



ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2023
OF THE CONDITION AND AFFAIRS OF THE

HAP CareSource

(Name)

NAIC Group Code 01311 (Current Period) , 01311 (Prior Period) NAIC Company Code 95814 Employer's ID Number 38-3123777

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

Country of Domicile United States

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

Incorporated/Organized 01/01/1994 Commenced Business 01/01/1994

Statutory Home Office 3031 West Grand Boulevard (Street and Number) , Detroit, MI, US 48202 (City or Town, State, Country and Zip Code)

Main Administrative Office 3031 West Grand Boulevard (Street and Number)
Detroit, MI, US 48202 (City or Town, State, Country and Zip Code) 313-872-8100 (Area Code) (Telephone Number)

Mail Address 3031 West Grand Boulevard (Street and Number or P.O. Box) , Detroit, MI, US 48202 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 230 North Main Street (Street and Number)
Dayton, OH, US 45402 (City or Town, State, Country and Zip Code) 937-224-3300 (Area Code) (Telephone Number) (Extension)

Internet Web Site Address https://www.caresource.com/mi/plans/

Statutory Statement Contact Andrea Watroba (Name) , 937-224-3300 (Area Code) (Telephone Number) (Extension)
Andrea.Watroba@caresource.com (E-Mail Address) 937-487-1744 (Fax Number)

OFFICERS

Name	Title	Name	Title
Michael Allen Genord M.D.	President and CEO	Merrill J Hausenfluck #	Treasurer
Michelle Denise Johnson Tidjani Esq	Secretary	Archana Rajendra J.D.	Assistant Secretary

OTHER OFFICERS

Marjorie Ann Staten J.D.	Assistant Secretary		
--------------------------	---------------------	--	--

DIRECTORS OR TRUSTEES

Margaret M Anderson #	Stephanie A Williams #	Michael Allen Genord M.D.	Merrill J Hausenfluck #
Scott Markovich #			

State of Michigan.....
County of Wayne..... ss

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

Michael Allen Genord M.D. President and CEO	Merrill J Hausenfluck Treasurer	Archana Rajendra Assistant Secretary
--	------------------------------------	---

Subscribed and sworn to before me this day of ,

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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	.0		.0	.0
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	.0		.0	.0
2.2 Common stocks .....	.0		.0	.0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			.0	.0
3.2 Other than first liens .....			.0	.0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances).....			.0	.0
4.2 Properties held for the production of income (less \$0 encumbrances) .....			.0	.0
4.3 Properties held for sale (less \$0 encumbrances) .....			.0	.0
5. Cash (\$10,195,434 , Schedule E-Part 1), cash equivalents (\$63,918,595 , Schedule E-Part 2) and short-term investments (\$0 , Schedule DA).....	74,114,030		74,114,030	68,440,189
6. Contract loans (including \$ premium notes).....			.0	.0
7. Derivatives (Schedule DB).....	.0		.0	.0
8. Other invested assets (Schedule BA) .....	.0	.0	.0	.0
9. Receivables for securities .....			.0	.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	.0
11. Aggregate write-ins for invested assets .....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11)	74,114,030	.0	74,114,030	68,440,189
13. Title plants less \$ charged off (for Title insurers only).....			.0	.0
14. Investment income due and accrued	296,897		296,897	159,162
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	5,015,834		5,015,834	5,721,146
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			.0	.0
15.3 Accrued retrospective premiums (\$1,039,344) and contracts subject to redetermination (\$0)	1,039,344		1,039,344	1,897,664
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	7,353		7,353	.0
16.2 Funds held by or deposited with reinsured companies .....			.0	.0
16.3 Other amounts receivable under reinsurance contracts .....			.0	.0
17. Amounts receivable relating to uninsured plans .....			.0	.0
18.1 Current federal and foreign income tax recoverable and interest thereon	1,536,573		1,536,573	2,819,313
18.2 Net deferred tax asset.....	.0	.0	.0	.0
19. Guaranty funds receivable or on deposit .....			.0	.0
20. Electronic data processing equipment and software.....			.0	.0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			.0	.0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			.0	.0
23. Receivables from parent, subsidiaries and affiliates	1,398,694		1,398,694	2,585,413
24. Health care (\$6,558,488) and other amounts receivable.....	7,190,110	631,622	6,558,488	2,934,796
25. Aggregate write-ins for other-than-invested assets	13,508,905	63,023	13,445,883	7,822,169
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	104,107,741	694,645	103,413,096	92,379,852
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	.0
28. Total (Lines 26 and 27)	104,107,741	694,645	103,413,096	92,379,852
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Expense.....	63,023	63,023	.0	.0
2502. Michigan income tax refund due.....	644,023		644,023	32,753
2503. MDHHS receivable for IPA tax.....	12,801,860		12,801,860	7,789,416
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.0	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	13,508,905	63,023	13,445,883	7,822,169

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	38,512,209		38,512,209	30,541,754
2. Accrued medical incentive pool and bonus amounts	3,013,569		3,013,569	1,274,899
3. Unpaid claims adjustment expenses	435,932		435,932	320,416
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act.....	331,324		331,324	12,935,628
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves.....			0	0
8. Premiums received in advance	816,676		816,676	0
9. General expenses due or accrued	12,931,734		12,931,734	14,224,926
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses)).....			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	9,639,241		9,639,241	2,933,004
16. Derivatives.....		0	0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers).....			0	0
20. Reinsurance in unauthorized and certified (\$) companies.....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	4,507,045		4,507,045	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	237,144
24. Total liabilities (Lines 1 to 23).....	70,187,731	0	70,187,731	62,467,771
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX		0
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	24,234,402	24,234,402
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	8,990,962	5,677,680
32. Less treasury stock, at cost: 32.1 shares common (value included in Line 26 \$)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	33,225,364	29,912,082
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	103,413,096	92,379,853
DETAILS OF WRITE-INS				
2301. Escheat liabilities.....	0		0	237,144
2302.			0	0
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	237,144
2501.	XXX	XXX		0
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	509,440	453,241
2. Net premium income (including \$0 non-health premium income).....	XXX	280,066,090	245,068,403
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	25,603,716	15,361,765
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	305,669,806	260,430,168
Hospital and Medical:			
9. Hospital/medical benefits		190,464,007	139,511,368
10. Other professional services		13,086,275	31,317,969
11. Outside referrals			4,953,462
12. Emergency room and out-of-area			8,932,406
13. Prescription drugs		38,055,471	26,683,032
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		(12,014)	1,086,642
16. Subtotal (Lines 9 to 15)	0	241,593,739	212,484,879
Less:			
17. Net reinsurance recoveries		7,353	91,062
18. Total hospital and medical (Lines 16 minus 17)	0	241,586,386	212,393,817
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$3,356,123 cost containment expenses.....		5,258,654	5,303,516
21. General administrative expenses.....		65,831,413	43,892,625
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		(7,400,000)	(100,000)
23. Total underwriting deductions (Lines 18 through 22)	0	305,276,452	261,489,958
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	393,354	(1,059,790)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		3,590,877	1,001,727
26. Net realized capital gains (losses) less capital gains tax of \$			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	3,590,877	1,001,727
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	3,984,231	(58,063)
31. Federal and foreign income taxes incurred	XXX		0
32. Net income (loss) (Lines 30 minus 31)	XXX	3,984,231	(58,063)
DETAILS OF WRITE-INS			
0601. Child and adolescent health center fee.....	XXX		(217,063)
0602. Reimbursement for MCO Tax.....	XXX	25,603,716	15,578,828
0603.	XXX	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	25,603,716	15,361,765
0701.	XXX		0
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			0
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901. Reimbursement for MCO tax.....			0
2902.			0
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	29,912,081	29,960,177
34. Net income or (loss) from Line 32	3,984,231	(58,063)
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax		0
39. Change in nonadmitted assets	(670,948)	9,967
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	3,313,283	(48,096)
49. Capital and surplus end of reporting year (Line 33 plus 48)	33,225,364	29,912,081
DETAILS OF WRITE-INS		
4701.		0
4702.		0
4703.		0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

Cash from Operations		1	2
		Current Year	Prior Year
1.	Premiums collected net of reinsurance	279,937,722	244,321,336
2.	Net investment income	3,453,142	842,565
3.	Miscellaneous income	25,603,716	15,361,765
4.	Total (Lines 1 through 3)	308,994,580	260,525,666
5.	Benefit and loss related payments	236,139,927	216,242,552
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0
7.	Commissions, expenses paid and aggregate write-ins for deductions	70,456,323	44,470,614
8.	Dividends paid to policyholders		0
9.	Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	(1,282,740)	0
10.	Total (Lines 5 through 9)	305,313,510	260,713,166
11.	Net cash from operations (Line 4 minus Line 10)	3,681,071	(187,500)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	0	0
12.2	Stocks	0	0
12.3	Mortgage loans	0	0
12.4	Real estate	0	0
12.5	Other invested assets	0	0
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7	Miscellaneous proceeds	0	0
12.8	Total investment proceeds (Lines 12.1 to 12.7)	0	0
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	0	0
13.2	Stocks	0	0
13.3	Mortgage loans	0	0
13.4	Real estate	0	0
13.5	Other invested assets	0	0
13.6	Miscellaneous applications	0	0
13.7	Total investments acquired (Lines 13.1 to 13.6)	0	0
14.	Net increase/(decrease) in contract loans and premium notes	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	0	0
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes	0	0
16.2	Capital and paid in surplus, less treasury stock	0	0
16.3	Borrowed funds	0	0
16.4	Net deposits on deposit-type contracts and other insurance liabilities		0
16.5	Dividends to stockholders	0	0
16.6	Other cash provided (applied)	1,992,772	(6,155,145)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	1,992,772	(6,155,145)
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)	5,673,843	(6,342,645)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	68,440,187	74,782,832
19.2	End of year (Line 18 plus Line 19.1)	74,114,030	68,440,187

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	Comprehensive (Hospital & Medical)		4	5	6	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2	3											
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only								
1. Net premium income	280,066,090	.0	.0	.0	.0	.0	.0	125,375,420	154,690,670	.0	.0	.0	.0	.0
2. Change in unearned premium reserves and reserve for rate credit	0													
3. Fee-for-service (net of \$ medical expenses) .....	.0													XXX
4. Risk revenue .....	.0													XXX
5. Aggregate write-ins for other health care related revenues	25,603,716	.0	.0	.0	.0	.0	.0	3,331,061	22,272,656	.0	.0	.0	.0	XXX
6. Aggregate write-ins for other non-health care related revenues .....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
7. Total revenues (Lines 1 to 6)	305,669,806	.0	.0	.0	.0	.0	.0	128,706,480	176,963,326	.0	.0	.0	.0	.0
8. Hospital/medical benefits	190,464,007							101,330,157	89,133,850					XXX
9. Other professional services	13,086,275							2,738,823	10,347,451					XXX
10. Outside referrals .....	.0													XXX
11. Emergency room and out-of-area .....	.0													XXX
12. Prescription drugs	38,055,471							714,249	37,341,222					XXX
13. Aggregate write-ins for other hospital and medical .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	(12,014)							1,270,813	(1,282,826)					XXX
15. Subtotal (Lines 8 to 14)	241,593,739	.0	.0	.0	.0	.0	.0	106,054,041	135,539,697	.0	.0	.0	.0	XXX
16. Net reinsurance recoveries	7,353							7,353						XXX
17. Total hospital and medical (Lines 15 minus 16)	241,586,386	.0	.0	.0	.0	.0	.0	106,046,688	135,539,697	.0	.0	.0	.0	XXX
18. Non-health claims (net) .....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
19. Claims adjustment expenses including \$3,356,123 cost containment expenses.....	5,258,654							2,413,422	2,845,232					
20. General administrative expenses	65,831,413							15,819,138	50,012,275					
21. Increase in reserves for accident and health contracts	(7,400,000)								(7,400,000)					XXX
22. Increase in reserves for life contracts .....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	305,276,452	.0	.0	.0	.0	.0	.0	124,279,249	180,997,204	.0	.0	.0	.0	.0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	393,354	0	0	0	0	0	0	4,427,232	(4,033,878)	0	0	0	0	0
DETAILS OF WRITE-INS														
0501. Reimbursement for MCO Tax.....	25,603,716							3,331,061	22,272,656					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	.0	.0	.0	.0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	25,603,716	0	0	0	0	0	0	3,331,061	22,272,656	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.														XXX
1302.														XXX
1303.														XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) individual				0
2. Comprehensive (hospital and medical) group				0
3. Medicare Supplement				0
4. Vision only				0
5. Dental only				0
6. Federal Employees Health Benefits Plan				0
7. Title XVIII - Medicare	125,655,136		279,716	125,375,420
8. Title XIX – Medicaid	155,300,386		609,715	154,690,670
9. Credit A&H				0
10. Disability Income				0
11. Long-Term Care				0
12. Other health				0
13. Health subtotal (Lines 1 through 12)	280,955,522	0	889,432	280,066,090
14. Life				0
15. Property/casualty				0
16. Totals (Lines 13 to 15)	280,955,522	0	889,432	280,066,090

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13	14
		2	3											
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Payments during the year:														
1.1 Direct	238,168,973							98,723,411	139,445,562					
1.2 Reinsurance assumed	0													
1.3 Reinsurance ceded	0													
1.4 Net	238,168,973	0	0	0	0	0	0	98,723,411	139,445,562	0	0	0	0	0
2. Paid medical incentive pools and bonuses	(1,750,684)							2,250,578	(4,001,262)					
3. Claim liability December 31, current year from Part 2A:														
3.1 Direct	38,512,209	0	0	0	0	0	0	20,321,854	18,190,355	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4 Net	38,512,209	0	0	0	0	0	0	20,321,854	18,190,355	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:														
4.1 Direct	0													
4.2 Reinsurance assumed	0													
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	3,013,569							1,495,592	1,517,978					
6. Net healthcare receivables (a)	4,533,675							(566,516)	5,100,192					
7. Amounts recoverable from reinsurers December 31, current year	7,353							7,353						
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct	30,541,754	0	0	0	0	0	0	14,828,553	15,713,201	0	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8.4 Net	30,541,754	0	0	0	0	0	0	14,828,553	15,713,201	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:														
9.1 Direct	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	1,274,899	0	0	0	0	0	0	2,475,357	(1,200,458)	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:														
12.1 Direct	241,605,752	0	0	0	0	0	0	104,783,229	136,822,524	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	7,353	0	0	0	0	0	0	7,353	0	0	0	0	0	0
12.4 Net	241,598,399	0	0	0	0	0	0	104,775,876	136,822,524	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	(12,014)	0	0	0	0	0	0	1,270,813	(1,282,826)	0	0	0	0	0

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

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

	1	Comprehensive (Hospital and Medical)		4	5	6	7 Federal Employees Health Benefits Plan	8	9	10	11	12	13	14
		2	3											
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only		Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:														
1.1. Direct .....	.0													
1.2. Reinsurance assumed .....	.0													
1.3. Reinsurance ceded .....	.0													
1.4. Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. Incurred but Unreported:														
2.1. Direct	38,512,209							20,321,854	18,190,355					
2.2. Reinsurance assumed .....	.0													
2.3. Reinsurance ceded .....	.0													
2.4. Net	38,512,209	.0	.0	.0	.0	.0	.0	20,321,854	18,190,355	.0	.0	.0	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:														
3.1. Direct .....	.0													
3.2. Reinsurance assumed .....	.0													
3.3. Reinsurance ceded .....	.0													
3.4. Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. TOTALS:														
4.1. Direct	38,512,209	.0	.0	.0	.0	.0	.0	20,321,854	18,190,355	.0	.0	.0	.0	.0
4.2. Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3. Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4. Net	38,512,209	0	0	0	0	0	0	20,321,854	18,190,355	0	0	0	0	0

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) individual .....					.0	.0
2. Comprehensive (hospital and medical) group .....					.0	.0
3. Medicare Supplement .....					.0	.0
4. Vision Only .....					.0	.0
5. Dental Only .....					.0	.0
6. Federal Employees Health Benefits Plan .....					.0	.0
7. Title XVIII - Medicare	5,103,938	93,612,121	1,684,758	18,637,096	6,788,696	14,828,554
8. Title XIX - Medicaid	11,762,573	127,682,988	214,485	17,975,870	11,977,058	15,713,201
9. Credit A&H .....					.0	.0
10. Disability Income .....					.0	.0
11. Long-Term Care .....					.0	.0
12. Other health .....					.0	.0
13. Health subtotal (Lines 1 to 12)	16,866,511	221,295,109	1,899,243	36,612,966	18,765,755	30,541,755
14. Healthcare receivables (a)		7,190,110			.0	2,656,434
15. Other non-health .....					.0	.0
16. Medical incentive pools and bonus amounts	2,226,833	(3,977,517)	1,926,624	1,086,946	4,153,457	1,274,899
17. Totals (Lines 13-14+15+16)	19,093,345	210,127,483	3,825,867	37,699,911	22,919,212	29,160,220

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

12-HM

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

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

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	.1	(1)	(1)	.0	
2. 2019 .....	.0	.0	.0	.0	
3. 2020	XXX	.0	.0	.0	
4. 2021	XXX	XXX	.0	.0	
5. 2022	XXX	XXX	XXX	.0	
6. 2023	XXX	XXX	XXX	XXX	

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	.1	(1)	(1)	.0	
2. 2019 .....	.0	.0	.0	.0	
3. 2020	XXX	.0	.0	.0	
4. 2021	XXX	XXX	.0	.0	
5. 2022	XXX	XXX	XXX	.0	
6. 2023	XXX	XXX	XXX	XXX	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	.0	.0		.0	.0	.0			.0	.0
2. 2020 .....	.0	.0		.0	.0	.0			.0	.0
3. 2021 .....	.0	.0		.0	.0	.0			.0	.0
4. 2022 .....	.0	.0		.0	.0	.0			.0	.0
5. 2023		0		0.0	0	0.0			0	0.0

NONE

Pt 2C - Sn A - Paid Claims - MS

NONE

Pt 2C - Sn A - Paid Claims - DO

NONE

Pt 2C - Sn A - Paid Claims - VO

NONE

Pt 2C - Sn A - Paid Claims - FE

NONE

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior	104,039	(80,286)	(80,194)	10	10
2. 2019	68,612	17,921	876	(99)	(99)
3. 2020	XXX	86,765	9,538	2,057	2,057
4. 2021	XXX	XXX	88,151	10,295	10,271
5. 2022	XXX	XXX	XXX	90,281	98,134
6. 2023	XXX	XXX	XXX	XXX	93,138

Section B - Incurred Health Claims - Medicare

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior	102,446	(82,655)	(81,761)	22	22
2. 2019	85,620	18,320	720	(98)	(98)
3. 2020	XXX	105,995	11,738	2,057	2,057
4. 2021	XXX	XXX	104,453	11,719	11,695
5. 2022	XXX	XXX	XXX	106,147	102,466
6. 2023	XXX	XXX	XXX	XXX	109,752

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019	104,038	(99)		0.0	(99)	(0.1)			(99)	(0.1)
2. 2020	0	2,057		0.0	2,057	0.0			2,057	0.0
3. 2021	0	10,271		0.0	10,271	0.0			10,271	0.0
4. 2022	0	98,134	86	0.1	98,220	0.0	3,138	19	101,378	0.0
5. 2023	125,375	93,138	2,689	2.9	95,826	76.4	18,679	211	114,716	91.5

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

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

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior	32,710	(30,831)	(30,467)	(831)	(831)
2. 2019	26,956	7,643	67	223	223
3. 2020	XXX	33,971	7,801	(577)	(577)
4. 2021	XXX	XXX	69,009	9,515	9,877
5. 2022	XXX	XXX	XXX	105,548	116,450
6. 2023	XXX	XXX	XXX	XXX	124,180

Section B – Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior	33,085	(30,833)	(30,469)	(434)	(434)
2. 2019	35,663	8,626	682	678	678
3. 2020	XXX	46,533	7,995	(576)	(576)
4. 2021	XXX	XXX	85,439	10,460	10,822
5. 2022	XXX	XXX	XXX	181,262	178,364
6. 2023	XXX	XXX	XXX	XXX	138,076

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019	42,796	223		0.0	223	0.5			223	0.5
2. 2020	0	(577)		0.0	(577)	0.0			(577)	0.0
3. 2021	0	9,877	3	0.0	9,880	0.0			9,880	0.0
4. 2022	0	116,450	328	0.3	116,779	0.0	687	2	117,469	0.0
5. 2023	154,691	124,180	2,153	1.7	126,333	81.7	19,021	203	145,557	94.1

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

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

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior	136,750	(111,118)	(110,662)	(821)	(821)
2. 2019.....	95,568	25,564	943	124	124
3. 2020.....	XXX	120,736	17,339	1,480	1,480
4. 2021.....	XXX	XXX	157,160	19,810	20,148
5. 2022.....	XXX	XXX	XXX	195,829	214,584
6. 2023.....	XXX	XXX	XXX	XXX	217,318

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior	135,532	(113,489)	(112,231)	(412)	(412)
2. 2019.....	121,283	26,946	1,402	580	580
3. 2020.....	XXX	152,528	19,733	1,481	1,481
4. 2021.....	XXX	XXX	189,892	22,179	22,517
5. 2022.....	XXX	XXX	XXX	287,409	280,830
6. 2023.....	XXX	XXX	XXX	XXX	247,827

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019.....	146,834	124	.0	0.0	124	0.1	.0	.0	124	0.1
2. 2020.....	.0	1,480	.0	0.0	1,480	0.0	.0	.0	1,480	0.0
3. 2021.....	.0	20,148	.3	0.0	20,151	0.0	.0	.0	20,151	0.0
4. 2022.....	.0	214,584	.415	0.2	214,999	0.0	3,826	22	218,846	0.0
5. 2023.....	280,066	217,318	4,842	2.2	222,159	79.3	37,700	414	260,274	92.9

Pt 2C - Sn B - Incurred Claims - MS

NONE

Pt 2C - Sn B - Incurred Claims - DO

NONE

Pt 2C - Sn B - Incurred Claims - VO

NONE

Pt 2C - Sn B - Incurred Claims - FE

NONE

Part 2C - Sn C - Claims Expense Ratio MS

NONE

Part 2C - Sn C - Claims Expense Ratio DO

NONE

Part 2C - Sn C - Claims Expense Ratio VO

NONE

Part 2C - Sn C - Claims Expense Ratio FE

NONE

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	Comprehensive (Hospital & Medical)		4	5	6	7 Federal Employees Health Benefits Plan	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only		Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	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)	331,324							108,701	222,623				
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross)	331,324	.0	.0	.0	.0	.0	.0	108,701	222,623	.0	.0	.0	.0
7. Reinsurance ceded .....	.0												
8. Totals (Net) (Page 3, Line 4)	331,324	0	0	0	0	0	0	108,701	222,623	0	0	0	0
9. Present value of amounts not yet due on claims .....	.0												
10. Reserve for future contingent benefits .....	.0												
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0												
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS													
0501. Part C & D adjustments.....	.0												
0502.													
0503.													
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0	0
1101.													
1102.													
1103.													
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building)	41,626	29,334	152,391		223,351
2. Salaries, wages and other benefits	2,215,727	872,881	10,662,295		13,750,903
3. Commissions (less \$ceded plus \$assumed)	0	0	0		0
4. Legal fees and expenses	0	0	196,689		196,689
5. Certifications and accreditation fees			0		0
6. Auditing, actuarial and other consulting services			1,828,618		1,828,618
7. Traveling expenses			54,000		54,000
8. Marketing and advertising			2,435,948		2,435,948
9. Postage, express and telephone	29,981	10,638	802,815		843,435
10. Printing and office supplies	11	28	3,800		3,839
11. Occupancy, depreciation and amortization			460,045		460,045
12. Equipment			46,020		46,020
13. Cost or depreciation of EDP equipment and software	312,237	220,033	2,884,794		3,417,063
14. Outsourced services including EDP, claims, and other services	618,252	672,409	19,823,729		21,114,391
15. Boards, bureaus and association fees			51,274		51,274
16. Insurance, except on real estate			44,629		44,629
17. Collection and bank service charges			37,251		37,251
18. Group service and administration fees					0
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes			12,015		12,015
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes					0
23.3 Regulatory authority licenses and fees	385	26	40,934		41,344
23.4 Payroll taxes	137,905	97,181	690,449		925,535
23.5 Other (excluding federal income and real estate taxes)			25,603,716		25,603,716
24. Investment expenses not included elsewhere			0	7,285	7,285
25. Aggregate write-ins for expenses	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25)	3,356,123	1,902,531	65,831,413	7,285	(a) 71,097,352
27. Less expenses unpaid December 31, current year		435,932	12,931,734		13,367,666
28. Add expenses unpaid December 31, prior year	0	320,416	14,224,926	0	14,545,342
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	3,356,123	1,787,014	67,124,605	7,285	72,275,027
DETAILS OF WRITE-INS					
2501.	0	0	0		0
2502.					0
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0	0

(a) Includes management fees of \$34,273,588 to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....	.....
1.1	Bonds exempt from U.S. tax	(a).....	.....
1.2	Other bonds (unaffiliated)	(a).....	.....
1.3	Bonds of affiliates	(a).....0	.....
2.1	Preferred stocks (unaffiliated)	(b).....0	.....
2.11	Preferred stocks of affiliates	(b).....0	.....
2.2	Common stocks (unaffiliated) .....	.....0	.....
2.21	Common stocks of affiliates .....	.....0	.....
3.	Mortgage loans	(c).....	.....
4.	Real estate	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e).....3,460,426	.....3,598,162
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income	3,460,426	3,598,162
11.	Investment expenses		(g).....7,285
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13.	Interest expense		(h).....
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....7,285
17.	Net investment income (Line 10 minus Line 16)		3,590,877
DETAILS OF WRITE-INS			
0901.	.....		.....
0902.	.....		.....
0903.	.....		.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes \$ accrual of discount less \$ amortization of premium and less \$0 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ 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 buildings; and excludes \$ interest on encumbrances.
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

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

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	631,622	0	(631,622)
25. Aggregate write-ins for other-than-invested assets	63,023	23,697	(39,326)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	694,645	23,697	(670,948)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	694,645	23,697	(670,948)
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 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Expenses.....	63,023	23,697	(39,326)
2502. Deposits.....		0	0
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	63,023	23,697	(39,326)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	42,391	43,690	44,207	41,514	38,383	509,440
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	.0	.0	.0	.0	.0	.0
7. Total	42,391	43,690	44,207	41,514	38,383	509,440
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

Basis of Presentation – The accompanying financial statements of HAP CareSource (“Company”) (formerly known as HAP Empowered Health Plan, Inc.) have been prepared in accordance with the National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* (“NAIC AP&P”) and the NAIC Annual Statement Instructions (“NAIC”) to the extent that these accounting practices, procedures and reporting standards are not modified by accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services (“DIFS”). DIFS recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining the financial condition and results of operation of an insurance company. NAIC AP&P has been adopted as a component of prescribed or permitted practices by DIFS.

A reconciliation of the Company’s net income and capital and surplus between NAIC AP&P and practices prescribed and permitted by the State of Michigan is shown below:

	SSAP #	F/S Page	F/S Line #	2023	2022
<u>NET INCOME</u>					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 3,984,231	\$ (58,063)
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 3,984,231	\$ (58,063)
<u>SURPLUS</u>					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 33,225,364	\$ 29,912,082
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 33,225,364	\$ 29,912,082

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

The preparation of financial statements in accordance with statutory accounting principles requires management to make estimates and assumptions that affect the reported amount of admitted assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Accounting Policy

- (1) Short term investments include investments with remaining maturities of one year or less at the time of acquisition and are principally stated at amortized cost. The Company does not hold any short term investments as of December 31, 2023.
- (2) Bonds not backed by other loans are principally stated at amortized cost using the interest method. Realized capital gains and losses are determined using the first in, first out method.
- (3) The Company does not hold any common stock.
- (4) The Company does not hold any preferred stock.
- (5) The Company does not hold any mortgage loans.
- (6) The Company does not hold mortgage-backed/asset-backed securities.
- (7) The Company does not invest in any subsidiary, controlled or affiliated entities.
- (8) The Company does not invest in any joint ventures, partnerships, or limited liability companies.
- (9) The Company does not hold any derivative instruments.
- (10) The Company does not utilize anticipated investment income in the computation of the premium deficiency calculation in accordance with NAIC guidelines.
- (11) Claims unpaid and unpaid claims adjustment expense liabilities represent management’s best estimate of the ultimate net cost of all reported and unreported claims incurred through December 31. Although considerable variability is inherent in such estimates, management believes that the reserves for unpaid claims are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.
- (12) The Company does not hold any assets requiring capitalization.
- (13) Pharmacy rebates are attained based on agreements between the Company and a third party administrator for prescription drugs. Pharmacy rebates are admitted if accrued or invoiced within 90 days of the reporting period. Pharmacy rebates are non-admitted if invoiced and uncollected over 90 days prior to the reporting period.

D. Going Concern

Not Applicable

2. Accounting Changes and Corrections of Errors

Not Applicable

3. Business Combinations and Goodwill

Not Applicable

4. Discontinued Operations

Not Applicable

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

Not Applicable

B. Debt Restructuring

Not Applicable

C. Reverse Mortgages

Not Applicable

D. Loan-Backed Securities

Not Applicable

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

Not Applicable

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

H. Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

J. Real Estate

Not Applicable

K. Low-Income Housing Tax Credits (LIHTC)

Not Applicable

L. Restricted Assets

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

(1) Restricted Assets (Including Pledged)
The Company has \$1,008,595 on deposit with the State of Michigan, in accordance with the State's minimum surplus and collateral requirements. The funds are held in the form of cash equivalent and represent 1.0% of the Company's total assets.

Restricted Asset Category	1	2	3	4	5	6	7
	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 & Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$	\$ 0	\$ 0	\$	\$ 0	0.0 %	0.0 %
b. Collateral held under security lending agreements		0	0		0	0.0	0.0
c. Subject to repurchase agreements		0	0		0	0.0	0.0
d. Subject to reverse repurchase agreements		0	0		0	0.0	0.0
e. Subject to dollar repurchase agreements		0	0		0	0.0	0.0
f. Subject to dollar reverse repurchase agreements		0	0		0	0.0	0.0
g. Placed under option contracts		0	0		0	0.0	0.0
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock		0	0		0	0.0	0.0
i. FHLB capital stock		0	0		0	0.0	0.0
j. On deposit with states	1,008,595	1,000,000	8,595		1,008,595	1.0	1.0
k. On deposit with other regulatory bodies		0	0		0	0.0	0.0
l. Pledged as collateral to FHLB (including assets backing funding agreements)		0	0		0	0.0	0.0
m. Pledged as collateral not captured in other categories	0	0	0		0	0.0	0.0
n. Other restricted assets	0	0	0		0	0.0	0.0
o. Total Restricted Assets (Sum of a through n)	\$ 1,008,595	\$ 1,000,000	\$ 8,595	\$ 0	\$ 1,008,595	1.0 %	1.0 %

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

- (2) Not Applicable
(3) Not Applicable
(4) Not Applicable
- M. Working Capital Finance Investments

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

Not Applicable
- O. 5GI Securities

Not Applicable
- P. Short Sales

Not Applicable
- Q. Prepayment Penalty and Acceleration Fees

Not Applicable
- R. Reporting Entity’s Share of Cash Pool by Asset type.

Not Applicable
6. Joint Ventures, Partnerships and Limited Liability Companies
Not Applicable
7. Investment Income
All investment income admitted is due within 90 days.

A. Due and Accrued Income that was Excluded from Surplus on the following basis

Not Applicable
- B. Total Amount Excluded

Not Applicable
- C. Gross, nonadmitted and admitted amounts for interest income due and accrued.

Interest Income Due and Accrued		Amount
1. Gross	\$	296,897
2. Nonadmitted	\$	0
3. Admitted	\$	296,897
- D. Aggregate deferred interest.

		Amount
Aggregate Deferred Interest		\$
- E. Cumulative amounts of paid-in-kind (PIK) interest included in the current principal balance.

Not Applicable
8. Derivative Instruments
Not Applicable
9. Income Taxes
The Company recognized an admitted net Deferred Tax Asset (“DTA”) of \$0 and \$0 as of December 31, 2023 and 2022, respectively. The Company believes it is more likely than not that ordinary DTAs will not be realized and has therefore recorded a valuation allowance as of December 31, 2023. For 2023 and 2022, the Company has recognized a statutory valuation allowance of \$1,176,528 and \$1,975,306, respectively.

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:
1.

- (a) Gross Deferred Tax Assets
- (b) Statutory Valuation Allowance Adjustments
- (c) Adjusted Gross Deferred Tax Assets
(1a - 1b)
- (d) Deferred Tax Assets Nonadmitted
- (e) Subtotal Net Admitted Deferred Tax Asset
(1c - 1d)
- (f) Deferred Tax Liabilities
- (g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability)
(1e - 1f)

12/31/2023		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2) Total

\$	1,187,285	\$		\$	1,187,285
\$	1,176,528	\$		\$	1,176,528
\$	10,757	\$	0	\$	10,757
\$	0	\$		\$	0
\$	10,757	\$	0	\$	10,757
\$	10,757	\$		\$	10,757
\$	0	\$	0	\$	0

12/31/2022		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) Total

\$	1,992,189	\$	0	\$	1,992,189
\$	1,975,306	\$	0	\$	1,975,306

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	\$	16,883	\$	0	\$	16,883
(d)	Deferred Tax Assets Nonadmitted	\$	0	\$	0	\$	0
(e)	Subtotal Net Admitted Deferred Tax Asset (1c -1d)	\$	16,883	\$	0	\$	16,883
(f)	Deferred Tax Liabilities	\$	16,883	\$	0	\$	16,883
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$	0	\$	0	\$	0

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

(a)	Gross Deferred Tax Assets	\$	(804,904)	\$	0	\$	(804,904)
(b)	Statutory Valuation Allowance Adjustments	\$	(798,778)	\$	0	\$	(798,778)
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	\$	(6,126)	\$	0	\$	(6,126)
(d)	Deferred Tax Assets Nonadmitted	\$	0	\$	0	\$	0
(e)	Subtotal Net Admitted Deferred Tax Asset (1c -1d)	\$	(6,126)	\$	0	\$	(6,126)
(f)	Deferred Tax Liabilities	\$	(6,126)	\$	0	\$	(6,126)
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$	0	\$	0	\$	0

2.

12/31/2023		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2) Total

Admission Calculation Components SSAP No. 101

(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$		\$		\$	0
(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)	\$		\$		\$	0
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$		\$		\$	0
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$	XXX	\$	XXX	\$	5,131,074
(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.	\$	10,757	\$		\$	10,757
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$	10,757	\$	0	\$	10,757

12/31/2022		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) Total

(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$	0	\$	0	\$	0
(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)	\$	0	\$	0	\$	0
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$	0	\$	0	\$	0
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$	XXX	\$	XXX	\$	4,459,325
(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.	\$	16,883	\$	0	\$	16,883
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$	16,883	\$	0	\$	16,883

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

(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$	0	\$	0	\$	0
(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)	\$	0	\$	0	\$	0
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	\$	0	\$	0	\$	0
2.	Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	\$	XXX	\$	XXX	\$	671,749
(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.	\$	(6,126)	\$	0	\$	(6,126)
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$	(6,126)	\$	0	\$	(6,126)

3.

2023	2022
------	------

(a)	Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	448.000	441.000
(b)	Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 34,207,160.000	\$ 29,912,082.000

4.

12/31/2023	
(1)	(2)
Ordinary	Capital

Impact of Tax-Planning Strategies

(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	10,757	0
2.	Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies		
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	10,757	0
4.	Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies		

12/31/2022	
(3)	(4)
Ordinary	Capital

(a)	Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1.	Adjusted Gross DTAs Amount From Note 9A1(c)	16,883	0
2.	Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0.0	0.0
3.	Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	16,883	0
4.	Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0.0	0.0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

Change	
(5)	(6)
(Col 1-3) Ordinary	(Col 2-4) Capital

- (a)

Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets,
By Tax Character As A Percentage.

1. Adjusted Gross DTAs Amount From Note 9A1(c)

2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax
Planning Strategies

3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)

4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of
The Impact Of Tax Planning Strategies

(6,126)

0.0

(6,126)

0.0

0

0.0

0

0.0
- (b)

Does the Company's tax-planning strategies include the use of reinsurance?

Yes

No

X
- B. Deferred Tax Liabilities Not Recognized
- Not Applicable
- C. Current income taxes incurred consist of the following major components

(1)	(2)	(3)
12/31/2023	12/31/2022	(Col 1-2) Change

1.

Current Income Tax

(a)

Federal

\$

\$

0

\$

0

(b)

Foreign

\$

\$

0

\$

0

(c)

Subtotal (1a+1b)

\$

0

\$

0

\$

0

(d)

Federal income tax on net capital gains

\$

\$

0

\$

0

(e)

Utilization of capital loss carry-forwards

\$

\$

0

\$

0

(f)

Other

\$

\$

0

\$

0

(g)

Federal and foreign income taxes incurred (1c+1d+1e+1f)

\$

0

\$

0

\$

0
2.

Deferred Tax Assets:

(a)

Ordinary

(1)

Discounting of unpaid losses

\$

117,391

\$

88,598

\$

28,793

(2)

Unearned premium reserve

\$

34,300

\$

0

\$

34,300

(3)

Policyholder reserves

\$

\$

0

\$

0

(4)

Investments

\$

\$

0

\$

0

(5)

Deferred acquisition costs

\$

\$

0

\$

0

(6)

Policyholder dividends accrual

\$

\$

0

\$

0

(7)

Fixed assets

\$

\$

0

\$

0

(8)

Compensation and benefits accrual

\$

\$

1,554,000

\$

(1,554,000)

(9)

Pension accrual

\$

\$

0

\$

0

(10)

Receivables - nonadmitted

\$

\$

0

\$

0

(11)

Net operating loss carry-forward

\$

916,594

\$

188,591

\$

728,003

(12)

Tax credit carry-forward

\$

\$

0

\$

0

(13)

Other

\$

119,000

\$

161,000

\$

(42,000)

(99)

Subtotal (sum of 2a1 through 2a13)

\$

1,187,285

\$

1,992,189

\$

(804,904)

(b)

Statutory valuation allowance adjustment

\$

1,176,528

\$

1,975,306

\$

(798,778)

(c)

Nonadmitted

\$

\$

0

\$

0

(d)

Admitted ordinary deferred tax assets (2a99 - 2b - 2c)

\$

10,757

\$

16,883

\$

(6,126)

(e)

Capital:

(1)

Investments

\$

\$

0

\$

0

(2)

Net capital loss carry-forward

\$

\$

0

\$

0

(3)

Real estate

\$

\$

0

\$

0

(4)

Other

\$

\$

0

\$

0

(99)

Subtotal (2e1+2e2+2e3+2e4)

\$

0

\$

0

\$

0

(f)

Statutory valuation allowance adjustment

\$

\$

0

\$

0

(g)

Nonadmitted

\$

\$

0

\$

0

(h)

Admitted capital deferred tax assets (2e99 - 2f - 2g)

\$

0

\$

0

\$

0

(i)

Admitted deferred tax assets (2d + 2h)

\$

10,757

\$

16,883

\$

(6,126)

3.

Deferred Tax Liabilities:

(a)

Ordinary

(1)

Investments

\$

\$

0

\$

0

(2)

Fixed assets

\$

\$

0

\$

0

(3)

Deferred and uncollected premium

\$

\$

0

\$

0

(4)

Policyholder reserves

\$

\$

0

\$

0

(5)

Other

\$

10,757

\$

16,883

\$

(6,126)

(99)

Subtotal (3a1+3a2+3a3+3a4+3a5)

\$

10,757

\$

16,883

\$

(6,126)

(b)

Capital:

(1)

Investments

\$

\$

0

\$

0

(2)

Real estate

\$

\$

0

\$

0

(3)

Other

\$

\$

0

\$

0

(99)

Subtotal (3b1+3b2+3b3)

\$

0

\$

0

\$

0

(c)

Deferred tax liabilities (3a99 + 3b99)

\$

10,757

\$

16,883

\$

(6,126)

4.

Net deferred tax assets/liabilities (2i - 3c)

\$

0

\$

0

\$

0

D. Among the more significant book to tax adjustments were the following:

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

Description	Amount	Tax Effect @	Effective Tax
		21%	Rate
Income before taxes	3,802,228	798,468	21.00%
DIRD deduction and tax-exempt interest, net	-	-	0.00%
Prior year underaccrual(overaccrual)	-	-	0.00%
Change in nonadmitted assets	-	-	0.00%
Meals and entertainment and Nondeductible expenses	-	-	0.00%
Change in valuation allowance	(3,803,705)	(798,778)	-21.01%
Other	1,477	310	0.01%
Total	-	-	0.00%
Federal income taxed incurred [expense](benefit)]	-	-	0.00%
Tax on capital gains	-	-	0.00%
Change in net deferred income tax [charge](benefit)]	-	-	0.00%
Total statutory income taxes	-	-	0.00%

E. Operating Loss and Tax Credit Carryforwards

26.3

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

- (1) At December 31, 2023 the Company had \$4,365,000 of net operating loss carryforwards which will expire in 2039.
- (2) There is no income tax for 2023 and 2022 that is available for recoupment in the event of future net losses.
- (3) The aggregate amount of deposits reported as admitted assets under Section 6603 of the Internal Revenue Service (IRS) Code was \$0 as of December 31, 2023.

F. Consolidated Federal Income Tax Return

- (1) The Company's federal income tax return is filed on a standalone basis and taxes are based on an adopted income tax allocation plan between the Company and other affiliated members of the controlled group.

G. Federal or Foreign Income Tax Loss Contingencies

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

H. Repatriation Transition Tax (RTT)

The Company does not have any foreign operations and is not subject to RTT.

I. Alternative Minimum Tax Credit

At December 31, 2023 the Company had \$0 of AMT credits.

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

A. Nature of the Relationship Involved

The Company is a wholly owned subsidiary of HAP Empowered Holding LLC (HAP Holding). Prior to September 1, 2023, the Company was wholly owned by Health Alliance Plan of Michigan (HAP). Effective September 1, 2023, HAP Holding became the sole member of the Company, with HAP owning 60% of HAP Holding and CareSource Holding III LLC (CS Holding) owning 40%.

B. Detail of Transactions

For the year ended December 31, 2023, the Company incurred management fees of \$4,268,486 by CSMS. Additionally, the Company incurred management fees of \$30,005,103 and \$31,459,356 in 2023 and 2022 by HAP. The Company was charged \$7,071,956 by CSMS for implementation, RFP and network fees and charged \$568,176 by HAP for implementation fees in 2023.

The Company incurred a management fee for medical management from HFH in 2023 and 2022. Through a Specialty Care and Hospital Agreement and a Company/Primary Care Provider Agreement the Company purchased healthcare and remitted State of Michigan pass thru payments to HFH in 2023 and 2022.

C. Transactions with related party who are not reported on Schedule Y

Not Applicable

D. Amounts Due From or To Related Parties

The Company has a payable to CSMS of \$9,639,241 and a payable to HAP of \$2,933,004 at December 31, 2023 and 2022. The Company has a receivable from HAP of \$1,398,694 and \$2,585,413 at December 31, 2023 and 2022. The terms of the settlement require that these amounts be settled within 30 days.

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

Not Applicable

F. Guarantees or Undertakings

Not Applicable

G. Nature of the Control Relationship

Not Applicable

H. Amount Deducted for Investment in Upstream Intermediate Entity or Ultimate Parent Owned

Not Applicable

I. Investments in SCA that Exceed 10% of Admitted Assets

Not Applicable

J. Investments in Impaired SCAs

Not Applicable

K. Investment in Foreign Insurance Subsidiary

Not Applicable

L. Investment in Downstream Noninsurance Holding Company

Not Applicable

M. All SCA Investments

Not Applicable

N. Investment in Insurance SCAs

Not Applicable

O. SCA or SSAP No. 48 Entity Loss Tracking

Not Applicable

11. Debt

Not Applicable

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

Benefit Plans

Not Applicable

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

A. Number of Shares of Each Class of Capital Stock, Authorized, Issued and Outstanding and the Par or Stated Value of Each Class

The Company has no stock and is incorporated as a Michigan non-profit organization.

B. Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues

Not Applicable

C. Dividend Restrictions

Not Applicable

D. Dates and Amounts of Dividends Paid

Not Applicable

E. Profits that may be Paid as Ordinary Dividends to Stockholders

Not Applicable

F. Restrictions on Unassigned Funds (Surplus)

Not Applicable

G. Mutual Reciprocal Amounts of Advances to Surplus not Repaid

Not Applicable

H. Amount of Stock Held for Special Purposes

Not Applicable

I. Reasons for Changes in Balance of Special Surplus Funds from Prior Period

Not Applicable

J. Changes in Unassigned Funds

Not Applicable

K. Surplus Notes

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

	Not Applicable
L.	The Impact of any Restatement Due to Prior Quasi-Reorganizations
	Not Applicable
M.	Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization
	Not Applicable
14.	Liabilities, Contingencies and Assessments
A.	Contingent Commitments
	Not Applicable
B.	Assessments
	Effective October 1, 2018 the Company is required to pay the annual Insurance Provider Assessment. The assessment for each HMO is based on the amount determined by the Michigan Department of Health and Human Services ("MDHHS") and applied to the prior year member months for the Medicaid and MI Health Link Medicaid line of businesses. The portion of the assessment attributable to the Medicaid and MI Health Link Medicaid programs are fully reimbursed by MDHHS. The Company recognized \$25,603,716 as an aggregate write-in for other healthcare related revenues and \$25,603,716 as general administrative expenses for the year ended December 31,2023. The Company has \$12,801,860 recorded as an aggregate write-in for other than invested assets and \$12,801,860 recorded as general due and accrued on the Statutory Statements of Admitted Assets, Liabilities, and Capital and Surplus at December 31,2023 related to the remaining payments and reimbursement on the 2023 assessment.
C.	Gain Contingencies
	Not Applicable
D.	Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits
	Not Applicable
E.	Joint and Several Liabilities
	Not Applicable
F.	All Other Contingencies
	<i>Other Lawsuits and Claims</i>
	The health care industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Penalties associated with violations of these laws and regulations include significant fines and penalties, exclusion from participating in publicly-funded programs, and the repayment of previously billed and collected revenues.
	From time to time we are involved in legal actions in the ordinary course of business, some of which seek monetary damages. Some lawsuits and claims are covered by insurance and others are not. The outcome of such legal actions is inherently uncertain. Nevertheless, we believe that these actions, when finally concluded and determined, are not likely to have a material adverse effect on our financial position, results of operations, or cash flows.
15.	Leases
A.	Lessee Operating Lease
	Not Applicable
B.	Lessor Leases
	Not Applicable
16.	Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk
	Not Applicable
17.	Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
A.	Transfers of Receivables Reported as Sales
	Not Applicable
B.	Transfer and Servicing of Financial Assets
	Not Applicable
C.	Wash Sales
	Not Applicable
18.	Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans
A.	ASO Plans
	As of December 31, 2023, the Company received payments totaling \$48,077,403 and paid a total of \$48,077,403 to the hospital on behalf of the Michigan Department of Health and Human Services for the managed care Medicaid pass-through programs GME, HRA, and SNAF and MI Health Link program QAS.
B.	ASC Plans
	Not Applicable
C.	Medicare or Other Similarly Structured Cost Based Reimbursement Contract:
	(1) Revenue from the Company's MI Health Link Medicare Contract for the years ending December 31, 2023, and 2022, consisted of \$125,655,136 and \$120,070,891, respectively.
	(2) At December 31, 2023, the Company has not recorded any receivable from payors whose accounts balances are greater than 10% of the Company's amounts received from uninsured accident and health plans or \$10,000.
	(3) In connection with the Company's MI Health Link Medicare contract, as of December 31, 2023, and 2022, the Company has recorded payables of \$4,507,045 and \$2,695,628, respectively, related to the costs share and reinsurance components of administered Medicare products. This represents 100% of the Company's amounts payables from uninsured accident and health plans.
	(4) There were no adjustments to revenue resulting from audit of receivables related to revenue recorded in prior periods.
19.	Direct Premium Written/Produced by Managing General Agents/Third-Party Administrators
	Not Applicable
20.	Fair Value Measurements
A.	Assets and Liabilities Measured at Fair Value
	(1) Fair Value Measurements at Reporting Date
	Assets and liabilities recorded at fair value in the statutory statement of admitted assets, liabilities and capital and surplus are categorized based upon the extent to which the fair value estimates are based upon observable and unobservable inputs. Level inputs are as follows:
	Level 1: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
	Level 2: Inputs are other than quoted process included in Level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.
	Level 3: Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.
	The following discussion described the valuation methodologies utilized by the Company for assets measured or disclosed at fair value. Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial instrument, including discount rates, estimates of timing, amount of expected future cash flows, and the credit standing of the issuer.
	<i>Cash and Cash Equivalents</i>
	The fair values of cash and cash equivalents are based on quoted market prices.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
--	-----------	-----------	-----------	-----------------------	-------

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

a.	Assets at fair value								
	Cash Equivalent	\$	63,918,595	\$		\$		\$	63,918,595
		\$		\$		\$		\$	0
		\$		\$		\$		\$	0
	Total assets at fair value/NAV	\$	63,918,595	\$	0	\$	0	\$	0
		\$		\$		\$		\$	63,918,595

The Company did not have any significant assets or liabilities measured at fair value on a nonrecurring basis as of December 31, 2023 or December 31, 2022. There were no transfers between Level 1 and Level 2 securities for the period ended December 31, 2023.

- (2) Not Applicable
- (3) The Company recognizes transfers between fair value levels at the end of each reporting period.
- (4) Level 2 or 3 securities – values determined through the use of third-party pricing services utilizing market observable inputs. The Company does not have any investments with fair value measurements categorized within Level 2 or 3 as of December 31, 2023.

(5) Not Applicable

B. Other Fair Value Disclosures

Not Applicable

C. Fair Value of Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Cash and Cash Equivalents	\$ 74,114,030	\$ 74,114,030	\$ 74,114,030	\$	\$	\$	\$

D. Not Practicable to Estimate Fair Value

Not Applicable

E. Investments Measured using the NAV as Practical Expedient

Not Applicable

21. Other Items

A. Unusual or Infrequent Items

Not Applicable

B. Troubled Debt Restructuring: Debtors

Not Applicable

C. Other Disclosures

Not Applicable

D. Business Interruption Insurance Recoveries

Not Applicable

E. State Transferable and Non-transferable Tax Credits

Not Applicable

F. Subprime-Mortgage-Related Risk Exposure

Not Applicable

G. Retained Assets

Not Applicable

H. Insurance-Linked Securities (ILS) 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 29, 2023 for the Statutory Statement issued on February 29, 2023.

A. Type I – Recognized Subsequent Events - None

B. Type II – Nonrecognized Subsequent Events –None

23. Reinsurance

A. Ceded Reinsurance Report

The Company is self-insured for medical claims up to a certain retention level per member during each policy year and has agreements with reinsurance carriers to cover the claims incurred over the retention level. The retention level was \$450,000 for Medicare and \$650,000 for Medicaid members in 2023 respectively and \$450,000 per Medicare member and \$650,000 per Medicaid member in 2022. Reinsurance expenses were \$889,432 and \$753,745 in 2023 and 2022, respectively which were recorded as a reduction of premium revenue. Reinsurance recoveries were \$7,353 and \$91,064 in 2023 and 2022, respectively and were recorded as a reduction to hospital and medical expenses.

Section 1 - General Interrogatories

Not Applicable

(1) Not Applicable

(2) Not Applicable

Section 2 - Ceded Reinsurance Report - Part A

Not Applicable

(1) Not Applicable

(2) Not Applicable

Section 3 - Ceded Reinsurance Report - Part B

(1) Not Applicable

(2) Not Applicable

B. Uncollectible Reinsurance

Not Applicable

C. Commutation of Reinsurance Reflected in Income and Expenses

Not Applicable

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not Applicable

E. Reinsurance Credit

Not Applicable

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

The Company estimates accrued retrospective premium adjustments related to MI Health Link contract, and a MLR provision for its Medicaid contract. An estimated MLR receivable or payable for the MDHHS MLR provision is recognized based on activity-to-date and is accumulated at the contract level and recorded as aggregate policy reserves.

B. Accrued Retrospective Premiums Recorded Through Written Premium or as an Adjustment to Earned Premium

The Company records accrued retrospective premium as an adjustment to earned premium. The Company accrued retrospective premium adjustments for its MI Health Link program of \$1,039,344 and \$345,000 for 2023 and 2022 respectively, and a MLR estimate for Medicaid of \$0 for both 2023 and 2022 respectively. The Company has a \$0 and \$7,400,000 premium deficiency reserve for 2023 and 2022 respectively.

C. Amount of Net Premiums Written Subject to Retrospective Rating Features

The amount of net premiums written by the company at December 31, 2023 that are subject to retrospective rating features was \$280 million, which represents 100% of the total net premiums.

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

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

Not Applicable

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

Not Applicable

25. Changes in Incurred Claims and Claim Adjustment Expenses

A. Reasons for changes in the Provision for Incurred Loss and Loss Adjustment Expenses

Reserves as of December 31, 2022 were \$29.5 million. As of December 31 2023, \$19.4 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$3.8 million, therefore, there has been a \$6.2 million favorable prior-year development since December 31, 2022 to December 31, 2023. The change is generally the result of ongoing analysis of recent development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

B. Information about Significant Changes in Methodologies and Assumptions

Not Applicable

26. Intercompany Pooling Arrangements

Not Applicable

27. Structured Settlements

Health Entities should not complete this Note.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Pharmacy rebates - As of December 31, 2023, the Company recorded a pharmacy rebate receivable of \$2,675,785. The receivable is estimated using invoiced prescriptions and rebate dollars sent to drug manufactures for reimbursement. The Company utilizes a third party to administer the program.

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
12/31/2023	\$ 2,675,785	\$ 2,675,785	\$	\$	\$
09/30/2023	\$ 2,787,754	\$ 2,787,754	\$ 2,787,754	\$	\$
06/30/2023	\$ 2,920,886	\$ 2,831,302	\$ 2,831,302	\$	\$
03/31/2023	\$ 2,914,702	\$ 2,661,278	\$ 2,661,278	\$	\$
12/31/2022	\$ 2,656,434	\$ 2,639,117	\$ 2,639,117	\$	\$
09/30/2022	\$ 2,443,532	\$ 2,418,846	\$ 2,418,846	\$ 7,560	\$
06/30/2022	\$ 2,015,775	\$ 2,340,695	\$ 2,340,695	\$ 1,336	\$
03/31/2022	\$ 1,955,382	\$ 2,308,647	\$ 2,308,647	\$	\$
12/31/2021	\$ 2,113,893	\$ 2,113,893	\$ 2,113,893	\$	\$
09/30/2021	\$ 1,998,544	\$ 1,998,544	\$ 1,998,544	\$	\$
06/30/2021	\$ 1,920,300	\$ 1,956,829	\$ 1,956,829	\$	\$
03/31/2021	\$ 1,704,678	\$ 2,017,177	\$ 2,017,177	\$	\$

B. Risk Sharing Receivables

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received – All Other
2023	2023	\$ 0	\$ 3,833,277	\$	\$ 3,833,277	\$	\$	\$	\$

29. Participating Policies

Not Applicable

30. Premium Deficiency Reserves

The Company evaluated the need for premium deficiency reserves as of December 31, 2023 and deemed them unnecessary.

1. Liability carried for premium deficiency reserves

\$ 0
2. Date of the most recent evaluation of this liability

12/31/2023
3. Was anticipated investment income utilized in the calculation?

Yes [] No [X]

31. Anticipated Salvage and Subrogation

Not Applicable

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.

Yes [X] No []
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []
- 1.3

State Regulating? Michigan.....
- 1.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes [] No [X]
- 1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

.....
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]
- 2.2

If yes, date of change:

.....
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2021
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2021
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....06/22/2023
- 3.4

By what department or departments? Michigan Department of Insurance and Financial Services.....
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [] No [] N/A [X]
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes [] No [X]
Yes [] No [X]
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes [] No [X]
Yes [] No [X]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
If yes, complete and file the merger history data file with the NAIC.

Yes [] No [X]
- 5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]
- 7.2

If yes,
7.21 State the percentage of foreign control0.0 %
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

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

- 8.1

Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the DIHC.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]
- 8.4

If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

- 8.5

Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company?

Yes [] No [X]
- 8.6

If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to theFederal Reserve Board's capital rule?

Yes [] No [X] N/A []
9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, Suite 3900, 200 Renaissance Center, Detroit, MI 48243.....
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []
- 10.6

If the response to 10.5 is no or n/a, please explain
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Stephanie Williams, CareSource, 230 N. Main St. Dayton, OH 45042, Employee of CareSource Management Services.....
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]
- 12.11 Name of real estate holding company

.....
- 12.12 Number of parcels involved

.....0
- 12.13 Total book/adjusted carrying value

\$.....
- 12.2

If yes, provide explanation
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No [X]
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No [X]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] N/A [X]
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11

If the response to 14.1 is no, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes [] No [X]
- 15.2

If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [X] No []
17.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [X] No []
18.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes [X] No []

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [] No [X]
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers

\$.....

20.12 To stockholders not officers

\$.....

20.13 Trustees, supreme or grand (Fraternal only)

\$.....
- 20.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers

\$.....

20.22 To stockholders not officers

\$.....

20.23 Trustees, supreme or grand (Fraternal only)

\$.....
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes [] No [X]
- 21.2

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

21.21 Rented from others

\$.....

21.22 Borrowed from others

\$.....

21.23 Leased from others

\$.....

21.24 Other

\$.....
- 22.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [] No [X]
- 22.2

If answer is yes:

22.21 Amount paid as losses or risk adjustment

\$.....

22.22 Amount paid as expenses

\$.....

22.23 Other amounts paid

\$.....
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [X] No []
- 23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$.....1,398,694
- 24.1

Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days?

Yes [] No [X]
- 24.2

If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

- 25.01

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03)

Yes ☒] No ☐]
- 25.02

If no, give full and complete information, relating thereto
- 25.03

For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 25.04

For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions.

\$.....
- 25.05

For the reporting entity's securities lending program, report amount of collateral for other programs.

\$.....
- 25.06

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes ☐] No ☐] NA ☒]
- 25.07

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes ☐] No ☐] NA ☒]
- 25.08

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes ☐] No ☐] NA ☒]
- 25.09

For the reporting entity's securities lending program, state the amount of the following as of December 31 of the current year:
- 25.091

Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$.....0
- 25.092

Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$.....0
- 25.093

Total payable for securities lending reported on the liability page

\$.....0
- 26.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 24.1 and 25.03).

Yes ☒] No ☐]
- 26.2

If yes, state the amount thereof at December 31 of the current year:
- 26.21

Subject to repurchase agreements

\$.....
- 26.22

Subject to reverse repurchase agreements

\$.....
- 26.23

Subject to dollar repurchase agreements

\$.....
- 26.24

Subject to reverse dollar repurchase agreements

\$.....
- 26.25

Placed under option agreements

\$.....
- 26.26

Letter stock or securities restricted as to sale – excluding FHLB Capital Stock

\$.....
- 26.27

FHLB Capital Stock

\$.....
- 26.28

On deposit with states

\$.....1,008,595
- 26.29

On deposit with other regulatory bodies

\$.....
- 26.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$.....
- 26.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$.....
- 26.32

Other

\$.....

26.3 For category (26.26) provide the following:

1	2	3
Nature of Restriction	Description	Amount

- 27.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes ☐] No ☒]
- 27.2

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

Yes ☐] No ☐] N/A ☒]
- LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:
- 27.3

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

Yes ☐] No ☒]
- 27.4

If the response to 27.3 is YES, does the reporting entity utilize:
- 27.41

Special accounting provision of SSAP No. 108

Yes ☐] No ☐]
- 27.42

Permitted accounting practice

Yes ☐] No ☐]
- 27.43

Other accounting guidance

Yes ☐] No ☐]
- 27.5

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

Yes ☐] No ☐]
- The reporting entity has obtained explicit approval from the domiciliary state.

Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.

Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.

Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.
- 28.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes ☐] No ☒]
- 28.2

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

\$.....
29.

Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes ☒] No ☐]

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

1	2
Name of Custodian(s)	Custodian's Address
Comerica.....	2850 W Grand Blvd Detroit, MI 48202.....
Huntington Bank.....	41 S. High Street Columbus, OH 43215.....

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

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

- 29.03

Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?

Yes ☐] No ☒]
- 29.04

If yes, give full and complete information relating thereto:

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

PART 1 - COMMON INTERROGATORIES

[illegible]

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 [] No [X]

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

30.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
30.2999 TOTAL		0

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

		1	2	3
		Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1	Bonds.....	0		0
31.2	Preferred Stocks.....	0		0
31.3	Totals	0	0	0

33.2 If no, list exceptions:

Yes [] No [X]

Yes [] No [X]

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE HAP CareSource

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities?

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 [X]

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 nonaffiliated 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 [X] No [] NA []

38.1 Does the reporting entity directly hold cryptocurrencies?

Yes [] No [X]

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

39.1 Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies?

Yes [] No [X]

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

39.21 Held directly

Yes [] No []

39.22 Immediately converted to U.S. dollars

Yes [] No []

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

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

OTHER

- 40.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$0
- 40.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations, and statistical or rating bureaus during the period covered by this statement.

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

- 41.1 Amount of payments for legal expenses, if any? \$196,689
- 41.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

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

- 42.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers, or departments of government, if any? \$724
- 42.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers, or departments of government during the period covered by this statement.

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

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

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

\$0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned

\$0

1.62 Total incurred claims

\$0

1.63 Number of covered lives

.....0

All years prior to most current three years:

1.64 Total premium earned

\$0

1.65 Total incurred claims

\$0

1.66 Number of covered lives

.....0

1.7 Group policies:

Most current three years:

1.71 Total premium earned

\$0

1.72 Total incurred claims

\$0

1.73 Number of covered lives

.....0

All years prior to most current three years:

1.74 Total premium earned

\$0

1.75 Total incurred claims

\$0

1.76 Number of covered lives

.....0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$280,066,090	\$	.....245,068,404
2.2	Premium Denominator	\$280,066,090	\$	.....245,068,403
2.3	Premium Ratio (2.1/2.2)	.....1.000		.....1.000
2.4	Reserve Numerator	\$41,857,102	\$	.....44,752,281
2.5	Reserve Denominator	\$41,857,102	\$	.....44,752,281
2.6	Reserve Ratio (2.4/2.5)	.....1.000		.....1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No []

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [] No []

5.1 Does the reporting entity have stop-loss reinsurance?

Yes [X] No []

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical

\$650,000

5.32 Medical Only

\$

5.33 Medicare Supplement

\$

5.34 Dental and Vision

\$

5.35 Other Limited Benefit Plan

\$

5.36 Other

\$

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
The Company protects subscribers and their dependents against the risk of insolvency through the reinsurance contract with PartnerRe America Insurance Company, as well as a parental guarantee from CareSource, the Company's parent.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [X] No []

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

.....14,004

8.2 Number of providers at end of reporting year

.....18,731

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes [] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

.....

9.22 Business with rate guarantees over 36 months

.....

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No []
10.2 If yes:
10.21 Maximum amount payable bonuses \$.996,728
10.22 Amount actually paid for year bonuses \$.275
10.23 Maximum amount payable withholds \$
10.24 Amount actually paid for year withholds \$
11.1 Is the reporting entity organized as:
11.12 A Medical Group/Staff Model, Yes [] No [X]
11.13 An Individual Practice Association (IPA), or, Yes [] No [X]
11.14 A Mixed Model (combination of above) ? Yes [] No [X]
11.15 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No []
11.3 If yes, show the name of the state requiring such minimum capital and surplus. Michigan
11.4 If yes, show the amount required. \$18,001,954
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]
11.6 If the amount is calculated, show the calculation
12. List service areas in which reporting entity is licensed to operate:

Table with 1 column: Name of Service Area. Rows include Genesee County, Huron County, Lapeer County, Macomb County, Oakland County, St. Clair County, Sanilac County, Shiawassee County, Tuscola County, Wayne County.

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

Table with 7 columns: 1 Company Name, 2 NAIC Company Code, 3 Domiciliary Jurisdiction, 4 Reserve Credit, 5 Letters of Credit, 6 Trust Agreements, 7 Other. Subheader: Assets Supporting Reserve Credit.

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

Table with 1 column: *Ordinary Life Insurance Includes. Rows include Term, Whole Life, Variable Life, Universal Life, Variable Universal Life.

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

FIVE - YEAR HISTORICAL DATA

	1 2023	2 2022	3 2021	4 2020	5 2019
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	103,413,096	92,379,852	95,820,606	88,718,831	73,853,928
2. Total liabilities (Page 3, Line 24)	70,187,731	62,467,771	65,860,427	57,721,002	45,299,350
3. Statutory minimum capital and surplus requirement	18,001,954	16,301,730	8,449,122	6,776,284	4,974,946
4. Total capital and surplus (Page 3, Line 33)	33,225,364	29,912,082	29,960,179	30,997,829	28,554,578
Income Statement (Page 4)					
5. Total revenues (Line 8)	305,669,806	260,430,168	224,761,556	171,881,254	141,983,022
6. Total medical and hospital expenses (Line 18)	241,586,386	212,393,817	178,323,759	153,488,526	112,063,758
7. Claims adjustment expenses (Line 20)	5,258,654	5,303,516	5,269,906	4,657,893	6,591,441
8. Total administrative expenses (Line 21)	65,831,413	43,892,625	40,728,323	35,137,623	34,426,156
9. Net underwriting gain (loss) (Line 24)	393,354	(1,059,790)	(1,060,432)	(27,402,788)	(8,613,333)
10. Net investment gain (loss) (Line 27)	3,590,877	1,001,727	11,405	190,554	873,590
11. Total other income (Lines 28 plus 29)	0	0	0	10,552,938	9,964,207
12. Net income or (loss) (Line 32)	3,984,231	(58,063)	(1,049,027)	(13,098,477)	2,090,993
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	3,681,071	(187,500)	1,290,941	(4,299,686)	12,283,623
Risk-Based Capital Analysis					
14. Total adjusted capital.....	33,225,364	29,912,082	29,960,179	30,997,829	28,554,578
15. Authorized control level risk-based capital.....	9,000,977	8,150,865	7,636,525	6,775,964	4,974,946
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	38,383	42,391	33,121	24,992	17,535
17. Total members months (Column 6, Line 7)	509,440	453,241	362,064	259,418	199,073
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)	86.3	86.7	84.4	89.2	78.9
20. Cost containment expenses	1.2	1.4	1.6	1.8	2.1
21. Other claims adjustment expenses	0.7	0.8	0.9	0.9	2.6
22. Total underwriting deductions (Line 23)	109.0	106.7	106.9	115.8	106.0
23. Total underwriting gain (loss) (Line 24)	0.1	(0.4)	(0.5)	(15.9)	(6.1)
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5)	22,919,212	23,828,774	20,744,018	26,225,732	18,948,688
25. Estimated liability of unpaid claims – [prior year (Line 17, Col. 6)]	29,160,220	33,187,661	30,170,381	22,392,044	23,896,106
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above					

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

If no, please explain

.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

			1	Direct Business Only								
			2	3	4	5	6	7	8	9	10	
State, Etc.			Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	CHIP Title XXI	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 8	Deposit-Type Contracts
1.	Alabama	AL	N								.0	.0
2.	Alaska	AK	N								.0	.0
3.	Arizona	AZ	N								.0	.0
4.	Arkansas	AR	N								.0	.0
5.	California	CA	N								.0	.0
6.	Colorado	CO	N								.0	.0
7.	Connecticut	CT	N								.0	.0
8.	Delaware	DE	N								.0	.0
9.	District of Columbia	DC	N								.0	.0
10.	Florida	FL	N								.0	.0
11.	Georgia	GA	N								.0	.0
12.	Hawaii	HI	N								.0	.0
13.	Idaho	ID	N								.0	.0
14.	Illinois	IL	N								.0	.0
15.	Indiana	IN	N								.0	.0
16.	Iowa	IA	N								.0	.0
17.	Kansas	KS	N								.0	.0
18.	Kentucky	KY	N								.0	.0
19.	Louisiana	LA	N								.0	.0
20.	Maine	ME	N								.0	.0
21.	Maryland	MD	N								.0	.0
22.	Massachusetts	MA	N								.0	.0
23.	Michigan	MI	L		125,655,136	155,300,386					280,955,522	.0
24.	Minnesota	MN	N								.0	.0
25.	Mississippi	MS	N								.0	.0
26.	Missouri	MO	N								.0	.0
27.	Montana	MT	N								.0	.0
28.	Nebraska	NE	N								.0	.0
29.	Nevada	NV	N								.0	.0
30.	New Hampshire	NH	N								.0	.0
31.	New Jersey	NJ	N								.0	.0
32.	New Mexico	NM	N								.0	.0
33.	New York	NY	N								.0	.0
34.	North Carolina	NC	N								.0	.0
35.	North Dakota	ND	N								.0	.0
36.	Ohio	OH	N								.0	.0
37.	Oklahoma	OK	N								.0	.0
38.	Oregon	OR	N								.0	.0
39.	Pennsylvania	PA	N								.0	.0
40.	Rhode Island	RI	N								.0	.0
41.	South Carolina	SC	N								.0	.0
42.	South Dakota	SD	N								.0	.0
43.	Tennessee	TN	N								.0	.0
44.	Texas	TX	N								.0	.0
45.	Utah	UT	N								.0	.0
46.	Vermont	VT	N								.0	.0
47.	Virginia	VA	N								.0	.0
48.	Washington	WA	N								.0	.0
49.	West Virginia	WV	N								.0	.0
50.	Wisconsin	WI	N								.0	.0
51.	Wyoming	WY	N								.0	.0
52.	American Samoa	AS	N								.0	.0
53.	Guam	GU	N								.0	.0
54.	Puerto Rico	PR	N								.0	.0
55.	U.S. Virgin Islands	VI	N								.0	.0
56.	Northern Mariana Islands	MP	N								.0	.0
57.	Canada	CAN	N								.0	.0
58.	Aggregate other alien	OT	.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
59.	Subtotal		.XXX	.0	125,655,136	155,300,386	.0	.0	.0	.0	280,955,522	.0
60.	Reporting entity contributions for Employee Benefit Plans		.XXX								.0	
61.	Total (Direct Business)		.XXX	0	125,655,136	155,300,386	0	0	0	0	280,955,522	0
DETAILS OF WRITE-INS												
58001.			.XXX									
58002.			.XXX									
58003.			.XXX									
58998.	Summary of remaining write-ins for Line 58 from overflow page		.XXX	.0	.0	.0	.0	.0	.0	.0	.0	.0
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)		.XXX	0	0	0	0	0	0	0	0	0

(a) Active Status Counts

1. L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG1

2. R – Registered – Non-domiciled RRGs0

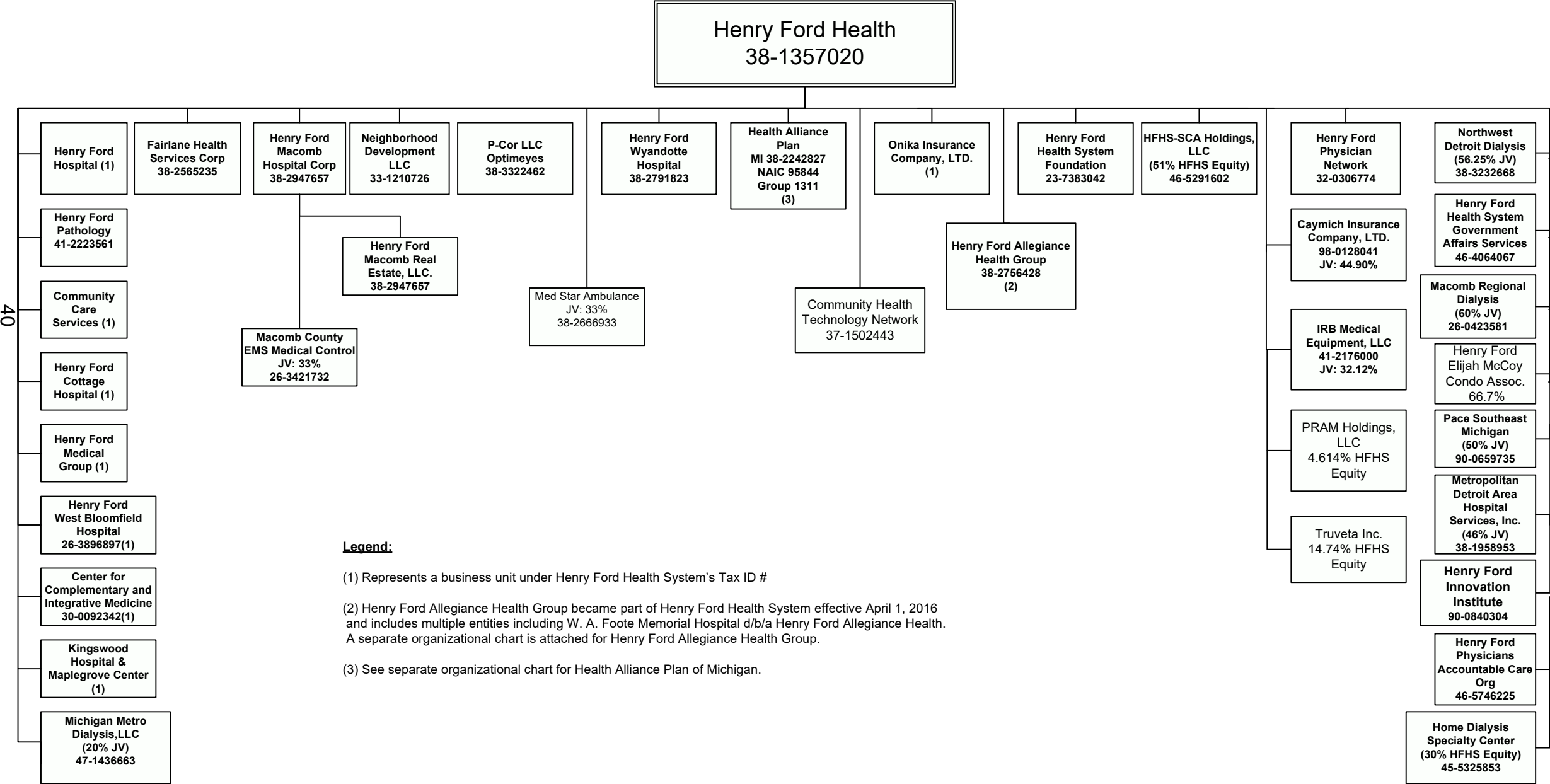
3. E – Eligible – Reporting entities eligible or approved to write surplus lines in the state0

4. Q – Qualified – Qualified or accredited reinsurer0

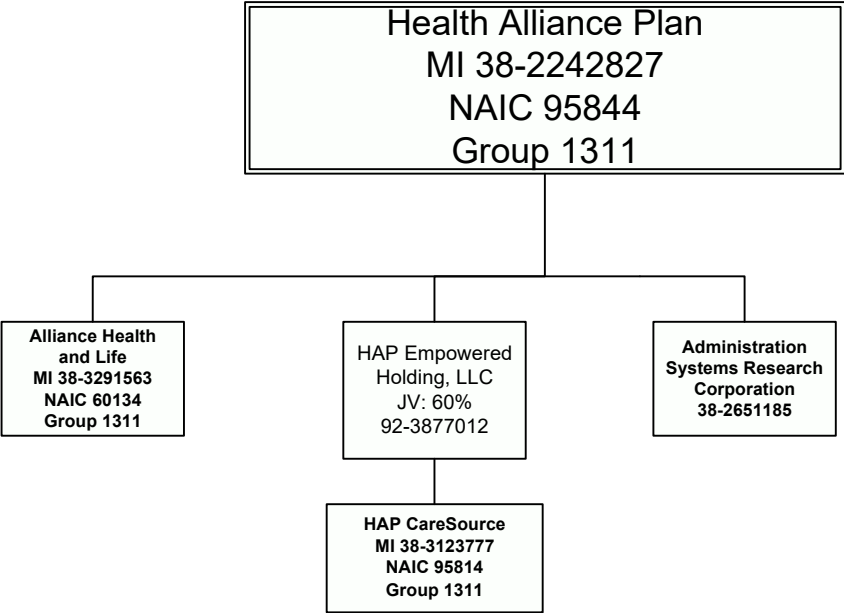
5. N – None of the above – Not allowed to write business in the state.....56

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

STATEMENT AS OF DECEMBER 31, 2023 OF THE HAP CareSource
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



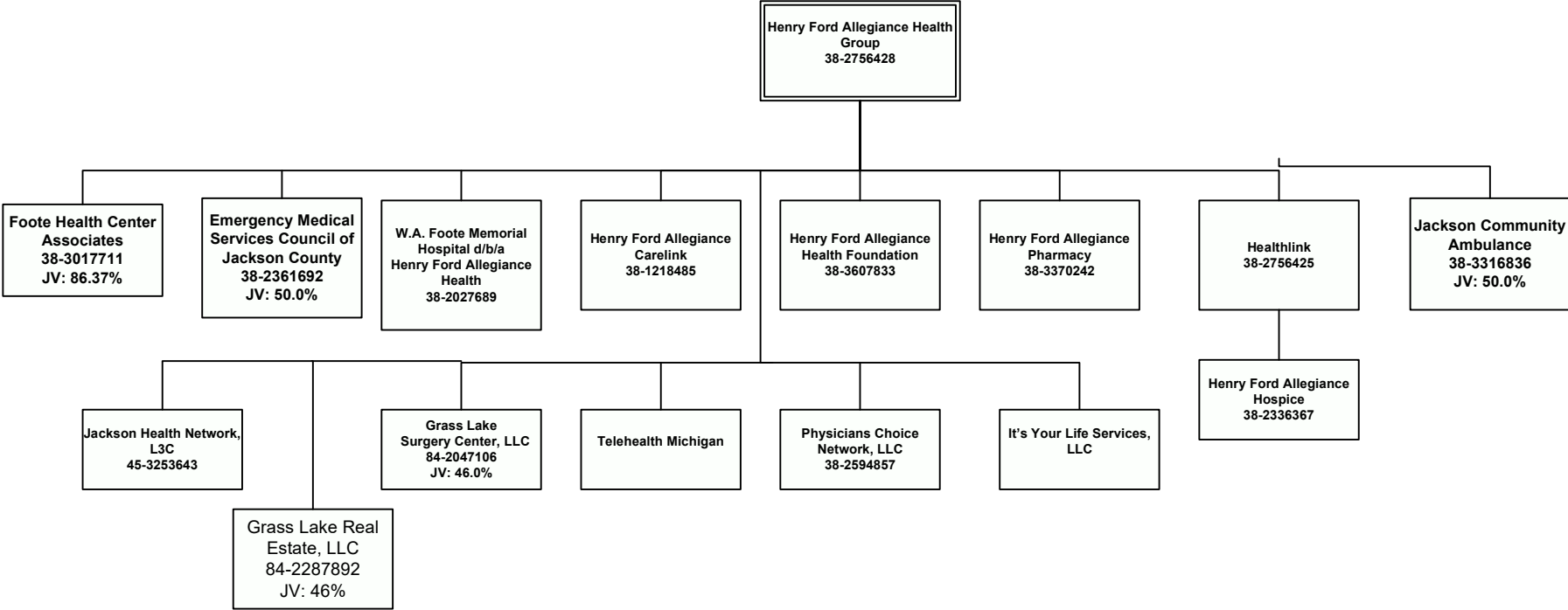
STATEMENT AS OF DECEMBER 31, 2023 OF THE HAP CareSource
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



Legend:

- (1) Represents a business unit under Henry Ford Health System's Tax ID #
- (2) Henry Ford Allegiance Health Group became part of Henry Ford Health System effective April 1, 2016 and includes multiple entities including W.A. Foote Memorial Hospital d/b/a Henry Ford Allegiance Health. A separate organizational chart is attached.

STATEMENT AS OF DECEMBER 31, 2023 OF THE HAP CareSource
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



STATEMENT AS OF DECEMBER 31, 2023 OF THE HAP CareSource
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART

