 0 | 56,399,471 | 61,789,740 | (|
| 7. | Reinsurance ceded | 0 | | | | | | | | |
| 8. | Totals (Net)(Page 3, Line 4) | 118,528,679 | 339,468 | 0 | 0 | 0 | 0 | 56,399,471 | 61,789,740 | (|
| 9. | Present value of amounts not yet due on claims | 0 | | | | | | | | |
| 10. | Reserve for future contingent benefits | 0 | | | | | | | | |
| 11. | Aggregate write-ins for other claim reserves | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| 12. | Totals (gross) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| 13. | Reinsurance ceded | | | | | | | | | |
| 14. | Totals (Net)(Page 3, Line 7) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| | DETAILS OF WRITE-INS | | | | | | | | | |
| 0501. | | | | | | | | | | |
| 0502. | | | | | | | | | | |
| 0503. | | | | | | | | | | |
| 0598. | Summary of remaining write-ins for Line 5 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| 0599. | Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (|
| 1101. | | | | | | | | | | |
| | | | | | | | | | | |
| 1103. | | | | | | | | | | |
| 1198. | Summary of remaining write-ins for Line 11 from overflow page | | 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 | (|

(a) Includes \$ _____ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

| | | | YSIS OF EXPENSE | | | _ |
|-------|--|--|--|-----------------------------------|-----------------------|----------------|
| | | Claim Adjustme 1 Cost Containment Expenses | ent Expenses 2 Other Claim Adjustment Expenses | 3 General Administrative Expenses | 4 Investment Expenses | 5 Total |
| 1. | Rent (\$ for occupancy of | | · | • | • | |
| | own building) | 1.868.966 | 817.699 | (444.286) | (772) | 2.241.607 |
| 2. | Salary, wages and other benefits | | | 23,960,087 | | |
| 3. | Commissions (less \$ | | 12,001,000 | 20,000,001 | | |
| 0. | ceded plus \$ assumed) | 0 | | 7 246 102 | 0 | 7 246 102 |
| 4. | Legal fees and expenses | | | 941,791 | | |
| 5. | Certifications and accreditation fees | | | | | |
| 6. | Auditing, actuarial and other consulting services | | | | | |
| | Traveling expenses | | | 202,804 | | |
| 7. | | | | 202,804 | | 11,596,671 |
| 8. | Marketing and advertising | | | | | 2.328.898 |
| 9. | Postage, express and telephone | | 369,021 | 1,363,601 | | , , , |
| 10. | Printing and office supplies | | • | 203,248 | | |
| 11. | Occupancy, depreciation and amortization | | | 0 | | |
| 12. | Equipment | /39 | 3,546 | 408,027 | 709 | 413,021 |
| 13. | Cost or depreciation of EDP equipment and software | 615,051 | 265,541 | 4,093,778 | 7,113 | 4,981,483 |
| 14. | Outsourced services including EDP, claims, and | | | | | |
| | other services | | | | | |
| 15. | Boards, bureaus and association fees | | | 99,925 | | |
| 16. | Insurance, except on real estate | | | | | |
| 17. | Collection and bank service charges | | | | | |
| 18. | Group service and administration fees | | | | | |
| 19. | Reimbursements by uninsured plans | | | | | |
| 20. | Reimbursements from fiscal intermediaries | | | 0 | | |
| 21. | Real estate expenses | | 6,932 | 706,455 | 1,227 | 738,508 |
| 22. | Real estate taxes | 0 | | 114,786 | 0 | 114,786 |
| 23. | Taxes, licenses and fees: | | | | | |
| | 23.1 State and local insurance taxes | 0 | | 6,329,814 | 0 | 6,329,814 |
| | 23.2 State premium taxes | 0 | | 82,703,517 | 0 | 82,703,517 |
| | 23.3 Regulatory authority licenses and fees | 23,305 | 560 | 298,143 | 0 | 322,008 |
| | 23.4 Payroll taxes | 3,339,435 | 756,795 | 1,556,851 | 0 | 5,653,081 |
| | 23.5 Other (excluding federal income and real estate taxes) | 0 | | 863,113 | 0 | 863,113 |
| 24. | Investment expenses not included elsewhere | 0 | | 0 | 381,494 | 381,494 |
| 25. | Aggregate write-ins for expenses | 155,193 | 4,009,474 | 1,734,380 | 3,014 | 5,902,061 |
| 26. | Total expenses incurred (Lines 1 to 25) | 70,030,810 | 22,691,051 | 154,857,834 | 478,353 | (a)248,058,048 |
| 27. | Less expenses unpaid December 31, current year | | 5,357,401 | 51,224,681 | | 56,582,082 |
| 28. | Add expenses unpaid December 31, prior year | | 4,089,146 | 45,709,644 | | 49,798,790 |
| 29. | Amounts receivable relating to uninsured plans, | | | 3,633,969 | | 3,633,969 |
| 30. | Amounts receivable relating to uninsured plans, current year | | | 102,135 | | 102,135 |
| 31. | Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) | 70,030,810 | 21,422,796 | 145,810,963 | 478,353 | 237,742,922 |
| | DETAILS OF WRITE-INS | | | | | |
| 2501. | Misc. Expenses | 155,193 | 4,009,474 | 1,734,380 | 3,014 | 5,902,061 |
| 2502. | | · · · · · · · · · · · · · · · · · · · | | | | |
| 2503. | | | | | | |
| | 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) des management fees of \$ | 155, 193 | 4,009,474 | 1,734,380 n-affiliates. | 3,014 | 5,902,061 |

EXHIBIT OF NET INVESTMENT INCOME

| | | 1 | 2 |
|-------|---|-----------------------|--------------------|
| | | Collected During Year | Earned During Year |
| 1. | U.S. government bonds | (a)369,081 | 564,330 |
| 1.1 | Bonds exempt from U.S. tax | | |
| 1.2 | Other bonds (unaffiliated) | (a)7,257,425 | 7,811,228 |
| 1.3 | Bonds of affiliates | | |
| 2.1 | Preferred stocks (unaffiliated) | (b)0 | 0 |
| 2.11 | Preferred stocks of affiliates | | |
| 2.2 | Common stocks (unaffiliated) | | 0 |
| 2.21 | Common stocks of affiliates | | 0 |
| 3. | Mortgage loans | (c)0 | 0 |
| 4. | Real estate | | 0 |
| 5 | Contract Loans | 0 | 0 |
| 6 | Cash, cash equivalents and short-term investments | (e)79,076 | 79,317 |
| 7 | Derivative instruments | (f)0 | |
| 8. | Other invested assets | 0 | 0 |
| 9. | Aggregate write-ins for investment income | | 20,962 |
| 10. | Total gross investment income | 7,724,254 | 8,475,837 |
| 11. | Investment expenses | | (g)478,353 |
| 12. | Investment taxes, licenses and fees, excluding federal income taxes | | |
| 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) | | 478,353 |
| 17. | Net investment income (Line 10 minus Line 16) | | 7,997,484 |
| | DETAILS OF WRITE-INS | | |
| 0901. | Miscellaneous Income | | 317 |
| 0902. | Securities Lending | | 20,645 |
| 0903. | - | | |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | | 0 |
| 0999. | Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) | 18,672 | 20,962 |
| 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 \$ | 612,516 | accrual of discount less \$6,097,460 | amortization of premium and less \$ | 617,559 | paid for accrued interest on purchases. | |
|---|---------|---|-------------------------------------|-------------------|---|--|
| (b) Includes \$ | 0 | accrual of discount less \$0 | amortization of premium and less \$ | 0 | paid for accrued dividends on purchases | |
| (c) Includes \$ | 0 | accrual of discount less \$0 | amortization of premium and less \$ | | paid for accrued interest on purchases. | |
| (d) Includes \$ | | for company's occupancy of its own building | s; and excludes \$ | interest on encur | mbrances. | |
| (e) Includes \$ | | accrual of discount less \$ | amortization of premium and less \$ | | paid for accrued interest on purchases. | |
| (f) Includes \$ | | accrual of discount less \$ | amortization of premium. | | | |
| (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts. | | | | | | |
| (h) Includes \$ | | interest on surplus notes and \$ | interest on capital notes. | | | |
| (i) Includes \$ | 0 | depreciation on real estate and \$ | depreciation on other invest | ted assets | | |

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | | 1 | 2 | 3 | 4 | 5 |
|-------|--|----------------------|----------------|------------------------|--------------------|----------------------|
| | | , | 2 | 3 | 4 | 3 |
| | | | | | | |
| | | | | | | |
| | | | | Total Realized Capital | Change in | Change in Unrealized |
| | | Realized Gain (Loss) | Other Realized | Gain (Loss) | Unrealized Capital | Foreign Exchange |
| | | On Sales or Maturity | Adjustments | (Columns 1 + 2) | Gain (Loss) | Capital Gain (Loss) |
| 1. | U.S. Government bonds | (422,865) | 0 | (422,865) | 0 | 0 |
| 1.1 | Bonds exempt from U.S. tax | | | 0 | | |
| 1.2 | Other bonds (unaffiliated) | (359,274) | 0 | (359,274) | (87, 170) | 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 |
| 4. | Real estate | | 0 | 0 | | 0 |
| 5. | Contract loans | | | 0 | | |
| 6. | Cash, cash equivalents and short-term investments | 1,897 | | 1,897 | 6,791 | |
| 7. | Derivative instruments | | | 0 | | |
| 8. | Other invested assets | | 0 | 0 | 0 | 0 |
| 9. | Aggregate write-ins for capital gains (losses) | 0 | 0 | 0 | 0 | 0 |
| 10. | Total capital gains (losses) | (780,242) | 0 | (780,242) | (80,379) | 0 |
| | DETAILS OF WRITE-INS | | | | | |
| 0901. | | | | | | |
| 0902. | | | | | | |
| 0903. | | | | | | |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | | 0 | 0 | 0 | 0 |
| 0999. | Totals (Lines 0901 thru 0903 plus 0998) (Line 9, | 0 | 0 | 0 | 0 | |
| 0999. | above) | 0 | 0 | 0 | 0 | 0 |

EXHIBIT OF NON-ADMITTED ASSETS

| | EXHIBIT OF NON-ADMITTE | 1 | 2 | 3 Change in Total |
|------------|---|--|--|--|
| | | 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 | | | |
| 12. | Subtotals, cash and invested assets (Lines 1 to 11) | | | |
| 13. | Title plants (for Title insurers only) | | | |
| 14. | Investment income due and accrued | | 0 | |
| 15. | Premiums and considerations: | | | |
| | 15.1 Uncollected premiums and agents' balances in the course of collection | 0 | 0 | 0 |
| | 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | |
| | 15.3 Accrued retrospective premiums and contracts subject to redetermination | | | |
| 16. | Reinsurance: | | | |
| | 16.1 Amounts recoverable from reinsurers | | | 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 | | | |
| | Current federal and foreign income tax recoverable and interest thereon | | | 0 |
| | Net deferred tax asset | | | |
| 19. | Guaranty funds receivable or on deposit | | | _ |
| 20. | Electronic data processing equipment and software | | | _ |
| 21. | Furniture and equipment, including health care delivery assets | | | |
| 22. | Net adjustment in assets and liabilities due to foreign exchange rates | | | |
| | Receivable from parent, subsidiaries and affiliates | | | |
| 23. | Health care and other amounts receivable | | | |
| 24. | Aggregate write-ins for other than invested assets | | | |
| 25. 26. | Aggregate write-ins for other than invested assets | 1,000,311 | | 1, 190,079 |
| 20. | (Lines 12 to 25) | 14,413,748 | 5,535,939 | (8,877,809) |
| 27. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 28. | Total (Lines 26 and 27) | 14,413,748 | 5,535,939 | (8,877,809) |
| | 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. | Prepaids | 1,886,311 | 3,076,990 | 1,190,679 |
| 2502. | | | | |
| 2503. | | | | |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 |
| 2599. | Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 1,886,311 | | 1,190,679 |

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| EXTIBIT 1 - ENTOCEMENT BY TROBOG | · · · · · · · · · · · · · · · · · · · | | | | | | |
|--|---------------------------------------|---------------|-------------------------|---------------|--------------|---------------|--|
| | | | Total Members at End of | | | 6 | |
| | 1 | 2 | 3 | 4 | 5 | Current Year | |
| Source of Enrollment | Prior Year | First Quarter | Second Quarter | Third Quarter | Current Year | Member Months | |
| 4. Ugalih Majatanana Organizationa | 247,378 | 255,767 | 259,325 | 264,520 | 268,026 | 3,116,132 | |
| Health Maintenance Organizations | 241,310 | 255,767 | 209,320 | 204,320 | 200,020 | | |
| Provider Service Organizations | | | | | | | |
| Preferred Provider Organizations | | | | | | | |
| 4. Point of Service | | | | | | | |
| 5. Indemnity Only | | | | | | | |
| 5. Indefinity Only | | | | | | | |
| Aggregate write-ins for other lines of business | 0 | 0 | 0 | 0 | 0 | 0 | |
| 7. Total | 247,378 | 255,767 | 259,325 | 264,520 | 268,026 | 3,116,132 | |
| DETAILS OF WRITE-INS | | | | | | | |
| 0601. | | | | | | | |
| 0602. | | | | | | | |
| 0603. | | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | | | | |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) | 0 | 0 | 0 | 0 | 0 | 0 | |

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of AMERIGROUP New Jersey, Inc. (the "Company") have been prepared in conformity with the National Association of Insurance Commissioners' ("NAIC") *Annual Statement Instructions* and in accordance with accounting practices prescribed by the NAIC *Accounting Practices and Procedures Manual* ("NAIC SAP"), subject to any deviations prescribed or permitted by the New Jersey Department of Banking and Insurance ("DOBI").

A reconciliation of the Company's net income (loss) and capital and surplus between NAIC SAP and practices prescribed and permitted by the DOBI is shown below:

| | | SSAP# | F/S Page | F/S Line # | 2021 | 2020 |
|------|--|-------|-------------|---------------|---------------|---------------|
| Net | Income | | | | | |
| (1) | Amerigroup New Jersey state basis (Page 4, Line 32, Columns 2 & 3) | XXX | XXX | _XXX_ | \$ 32,030,514 | \$ 31,752,752 |
| (2) | State Prescribed Practices that is an increase/(decrease) from NAIC SAP: | | | | _ | _ |
| (3) | State Permitted Practices that is an increase/(decrease) from NAIC SAP: | | | | | |
| (4) | NAIC SAP (1-2-3=4) | | | | | |
| | | XXX | XXX | XXX | \$ 32,030,514 | \$ 31,752,752 |
| Surp | olus | | | | | |
| (5) | Amerigroup New Jersey state basis (Page 3, Line 33, Columns 3 & 4) | XXX | XXX | XXX | \$221,229,697 | \$196,992,720 |
| (6) | State Prescribed Practices that is an increase/(decrease) from NAIC SAP: | | | | | |
| (7) | State Permitted Practices that is an increase/(decrease) from NAIC SAP: | | | | _ | _ |
| (8) | NAIC SAP (5-6-7=8) | | | | | |
| | | XXX | XXX | XXX | \$221,229,697 | \$196,992,720 |

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

Preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

C. Accounting Policies

Health premiums are earned over the term of the related insurance policies. Premiums written are reported net of experience rating refunds. Premiums paid prior to the effective date are recorded on the balance sheet as premiums received in advance and are subsequently credited to income as earned during the coverage period. Premium rates are subject to approval by the Centers for Medicare and Medicaid Services. Expenses are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments include investments with maturities of less than one year and more than three months at the date of acquisition and are reported at amortized cost, which approximates fair value. Non-investment grade short-term investments are stated at the lower of amortized cost or fair value.
- (2) Investment grade bonds not backed by other loans are stated at amortized cost, with amortization calculated based on the modified scientific method, using lower of yield to call or yield to maturity. Non-investment grade bonds are stated at the lower of amortized cost or fair value as determined by various third-party pricing sources.
- (3) The Company has no investments in common stocks of unaffiliated companies.
- (4) The Company has no investments in preferred stocks.
- (5) The Company has no mortgage loans real estate.
- (6) Loan-backed securities are stated at amortized cost. Prepayment assumptions for loan-backed securities and structured securities were obtained from broker-dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized cost or fair value.
- (7) The Company has no investments in subsidiaries, controlled and affiliated companies.
- (8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) The Company has no derivative instruments.
- (10) The Company recognizes losses from other-than-temporary impairments ("OTTI") of investments in accordance with Statements of Standard Accounting Practice ("SSAP") No. 26R, *Bonds*; and SSAP No. 30, *Common Stock*; and SSAP No. 32R, *Preferred Stock*.
- (11) The Company does not anticipate investment income as a factor in premium deficiency calculations.
- (12) Unpaid claims and claims adjustment expenses include management's best estimate of amounts based on historical claim development patterns and certain individual case estimates. The established liability considers health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Liabilities for unpaid claims and claim adjustment expenses are based on assumptions and estimates, and while management believes such estimates are reasonable, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and changes in estimates are incorporated into current period estimates.
- (13) The Company has not modified its capitalization policy from the prior period.
- (14) Pharmacy rebate receivables are recorded when earned based upon actual rebate receivables billed and an estimate of receivables based upon current utilization of specific pharmaceuticals and provider contract terms.

D. Going Concern

Not applicable.

2. Accounting Changes and Corrections of Errors

There were no accounting changes or corrections of errors during the years ended December 31, 2021 and 2020.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

On March 1, 2010, AMERIGROUP New Jersey, Inc. completed the acquisition of the Medicaid contract rights and rights under certain provider agreements of University Health Plan for \$13,420,000. The transaction was accounted for as a statutory purchase which resulted in goodwill in the amount of \$11,220,000 and intangible assets in the amount of \$2,200,000. Goodwill and intangible amortization expense relating to this transaction was \$0 during the period ended December 31, 2021 and 2020, respectively.

B. Statutory Merger

Not applicable.

C. Assumption Reinsurance

Not applicable.

D. Impairment Loss

Not applicable.

E. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill

Not applicable.

4. Discontinued Operations

The Company had no operations that were discontinued during 2021 or 2020.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company did not have investments in mortgage loans at December 31, 2021 or 2020.

B. Debt Restructuring

The Company did not have invested assets that were restructured debt at December 31, 2021 or 2020.

C. Reverse Mortgages

The Company did not have investments in reverse mortgages at December 31, 2021 or 2020

D. Loan-Backed Securities

- (1) Prepayment assumptions for single-class and multi-class mortgage-backed and asset-backed securities were obtained from broker-dealer survey values or internal estimates. The Company used various third-party pricing sources in determining the market value of its loan-backed securities.
- (2) The Company did not recognize OTTI on its loan-backed securities during the years ended December 31, 2021 and 2020.
- (3) The Company did not recognize OTTI on its loan-backed securities at December 31, 2021 and 2020.

(4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:

| 1. | Less than 12 Months | \$ 839,537 |
|----|---------------------|---------------|
| 2. | 12 Months or Longer | \$ _ |
| | | |

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

Less than 12 Months \$ 43,134,859
 12 Months or Longer \$ —

(5) The Company's bond portfolio is sensitive to interest rate fluctuations, which impact the fair value of individual securities. Unrealized losses on bonds were primarily caused by the effects of the interest rate environment and the widening of credit spreads on certain securities. The Company currently has the ability and intent to hold these securities until their full cost can be recovered. Therefore, the Company does not believe the unrealized losses represent an OTTI at December 31, 2021 or 2020.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

- (1) The Company did not enter into repurchase agreements at December 31, 2021 or 2020.
- (2) The Company participates in a securities lending program whereby marketable securities in its investment portfolio are transferred to independent brokers or dealers based on, among other things, their creditworthiness in exchange for collateral initially equal to at least 102% of the market value of the loaned securities. The Company receives the collateral in cash or securities, and if cash is received the cash collateral is thereafter invested according to guidelines of the Company's Investment Policy.

(3) Collateral Received

a. Aggregate amount collateral received

| | | | <u>F</u> | <u>air Value</u> |
|----|------|---------------------------|----------|------------------|
| 1. | Secu | urities Lending | | |
| | (a) | Open | \$ | 6,058,737 |
| | (b) | 30 days or less | | |
| | (c) | 31 to 60 days | | _ |
| | (d) | 61 to 90 days | | |
| | (e) | Greater than 90 days | | |
| | (f) | Sub-total | \$ | 6,058,737 |
| | (g) | Securities received | | 3,307,374 |
| | (h) | Total collateral received | | 9,366,111 |

2. Dollar repurchase agreement - Not applicable.

b. The fair value of that collateral and of the portion of that collateral that it has sold or repledged \$\\$\$

9,366,111

The Company receives cash collateral in an amount in excess of fair value of the securities lent. The Company reinvests the cash collateral according to guidelines of the Company's Investment Policy.

(4) Not applicable.

(5) Collateral Reinvestment

a. Aggregate amount collateral reinvested

| | | | Amortized Cost | <u>Fair Value</u> |
|----|------|-----------------------------|-----------------------|-------------------|
| 1. | Secu | rities Lending | | |
| | (a) | Open | _ | _ |
| | (b) | 30 days or less | 2,012,839 | 2,012,846 |
| | (c) | 31 to 60 days | 2,439,165 | 2,439,170 |
| | (d) | 61 to 90 days | 678,812 | 678,889 |
| | (e) | 91 to 120 days | 565,776 | 565,771 |
| | (f) | 121 to 180 days | 119,532 | 119,535 |
| | (g) | 181 to 365 days | 242,526 | 242,526 |
| | (h) | 1 to 2 years | _ | _ |
| | (i) | 2 to 3 years | _ | |
| | (j) | Greater than 3 years | | |
| | (k) | Sub-total | 6,058,650 | 6,058,737 |
| | (1) | Securities received | 3,307,374 | 3,307,374 |
| | (m) | Total collateral reinvested | 9,366,024 | 9,366,111 |

- 2. Dollar repurchase agreement Not applicable.
- b. Not applicable.
- (6) Not applicable.
- (7) Not applicable.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company did not enter into repurchase agreement transactions accounted for as secured borrowing at December 31, 2021 or 2020.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company did not enter into reverse repurchase agreement transactions accounted for as a secured borrowing at December 31, 2021 or 2020.

H. Repurchase Agreements Transactions Accounted for as a Sale

The Company did not enter into repurchase agreement transactions accounted for as a sale at December 31, 2021 or 2020.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

The Company did not enter into reverse repurchase agreement transactions accounted for as a sale at December 31, 2021 or 2020.

J. Real Estate

The Company did not have investments in real estate and did not engage in retail land sales operations during 2021 or 2020.

K. Investments in Low-Income Housing Tax Credits

The Company did not invest in properties generating low-income housing tax credits during 2021 or 2020.

L. Restricted Assets

(1) Restricted assets (including pledged)

| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|----|--|--|--|--|--|---|--|--|
| Re | stricted Asset Category | Total Gross (Admitted & Nonadmitted) Restricted from Current Year | Total Gross (Admitted & Nonadmitted) Restricted from Prior Year | Increase/ (Decrease) (1 minus 2) | Total Current Year Nonadmitted Restricted | Total Current Year Admitted Restricted (1 minus 4) | Gross Admitted and Nonadmitted Restricted to Total Assets (a) | Admitted Restricted to Total Admitted Assets (b) |
| a. | Subject to contractual obligation for which liability is not shown | \$ — | \$ — | s — | s — | s — | — % | — % |
| b. | Collateral held under security lending agreements | 9,366,024 | 3,076,001 | 6,290,023 | _ | 9,366,024 | 1.4 % | 1.4 % |
| c. | Subject to repurchase agreements | _ | _ | _ | _ | _ | — % | — % |
| d. | Subject to reverse repurchase agreements | _ | _ | _ | _ | _ | — % | — % |
| e. | Subject to dollar repurchase agreements | _ | _ | _ | _ | _ | — % | — % |
| f. | Subject to dollar reverse repurchase agreements | | _ | _ | _ | _ | — % | — % |
| g. | Placed under option contracts | _ | _ | _ | _ | _ | — % | — % |
| h. | Letter stock or securities restricted as to sale-excluding FHLB capital stock | _ | _ | _ | _ | _ | — % | _ % |
| i. | FHLB capital stock | _ | _ | _ | _ | _ | — % | — % |
| j. | On deposit with states | 245,014,969 | 195,440,315 | 49,574,654 | _ | 245,014,969 | 35.5 % | 36.2 % |
| k. | On deposit with other regulatory bodies | _ | = | _ | _ | _ | — % | — % |
| 1. | Pledged as collateral to FHLB (including assets backing funding agreements) | _ | _ | _ | _ | _ | — % | — % |
| m. | Pledged as collateral not captured in other categories | _ | _ | _ | _ | _ | — % | — % |
| n. | Other restricted assets | _ | _ | _ | _ | _ | — % | — % |
| o. | Total Restricted Assets | \$ 254,380,993 | \$ 198,516,316 | \$ 55,864,677 | s — | \$254,380,993 | 36.8 % | 37.6 % |

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

(2) - (3) Not applicable.

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

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

| | | 1 | 2 | 3 | 4 |
|-------------------|---|---|--------------|--|---|
| Collateral Assets | | Book/Adjusted Carrying Value (BACV) | Fair Value | % of BACV to Total Assets (Admitted and Nonadmitted*) | % of BACV to Total Admitted Assets ** |
| a. | Cash | s — | \$ — | — % | — % |
| b. | Schedule D, Part 1 | _ | | — % | — % |
| c. | Schedule D, Part 2 Section 1 | _ | _ | — % | <u> </u> |
| d. | Schedule D, Part 2 Section 2 | _ | _ | — % | <u> </u> |
| e. | Schedule B | _ | _ | — % | <u> </u> |
| f. | Schedule A | _ | _ | — % | <u> </u> |
| g. | Schedule BA, Part 1 | _ | _ | — % | — % |
| h. | Schedule DL, Part 1 | 9,366,024 | 9,366,111 | 1.4 % | 1.4 % |
| i. | Other | _ | _ | — % | — % |
| j. | Total Collateral Assets (a+b+c+d+e+f+g+h+i) | \$ 9,366,024 | \$ 9,366,111 | 1.4 % | 1.4 % |

^{*} Column 1 divided by Asset Page, Line 26 (Column 1)

^{**} Column 1 divided by Asset Page, Line 26 (Column 3)

| | | Ī | <u>Z</u> |
|----|---|-----------------|---|
| | | <u>Amount</u> | % of Liability to Total Liabilities * |
| k. | Recognized Obligation to Return Collateral Asset | \$ 9,366,024 | 2.1 % |

^{*} Column 1 divided by Liability Page, Line 24 (Column 3)

M. Working Capital Finance Investments

The Company did not have any working capital finance investments at December 31, 2021 and 2020.

N. Offsetting and Netting of Assets and Liabilities

The Company did not have any offsetting or netting of assets and liabilities at December 31, 2021 and 2020.

O. 5GI Securities

The Company has no 5GI Securities as of December 31, 2021 and 2020.

P. Short Sales

The Company did not have any short sales at December 31, 2021 and 2020.

Q. Prepayment Penalty and Acceleration Fees

| | Gen | eral Account |
|---|-----|--------------|
| (1) Number of CUSIPs | | 2 |
| (2) Aggregate Amount of Investment Income | \$ | 15,332 |

R. Reporting Entity's Share of Cash Pool by Asset Type

The Company did not participate in a cash pool at December 31, 2021.

6. Joint Ventures, Partnerships and Limited Liability Companies

- **A.** The Company has no investments in joint ventures, partnerships or limited liability companies as no joint ventures, exclude the exceeds of 10% at December 31, 2021 or 2020.
- **B.** Not applicable.

7. Investment Income

- **A.** All investment income due and accrued with amounts that are over 90 days past due is non-admitted.
- **B.** At December 31, 2021 and 2020 there was no nonadmitted accrued investment income.

8. Derivative Instruments

The Company has no derivative instruments.

9. Income Taxes

A. The components of net deferred tax assets (liabilities):

(1) The components of net deferred tax asset (liabilities) are as follows:

| | | | 12/31/2021 | |
|-----|--|-----------------------|----------------------|--------------------|
| | | (1) | (2) | (3) |
| | | Ordinary | Capital | (Col 1+2) Total |
| (a) | Gross Deferred Tax Assets | \$ 5,509,273 | \$ — | \$ 5,509,273 |
| (b) | Statutory Valuation Allowance Adjustments | _ | _ | _ |
| (c) | Adjusted Gross Deferred Tax Assets (1a - 1b) | 5,509,273 | _ | 5,509,273 |
| (d) | Deferred Tax Assets Nonadmitted | 1,187,147 | | 1,187,147 |
| (e) | Subtotal Net Admitted Deferred Tax Asset (1c - 1d) | 4,322,126 | | 4,322,126 |
| (f) | Deferred Tax Liabilities | 185 | 34,799 | 34,984 |
| (g) | Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f) | \$ 4,321,941 | \$ (34,799) | \$ 4,287,142 |
| | | | | |
| | | | 12/31/2020 | |
| | | (4) | (5) | (6) |
| | | Ordinary | Capital | (Col 4+5) Total |
| (a) | Gross Deferred Tax Assets | \$ 4,345,756 | \$ — | \$ 4,345,756 |
| (b) | Statutory Valuation Allowance Adjustments | | | |
| (c) | Adjusted Gross Deferred Tax Assets (1a - 1b) | 4,345,756 | _ | 4,345,756 |
| (d) | Deferred Tax Assets Nonadmitted | 1,023,617 | | 1,023,617 |
| (e) | Subtotal Net Admitted Deferred Tax Asset (1c - 1d) | 3,322,139 | | 3,322,139 |
| (f) | Deferred Tax Liabilities | 1,172 | 34,946 | 36,118 |
| (g) | Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f) | \$ 3,320,967 | \$ (34,946) | \$ 3,286,021 |
| | | | | |
| | | | Change | |
| | | (7) | (8) | (9) |
| | | (Col 1-4) Ordinary | (Col 2-5) Capital | (Col 7+8) Total |

| | | (Col 1-4) Ordinary | (Col 2-5) Capital | (Col 7+8) Total |
|-----|--|-----------------------|----------------------|--------------------|
| (a) | Gross Deferred Tax Assets | \$ 1,163,517 | \$ — | \$ 1,163,517 |
| (b) | Statutory Valuation Allowance Adjustments | | _ | |
| (c) | Adjusted Gross Deferred Tax Assets (1a - 1b) | 1,163,517 | | 1,163,517 |
| (d) | Deferred Tax Assets Nonadmitted | 163,530 | | 163,530 |
| (e) | Subtotal Net Admitted Deferred Tax Asset (1c - 1d) | 999,987 | _ | 999,987 |
| (f) | Deferred Tax Liabilities | (987) | (147) | (1,134) |
| (g) | Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f) | \$ 1,000,974 | \$ 147 | \$ 1,001,121 |

(2) The amount of admitted adjusted gross deferred tax assets under each component of SSAP No. 101, Income Taxes ("SSAP No. 101") are as follows:

| | | 12/31/2021 | | |
|-----|---|--------------|-------------|--------------------|
| | | (1) | (2) | (3) |
| | | Ordinary | Capital | (Col 1+2) Total |
| Adn | nission Calculation Components SSAP No. 101 | | | |
| (a) | Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks. | \$ 4,287,142 | \$ — | \$ 4,287,142 |
| (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) | _ | _ | _ |
| | Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date. | _ | _ | _ |
| | 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold. | XXX | XXX | 21,694,256 |
| (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. | 34,984 | | 34,984 |
| (d) | Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total $(2(a) + 2(b) + 2(c))$ | \$ 4,322,126 | \$ <u> </u> | \$ 4,322,126 |
| | | | | |
| | | | 12/31/2020 | _ |
| | | (4) | (5) | (6) |
| | | | | (0.1415) |

| 12/31/2020 | | | | | |
|------------|---------|--------------------|--|--|--|
| (4) | (5) | (6) | | | |
| Ordinary | Capital | (Col 4+5) Total | | | |

Admission Calculation Components SSAP No. 101

- Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.
- Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)
 - 1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.
 - Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.
- Adjusted Gross Deferred Tax Assets (Excluding The Amount O 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))

| h | \$ 2,936,144 | \$ — | \$ 2,936,144 |
|---------|--------------|------|--------------|
| | | | |
| | 349,877 | | 349,877 |
| n | 349,877 | _ | 349,877 |
| | XXX | XXX | 29,056,005 |
| Of s | 36,118 | _ | 36,118 |
| | | | |

| (7) | (8) | (9) (Col 7+8) Total | | |
|-----------------------|----------------------|---------------------------|--|--|
| (Col 1-4) Ordinary | (Col 2-5) Capital | | | |

-- \$ 3,322,139

\$ 3,322,139 \$

Admission Calculation Components SSAP No. 101

- (a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.
- (b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)
 - Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.
 - Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.
- (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))

| \$ 1,350,998 \$ | — \$ | 1,350,998 |
|--------------------|------|-------------|
| (349,877) | _ | (349,877) |
| (349,877) | | (349,877) |
| XXX | XXX | (7,361,749) |
| (1,134) | | (1,134) |
| \$ 999,987 \$ | — \$ | 999,987 |

2021 2020 (3) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount. 314 % 334 % (b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 216,942,555 \$ 196,706,699 (4) 12/31/2021 12/31/2020 Change (1) (3) **(2) (4)** (5) (6) (Col 1-3) (Col 2-4) <u>C</u>apital Ordinary Capital Ordinary Capital Ordinary Impact of Tax-Planning Strategies Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage. Adjusted Gross DTAs Amount From Note 9A1(c) \$5,509,273 \$ \$4,345,756 \$ \$1,163,517 \$ Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies 0.00 % 0.00~%0.00 %0.00 % 0.00~%0.00~%Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e) \$4,322,126 \$ \$3,322,139 \$ \$999,987 4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies 0.00 % 0.00 % 0.00 % 0.00 % 0.00 % 0.00 % (b) Does the Company's tax-planning strategies include the use of reinsurance? Yes No

B. The Company has no unrecognized deferred tax liabilities at December 31, 2021 and 2020.

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

| | | | | (1) | (2) | (3) |
|-----|-----|---|----|------------|------------------|---------------------|
| | | | | 12/31/2021 | 12/31/2020 | (Col 1-2) Change |
| (1) | Cur | rent Income Tax | | | | |
| | (a) | Federal | \$ | 6,708,488 | \$ 15,254,348 | \$ (8,545,860) |
| | (b) | Foreign | _ | | | |
| | (c) | Subtotal | | 6,708,488 | 15,254,348 | (8,545,860) |
| | (d) | Federal income tax expense on net capital gains | | (55,814) | 83,832 | (139,646) |
| | (e) | Utilization of capital loss carry-forwards | | _ | _ | _ |
| | (f) | Other | _ | | | |
| | (g) | Federal and foreign income taxes incurred | \$ | 6,652,674 | \$ 15,338,180 | \$ (8,685,506) |
| (2) | Def | erred Tax Assets: | | | | |
| | (a) | Ordinary | | | | |
| | | (1) Discounting of unpaid losses | \$ | 587,639 | \$ 583,583 | \$ 4,056 |
| | | (2) Unearned premium reserve | | 87 | 120 | (33) |
| | | (3) Policyholder reserves | | 1,302,000 | 863,317 | 438,683 |
| | | (4) Investments | | | | _ |
| | | (5) Deferred acquisition costs | | _ | _ | _ |
| | | (6) Policyholder dividends accrual | | _ | _ | _ |
| | | (7) Fixed assets | | 444,727 | 438,023 | 6,704 |
| | | (8) Compensation and benefits accrual | | _ | _ | _ |

| | | (9) | Pension accrual | | _ | _ | _ |
|-----|------------|--------|---|----------|------------|--------------|-------------|
| | | (10) | Receivables - nonadmitted | | 1,519,748 | 299,626 | 1,220,122 |
| | | (11) | Net operating loss carry-forward | | _ | _ | _ |
| | | (12) | Tax credit carry-forward | | _ | _ | _ |
| | | (13) | Other (including items <5% of total ordinary tax assets) | | _ | _ | _ |
| | | (14) | Accrued future expenses | | 85 | 105,946 | (105,861) |
| | | (15) | Amortization | | 645,762 | 849,687 | (203,925) |
| | | (16) | Partnership income | | _ | | _ |
| | | (17) | Premium deficiency reserves | | _ | _ | _ |
| | | (18) | Prepaid expenses | | 167,884 | 383,362 | (215,478) |
| | | (19) | Section 467 lease expense | | 841,341 | 822,092 | 19,249 |
| | | (20) | Personal property tax accrual | | _ | _ | _ |
| | | (21) | Deferred gain on sale of building | | _ | _ | _ |
| | | (22) | State income tax liability | | _ | | |
| | | (23) | Income from reinsurance contract | | _ | _ | |
| | | (24) | Revenue agent's report adjustment | | _ | | |
| | | (25) | Write-ins | | | | |
| | | (26) | Write-ins | | | | |
| | | (27) | Write-ins | | | | |
| | | (27) | | _ | 5 500 272 | 1 215 756 | 1 162 517 |
| | <i>a</i> > | G | | ø | 5,509,273 | 4,345,756 | 1,163,517 |
| | (b) | | tory valuation allowance adjustment | \$ | 1 107 147 | 1 022 (17 | 162.520 |
| | (c) | Nona | dmitted | _ | 1,187,147 | 1,023,617 | 163,530 |
| | (d) | Admi | itted ordinary deferred tax assets (2a99 - 2b - 2c) | | 4,322,126 | 3,322,139 | 999,987 |
| | (e) | Capit | al | | | | |
| | . , | _ | | Ф | | | |
| | | (1) | Investments | \$ | _ | _ | _ |
| | | (2) | Net capital loss carry-forward | | _ | | |
| | | (3) | Real estate | | _ | _ | _ |
| | | (4) | Other (including items <5% of total capital tax assets) | | _ | _ | _ |
| | | (5) | Partnership investment | | _ | _ | _ |
| | | (6) | State low income housing tax credits | | _ | _ | _ |
| | | (7) | Affiliated investment write-down | | _ | _ | |
| | | (8) | Write-ins | | _ | _ | _ |
| | | (9) | Write-ins | | _ | _ | _ |
| | | ` / | (99) Subtotal | | _ | _ | |
| | (f) | Statu | tory valuation allowance adjustment | | _ | _ | |
| | (g) | | dmitted | | _ | | _ |
| | (6) | 1,0110 | | | | | |
| | (h) | Admi | itted capital deferred tax assets (2e99 - 2f - 2g) | | _ | _ | <u> </u> |
| | (i) | Admi | itted deferred tax assets (2d + 2h) | \$ | 4,322,126 | \$ 3,322,139 | \$ 999,987 |
| | | | | \equiv | | | |
| | | | | | (1) | (2) | (3) |
| | | | | | | | (Col 1-2) |
| | | | | | 12/31/2021 | 12/31/2020 | Change |
| (3) | | | Γax Liabilities: | | | | |
| | (a) | | | Φ. | | | |
| | | (1) | Investments | \$ | _ | \$ — | \$ <u> </u> |
| | | (2) | Fixed assets | | _ | _ | _ |
| | | (3) | Deferred and uncollected premium | | _ | _ | _ |
| | | (4) | Policyholder reserves | | _ | | _ |
| | | (5) | Other (including items <5% of total ordinary tax liabilities) | | _ | _ | _ |
| | | (6) | Amortization | | _ | _ | _ |
| | | (7) | Discount of coordination of benefits | | 185 | 1,172 | (987) |
| | | (8) | Guaranty fund assessment | | _ | _ | · |
| | | (9) | Business partnership | | _ | _ | _ |
| | | (10) | Tax reserves per Tax Reform over 8 years | | _ | _ | _ |
| | | (11) | Oil and gas depletion deduction | | _ | _ | _ |
| | | (12) | Deferred cost - surplus note | | _ | _ | _ |
| | | ` / | | | | | |
| | | | 26 12 | | | | |

| | | (13) | Write-ins | _ | _ | _ |
|-----|-----|--------|--|-----------------|--------------|-----------------|
| | | (14) | Write-ins | _ | _ | |
| | | | (99) Subtotal | 185 | 1,172 | (987) |
| | (b) | Capit | al | | | |
| | | (1) | Investments | \$ 34,799 | 34,946 | (147) |
| | | (2) | Real estate | _ | _ | _ |
| | | (3) | Other (including items <5% of total capital tax liabilities) | _ | _ | _ |
| | | (4) | Section 166 partial worthlessness | _ | _ | _ |
| | | (5) | Investment partnership income | _ | | |
| | | (6) | Write-ins | _ | _ | _ |
| | | (7) | Write-ins | _ | _ | |
| | | (8) | Write-ins | _ | | |
| | | | (99) Subtotal | 34,799 | 34,946 | (147) |
| | (c) | Defe | red tax liabilities (3a99 + 3b99) | \$ 34,984 | \$ 36,118 | \$ (1,133) |
| (4) | Net | deferr | ed tax assets/liabilities (2i - 3c) | \$ 4,287,142 | \$ 3,286,021 | \$ 1,001,121 |
| | | | | | | |

D. The Company's income tax expense and change in deferred income taxes differs from the amount obtained by applying the federal statutory income tax rate of 21% for the year ended December 31 as follows:

| | _ | 2021 | 2020 |
|--|----|--------------|-------------|
| Tax expense computed using federal statutory rate | \$ | 8,123,469 \$ | 9,889,095 |
| ACA health insurer fee | | | 4,897,111 |
| Change in nonadmitted assets | | (1,829,998) | 97,017 |
| Tax exempt income and dividend received deduction net of proration | | (794,406) | (798,800) |
| Prior year true-up and adjustments | | (2,205) | |
| Other, net | | 8,043 | 9,198 |
| Total | \$ | 5,504,903 \$ | 14,093,621 |
| | | | |
| Federal income taxes incurred | | 6,652,674 \$ | 15,338,180 |
| Change in net deferred income taxes | | (1,147,771) | (1,244,559) |
| Total statutory income taxes | \$ | 5,504,903 \$ | 14,093,621 |

E. Operating loss carryforwards:

- (1) The Company has no operating loss carryforwards and no tax credit carryforwards as of December 31, 2021 or 2020.
- (2) The following are income taxes incurred in the current and prior year(s) that will be available for recoupment in the event of future net losses:

| | Ordinary | Capital | Total |
|---------|--------------|---------|------------|
| 2021 \$ | 6,651,706 \$ | | 6,651,706 |
| 2020 | 15,234,635 | 83,832 | 15,318,467 |
| 2019 | N/A | 28,190 | 28,190 |

(3) The Company has no protective tax deposits reported as admitted assets under Section 6603 of the Internal Revenue Service Code as of December 31, 2021 and 2020.

F. The following companies will be included in the consolidated federal income tax return with their parent Anthem, Inc. ("Anthem") as of December 31, 2021 and either are current members of the consolidated tax sharing agreement or are in the process of being added to the consolidated tax sharing agreement. Allocation of federal income taxes with affiliates subject to the tax sharing agreement is based upon separate income tax return calculations with credit for net losses that can be used on a consolidated basis. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. Intercompany income tax balances are settled based on the Internal Revenue Service due dates.

Alliance Care Management, LLC Designated Agent Company, Inc.

American Imaging Management, Inc. EHC Benefits Agency, Inc.

America's 1st Choice of South Carolina, Inc.

Empire HealthChoice Assurance, Inc.

Empire HealthChoice HMO, Inc.

Empire HealthChoice HMO, Inc.

Empire HealthChoice HMO, Inc.

Federal Government Solutions, LLC

AMERIGROUP Corporation FHC Health Systems, Inc.

Amerigroup Delaware, Inc. Freedom Health, Inc.

Amerigroup District of Columbia, Inc.

Golden West Health Plan, Inc.

Amerigroup Health Plan of Louisiana, Inc. Health Core, Inc.

Amerigroup Insurance Company Health Management Corporation

AMERIGROUP Iowa, Inc.

AMERIGROUP Maryland, Inc.

HealthLink HMO, Inc.

Amerigroup Mississippi, Inc.

HealthLink, Inc.

AMERIGROUP New Jersey, Inc. HealthLink Insurance Company

AMERIGROUP Ohio, Inc. HealthPlus HP, LLC
Amerigroup Oklahoma, Inc. HealthSun Health Plan, Inc.

Amerigroup Pennsylvania, Inc. Healthy Alliance Life Insurance Company

AMERIGROUP Tennessee, Inc.

AMERIGROUP Texas, Inc.

HMO Colorado, Inc.

HMO Missouri, Inc.

HMO Missouri, Inc.

AMGP Georgia Managed Care Company, Inc.

IEC Group Holdings, Inc.

Anthem Blue Cross Life and Health Insurance Company

IEC Group, Inc. d/b/a AmeriBen

Anthem Financial, Inc. Imaging Management Holdings, LLC
Anthem Health Plans of Kentucky, Inc. IngenioRx, Inc.

Anthem Health Plans of Maine, Inc.

Legato Health Technologies U.S., Inc.

Anthem Health Plans of New Hampshire, Inc.

Legato Holdings I, Inc.

Anthem Health Plans of Virginia, Inc.

Living Complete Technologies, Inc.

Anthem Health Plans, Inc.

Massachusetts Behavioral Health Partnership

Anthem Holding Corp. Matthew Thornton Health Plan, Inc.

Anthem Insurance Companies, Inc. Missouri Care, Incorporated

Anthem Kentucky Managed Care Plan, Inc. myNEXUS Holdings, Inc.

Anthem Southeast, Inc. myNEXUS, Inc.

Anthem UM Services, Inc. myNEXUS, Inc. myNEXUS Manag

Anthem UM Services, Inc. myNEXUS Management, Inc.

Anthem, Inc. Nash Holding Company, LLC

Arcus Enterprises, Inc. National Government Services, Inc.

Aspire Health, Inc.

Associated Group, Inc.

New England Research Institutes, Inc.

Optimum Healthcare, Inc.

Beacon Health Financing, LLC

Beacon Health Options Care Services, Inc.

Beacon Health Options Holdco, Inc.

Beacon Health Options, Inc.

Beacon Health Options, Inc.

Beacon Health Options of California, Inc.

Resolution Health, Inc.

Beacon Health Options of Ohio, Inc. RightCHOICE Managed Care, Inc.

Beacon Health Options of Pennsylvania, Inc.

Rocky Mountain Hospital and Medical Service, Inc.

Beacon Health Vista Parent, Inc. SellCore, Inc.

BHS IPA, LLC Simply Healthcare Plans, Inc.

Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. Southeast Services, Inc.

Blue Cross Blue Shield of Wisconsin

Blue Cross of California

Blue Cross of California Partnership Plan, Inc.

CareMarket, Inc.

CareMore Health IPA of New York, Inc.

CareMore Health Plan

CareMore Health Plan of Arizona, Inc. CareMore Health Plan of Nevada, Inc. CareMore Health Plan of Texas, Inc.

CareMore Health System Cerulean Companies, Inc.

CHCS IPA, Inc.

Claim Management Services, Inc.

Community Care Health Plan of Kansas, Inc. Community Care Health Plan of Nebraska, Inc.

Community Care Health Plan of Nevada, Inc.

Community Insurance Company

Compcare Health Services Insurance Corporation

Crossroads Acquisition Corp.

DBG Holdings, Inc.
DeCare Analytics, LLC

DeCare Dental Health International, LLC

DeCare Dental Networks, LLC

DeCare Dental, LLC

State Sponsored Services, Inc. The Anthem Companies, Inc.

The Anthem Companies of California, Inc.

TrustSolutions, LLC

UNICARE Health Plan of West Virginia, Inc.

UNICARE Illinois Services, Inc.

UNICARE Life & Health Insurance Company

UNICARE National Services, Inc.
UNICARE Specialty Services, Inc.
Value Health Reinsurance, Inc.
ValueOptions Federal Services, Inc.
ValueOptions of Kansas, Inc.
ValueOptions of New Jersey, Inc.
ValueOptions Texas, Inc.

Valus, Inc.

WellPoint California Services, Inc. WellPoint Dental Services, Inc. WellPoint Health Solutions, Inc. WellPoint Holding Corporation

WellPoint Information Technology Services, Inc.

WellPoint Insurance Services, Inc.
WellPoint Military Care Corporation

ZipDrug, Inc.

G. Not applicable.

H. Repatriation Transition Tax (RTT)

Not applicable.

I. Alternative Minimum Tax (AMT) Credit

Not applicable.

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

A. Nature of the Relationship

The Company is a New Jersey domiciled stock insurance company and is a wholly-owned subsidiary of AMERIGROUP Corporation ("AGP"). AGP is a wholly-owned subsidiary of ATH Holding Company, LLC ("ATH Holding"), which is an indirect wholly-owned subsidiary of Anthem, a publicly traded company.

B. Significant Transactions for Each Period

The following significant transactions took place between the Company and its affiliates:

The Board of Directors of the Company declared an ordinary dividend in the amount of \$18,700,000 on October 26, 2020. The DOBI approved this dividend on February 17, 2021. The Company accrued the dividend in 2020 and paid the dividend to its parent company, AGP, on February 22, 2021.

For changes to the intercompany management services arrangements, see Note 10E. The amounts of transactions under such agreements are presented in Schedule Y Part 2.

C. Transactions with Related Parties who are not Reported on Schedule Y

The Company has no transactions with related parties who are not reported on Schedule Y.

D. Amounts Due to or from Related Parties

At December 31, 2021 and 2020, the Company reported no amounts due from affiliates. At December 31, 2021 and 2020, the Company reported \$620,170 and \$5,071,525 due to affiliates, respectively. The receivable and payable balances represent intercompany transactions that will be settled in accordance with the settlement terms of the intercompany agreement.

E. Management and Service Contracts and Cost Sharing Arrangements

The Company has entered into administrative services agreements with its affiliated companies. Pursuant to these agreements, various administrative, management and support services are provided to or provided by the Company. The costs and expenses related to these administrative management and support services are allocated to or allocated by the Company in an amount equal to the direct and indirect costs and expenses incurred in providing these services. Costs include expenses such as salaries, employee benefits, information technology, pharmacy benefits administration, communications, advertising, consulting services, rent, utilities, billing, accounting, underwriting, and product development, which support the Company's operations. These costs are allocated based on various utilization statistics.

In addition, the Company is party to the Fair Market Value ("FMV") Services Attachment, to the master administrative services agreement with affiliates, the costs and expenses related to certain care management and other services are allocated to or allocated by the Company in an amount equal to the fair market value of the services provided. These costs are allocated based on various utilization statistics.

During 2020, the Company added the Beacon Management Services Agreement which will provide behavioral health services. The agreement was approved on July 14, 2020 and is effective beginning January 1, 2021.

F. Guarantees or Contingencies for Related Parties

The Company did not enter into guarantees or undertakings for the benefit of an affiliate which would result in a material contingent exposure of the Company's or any affiliated insurer's assets or liabilities.

G. Nature of Control Relationships that Could Affect Operations or Financial Position

AGP owns all outstanding shares of the Company. The Company's ultimate parent is Anthem.

H. Amount Deducted for Investment in Upstream Company

The Company does not own shares of upstream intermediate entities or Anthem.

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

At December 31, 2021 and 2020, the Company did not have investments in affiliates.

J. Write-down for Impairments of Investments in Subsidiaries, Controlled or Affiliated ("SCA") Companies

Not applicable.

K. Investment in a Foreign Insurance Subsidiary

The Company does not have investments in foreign insurance subsidiaries.

L. Investment in Downstream Non-insurance Holding Companies

The Company does not have investments in downstream non-insurance holding companies.

M. All SCA Investments

The Company has no SCA Investments.

N. Investment in Insurance SCAs

The Company does not have investments in Insurance SCAs.

O. SCA or SSAP 48 Entity Loss Tracking

The Company does not have losses on investments in Insurance SCAs and/or joint ventures, partnerships or LLCs.

11. Debt

A. Capital Notes and Other Debt

The Company had no capital notes or other debt outstanding at December 31, 2021 and 2020.

B. FHLB (Federal Home Loan Bank) Agreements

The Company had no FHLB agreements outstanding at December 31, 2021 and 2020.

C. All Other Debt

The Company had no other debt outstanding at December 31, 2021 and 2020.

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

A. Defined Benefit Plan

Not applicable - See Note 12G.

- **B.** Not applicable See Note 12G.
- C. Not applicable See Note 12G.
- **D.** Not applicable See Note 12G.

E. Defined Contribution Plans

Not applicable - See Note 12G.

F. Multiemployer Plans

The Company does not participate in a multiemployer plan.

G. Consolidated/Holding Company Plans

The Company participates in a nonqualified deferred compensation plan sponsored by Anthem which covers certain employees once the participant reaches the maximum contribution amount for the Anthem 401(k) Plan (the "401(k) Plan"). The deferred amounts are payable according to the terms and subject to the conditions of the deferred compensation plan. Anthem allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees subject to the deferred compensation plan. The Company has no legal obligation for benefits under this plan.

The Company participates in the 401(k) Plan, sponsored by ATH Holding and covering substantially all employees. Voluntary employee contributions are matched by ATH Holding subject to certain limitations. ATH Holding allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. The Company has no legal obligation for benefits under this plan.

The Company participates in a stock incentive compensation plan, sponsored by Anthem, providing incentive awards to non-employee directors and employees, consisting of Anthem stock options, restricted stock, restricted stock units, stock appreciation rights, performance shares, and performance units. Anthem allocates a share of the total share-based compensation expense of this plan to the Company based on the number of allocated employees. The Company has no legal obligation for benefits under this plan.

During 2021 and 2020, the Company was allocated the following costs or (credits) for these retirement benefits:

| | 2021 | 2020 |
|-----------------------------------|-----------|-----------|
| Deferred compensation plan | 30,540 | 30,627 |
| Defined contribution plan | 2,311,428 | 2,135,363 |
| Stock incentive compensation plan | 1,360,743 | 1,381,638 |

H. Post Employment Benefits and Compensated Absences

Not applicable.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not applicable.

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

A. Outstanding Shares

As of December 31, 2021, the Company has 1,000 shares of \$0.01 par value common stock authorized, issued and outstanding.

B. Preferred Stock

The Company has no preferred stock outstanding.

C. Dividend Restrictions

Under New Jersey Annotated Statutes 17:27A-4, extraordinary dividends or distributions made within the preceding 12 months exceeds the greater of (i) 10% of such insurer's surplus as regards policyholders as of December 31 next preceding, or (ii) the net income, not including realized capital gains, for the 12-month period ending December 31 next preceding, but shall not include pro rata distributions of any class of the insurer's own securities.

D. Dividends Paid

See Footnote 10B.

E. Maximum Ordinary Dividend During 2022

Within the limitations of (C) above, the Company may pay \$32,030,514 in ordinary dividends during 2022 without restrictions, other than state notification requirements.

F. Unassigned Surplus Restrictions

Unassigned surplus funds are not restricted at December 31, 2021.

G. Mutual Surplus Advances

Not applicable.

H. Company Stock Held for Special Purpose

There are no shares of stock held for special purposes at December 31, 2021.

I. Changes in Special Surplus Funds

There are no special surplus funds at December 31, 2021.

J. Changes in Unassigned Funds

The portion of unassigned funds represented by cumulative unrealized investment losses was (\$73,684) at December 31, 2021.

K. Surplus Notes

The Company has not issued any surplus notes or debentures or similar obligations.

L. Restatement due to Prior Quasi-reorganizations

The Company had no restatements due to prior quasi-reorganizations.

M. Quasi-reorganizations over Prior 10 Years

The Company has not been involved in a quasi-reorganization during the past 10 years.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company had no contingent commitments at December 31, 2021 or 2020.

B. Assessments

- (1) The Company is subject to guaranty fund and other assessments by the state(s) in which it writes business. Guaranty fund assessments are accrued at the time of insolvencies. Other assessments are accrued either at the time of the assessment or at the time the losses are incurred.
- (2) Not applicable.
- (3) Not applicable.

C. Gain Contingencies

The Company has no gain contingencies at December 31, 2021 or 2020.

D. Claims-Related Extra Contractual Obligation and the Bad Faith Losses Stemming From Lawsuits

Not applicable.

E. Joint and Several Liabilities

Not applicable.

F. All Other Contingencies

Litigation and regulatory proceedings

Express Scripts, Inc. Pharmacy Benefit Management Litigation

In March 2016, Anthem filed a lawsuit against Express Scripts, Inc. ("Express Scripts"), their vendor at the time for PBM services, captioned *Anthem, Inc. v. Express Scripts, Inc.*, in the U.S. District Court for the Southern District of New York. The lawsuit seeks to recover over \$14,800,000,000 in damages for pharmacy pricing that is higher than competitive benchmark pricing under the agreement between the parties (the "ESI PBM Agreement"), over \$158,000,000 in damages related to operational breaches, as well as various declarations under the ESI PBM Agreement, including that Express Scripts: (i) breached its obligation to negotiate in good faith and to agree in writing to new pricing terms; (ii) was required to provide competitive benchmark pricing to Anthem through the term of the ESI PBM Agreement; (iii) has breached the ESI PBM Agreement; and (iv) is required under the ESI PBM Agreement to provide post-termination services, at competitive benchmark pricing, for one year following any termination.

Express Scripts has disputed Anthem's contractual claims and is seeking declaratory judgments: (i) regarding the timing of the periodic pricing review under the ESI PBM Agreement, and (ii) that it has no obligation to ensure that Anthem receives any specific level of pricing, that Anthem has no contractual right to any change in pricing under the ESI PBM Agreement and that its sole obligation is to negotiate proposed pricing terms in good faith. In the alternative, Express Scripts claims that Anthem has been unjustly enriched by its payment of \$4,675,000,000 at the time they entered into the ESI PBM Agreement. In March 2017, the court granted Anthem's motion to dismiss Express Scripts' counterclaims for (i) breach of the implied covenant of good faith and fair dealing, and (ii) unjust enrichment with prejudice. The only remaining claims are for breach of contract and declaratory relief. In August 2021, ESI filed a motion for summary judgment, which Anthem opposed. Express Scripts' motion for summary judgment is now fully briefed and no decision has been rendered. Anthem intends to vigorously pursue their claims and defend against any counterclaims, which they believe are without merit; however, the ultimate outcome cannot be presently determined.

In re Express Scripts/Anthem ERISA Litigation

Anthem is a defendant in a class action lawsuit that was initially filed in June 2016 against Anthem, Inc. and Express Scripts, which has been consolidated into a single multi-district lawsuit captioned In Re Express Scripts/Anthem ERISA Litigation, in the U.S. District Court for the Southern District of New York. The consolidated complaint was filed by plaintiffs against Express Scripts and Anthem on behalf of all persons who are participants in or beneficiaries of any ERISA or non-ERISA healthcare plan from December 1, 2009 to December 31, 2019 in which Anthem provided prescription drug benefits through the ESI PBM Agreement and paid a percentage based co-insurance payment in the course of using that prescription drug benefit. The plaintiffs allege that Anthem breached their duties, either under ERISA or with respect to the implied covenant of good faith and fair dealing implied in the health plans, (i) by failing to adequately monitor Express Scripts' pricing under the ESI PBM Agreement, (ii) by placing their own pecuniary interest above the best interests of their insureds by allegedly agreeing to higher pricing in the ESI PBM Agreement in exchange for the purchase price for their NextRx PBM business, and (iii) with respect to the non-ERISA members, by negotiating and entering into the ESI PBM Agreement that was allegedly detrimental to the interests of such non-ERISA members. Plaintiffs seek to hold Anthem and Express Scripts jointly and severally liable and to recover all losses suffered by the proposed class, equitable relief, disgorgement of alleged ill-gotten gains, injunctive relief, attorney's fees and costs and interest.

In April 2017, Anthem filed a motion to dismiss the claims brought against them, and it was granted, without prejudice, in January 2018. Plaintiffs filed a notice of appeal with the United States Court of Appeals for the Second Circuit (the "Second Circuit"), which was heard in October 2018. In December 2020, the Court affirmed the trial court's decision dismissing the ERISA complaint. Plaintiffs filed a Petition for Rehearing and Rehearing En Banc, which was denied. Plaintiffs filed a writ of certiorari with the United States Supreme Court, which Anthem opposed, and the plaintiffs have replied. In December 2021, the United States Supreme Court requested that the Solicitor General submit a brief "expressing the views of the United States" as to whether the Court should grant plaintiffs' writ. Anthem intends to vigorously defend this suit, which they believe is without merit; however, its ultimate outcome cannot be presently determined.

Medicare Risk Adjustment Litigation

In March 2020, the U.S. Department of Justice ("DOJ") filed a civil lawsuit against Anthem, Inc. in the U.S. District Court for the Southern District of New York in a case captioned United States v. Anthem, Inc. The DOJ's suit alleges, among other things, that Anthem falsely certified the accuracy of the diagnosis data they submitted to the Centers for Medicare and Medicaid Services ("CMS") for risk-adjustment purposes under Medicare Part C and knowingly failed to delete inaccurate diagnosis codes. The DOJ further alleges that, as a result of these purported acts, Anthem caused CMS to calculate the risk-adjustment payments based on inaccurate diagnosis information, which enabled Anthem to obtain unspecified amounts of payments in Medicare funds in violation of the False Claims Act. The DOJ filed an amended complaint in July 2020, alleging the same causes of action but revising some of its allegations. In September 2020, Anthem filed a motion to transfer the lawsuit to the Southern District of Ohio, a motion to dismiss part of the lawsuit, and a motion to strike certain allegations in the amended complaint. The motions are fully briefed and no decision has been rendered. Anthem intends to continue to vigorously defend this suit, which they believe is without merit; however, the ultimate outcome cannot be presently determined.

Other Contingencies

From time to time, the Company is party to various legal proceedings, many of which involve claims for coverage encountered in the ordinary course of business. The

Company, like HMOs and health insurers generally, exclude certain healthcare and other services from coverage under our HMO, PPO, and other plans. The Company is, in the ordinary course of business, subject to the claims of our enrollees arising out of decisions to restrict or deny reimbursement for uncovered services. The loss of even one such claim, if it results in a significant punitive damage award, could have a material adverse effect on the Company. In addition, the risk of potential liability under punitive damage theories may increase significantly the difficulty of obtaining reasonable reimbursement of coverage claims.

In addition to the lawsuits described above, the Company is also involved in other pending and threatened litigation of the character incidental to their business, and is from time to time involved as a party in various governmental investigations, audits, reviews and administrative proceedings. These investigations, audits, reviews and administrative proceedings include routine and special inquiries by state insurance departments, state attorneys general, the U.S. Attorney General and subcommittees of the U.S. Congress. Such investigations, audits, reviews and administrative proceedings could result in the imposition of civil or criminal fines, penalties, other sanctions and additional rules, regulations or other restrictions on the Company's business operations. Any liability that may result from any one of these actions, or in the aggregate, could have a material adverse effect on the Company's financial position or results of operations.

The Company has no other known material contingencies.

Provisions for uncollectible amounts

At December 31, 2021 and 2020, the Company reported admitted assets of \$34,739,352 and \$30,945,304, respectively, in premium receivables and receivables due from uninsured plans. These receivables are not deemed to be uncollectible, therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

15. Leases

A. Lessee Operating Lease

(1) The Company leases office space, office equipment, EDP equipment, and software under various noncancelable operating leases. Certain leases have the right to renew. There are no escalation clauses for any lease. Related lease expense for 2021 and 2020 was \$1,930,080 and \$5,537,798, respectively.

During the third quarter of 2020, the Company reevaluated its future office space needs and determined that it would permanently cease use of space under certain operating leases. At December 31, 2021 and 2020, the Company has recorded a liability for lease exit costs of \$2,954,640 and \$3,481,912, respectively.

(2) At December 31, 2021, the minimum aggregate rental commitments are as follows:

| | Year Ending December 31 | Оре | erating Leases |
|---|-------------------------|-----|----------------|
| 1 | 2022 | \$ | 2,029,338 |
| 2 | 2023 | | 1,546,686 |
| 3 | 2024 | | 1,665,441 |
| 4 | 2025 | | 1,113,990 |
| 5 | 2026 | | _ |
| 6 | Total | \$ | 6,355,455 |
| | | | |

(3) The Company has not entered into any material sale-leaseback transactions.

B. Lessor Leases

- (1) The Company has not entered into any operating leases.
- (2) The Company has not entered into any leveraged leases.

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

The Company has no significant financial instruments with off-balance sheet risk.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of investment securities. All investment securities are managed by professional investment managers within policies authorized by the board of directors. Such policies limit the amounts that may be invested in any one issuer and prescribe certain investee company criteria. As of December 31, 2021, there were no significant concentrations.

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

A. Transfers of Receivables Reported as Sales

Not applicable at December 31, 2021 and 2020.

B. Transfer and Servicing of Financial Assets

- (1) The Company participates in a securities lending program whereby marketable securities in its investment portfolio are transferred to independent brokers or dealers. At December 31, 2021 the fair value of securities loaned was \$9,156,648 and the carrying value of securities loaned was \$9,138,764.
- (2) (7) Not applicable.

C. Wash Sales

- (1) In the course of the Company's asset management, securities may be sold and reacquired within 30 days of the sale date to enhance the yield on the investments.
- (2) At December 31, 2021 and 2020, there were no wash sales involving securities with an NAIC designation of 3 or below or unrated.

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

A. Administrative Services Only ("ASO") Plans

The gain or (loss) from operations from ASO uninsured plans and the uninsured portion of partially insured plans during 2021 was:

| | | AS | O Uninsured Plans | Ininsured Portion of Partially Insured Plans | Total ASO |
|----|--|----|----------------------|--|-------------------|
| a. | Net reimbursement for administrative expenses (including administrative fees) in excess of (less than) actual expenses | \$ | (1,072,022) \$ | _ | \$ (1,072,022) |
| b. | Total net other income or expenses (including interest paid to or received from plans) | | _ | _ | |
| c. | Net gain or (loss) from operations | \$ | (1,072,022) \$ | _ | \$ (1,072,022) |
| d. | Total claim payment volume | \$ | 55,689,447 \$ | <u> </u> | \$ 55,689,447 |

B. Administrative Services Contract ("ASC") Plans

Not applicable at December 31, 2021.

C. Medicare or Other Similarly Structured Cost-Based Reimbursement Contract

(1) The Company does not record revenue explicitly attributable to the cost share and reinsurance components of administered Medicare products.

(2)

| Receivable from | Related to | 2021 | 2020 |
|---|---|------------------|-----------|
| Centers for Medicare and Medicaid Services | Cost share and reinsurance components of administered Medicare products | \$ 102,135 \$ | 3,633,969 |
| U.S. Department of Health and Human Services | Cost share and reinsurance components of administered commercial ACA products | \$ — \$ | _ |
| Uninsured plans | Uninsured business, not including pharmaceutical rebate receivables | \$ — \$ | _ |

- (3) As no revenue is recorded in connection with the cost share and reinsurance components of the Company's Medicare and ACA products, the Company has recorded no allowances and reserves for the adjustment of recorded revenues and receivables.
- (4) The Company has made no adjustment to revenue resulting from the audit of cost-reimbursement receivables related to revenues recorded in the prior period.

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

No premiums were written by managing general agents or third party administrators during the years ended December 31, 2021 and 2020.

20. Fair Value Measurements

A .

(1) Fair Value Measurements at Reporting Date

| Description for each class of asset or liability | (Level 1) | (Level 2) | (Level 3) | I | Net Asset Value (NAV) Total | |
|--|-----------------|-----------------|-----------|----|-----------------------------------|---|
| a. Assets at fair value | | | | | | • |
| Bonds | | | | | | |
| Industrial and misc | \$ _ | \$ 2,027,145 | \$ _ | \$ | - \$ 2,027,145 | _ |
| Total bonds | \$ _ | \$ 2,027,145 | \$ _ | \$ | \$ 2,027,145 | |
| Cash equivalents | | | | | | |
| Industrial and miscellaneous money market funds | \$ 8,642,382 | \$ | \$ _ | \$ | \$ 8,642,382 | |
| Total cash equivalents | \$ 8,642,382 | \$ | \$ _ | \$ | — \$ 8,642,382 | • |
| Total assets at fair value/NAV | \$ 8,642,382 | \$ 2,027,145 | \$ _ | \$ | — \$ 10,669,527 | • |

- (2) There are no investments in Level 3 as of December 31, 2021 and 2020.
- (3) The Company's policy is to recognize transfers between Levels, if any, as of the beginning of the reporting period.
- (4) Fair values of bonds are based on quoted market prices, where available. These fair values are obtained primarily from third party pricing services, which generally use Level 1 or Level 2 inputs, for the determination of fair value to facilitate fair value measurements and disclosures. Level 2 securities primarily include United States government securities, corporate securities, securities from states, municipalities and political subdivisions, mortgage-backed securities and certain other asset-backed securities. For securities not actively traded, the pricing services 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, broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds. The Company has controls in place to review the pricing services' qualifications and procedures used to determine fair values. In addition, the Company periodically reviews the pricing services' pricing methodologies, data sources and pricing inputs to ensure the fair values obtained are reasonable.

Certain bonds, primarily corporate debt securities, are designated Level 3. For these securities, the valuation methodologies may incorporate broker quotes or discounted cash flow analyses using assumptions for inputs such as expected cash flows, benchmark yields, credit spreads, default rates and prepayment speeds that are not observable in the markets.

Cash equivalents primarily consist of highly rated money market funds or bonds with original maturities of three months or less. Due to the high ratings and short-term nature, these investments are designated as Level 1. The Company also holds bonds purchased with less than three months to maturity. Fair value of these bonds are based on quoted market prices obtained from third party pricing services which generally use Level 1 or Level 2 inputs.

There have been no significant changes in the valuation techniques during the current period.

B. Fair Value Measurements Under Other Accounting Pronouncements

Not applicable at December 31, 2021 and 2020.

C. Financial Instruments

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Net Asset Value (NAV) | Practicable (Carrying Value) |
|-------------------------------------|-------------------------|--------------------|-----------|-------------|-----------|-----------------------------|------------------------------------|
| Bonds | \$ 494,976,206 | \$ 486,733,037 | s — s | 494,976,206 | \$ — | \$ — | \$ — |
| Cash equivalents | 12,942,355 | 12,942,372 | 8,642,382 | 4,299,973 | _ | _ | _ |
| Securities lending collateral asset | 9,366,111 | 9,366,024 | _ | 9,366,111 | _ | _ | _ |

D. Not Practicable to Estimate Fair Value

There are no financial instruments that were not practicable to estimate fair value.

E. Investments Measured at Net Asset Value

The Company has no investments measured at net asset value.

21. Other Items

A. Unusual or Infrequent Items

The spread of the COVID-19 virus caused significant financial market volatility, economic uncertainty, and interruptions to normal business activities. The ultimate impact to the Company is unknown, but management expects continued interruptions to day-to-day business activities, impacts to claim and premium activity, investment values, as well as possible impacts to liquidity.

B. Troubled Debt Restructuring: Debtors

Not applicable at December 31, 2021 and 2020.

C. Other Disclosures

Assets in the amount of \$245,014,969 and \$195,440,315 at December 31, 2021 and 2020, respectively, were on deposit with government authorities or trustees as required by law.

D. Business Interruption Insurance Recoveries

The Company has reported no recoveries for business interruption for the years ended December 31, 2021 and 2020.

E. State Transferable and Non-Transferable Tax Credits

The Company did not have state transferable or non-transferable tax credits at December 31, 2021 and 2020.

F. Subprime Mortgage-Related Risk Exposure

(1) The Company's investment strategy of providing safety and preservation of capital, sufficient liquidity to meet cash flow requirements and the attainment of a competitive after-tax investment return is supported by a well diversified portfolio consisting of many different types of investments. The portion of the Company's investment portfolio with subprime mortgage-related risk exposure is relatively small in comparison to the overall investment portfolio, and consists mainly of investment grade securities with no exposure to collateralized debt obligations. All mortgage

related investments are monitored closely as part of the quarterly investment review performed by the Anthem Investment Impairment Review Committee.

- (2) The Company did not carry investments in subprime mortgage loans in its portfolio at December 31, 2021 or 2020.
- (3) At December 31, 2021, the Company's subprime mortgage-related risk exposure is detailed below:

| | Actual Cost | Book/ Adjusted Carrying Value (excluding interest) | Fair Value | Other-Than- Temporary Impairment Losses Recognized |
|---|-------------|---|------------|--|
| a. Residential mortgage- backed securities | | | | _ |
| b. Commercial mortgage- backed securities | | | | _ |
| c. Collateralized debt obligations | | | | _ |
| d. Structured securities | 3,028,185 | 3,041,992 | 3,049,711 | _ |
| e. Equity investments in SCAs | | | | _ |
| f. Other assets | | | | _ |
| g. Total | 3,028,185 | 3,041,992 | 3,049,711 | _ |

(4) The Company did not underwrite Mortgage Guaranty or Financial Guaranty insurance coverage at December 31, 2021 or 2020.

G. Retained Assets

The Company does not have retained assets at December 31, 2021 and 2020.

H. Insurance-Linked Securities Contracts

Not applicable.

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 considered through February 27, 2022 for the statutory statement issued on February 28, 2022. There were no events occurring subsequent to December 31, 2021 requiring recognition or disclosure.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

(1) Are any of the reinsurers that are 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)

If yes, give full details.

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

Yes () No (X)

If yes, give full details.

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 credits?

Yes () No (X)

If yes, give full details.

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

Yes () No (X)

If yes, give full details.

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.

Not applicable.

(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) |
| | If yes, give full details. |
| В. | Uncollectible Reinsurance |
| | The Company has no uncollectible reinsurance at December 31, 2021 and 2020. |
| C. | Commutation of Ceded Reinsurance |
| | The Company has not commuted ceded reinsurance during 2021 and 2020. |
| D. | Certified Reinsurer Rating Downgraded or Status Subject Revocation |
| | The Company has no downgraded certified reinsurer ratings or status subject to revocations during 2021 and 2020. |
| E. | Reinsurance Credit |
| | Not applicable. |
| 24. Re | etrospectively Rated Contracts & Contracts Subject to Redetermination |
| A. | The Company sells accident and health policies for which the premiums vary based on loss experience. The Company estimates retrospective premium adjustments through the review of each retrospectively rated account, comparing the claim development with that anticipated in the policy contracts. |
| В. | The Company records accrued retrospective premium as an adjustment to earned premium. |
| C | . 100% of the net premium written is subject to retrospective rating features. |
| D. | Not applicable. |
| E. | Risk-Sharing Provisions of the ACA |
| | (1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?No |
| | (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year |
| | Not applicable. |
| | (3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance. |

(4) Roll-forward of Risk Corridors Asset and Liability Balances by Program Benefit

Not applicable.

Not applicable.

Year.

(5) ACA Risk Corridors Receivable as of Reporting Date.

Not applicable.

25. Change in Incurred Claims and Claim Adjustment Expenses

- A. The estimated cost of claims and claim adjustment expense attributable to insured events of prior years decreased by \$27,397,255 during 2021. This is approximately 14.8% of unpaid claims and claim adjustment expenses of \$184,571,783 as of December 31, 2020. The redundancy reflects the decreases in estimated claims and claims adjustment expenses as a result of claims payment during the year, and as additional information is received regarding claims incurred prior to 2021. Recent claim development trends are also taken into account in evaluating the overall adequacy of unpaid claims and unpaid claim adjustment expense.
- **B.** There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses. The impact from COVID-19 on healthcare utilization and medical claims submission patterns has increased estimation uncertainty on our incurred but not reported liability at December 31, 2021. Slowdowns in claims submission patterns and increases in utilization levels for COVID-19 testing and treatment during the fourth quarter of 2021 are the primary factors that lead to the increased estimation uncertainty.

26. Intercompany Pooling Arrangements

Not applicable at December 31, 2021 and 2020.

27. Structured Settlements

Not applicable at December 31, 2021 and 2020.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

| Quarter | Estimated Pharmacy Rebates as Reported on Financial Statements | Pharmacy Rebates as Billed or Otherwise Confirmed | Actual Rebates Received Within 90 Days of Billing | Actual Rebates Received Within 91 to 180 Days of Billing | Actual Rebates Received More Than 180 Days After Billing |
|------------|--|---|--|--|---|
| 12/31/2021 | \$ 4,505,048 | \$ 4,526,358 | \$ | \$ | s — |
| 9/30/2021 | 87,553 | 156,423 | | _ | _ |
| 6/30/2021 | _ | (66,620) | _ | (66,620) | _ |
| 3/31/2021 | 3,692,158 | 10,071,781 | 9,984,846 | 86,936 | _ |
| | | | | | |
| 12/31/2020 | 3,512,495 | 9,703,719 | 9,604,790 | 98,929 | _ |
| 9/30/2020 | 2,569,700 | 7,849,554 | 7,774,858 | 74,696 | _ |
| 6/30/2020 | 3,512,402 | 8,318,202 | 8,094,645 | 223,557 | _ |
| 3/31/2020 | 5,188,641 | 7,421,740 | 7,318,074 | 103,666 | _ |
| | | | | | |
| 12/31/2019 | 6,417,563 | 5,736,480 | 1,291,069 | _ | 4,370,980 |
| 9/30/2019 | 6,587,628 | 5,286,755 | 3,454,817 | 1,115 | 5,211,197 |
| 6/30/2019 | 6,374,385 | 5,124,114 | 58,675 | 5,041,733 | 4,520 |
| 3/31/2019 | 6,228,532 | 5,043,434 | 46,268 | 4,987,628 | 7,295 |

B. Risk Sharing Receivables

Not applicable at December 31, 2021 and 2020.

29. Participating Policies

Not applicable at December 31, 2021 and 2020.

30. Premium Deficiency Reserves

The Company had no liabilities related to premium deficiency reserves as of December 31, 2021 and 2020.

31. Anticipated Salvage and Subrogation

The Company took into account estimated anticipated subrogation and other recoveries in its determination of the liability for unpaid claims and reduced the liability by \$971,000 and \$63,000 at December 31, 2021 and 2020, respectively.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

| | | Yes [| |
|--|---------|--|--------------------------|
| | | Voo [|] NO [A] |
| s or registrations (including corporate registration, if applicable) suspen | | |] No [X] |
| 2 3 NAIC Company Code State of Domicile | | | |
| state of domicile (use two letter state abbreviation) for any entity that h | as | | |
| n during the period covered by this statement? | | Yes [|] No [X] |
| 21 sales of new business? 22 renewals? | | |] No [X]] No [X] |
| 2 renewals?ee organization owned in whole or in part by the reporting entity or an af ore than 20 percent of any major line of business measured on direct | | Yes [|] No [X] |
| er, sales representative, non-affiliated sales/service organization or any employees of the reporting entity), receive credit or commissions for or iness measured on direct premiums) of: 1 sales of new business? | control | |] No [X] |
| nination report been complied with? | Yes [|] No [|] N/A [X] |
| al examination report been accounted for in a subsequent financial | Yes [|] No [|] N/A [X] |
| | | | |
| ame available to other states or the public from either the state of letion date of the examination report and not the date of the | ·- | 06/25/ | 2019 |
| ecame available from either the state of domicile or the reporting eet and not the date the report was completed or released. | | 12/31/ | 2017 |
| orting entity was made or is being made. | | 12/31/ | 2017 |
| | | | |
| the charter, by-laws, articles of incorporation, or deed of settlement of the | | Yes [|] No [X] |
|) code issued by the SEC for the entity/group. | | 000115 | 66039 |
| aded group? | | Yes [X |] No [] |
| | | New Je | ersey |
| State Insurance Commissioner, Director or Superintendent, or with surer in the Holding Company System, a registration statement ab by the National Association of Insurance Commissioners (NAIC) in and model regulations pertaining thereto, or is the reporting entity imilar to those required by such Act and regulations? | Yes [) | (] No [|] N/A [] |
| iny System consisting of two or more affiliated persons, one or more of | | Yes [X |] No [] |
| | | ny System consisting of two or more affiliated persons, one or more of which | |

GENERAL INTERROGATORIES

| 8.1 8.2 | Is the company a subsidiary of a depository institution holding compan If the response to 8.1 is yes, please identify the name of the DIHC. | ny (DIHC) or a DIHC itself, regulated by the Federal | Reserv | e Board? | ? | Yes [|] | No | [X] | I |
|---------------|--|---|------------|------------|-------|---------|----|-------|-------|---|
| 8.3 8.4 | Is the company affiliated with one or more banks, thrifts or securities fill response to 8.3 is yes, please provide below the names and location regulatory services agency [i.e. the Federal Reserve Board (FRB), the Insurance Corporation (FDIC) and the Securities Exchange Commissi | n (city and state of the main office) of any affiliates re coffice of the Comptroller of the Currency (OCC), the | egulated | d by a fe | deral | Yes [|] | No | [X] | |
| | 1 | 2 | 3 | 4 | 5 | 6 | ٦ | | | |
| | Affiliate Name | Location (City, State) | FRB | occ | FDIC | SEC | | | | |
| | | | | | | | _ | | | |
| 8.5 8.6 | Is the reporting entity a depository institution holding company with sig Federal Reserve System or a subsidiary of the reporting entity? | | | | | Yes [|] | No | [X] | l |
| 0.0 | Federal Reserve Board's capital rule? | | | | Yes [|] No [| Χ] | N/ | A [|] |
| 9. | What is the name and address of the independent certified public according | | | | | | | | | |
| | Ernst & Young LLP, 111 Monument Circle Suite 4000, Indianapolis, IN | | | | | | | | | |
| 10.1 | Has the insurer been granted any exemptions to the prohibited non-au requirements as allowed in Section 7H of the Annual Financial Report law or regulation? | ing Model Regulation (Model Audit Rule), or substa | intially s | imilar sta | ate | Yes [| 1 | No | [X . | ı |
| 10.2 | If the response to 10.1 is yes, provide information related to this exem | ption: | | | | | | | | |
| 10.3 | Has the insurer been granted any exemptions related to the other requallowed for in Section 18A of the Model Regulation, or substantially sir | milar state law or regulation? | Regulat | ion as | | Yes [|] | No | [X] | J |
| 10.4 | If the response to 10.3 is yes, provide information related to this exem | ption: | | | | - | · | | | |
| 10.5 | Has the reporting entity established an Audit Committee in compliance | e with the domiciliary state insurance laws? | | | | 1 No [| ī | ı NIZ | ν. г | 1 |
| 10.6 | If the response to 10.5 is no or n/a, please explain | with the domininary state insurance laws: | | | • |] NO [| J | IN/ | ΑĮ | J |
| 11. | What is the name, address and affiliation (officer/employee of the repositrm) of the individual providing the statement of actuarial opinion/certif Mojisola Esho, MAAA, Actuarial Director (employee), 1890 Callaway F | fication? | | | Ū | | | | | |
| 12.1 | Does the reporting entity own any securities of a real estate holding co | 9 | | | | Yes [| 1 | No | [X 1 | ı |
| | | estate holding company | | | | | • | | | |
| | 12.12 Number of par | rcels involved | | | | | | | | |
| | 12.13 Total book/adj | justed carrying value | | | | \$ | | | | |
| 12.2 | If, yes provide explanation: | | | | | | | | | |
| 13. | FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITI | IES ONI V | | | | | | | | |
| 13.1 | What changes have been made during the year in the United States n | | ng entity | ? | | | | | | |
| 13 2 | Does this statement contain all business transacted for the reporting e | entity through its United States Branch on risks whe | rever lo | cated? | | Yes [| 1 | No | Γ, | ı |
| 13.3 | Have there been any changes made to any of the trust indentures duri | , • | | | | Yes [| - | No | | i |
| 13.4 | If answer to (13.3) is yes, has the domiciliary or entry state approved the | • • | | | |] No [| - | N/. | | 1 |
| 14.1 | Are the senior officers (principal executive officer, principal financial of | | | | |] 110 [| , | 147 | Λ. | , |
| | similar functions) of the reporting entity subject to a code of ethics, whi a. Honest and ethical conduct, including the ethical handling of actual relationships; | ich includes the following standards? | | | | Yes [) | [] | No | [] | l |
| | b. Full, fair, accurate, timely and understandable disclosure in the period | | ity; | | | | | | | |
| | c. Compliance with applicable governmental laws, rules and regulationd. The prompt internal reporting of violations to an appropriate person | | | | | | | | | |
| | e. Accountability for adherence to the code. | or percent identified in the code, and | | | | | | | | |
| 14.11 | If the response to 14.1 is No, please explain: | | | | | | | | | |
| 110 | Liga the gode of athics for against managers have amonded? | | | | | V [| , | M. | r v | |
| 14.2 14.21 | Has the code of ethics for senior managers been amended? | ent(s). | | | | Yes [| J | INO | [] | |
| 14.3 | Have any provisions of the code of ethics been waived for any of the s | | | | | Yes [| 1 | No | [X] | ı |
| | If the response to 14.3 is yes, provide the nature of any waiver(s). | | | | | | , | | | |
| | | | | | | | | | | |

GENERAL INTERROGATORIES

| 1 | 2 | 3 | | 4 | _ |
|--|--|--|----------|------|----|
| Bankers | | | | | |
| (ABA) Routing | Januina or Confirmina Donly Name | Circumstances That Can Trigger the Latter of Credit | ۸ | | |
| Number | | *** | | | |
| | BOAR | RD OF DIRECTORS | | | |
| | | | Yes [X |] N | No |
| BOARD OF DIRECTORS Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee intersor? The part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Total amount floarse outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount floarse outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount floarse outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount floarse outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount floarse outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount floarse outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): Total amount of l | | | | | |
| 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? Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? 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? FINANCIAL Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans): 20.11 To directors or other officers. 20.12 To stockholders not officers. 20.13 Trustees, supreme or grand (Fraternal Only) Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): 20.21 To directors or other officers. 20.22 To stockholders not officers. 20.23 Trustees, supreme or grand (Fraternal Only) 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? If yes, state the amount thereof at December 31 of the current year: 21.21 Rented from others. 21.22 Borrowed from others. 21.23 Leased from others. 21.24 Other. | | | | | |
| | | FINANCIAL | | | |
| Accounting Princ | ciples)? | | Yes [|] N | No |
| otal amount loa | ined during the year (inclusive of Separate Accounts, e | exclusive of policy loans): 20.11 To directors or other officers | \$ | | |
| | | | \$ | | |
| | | 20.13 Trustees, supreme or grand | œ. | | |
| otal amount of | loans outstanding at the end of year (inclusive of Sena | | . | | |
| | loans outstanding at the end of year (inclusive of ocpa | 20.21 To directors or other officers | \$ | | |
| , | | | | | |
| | | | | | |
| Vere any assets | reported in this statement subject to a contractual obliceported in the statement? | igation to transfer to another party without the liability for such | | | |
| | | 21.21 Rented from others | \$ | | |
| | | | | | |
| | | | | | |
| | | | \$ | | |
| 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 is triggered. 2 American Bankers Association (ABA) Routing White Properties of Credit is triggered. 3 4 4 American Bankers Association (ABA) Routing White Properties of Credit is triggered. 5 BOARD OF DIRECTORS Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors and all subordinate committee thereof? 1 Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? 1 Solar Propring entity are 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? 1 FINANCIAL 1 Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? 2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): 2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): 3 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans): 4 Ozo 17 to directors or other officers. 5 Ozo 27 To stockholders not officers. 6 Ozo 27 To stockholders not officers. 7 Ozo 17 To stockholders not officers. 8 Ozo 27 To stockholders not officers. 9 Ozo 27 To stockholders not offic | | | | | |
| f answer is yes: | | | | | |
| | | · · · · · · · · · · · · · · · · · · · | | | |
| loop the reportir | na ontitu roport any amounto duo from paront, suboidia | | | | |
| f ves indicate a | ny amounts receivable from parent included in the Pac | ne 2 amount: | res [|] IN | NO |
| Does the insurer | utilize third parties to pay agent commissions in which | the amounts advanced by the third parties are not settled in full within | | | |
| | | | 100 [| , ,, | 10 |
| | | | | | |
| | | | | | |
| | | a Related Party | | | |
| | Name of Third-Party | | | | |

GENERAL INTERROGATORIES

| 25.02 | If no, give full and complete information relating thereto | | | |
|---|--|--|--|-----------|
| 25.03 | whether collateral is carried on or off-balance sheet. (an altern | orogram including value for collateral and amount of loaned securities, and native is to reference Note 17 where this information is also provided) | | |
| 25.04 | For the reporting entity's securities lending program, report an Instructions. | nount of collateral for conforming programs as outlined in the Risk-Based Capital | \$9,366 | ,024 |
| 25.05 | For the reporting entity's securities lending program, report an | nount of collateral for other programs. | \$ | |
| 25.06 | Does your securities lending program require 102% (domestic outset of the contract? | e securities) and 105% (foreign securities) from the counterparty at the | X] No [] N/A [| |
| 25.07 | Does the reporting entity non-admit when the collateral receiv | ed from the counterparty falls below 100%? | X] No [] N/A [| |
| 25.08 | Does the reporting entity or the reporting entity 's securities le conduct securities lending? | nding agent utilize the Master Securities lending Agreement (MSLA) to Yes [] | X] No [] N/A [| |
| 25.09 | For the reporting entity's securities lending program state the | amount of the following as of December 31 of the current year: | | |
| | 25.092 Total book adjusted/carrying value of | ll assets reported on Schedule DL, Parts 1 and 2 | \$9,366 | ,024 |
| 26.1 | control of the reporting entity, or has the reporting entity sold of | g entity owned at December 31 of the current year not exclusively under the or transferred any assets subject to a put option contract that is currently in 5.03). | Yes [X] No [|] |
| 26.2 | If yes, state the amount thereof at December 31 of the current | t year: 26.21 Subject to repurchase agreements 26.22 Subject to reverse repurchase agreements 26.23 Subject to dollar repurchase agreements 26.24 Subject to reverse dollar repurchase agreements 26.25 Placed under option agreements 26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock 26.27 FHLB Capital Stock 26.28 On deposit with states | \$ | |
| | | 26.29 On deposit with other regulatory bodies 26.30 Pledged as collateral - excluding collateral pledged t an FHLB 26.31 Pledged as collateral to FHLB - including assets backing funding agreements 26.32 Other | \$to \$ | |
| | | | | |
| 26.3 | For category (26.26) provide the following: | 2 | 3 | 7 |
| 26.3 | 1 Nature of Restriction | 2 Description | 3 Amount |] |
| 26.3 | 1 | Description | Amount | |
| 26.3 | 1 Nature of Restriction | Description | Amount | |
| | Nature of Restriction Does the reporting entity have any hedging transactions report | Description | Amount Yes [] No [X | <u></u>] |
| 27.1 27.2 | Nature of Restriction Does the reporting entity have any hedging transactions reporting entity has a comprehensive description of the hedging program. | ted on Schedule DB? im been made available to the domiciliary state? Yes [| Amount Yes [] No [X | <u></u>] |
| 27.1 27.2 | Nature of Restriction Nature of Restriction Does the reporting entity have any hedging transactions report of the set of the hedging program of the hedging pr | ted on Schedule DB? im been made available to the domiciliary state? Yes [| Amount Yes [] No [X | <u></u>] |
| 27.1 27.2 LINES 2 | Nature of Restriction Nature of Restriction Does the reporting entity have any hedging transactions report of the hedging progration, attach a description with this statement. 7.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTIONS Does the reporting entity utilize derivatives to hedge variable at the response to 27.3 is YES, does the reporting entity utilize. | TIES ONLY: annuity guarantees subject to fluctuations as a result of interest rate sensitivity? 27.41 Special accounting provision of SSAP No. 108 | Amount Yes [] No [X] No [] N/A [Yes [] No [Yes [] No [| <u></u>] |
| 27.1 27.2 INES 2 27.3 | Nature of Restriction Nature of Restriction Does the reporting entity have any hedging transactions report of the sed of the hedging program of the hedging pr | TIES ONLY: annuity guarantees subject to fluctuations as a result of interest rate sensitivity? | Amount Yes [] No [X] No [] N/A [Yes [] No [Yes [] No [Yes [] No [| <u></u>] |
| 27.1 27.2 INES 2 27.3 | Nature of Restriction Nature of Restriction Does the reporting entity have any hedging transactions report of the sed o | TIES ONLY: annuity guarantees subject to fluctuations as a result of interest rate sensitivity? 27.41 Special accounting provision of SSAP No. 108 27.42 Permitted accounting practice 27.43 Other accounting guidance counting provisions of SSAP No. 108, the reporting entity attests to the | Yes [] No [X] No [] No [X] No [] No [Yes [Yes [] No [Yes [Yes [] No [Yes [Y | <u></u>] |
| 27.1 27.2 INES 2 27.3 27.4 | Nature of Restriction Nature of Restriction Does the reporting entity have any hedging transactions report of the second of the hedging program of the notation and description with this statement. 7.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTION Does the reporting entity utilize derivatives to hedge variable at the response to 27.3 is YES, does the reporting entity utilize the response to 27.3 is YES, does the reporting entity utilize the response to 27.41 regarding utilizing the special action of the reporting entity has obtained explicit approval from the deging strategy subject to the special accounting properties and provides the impact of the hedging strates and provides the impact of the hedging strates. Financial Officer Certification has been obtained which | TIES ONLY: annuity guarantees subject to fluctuations as a result of interest rate sensitivity? 27.41 Special accounting provision of SSAP No. 108 27.42 Permitted accounting practice 27.43 Other accounting guidance counting provisions of SSAP No. 108, the reporting entity attests to the | Yes [] No [X] No [] No [X] No [] No [Yes [Yes [] No [Yes [Yes [] No [Yes [Y | <u></u>] |
| 27.1 27.2 INES 2 27.3 27.4 | Nature of Restriction Nature of Restriction Does the reporting entity have any hedging transactions report of the second of the hedging program of the near the second of the hedging program of the near the second of the hedging program of the near the second of the hedging program of the near the second of the hedging program of the second of the near the second | ted on Schedule DB? Im been made available to the domiciliary state? | Yes [] No [X] No [] No [X] No [] No [Yes [Yes [] No [Yes [Yes [] No [Yes [Y | |
| 27.1 27.2 INES 2 27.3 27.4 | Nature of Restriction Nature of Restriction Does the reporting entity have any hedging transactions report of the second of the hedging program of the notation of the hedging program of the reporting entity utilized derivatives to hedge variable of the response to 27.3 is YES, does the reporting entity utilized by responding YES to 27.41 regarding utilizing the special accounting of the Hedging strategy subject to the special accounting program of the hedging strategy subject to the special accounting program of the hedging strategy within the clearly of the hedging strategy within VM-21 and that the Clearly of the second of the hedging strategy within VM-21 and that the Clearly of the second of the hedging strategy within the clearly of the second of the hedging strategy within the clearly of the second of the hedging strategy within the clearly of the second of the hedging strategy within the clearly of the second of the hedging strategy within the clearly of the second of the hedging strategy within the clearly of the second of the hedging strategy within the clearly of the second of the hedging strategy within the clearly of the second of the hedging strategy within the clearly of the second of the hedging strategy within the clearly of the second of the hedging strategy within the clearly of the second of the hedging strategy of | ted on Schedule DB? Im been made available to the domiciliary state? | Yes [] No [X] No [] No [X] No [] No [] No [Yes [Ye | |
| 27.1 27.2 LINES 2 27.3 27.4 27.5 | Nature of Restriction Nature of Restriction Does the reporting entity have any hedging transactions report of the properties of the hedging program of the negative description of the hedging program of the negative description with this statement. 7.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTION Does the reporting entity utilize derivatives to hedge variable at the response to 27.3 is YES, does the reporting entity utilize the response to 27.3 is YES, does the reporting entity utilize the response to 27.3 is YES, does the reporting entity utilize the response to 27.41 regarding utilizing the special action of the reporting entity has obtained explicit approval from the deging strategy subject to the special accounting properties. Actuarial certification has been obtained which hedging strategy within VM-21 and that the Clearly Explain of the the deging Strategy within VM-21 and that the Clearly Explain its actual day-to-day risk mitigation efforts. Were any preferred stocks or bonds owned as of December 3 issuer, convertible into equity? If yes, state the amount thereof at December 31 of the current excluding items in Schedule E - Part 3 - Special Deposits, rear offices, vaults or safety deposit boxes, were all stocks, bonds custodial agreement with a qualified bank or trust company in | ted on Schedule DB? | Yes [] No [X] No [] No [X] No [] No [] No [Yes [Ye | |
| 27.1 27.2 LINES 2 27.3 27.4 27.5 | Nature of Restriction Nature of Restriction Does the reporting entity have any hedging transactions report of the second program of the nedging program of the nedgen program of the nedgen program of the nedgen program of the nedgen program of the reporting entity utilize derivatives to hedge variable of the response to 27.3 is YES, does the reporting entity utilize of the reporting entity has obtained explicit approval from the entity of the hedging strategy subject to the special accounting program of the entities of the hedging strate of the hedging stra | ted on Schedule DB? | Yes [] No [X] No [] No [X] No [] No [Yes [Yes [] No [Yes | |
| 27.1 27.2 LINES 2 27.3 27.4 27.5 | Nature of Restriction Nature of Restriction Does the reporting entity have any hedging transactions report of tyes, has a comprehensive description of the hedging progral of no, attach a description with this statement. 7.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTIOD Does the reporting entity utilize derivatives to hedge variable as of the response to 27.3 is YES, does the reporting entity utilize the response to 27.3 is YES, does the reporting entity utilize the response to 27.41 regarding utilizing the special acconting of the Hedging strategy subject to the special accounting of Actuarial certification has been obtained which indicates reserves and provides the impact of the hedging strates of Financial Officer Certification has been obtained which Hedging Strategy within VM-21 and that the Clearly District of the strategy within VM-21 and that the Clearly District of the strategy of the special accounting of the strategy of the special deposits of the special of the current sexuluding items in Schedule E - Part 3 - Special Deposits, rear offices, vaults or safety deposit boxes, were all stocks, bonds custodial agreement with a qualified bank or trust company in Outsourcing of Critical Functions, Custodial or Safekeeping A For agreements that comply with the requirements of the NAIG | ted on Schedule DB? Important been made available to the domiciliary state? ITIES ONLY: In annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is: ITIES ONLY: It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is: ITIES ONLY: It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity? It is annuity guarantees subject to fluctuations as a result of interest rate sensitivity. It is an an annuity guarantees an estate? It is an an annuity guarantees the definition estates to the sensitivity. It is an an annuity guarantees an estate? It is an an annuity guarantees an estate? It is an an annuity guarantees an estate? It is an annu | Yes [] No [X] No [] N/A [Yes [] No [Yes [Yes [X] No [Yes [X] No [Yes | |

GENERAL INTERROGATORIES

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

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

| 29.03 | Have | there beer | n any c | hanges, | including | name | change | es, in the custodian(s) identified in 29.01 during the current year? | Yes [|] | No [| Χ] |
|-------|------|------------|---------|---------|-----------|------|--------|--|-------|---|------|----|
| | | | | | _ | | | | | | | |

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

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

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

| 1 | 2 |
|---------------------------------------|-------------|
| Name of Firm or Individual | Affiliation |
| Anthem, Inc. | I |
| Loomis, Sayles & Company, LP | U |
| Pacific Investment Management Company | U |
| , , | |

Yes [X] No []

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?.....

Yes [X] No []

]

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

| 1 | 2 | 3 | 4 | 5 |
|----------------------|---------------------------------------|-------------------------------|---------------------|-------------|
| | | | | Investment |
| | | | | Management |
| Central Registration | | | | Agreement |
| Depository Number | Name of Firm or Individual | Legal Entity Identifier (LEI) | Registered With | (IMA) Filed |
| | | | Securities Exchange | |
| 105377 | Loomis, Sayles & Company, LP | JIZPN2RX3UMNOYIDI313 | Commission | NO |
| | | | Securities Exchange | |
| 104559 | Pacific Investment Management Company | 549300KGPYQZXGMYYN38 | Commission | NO |
| | | | | |

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

30.2 If yes, complete the following schedule:

| 1 | 2 | 3 |
|-----------------|---------------------|----------------|
| | | Book/Adjusted |
| CUSIP# | Name of Mutual Fund | Carrying Value |
| | | |
| 30 2999 - Total | | 0 |

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

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

GENERAL INTERROGATORIES

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

| | 1 | 2 | 3 |
|-----------------------|----------------------|-------------|-------------------------|
| | | | Excess of Statement |
| | | | over Fair Value (-), or |
| | Statement (Admitted) | | Fair Value over |
| | Value | Fair Value | Statement (+) |
| 31.1 Bonds | 491,033,027 | 499,276,180 | 8,243,153 |
| 31.2 Preferred stocks | 0 | | 0 |
| 31.3 Totals | 491,033,027 | 499,276,180 | 8,243,153 |

| 31.4 | Describe the sources or methods utilized in determining the fair values: | | | | |
|---|---|-------|-----|--------|------------|
| Fair values were obtained from third-party pricing sources. If a security was not priced by a third-party pricing source, internal analytical systems or broker quotes were utilized. | | | | | |
| 32.1 | Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? | Yes [|] | No [) | () |
| 32.2 | If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? | Yes [|] | No [|] |
| 32.3 | If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D: N/A | | | | |
| 33.1 33.2 | Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? | Yes [| Х] | No [|] |
| 34. | 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 [| 1 | No [) | x 1 |
| 35. | 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 [) | |
| 36. | By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund: a. The shares were purchased prior to January 1, 2019. b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security. c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019. d. The fund only or predominantly holds bonds in its portfolio. e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO. f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed. Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? | Yes [|] | No [) | (] |
| 37. | By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following: a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date. b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties. c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review. d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments. Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [| l No. | ΓY | 1 N/A | ſ |

GENERAL INTERROGATORIES

OTHER

| 38.1 | Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? | | \$ | 0 |
|------|--|---------------------|--------------|---------|
| 38.2 | List the name of the organization and the amount paid if any such payment represented 25% or more of the total paservice organizations and statistical or rating bureaus during the period covered by this statement. | ayments to trade as | ssociations, | |
| | 1 Name | 2 Amount Paid | | |
| 39.1 | Amount of payments for legal expenses, if any? | | \$ | 940,710 |
| 39.2 | List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments during the period covered by this statement. | for legal expenses | | |
| | 1 Name | 2 Amount Paid | | |
| | Name | Amount i alu | | |
| 40.1 | Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments | of government, if a | ny?\$ | 188,738 |
| 40.2 | List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment econnection with matters before legislative bodies, officers or departments of government during the period covered | | | |
| | 1 | 2 | | |

| 1 | 2 |
|---|-------------|
| Name | Amount Paid |
| Membership Fees or Dues | 76,000 |
| Internal | 88,738 |
| Lobbying expenses disclosed reflect amounts reported in the Lobbyist Disclosure Reports filed with | |
| the Secretary of State as well as the cost of external contractors who provided lobbying services to | |
| the Company. The amount may include expenses that may have been paid by an affiliate on behalf of the | |
| Company and, as a result, may not be included in the Underwriting Gain reported on page 4 of the 2021 | |
| Annual Statement | |
| | |

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

| 1.1 1.2 1.3 | Does the reporting entity have any direct Medicare Supplement Insurance in force If yes, indicate premium earned on U.S. business only. What portion of Item (1.2) is not reported on the Medicare Supplement Insurance 1.24 Person for early direct. | | \$ |] |
|-------------------|---|---|----------------|---|
| | 1.31 Reason for excluding | | | |
| 1.4 1.5 | Indicate amount of earned premium attributable to Canadian and/or Other Alien Indicate total incurred claims on all Medicare Supplement Insurance. | | | 0 |
| 1.6 | Individual policies: | Most current three years: | Ψ | |
| 1.0 | marvadai policics. | 1.61 Total premium earned | \$ | 0 |
| | | 1.62 Total incurred claims | \$ | 0 |
| | | 1.63 Number of covered lives | | |
| | | All years prior to most current three years: | | |
| | | 1.64 Total premium earned | ¢ | ٥ |
| | | 1.65 Total incurred claims | Фе | ٥ |
| | | 1.66 Number of covered lives | | |
| 1.7 | Group policies: | Most current three years: | | |
| | | 1.71 Total premium earned | | |
| | | 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 | | |
| | | 1.76 Number of covered lives | | |
| 2. | Health Test: | | | |
| | | 1 2 | | |
| | | Current Year Prior Year | | |
| | 2.1 Premium Numerator | | | |
| | 2.2 Premium Denominator | | | |
| | 2.3 Premium Ratio (2.1/2.2) | | | |
| | 2.4 Reserve Numerator | | | |
| | 2.5 Reserve Denominator | | | |
| | 2.6 Reserve Ratio (2.4/2.5) | 1.0001.000 | | |
| 3.1 | Has the reporting entity received any endowment or gift from contracting hospital returned when, as and if the earnings of the reporting entity permits? | ls, physicians, dentists, or others that is agreed will be | Yes [] No [X |] |
| 3.2 | If yes, give particulars: | | | |
| 4.1 | Have copies of all agreements stating the period and nature of hospitals', physicidependents been filed with the appropriate regulatory agency? | ians', and dentists' care offered to subscribers and | Yes [X] No [| 1 |
| | | | | , |
| 4.2 | If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do thes | | Yes [] No [| |
| 5.1 | Does the reporting entity have stop-loss reinsurance? | | Yes [] No [X |] |
| 5.2 | If no, explain: The Company became self insured with regulatory approval effective 7/1/13 | | | |
| 5.3 | | 5.31 Comprehensive Medical | ¢ | |
| J.J | Maximum retained risk (see instructions) | 5.32 Medical Only | | |
| | | 5.32 Medicar Supplement | | |
| | | 5.34 Dental & Vision | | |
| | | 5.35 Other Limited Benefit Plan | Q | |
| | | 5.36 Other | | |
| 6. | Describe arrangement which the reporting entity may have to protect subscribers hold harmless provisions, conversion privileges with other carriers, agreements agreements: Physician and hospital contracts contain provisions, including hold harmless agreements. | with providers to continue rendering services, and any other | | |
| | insolvency. | | | |
| 7.1 | Does the reporting entity set up its claim liability for provider services on a service | e 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 8.2 Number of providers at end of reporting year. | | |
| 9.1 | Does the reporting entity have business subject to premium rate guarantees? | | Yes [] No [X |] |
| 9.2 | If yes, direct premium earned: | 9.21 Business with rate guarantees between 15-36 months 9.22 Business with rate guarantees over 36 months | | |

GENERAL INTERROGATORIES

| 10.1 | Does the reporting entity have Incentive Poo | ol, Withhold or Bonus Ar | rangements in its | provider contracts? | | | Yes [X] | No [] |
|--------------------------------------|--|---|--------------------------------|---|---|-----------------------------|-------------------|---------------------------|
| 10.2 | If yes: | | 1 1 | 0.21 Maximum amo 0.22 Amount actua 0.23 Maximum amo | lly paid for year boo | nuses | \$ | .13,881,313 |
| 11.1 | Is the reporting entity organized as: | | 1 | 11.13 An Individ | II yald for year wit II Group/Staff Mode dual Practice Asso Model (combination | el, ciation (IPA), or, . | Yes [] Yes [X] | No [X] No [X] |
| 11.2 11.3 11.4 11.5 11.6 | Is the reporting entity subject to Statutory M If yes, show the name of the state requiring If yes, show the amount required | such minimum capital ar ency reserve in stockholo ation | nd surplusld surplusld surplus | | | | \$ Yes [] | New Jersey 158,404,977 |
| 12. | List service areas in which reporting entity is | licensed to operate: | | | | | | |
| | | | 1 Name of Servic | e Area | | | | |
| | | tlantic | | | | | | |
| | | ergen urlington | | | | | | |
| | | amden | | | | | | |
| | | ape Mayumberland | | | | | | |
| | | ssex | | | | | | |
| | | loucester | | | | | | |
| | | udson unterdon | | | | | | |
| | N | ercer | | | | | | |
| | | iddlesexonmouth | | | | | | |
| | N | orris | | | | | | |
| | | ceanassaic | | | | | | |
| | S | alem | | | | | | |
| | | omersetussex | | | | | | |
| | | nion | | | | | | |
| | N N | arren | | | | | | |
| | | | | | | | | |
| 13.1 | Do you act as a custodian for health savings | a accounte? | | | | | Voc. I | No F V 1 |
| | , | | | | | | | |
| 13.2 | If yes, please provide the amount of custodi | | | | | | | |
| 13.3 | Do you act as an administrator for health sa | vings accounts? | | | | | Yes [] | No [X] |
| 13.4 | If yes, please provide the balance of funds a | dministered as of the re | porting date | | | | \$ | |
| 14.1 14.2 | Are any of the captive affiliates reported on If the answer to 14.1 is yes, please provide | | orized reinsurers? | ? | | Yes [|] No [|] N/A [X] |
| | 1 | 2 NAIC | 3 | 4 | Assets 5 | Supporting Reserv 6 | e Credit | |
| | Company Name | Company Code | Domiciliary Jurisdiction | Reserve Credit | Letters of Credit | Trust Agreements | Other | |
| | Company Name | | | Orean | Orean | Agreements | Other | |
| 15. | Provide the following for individual ordinary ceded): | life insurance* policies (l | J.S. business only | | | | | |
| | | | | 15.2 T | Direct Premium Wri Total Incurred Claim Iumber of Covered | ıs | \$ | |
| | | *Ordir | nary Life Insurance | e Includes | | | | |
| | | r full underwriting, limited hether full underwriting, | | | | | | |
| | Variable Life | (with or without seconda | ry gurarantee) | 100.10000, 311011 | .σ αρρ / | | | |
| | | e (with or without second rersal Life (with or withou | | rantee) | | | | |
| 16 | | | | | o statos? | | Yes [] No | [Y] |
| 16. | Is the reporting entity licensed or chartered, | | _ | | | | 103 [] NO | r v 1 |
| 16.1 | If no, does the reporting entity assume reins domicile of the reporting entity? | | | | | | Yes [] No | [X] |

FIVE-YEAR HISTORICAL DATA

| | | 1 2021 | 2 2020 | 3 2019 | 4 2018 | 5 2017 |
|-----|--|---------------|---|---------------|---|---------------|
| | Balance Sheet (Pages 2 and 3) | | | | | |
| 1. | Total admitted assets (Page 2, Line 28) | 675,929,503 | 549,411,915 | 357,336,307 | 359,018,068 | 313,484,579 |
| 2. | Total liabilities (Page 3, Line 24) | | | 174,922,693 | | 151,975,522 |
| 3. | Statutory minimum capital and surplus requirement . | | | 105, 120,748 | | 92,271,124 |
| 4. | Total capital and surplus (Page 3, Line 33) | | | 182,413,614 | | 161,509,057 |
| | Income Statement (Page 4) | , , | , , | , , | , , | , , |
| 5. | Total revenues (Line 8) | 1,982,549,867 | 1,682,573,259 | 1,451,939,363 | 1,381,153,142 | 1,365,920,211 |
| 6. | Total medical and hospital expenses (Line 18) | | | | | |
| 7. | Claims adjustment expenses (Line 20) | | | | | |
| 8. | Total administrative expenses (Line 21) | | | 82,495,800 | | |
| 9. | Net underwriting gain (loss) (Line 24) | | | | 52,264,532 | |
| 10. | Net investment gain (loss) (Line 27) | | | | 5,863,541 | |
| 11. | Total other income (Lines 28 plus 29) | | 1,298,938 | | (3,332) | |
| 12. | Net income or (loss) (Line 32) | | | | 41,593,012 | |
| | Cash Flow (Page 6) | | | , | | , |
| 13. | Net cash from operations (Line 11) | 147 094 854 | 187 398 261 | 46 381 078 | 36 695 120 | 78 504 472 |
| 10. | Risk-Based Capital Analysis | | , , , , , , , , , , , , , , , , , | | | |
| 14. | Total adjusted capital | 221 229 697 | 196 992 720 | 182 413 614 | 163 828 289 | 161 509 057 |
| 15. | Authorized control level risk-based capital | | | | | |
| | Enrollment (Exhibit 1) | | | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | |
| 16. | Total members at end of period (Column 5, Line 7) | 268 026 | 247 378 | 192 722 | 178 434 | 194 268 |
| 17. | Total members months (Column 6, Line 7) | | | 2,256,379 | | |
| | 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) | 86.0 | 84.3 | 88.4 | 83.8 | 84.0 |
| 20. | Cost containment expenses | 3.5 | 3.7 | 4.1 | 3.9 | 4.1 |
| 21. | Other claims adjustment expenses | 1.1 | 1.3 | 1.2 | 1.1 | 1.3 |
| 22. | Total underwriting deductions (Line 23) | 98.5 | 97.7 | 99.1 | 96.2 | 95.8 |
| 23. | Total underwriting gain (loss) (Line 24) | 1.5 | 2.3 | 0.9 | 3.8 | 4.2 |
| | Unpaid Claims Analysis (U&I Exhibit, Part 2B) | | | | | |
| 24. | Total claims incurred for prior years (Line 13, Col. 5) | 145,148,690 | 128,598,461 | 117,466,953 | 102,502,207 | 102,898,520 |
| 25. | Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] | 180,482,637 | 134,663,631 | 109,670,790 | 115,966,448 | 111,486,411 |
| | Investments In Parent, Subsidiaries and Affiliates | | | | | |
| 26. | Affiliated bonds (Sch. D Summary, Line 12, Col. 1) | | | 0 | | |
| 27. | Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) | 0 | 0 | 0 | | |
| 28. | Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) | 0 | 0 | 0 | | |
| 29. | Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) | 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

| Allocated by States and Territories 1 Direct Business Only | | | | | | | | | | | | |
|---|---|------|-----------------|-----------------------|---------------|------------------|--------------|--|-------------------------------------|----------------------|-------------------------|-----------------|
| | 0 | | 1 Active Status | 2 Accident and Health | 3 Medicare | 4 Medicaid | 5 CHIP Title | 6 Federal Employees Health Benefits Program | 7 Life and Annuity Premiums & Other | 8 Property/ Casualty | 9 Total Columns 2 | 10 Deposit-Type |
| 1 | States, etc. | Α1 | (a) N | Premiums | Title XVIII | Title XIX | XXI | Premiums | Considerations | Premiums | Through 8 | Contracts |
| 1. | Alabama | | | | | | | | | | 0 | |
| 2. 3. | Alaska | | N N | | | | | | | | 0 | |
| | Arkansas | | N N | | | | | | | | 0 | ····· |
| | California | | N N | | | | | | | | o | |
| | Colorado | | N | | | | | | | | 0 | |
| | Connecticut | | N | | | | | | | | 0 | |
| | Delaware | - | N. | | | | | | | | 0 | |
| | District of Columbia | | 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 | |
| | Indiana | | N | | | | | | | | 0 | |
| 16. | lowa | IA . | N | | | | | | | | 0 | |
| | Kansas | - | N. | | | | | | | | 0 | |
| | Kentucky | | N | ļ | l | | | | | l | 0 | |
| | Louisiana | | N | | | | | | | | 0 | |
| | Maine | | N | · | | | | | | | 0 | |
| | Maryland | | N | · | l | | | | | | J0 | |
| | Massachusetts | | N | · | | | | | | | 0 | |
| | Michigan | | N | · | | | | | | | 0 | |
| | Minnesota | | N | | | | | | | | 0 | |
| | Mississippi | | N N | | | | | | | | 0 | |
| | Missouri Montana | - | N N | · | l | | | l | | l | 0 | |
| | Nebraska | | N N | | | | | | | | 0 | |
| | Nevada | | N N | | L | l | L | | | | 0 | |
| | New Hampshire | | N N | | | | | | | | 0 | |
| | New Jersey | | N L | | 531,950,533 | 1,444,345,993 | 39,744,498 | | | | 2,016,041,024 | |
| | New Mexico | | L | | | , , 0 70 , 0 00 | 90,177,700 | | | • | 0 0 10,041,024 | |
| | New York | | N | | | | | | | | 0 | |
| | North Carolina | | NN. | | | | | | | | 0 | |
| | North Dakota | - | N | | | | | | | | 0 | |
| | Ohio | | N | | | | | | | | 0 | |
| | Oklahoma | | N | | | | | | | | 0 | |
| | Oregon | | N | | | | | | | | 0 | |
| | Pennsylvania | | N | | | | | | | | 0 | |
| | Rhode Island | | N | | | | | | | | 0 | |
| 41. | South Carolina | SC | N | | | | | | | | 0 | |
| 42. | South Dakota | SD | N. | | | | | | | | 0 | |
| | Tennessee | | N | | | | | | | | 0 | |
| 44. | Texas | TX . | N. | | | | | | | | 0 | |
| | Utah | | N | · | | | | | | | 0 | |
| | Vermont | | N | ļ | | | | | | | 0 | |
| | Virginia | | N. | | | | | | | | 0 | |
| | Washington | | N | · | | | | | | | 0 | |
| | West Virginia | | N | | | | | | | | 0 | |
| | Wisconsin | | N | · | | | | | | | 0 | |
| | Wyoming | | N | · | | | | | | | 0 | |
| | American Samoa | | N | | | | | | | | 0 | |
| | Guam Puerto Rico | | N N | · | l | | | | | l | 0 | |
| | U.S. Virgin Islands | | N N | | | | | | | | 0 | |
| | Northern Mariana | VI . | JN | | | | | | | | 0 | |
| 50. | Islands | MP | N | | | | | | | | 0 | |
| 57. | Canada | | N | | | | | | | | 0 | |
| | Aggregate Other | | | | | | | | | | | |
| | Aliens | | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Subtotal | | XXX | 0 | 531,950,533 | 1,444,345,993 | 39,744,498 | 0 | 0 | 0 | 2,016,041,024 | 0 |
| 60. | Reporting Entity Contributions for Er Benefit Plans | | xxx | | | | | | | | 0 | |
| 61. | Totals (Direct Busine | | XXX | 0 | 531,950,533 | 1,444,345,993 | 39,744,498 | 0 | 0 | Λ | 2,016,041,024 | 0 |
| 01. | DETAILS OF WRITE | , | <i>/</i> /// | 0 | 001,000,000 | ,, +++, UTU, 330 | 00,177,900 | 0 | U | U | _,010,071,024 | 0 |
| 58001. | DETAILS OF WRITE | | XXX | | | | | | | | | |
| 58002. | | | XXX | | | | | | | | | |
| 58003. | | | XXX |] | | | | | | | | |
| | Summary of remaining write-ins for Line 58 to overflow page | | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58999. | Totals (Lines 58001 58003 plus 58998)(Labove) | | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| | above) e Status Counts: | | XXX | U | <u> </u> | ı U | l U | 1 0 | | 0 | 1 0 | |

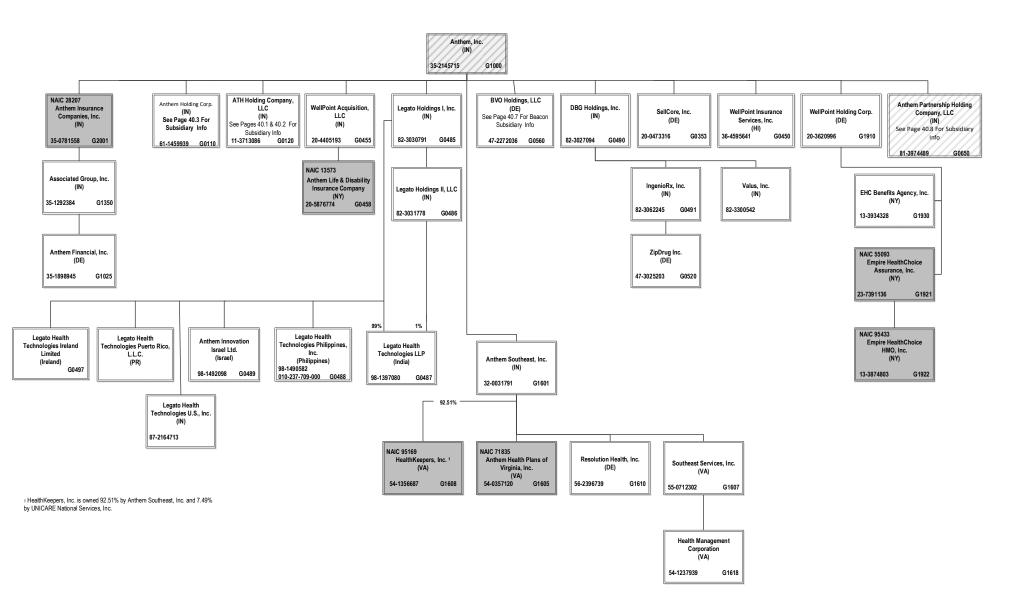
| (a) A ative | 2 | +-+ | | C 0 | 40: |
|-------------|-----|-----|----|-------|-----|
| (a) Active | : 0 | เสแ | มร | Couri | ıs. |
| | | | | | |

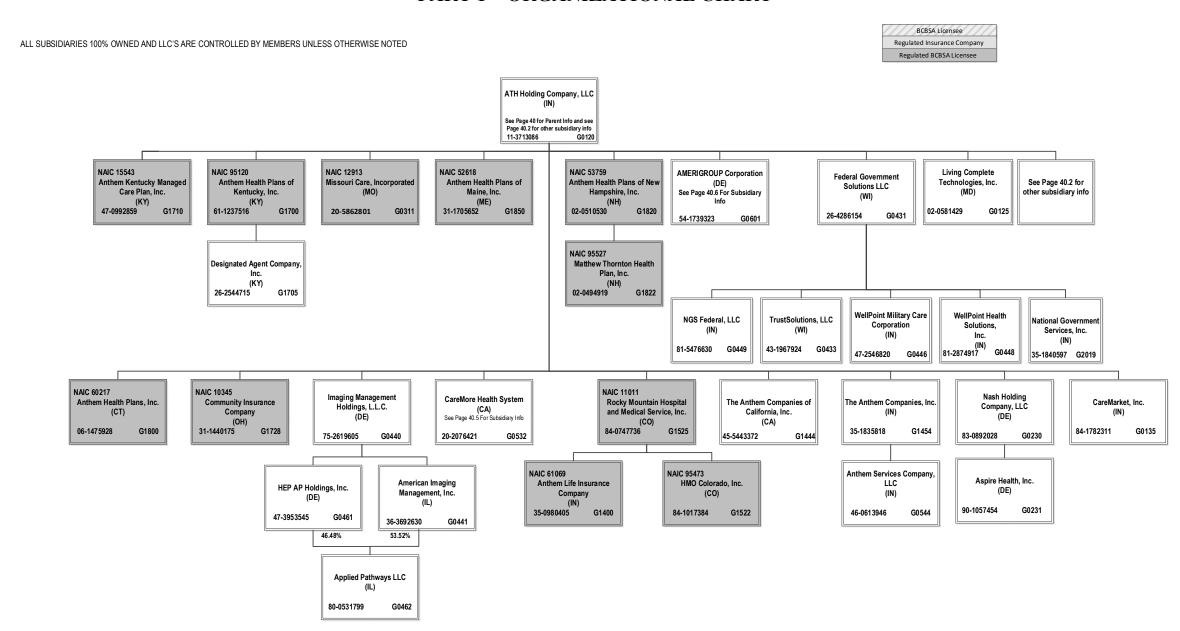
| Licensed or Chartered - Licensed insurance carrier or domiciled RRG1 | |
|---|--|
| E - Eligible - Reporting entities eligible or approved to write surplus lines in the state0 | |

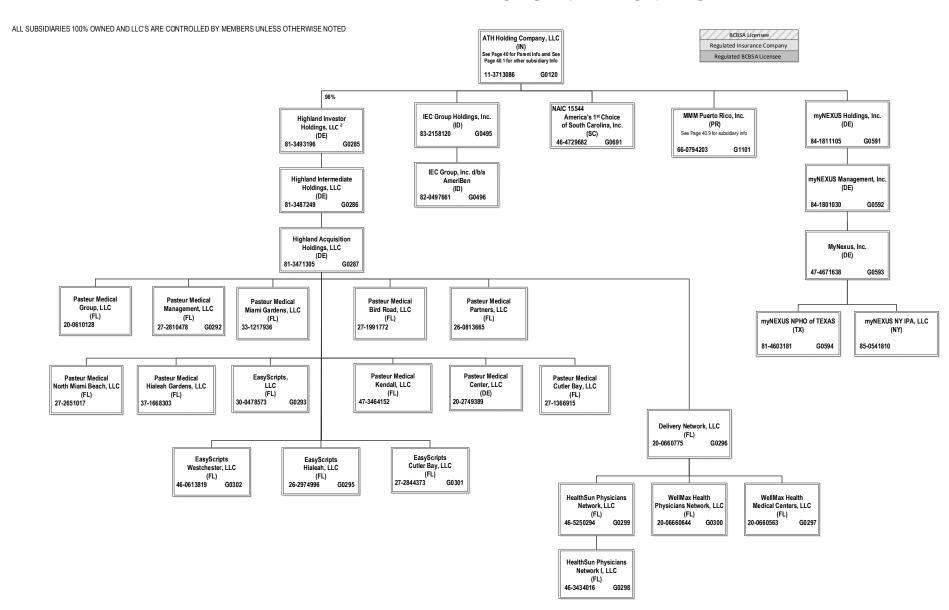
N - None of the above - Not allowed to write business in the state.... (b) Explanation of basis of allocation by states, premiums by state, etc. NA

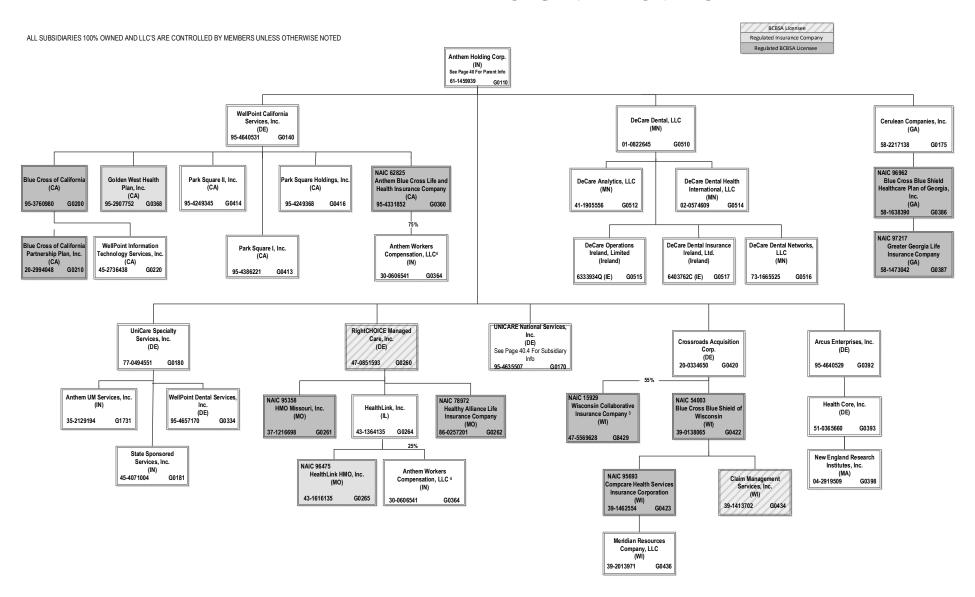
BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED



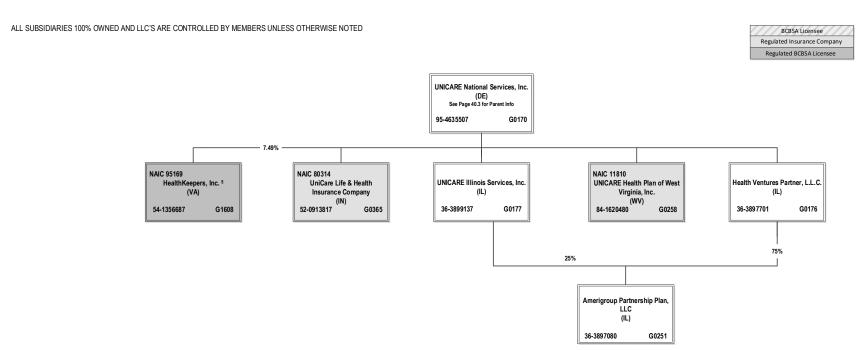






³ Wisconsin Collaborative Insurance Company is a joint venture 55% owned by Crossroads Acquisition Corp. and 45% owned by Aurora Health Care, Inc. (non-affiliate). Not consolidated for accounting purposes.

⁴ Anthem Workers' Compensation, LLC is owned 75% by Anthem Blue Cross Life and Health Insurance Company and 25% by HealthLink, Inc.

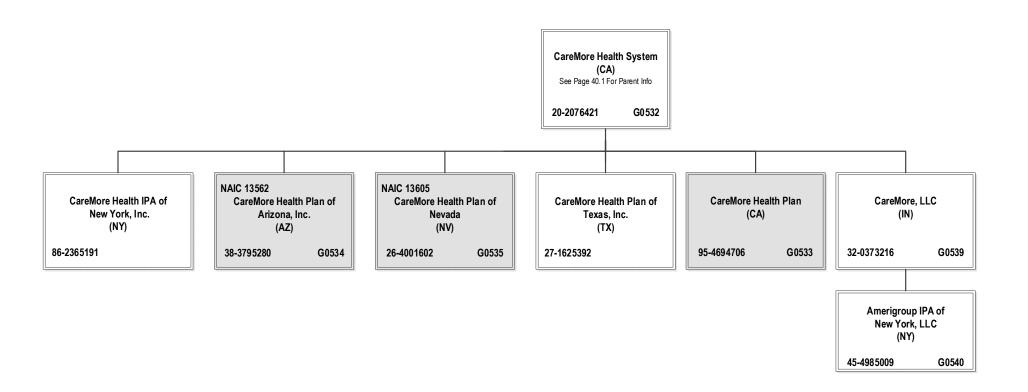


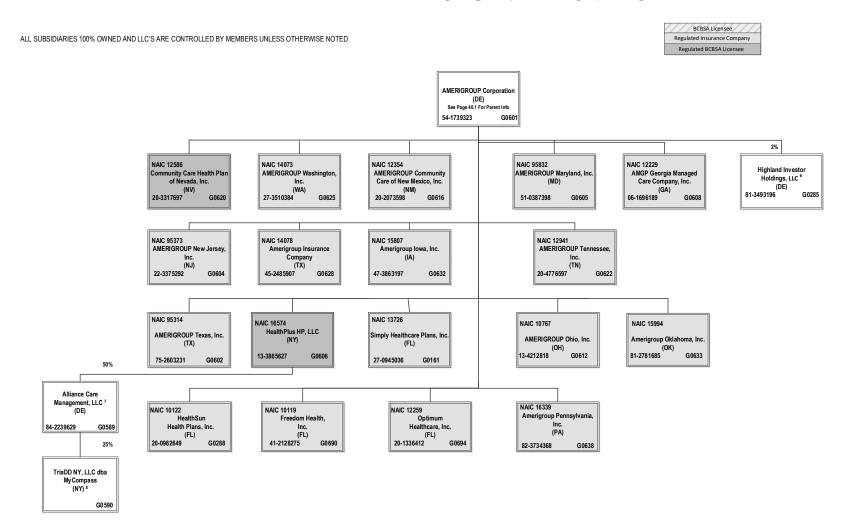
BCBSA Licensee

Regulated Insurance Company

Regulated BCBSA Licensee

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED



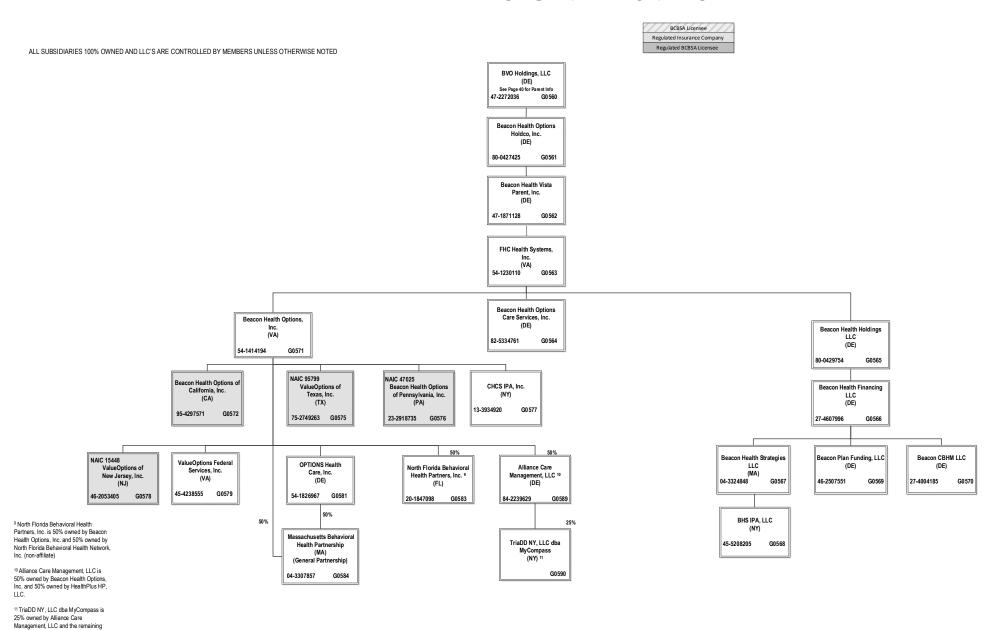


 $^{^{\}rm 6}$ Amerigroup Corporation holds a 2% interest in Highland Investor Holdings, LLC, and ATH Holding Company, LLC holds the remaining 98% interest.

 $^{^7}$ Alliance Care Management, LLC is 50% owned by Beacon Health Options, Inc. and 50% owned by Health Plus HP, LLC.

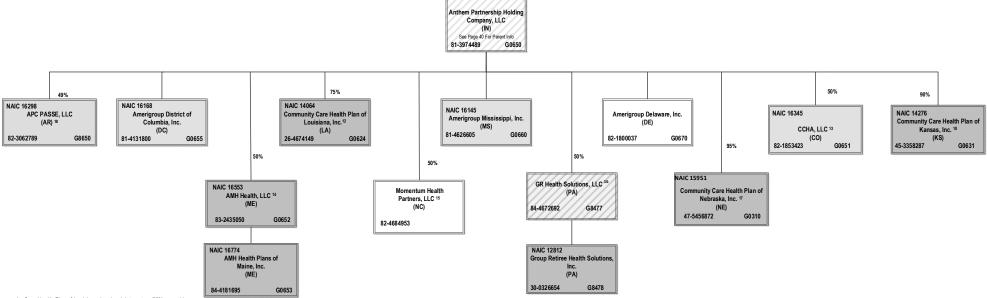
⁸ TriaDD NY, LLC dba MyCompass is 25% owned by Alliance Care Management, LLC and the remaining 75% interest is owned by unaffiliated investors.

75% interest is owned by unaffiliated

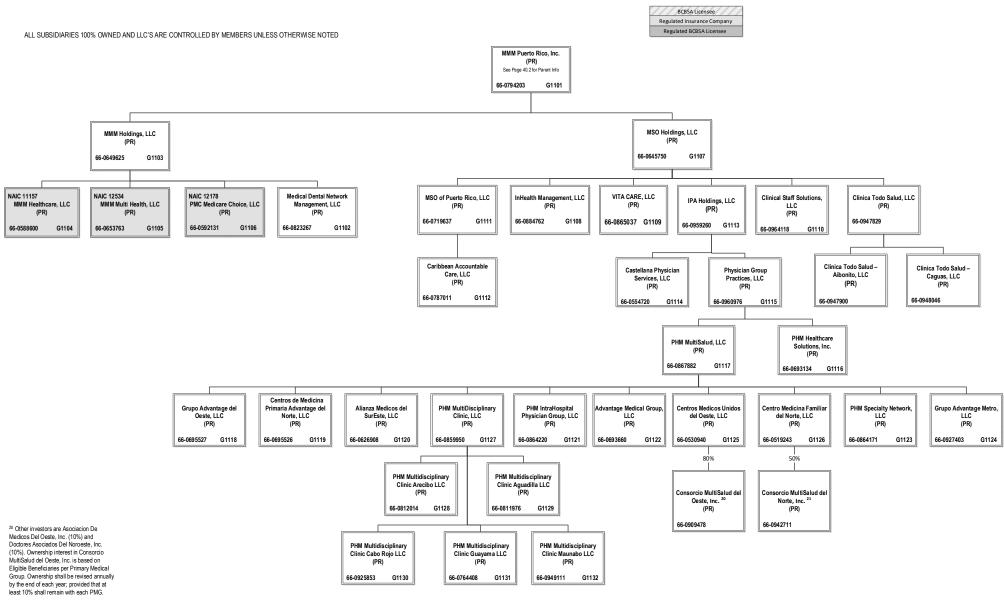


BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED



- 12 Community Care Health Plan of Louisiana, Inc. is a joint venture 75% owned by Anthem Partnership Holding Company, LLC and 25% owned by Louisiana Health Service & Indemnity Company d/b/a Blue Cross and Blue Shield of Louisiana (non-affiliata)
- ¹³ CCHA, LLC is a joint venture 50% owned by Anthem Partnership Holding Company, LLC and 50% owned by Colorado Community Health Alliance, LLC (non-affiliate)
- ¹⁴ AMH Health, LLC is a joint venture 50% owned by MaineHealth (non-affiliate) and 50% owned by Anthem Partnership Holding Company, LLC
- ¹⁵ Momentum Health Partners, LLC is a joint venture 50% owned by Anthem Partnership Holding Company, LLC and 50% owned by Blue Cross and Blue Shield of North Carolina (non-affiliate)
- ¹⁶ GR Health Solutions, LLC is a joint venture 50% owned by Anthem Partnership Holding Company, LLC and 50% owned by Independence Blue Cross, LLC (nonaffiliate)
- ¹⁷ Community Care Health Plan of Nebraska, Inc. is a joint venture 95% owned by Anthem Partnership Holding Company, LLC and 5% owned by Blue Cross and Blue Shield of Nebraska, Inc. (non-affiliate).
- ¹⁸ APC PASSE, LLC (regulated entity) is a joint venture 49% owned by Anthem Partnership Holding Company, LLC and 51% owned by Arkansas Provider Coalition, LLC (non-affiliate).
- ¹⁹ Community Care Health Plan of Kansas, Inc. is a joint venture 90% owned by Anthem Partnership Holding Company, LLC, 5% owned by Blue Cross and Blue Shield of Kansas (non-affiliate) and 5% owned by Blue Cross and Blue Shield of Kansas City (non-affiliate).



²¹ Other 50% owned by ACO del Norte, LLC (non-affiliate)

OVERFLOW PAGE FOR WRITE-INS

| Addition | Additional Write-ins for Liabilities Line 23 | | | | | | | | |
|----------|---|---------|--------------|-------|------------|--|--|--|--|
| | | | Current Year | | | | | | |
| | | 1 | 2 | 3 | 4 | | | | |
| | | Covered | Uncovered | Total | Total | | | | |
| 2304. | Declared Dividends | | | 0 | 18,700,000 | | | | |
| 2397. | Summary of remaining write-ins for Line 23 from overflow page | 0 | 0 | 0 | 18,700,000 | | | | |