



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2023  
OF THE CONDITION AND AFFAIRS OF THE

## Priority Health

NAIC Group Code 3383 3383 NAIC Company Code 95561 Employer's ID Number 38-2715520  
(Current) (Prior)

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

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

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

Incorporated/Organized 03/07/1986 Commenced Business 10/15/1986

Statutory Home Office 1231 East Beltline NE, Grand Rapids, MI, US 49525-4501  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1231 East Beltline NE  
(Street and Number)  
Grand Rapids, MI, US 49525-4501, 616-464-8931  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1231 East Beltline NE, Grand Rapids, MI, US 49525-4501  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1231 East Beltline NE  
(Street and Number)  
Grand Rapids, MI, US 49525-4501, 616-464-8131  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.priorityhealth.com

Statutory Statement Contact Stephanie Savic, 616-464-8205  
(Name) (Area Code) (Telephone Number)  
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### OFFICERS

President / Chief Executive Officer Praveen Gope Thadani Secretary Kimberly Lynn Thomas  
Treasurer / Chief Financial Officer Nicholas Patrick Gates

### OTHER

### DIRECTORS OR TRUSTEES

<u>Doug Paul Baker</u>	<u>Matthew Elson Cox</u>	<u>Christina Michelle Freese Decker</u>
<u>Richard Lee DeVore</u>	<u>Doug Allen Dozeman</u>	<u>Linda Hughley Gillum #</u>
<u>Ann Mutzabaugh Harten</u>	<u>Birgit Maria Klohs</u>	<u>Howard Neal Morof</u>
<u>Edwin Anders Ness</u>	<u>Ora Hirsch Pescovitz</u>	<u>Garrick John Rochow #</u>
<u>Mina Patel Sooch</u>	<u>Michael Frederic Sytsma</u>	<u>Praveen Gope Thadani</u>
<u>Alicia Margarita Torres</u>	<u>Elaine Coston Wood</u>	

State of Michigan SS  
County of \_\_\_\_\_

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.

Praveen Gope Thadani  
President

Nicholas Patrick Gates  
Treasurer

Kimberly Lynn Thomas  
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.....

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	621,665,017		621,665,017	599,343,273
2. Stocks (Schedule D):				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	630,839,435	6,700,000	624,139,435	562,900,288
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 (\$ .....(33,653,998) , Schedule E - Part 1), cash equivalents (\$ .....218,781,112 , Schedule E - Part 2) and short-term investments (\$ .....334,711,498 , Schedule DA) .....	519,838,606		519,838,606	465,349,090
6. Contract loans, (including \$ ..... premium notes) .....			0	0
7. Derivatives (Schedule DB) .....			0	0
8. Other invested assets (Schedule BA) .....			0	0
9. Receivables for securities .....	2,000,000		2,000,000	6,800,000
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) .....	1,774,343,058	6,700,000	1,767,643,058	1,634,392,651
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	6,205,148		6,205,148	5,009,757
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	16,728,628	1,880,077	14,848,551	16,183,880
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 (\$ ..... ) and contracts subject to redetermination (\$ .....41,334,866 ) .....	41,334,866		41,334,866	49,839,776
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	3,487,226		3,487,226	3,068,610
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....	931,000		931,000	0
17. Amounts receivable relating to uninsured plans .....	37,145,011		37,145,011	20,670,084
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....			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 .....	20,412,672		20,412,672	20,599,053
24. Health care (\$ .....183,265,257 ) and other amounts receivable .....	238,616,056	55,322,991	183,293,065	144,732,057
25. Aggregate write-ins for other than invested assets .....	52,102,461	52,102,461	0	(20,605,419)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,191,306,126	116,005,529	2,075,300,597	1,873,890,449
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27)	2,191,306,126	116,005,529	2,075,300,597	1,873,890,449
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Prepaid expenses .....	52,102,461	52,102,461	0	0
2502. Goodwill .....	0		0	(20,605,419)
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	52,102,461	52,102,461	0	(20,605,419)

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ .....0 reinsurance ceded) .....	454,982,291	26,128,942	481,111,233	440,190,858
2. Accrued medical incentive pool and bonus amounts .....	21,937,457		21,937,457	30,096,545
3. Unpaid claims adjustment expenses.....	6,882,943	491,712	7,374,655	7,778,877
4. Aggregate health policy reserves, including the liability of \$ .....0 for medical loss ratio rebate per the Public Health Service Act .....	104,540,271		104,540,271	100,210,167
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.....	25,248,502		25,248,502	20,339,003
9. General expenses due or accrued.....	39,678,003		39,678,003	29,711,467
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.....	4,038,056		4,038,056	4,348,433
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current).....			0	0
15. Amounts due to parent, subsidiaries and affiliates.....	5,307,391		5,307,391	2,734,261
16. Derivatives.....			0	0
17. Payable for securities.....	1,181,312		1,181,312	3,252,704
18. Payable for securities lending .....			0	0
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers).....			0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
22. Liability for amounts held under uninsured plans.....	26,647,177		26,647,177	23,784,327
23. Aggregate write-ins for other liabilities (including \$ ..... current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	690,443,403	26,620,654	717,064,057	662,446,642
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	1,000,000	1,000,000
26. Common capital stock.....	XXX	XXX	8,471	8,471
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	35,821,001	35,821,002
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	1,321,407,068	1,174,614,334
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ).....	XXX	XXX		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	1,358,236,540	1,211,443,807
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,075,300,597	1,873,890,449
<b>DETAILS OF WRITE-INS</b>				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	0	0	0	0
2501. Appropriated Retained Earnings .....	XXX	XXX	1,000,000	1,000,000
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	1,000,000	1,000,000
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	9,065,438	8,479,461
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	5,371,088,277	4,695,822,159
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	(2,330,739)	(3,224,811)
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX	0	0
5. Risk revenue .....	XXX	0	0
6. Aggregate write-ins for other health care related revenues .....	XXX	1,573,681	1,358,311
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	5,370,331,219	4,693,955,659
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		3,702,375,588	3,215,674,802
10. Other professional services .....		79,717,537	68,144,358
11. Outside referrals .....		101,860,315	113,458,029
12. Emergency room and out-of-area .....		197,465,356	179,290,461
13. Prescription drugs .....		635,383,661	546,161,925
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		94,802,900	50,126,366
16. Subtotal (Lines 9 to 15) .....	0	4,811,605,357	4,172,855,941
<b>Less:</b>			
17. Net reinsurance recoveries .....		4,860,244	3,561,373
18. Total hospital and medical (Lines 16 minus 17) .....	0	4,806,745,113	4,169,294,568
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ ..... 77,513,565 cost containment expenses ....		159,077,636	145,790,201
21. General administrative expenses .....		424,976,139	378,453,007
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	5,390,798,888	4,693,537,776
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(20,467,669)	417,883
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		57,826,715	31,917,331
26. Net realized capital gains (losses) less capital gains tax of \$ .....		53,922,087	79,598,369
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	111,748,802	111,515,700
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			
29. Aggregate write-ins for other income or expenses .....	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	91,281,133	111,933,583
31. Federal and foreign income taxes incurred .....	XXX		
32. Net income (loss) (Lines 30 minus 31) .....	XXX	91,281,133	111,933,583
<b>DETAILS OF WRITE-INS</b>			
0601. Wellness Revenue .....	XXX	1,573,681	1,358,311
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX	1,573,681	1,358,311
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....	0	0	0
2901. ....			
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	0	0

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year.....	1,211,443,847	1,241,012,898
34. Net income or (loss) from Line 32 .....	91,281,133	111,933,583
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	58,330,620	(104,387,521)
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	(14,593,585)	(37,115,113)
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in .....	(1)	0
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....	11,774,526	0
48. Net change in capital and surplus (Lines 34 to 47) .....	146,792,693	(29,569,051)
49. Capital and surplus end of reporting period (Line 33 plus 48)	1,358,236,540	1,211,443,847
<b>DETAILS OF WRITE-INS</b>		
4701. Prior Period Adjustment Goodwill Amortization .....	11,774,526	0
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	11,774,526	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	5,451,449,763	4,774,056,315
2. Net investment income .....	56,561,811	32,479,218
3. Miscellaneous income .....	1,573,681	1,358,311
4. Total (Lines 1 through 3) .....	5,509,585,255	4,807,893,844
5. Benefit and loss related payments .....	4,827,321,737	4,189,632,432
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	588,103,538	531,155,900
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	0	0
10. Total (Lines 5 through 9) .....	5,415,425,275	4,720,788,332
11. Net cash from operations (Line 4 minus Line 10) .....	94,159,980	87,105,512
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	126,885,046	177,110,103
12.2 Stocks .....	19,577,743	91,376
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 .....	(159,824)	(106,373)
12.7 Miscellaneous proceeds .....	4,800,000	396,534
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	151,102,965	177,491,640
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	153,386,911	196,609,349
13.2 Stocks .....	29,134,410	16,375,051
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	2,071,392	6,765,000
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	184,592,713	219,749,400
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) .....	(33,489,748)	(42,257,760)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	(1)	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	(6,180,753)	(42,389,576)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(6,180,754)	(42,389,576)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	54,489,478	2,458,176
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	465,349,128	462,890,952
19.2 End of year (Line 18 plus Line 19.1) .....	519,838,606	465,349,128

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

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ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Net premium income	5,371,088,277	732,537,458	2,018,129,460	41,169,648			12,280,085	2,566,971,626						
2. Change in unearned premium reserves and reserve for rate credit	(2,330,739)							(2,330,739)						
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	1,573,681	0	1,573,681	0	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	5,370,331,219	732,537,458	2,019,703,141	41,169,648	0	0	12,280,085	2,564,640,887	0	0	0	0	0	0
8. Hospital/medical benefits	3,702,375,588	478,721,838	1,314,407,231	34,157,370			7,829,475	1,867,259,674						XXX
9. Other professional services	79,717,537	1,388,493	2,330,030	4,479			13,879	75,980,656						XXX
10. Outside referrals	101,860,315	13,204,980	36,443,740	954,736			217,083	51,039,776						XXX
11. Emergency room and out-of-area	197,465,356	26,954,860	64,846,162	1,053,747			386,266	104,224,321						XXX
12. Prescription drugs	635,383,661	96,329,145	298,818,525	133,263			1,779,960	238,322,768						XXX
13. Aggregate write-ins for other hospital and medical incentive pool, withhold adjustments and bonus amounts	94,802,900	12,127,747	49,989,964				297,773	32,387,416						XXX
15. Subtotal (Lines 8 to 14)	4,811,605,357	628,727,063	1,766,835,652	36,303,595	0	0	10,524,436	2,369,214,611	0	0	0	0	0	XXX
16. Net reinsurance recoveries	4,860,244	367,432	4,363,854					128,958						XXX
17. Total medical and hospital (Lines 15 minus 16)	4,806,745,113	628,359,631	1,762,471,798	36,303,595	0	0	10,524,436	2,369,085,653	0	0	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 76,854,485 cost containment expenses	159,077,636	23,173,601	62,864,086	1,617,507			374,460	71,047,982						
20. General administrative expenses	424,976,138	98,466,469	147,709,201	4,716,014			898,793	173,185,661						
21. Increase in reserves for accident and health contracts	0													XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	5,390,798,887	749,999,701	1,973,045,085	42,637,116	0	0	11,797,689	2,613,319,296	0	0	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(20,467,668)	(17,462,243)	46,658,056	(1,467,468)	0	0	482,396	(48,678,409)	0	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>														
0501. Wellness Revenue	1,573,681		1,573,681											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 thru 0503 plus 0598) (Line 5 above)	1,573,681	0	1,573,681	0	0	0	0	0	0	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 thru 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 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**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 .....	733,125,901		588,443	732,537,458
2. Comprehensive (hospital and medical) group .....	2,023,092,050		4,962,590	2,018,129,460
3. Medicare Supplement .....	41,169,648			41,169,648
4. Vision only .....				0
5. Dental only .....				0
6. Federal Employees Health Benefits Plan .....	12,310,282		30,197	12,280,085
7. Title XVIII - Medicare .....	2,567,306,762		335,136	2,566,971,626
8. Title XIX - Medicaid .....	0			0
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) .....	5,377,004,643	0	5,916,366	5,371,088,277
14. Life .....	0			0
15. Property/casualty .....	0			0
16. Totals (Lines 13 to 15)	5,377,004,643	0	5,916,366	5,371,088,277



ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2 - CLAIMS INCURRED DURING THE YEAR**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Payments during the year:														
1.1 Direct .....	5,185,358,798	658,270,486	1,887,744,610	35,636,111			10,632,445	2,593,075,146						
1.2 Reinsurance assumed .....	0	0	0					0						
1.3 Reinsurance ceded .....	4,441,628	63,045	4,355,998					22,585						
1.4 Net .....	5,180,917,170	658,207,441	1,883,388,612	35,636,111	0	0	10,632,445	2,593,052,561	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses .....	102,961,989	13,897,532	51,572,912				297,773	37,193,772						
3. Claim liability December 31, current year from Part 2A:														
3.1 Direct .....	481,111,235	87,676,188	195,823,910	5,218,192	0	0	536,291	191,856,654	0	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 .....	481,111,235	87,676,188	195,823,910	5,218,192	0	0	536,291	191,856,654	0	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													
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 .....	21,937,458	2,705,921	10,335,263					8,896,274						
6. Net health care receivables (a) .....	509,476,717	60,246,821	181,734,186					267,495,710						
7. Amounts recoverable from reinsurers December 31, current year .....	3,487,226	388,848	2,992,004					106,374						
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct .....	440,190,858	69,100,536	185,286,419	4,550,708	0	0	644,300	180,608,895	0	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 .....	440,190,858	69,100,536	185,286,419	4,550,708	0	0	644,300	180,608,895	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:														
9.1 Direct .....	0													
9.2 Reinsurance assumed .....	0													
9.3 Reinsurance ceded .....	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 .....	30,096,545	4,475,706	11,918,210					13,702,629						
11. Amounts recoverable from reinsurers December 31, prior year .....	3,068,610	84,462	2,984,148											
12. Incurred Benefits:														
12.1 Direct .....	4,716,802,458	616,599,317	1,716,547,915	36,303,595	0	0	10,524,436	2,336,827,195	0	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 .....	4,860,244	367,431	4,363,854	0	0	0	0	128,959	0	0	0	0	0	0
12.4 Net .....	4,711,942,214	616,231,886	1,712,184,061	36,303,595	0	0	10,524,436	2,336,698,236	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses .....	94,802,902	12,127,747	49,989,965	0	0	0	297,773	32,387,417	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13	14
	Total	2 Individual	3 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. Reported in Process of Adjustment:														
1.1 Direct .....	145,772,317	21,305,946	47,379,967	1,269,366			183,740	75,633,298						
1.2 Reinsurance assumed .....	0													
1.3 Reinsurance ceded .....	0													
1.4 Net .....	145,772,317	21,305,946	47,379,967	1,269,366	0	0	183,740	75,633,298	0	0	0	0	0	0
2. Incurred but Unreported:														
2.1 Direct .....	335,338,918	66,370,242	148,443,943	3,948,826			352,551	116,223,356						
2.2 Reinsurance assumed .....	0													
2.3 Reinsurance ceded .....	0													
2.4 Net .....	335,338,918	66,370,242	148,443,943	3,948,826	0	0	352,551	116,223,356	0	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 .....	481,111,235	87,676,188	195,823,910	5,218,192	0	0	536,291	191,856,654	0	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	481,111,235	87,676,188	195,823,910	5,218,192	0	0	536,291	191,856,654	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	
1. Comprehensive (hospital and medical) individual .....	69,073,843	588,829,211	950,575	86,725,613	70,024,418	69,100,536
2. Comprehensive (hospital and medical) group .....	170,508,557	1,712,872,199	656,908	195,167,002	171,165,465	185,286,419
3. Medicare Supplement .....	4,423,742	31,212,370	7,728	5,210,463	4,431,470	4,550,708
4. Vision Only .....					0	0
5. Dental Only .....					0	0
6. Federal Employees Health Benefits Plan .....	1,308,053	9,324,392	676	535,615	1,308,729	644,300
7. Title XVIII - Medicare .....	173,558,923	2,419,387,265	79,529	191,777,125	173,638,452	180,608,895
8. Title XIX - Medicaid .....					0	0
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) .....	418,873,118	4,761,625,437	1,695,416	479,415,818	420,568,534	440,190,858
14. Health care receivables (a) .....		509,476,717			0	0
15. Other non-health .....					0	0
16. Medical incentive pools and bonus amounts .....	28,829,791	74,132,197		21,937,457	28,829,791	30,096,545
17. Totals (Lines 13 - 14 + 15 + 16)	447,702,909	4,326,280,917	1,695,416	501,353,275	449,398,325	470,287,403

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(\$000 Omitted)

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

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	62,387	62,387	62,387	62,387	62,387
2. 2019 .....	1,383,404	1,518,569	1,518,569	1,518,569	1,518,569
3. 2020 .....	XXX	1,479,318	1,641,618	1,641,618	1,641,618
4. 2021 .....	XXX	XXX	1,743,330	1,964,781	1,964,781
5. 2022 .....	XXX	XXX	XXX	1,837,665	2,093,379
6. 2023 .....	XXX	XXX	XXX	XXX	2,109,357

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

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	62,059	62,059	62,059	62,059	62,059
2. 2019 .....	1,537,379	1,522,509	1,522,509	1,522,509	1,522,509
3. 2020 .....	XXX	1,661,710	1,626,558	1,626,558	1,626,558
4. 2021 .....	XXX	XXX	1,981,154	1,940,096	1,940,096
5. 2022 .....	XXX	XXX	XXX	2,108,314	2,094,855
6. 2023 .....	XXX	XXX	XXX	XXX	2,404,291

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	1,766,464	1,518,569	73,697	4.9	1,592,266	90.1			1,592,266	90.1
2. 2020 .....	1,913,855	1,641,618	77,751	4.7	1,719,369	89.8			1,719,369	89.8
3. 2021 .....	2,167,245	1,964,781	85,263	4.3	2,050,044	94.6			2,050,044	94.6
4. 2022 .....	2,423,033	2,093,379	101,320	4.8	2,194,699	90.6	1,607	24	2,196,330	90.6
5. 2023 .....	2,750,667	2,109,357	63,193	3.0	2,172,550	79.0	294,934	4,435	2,471,919	89.9

12.HM

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

**Section A - Paid Health Claims - Medicare Supplement**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	2,522	2,522	2,522	2,522	2,522
2. 2019 .....	24,083	26,896	26,896	26,896	26,896
3. 2020 .....	XXX	21,827	25,008	25,008	25,008
4. 2021 .....	XXX	XXX	26,112	29,784	29,784
5. 2022 .....	XXX	XXX	XXX	28,025	32,449
6. 2023 .....	XXX	XXX	XXX	XXX	31,212

**Section B - Incurred Health Claims - Medicare Supplement**

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 .....	1,442	1,442	1,442	1,442	1,442
2. 2019 .....	27,325	26,881	26,881	26,881	26,881
3. 2020 .....	XXX	25,227	25,002	25,002	25,002
4. 2021 .....	XXX	XXX	30,339	29,775	29,775
5. 2022 .....	XXX	XXX	XXX	32,585	32,466
6. 2023 .....	XXX	XXX	XXX	XXX	36,423

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Medicare Supplement**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	35,540	26,896	3,195	11.9	30,091	84.7			30,091	84.7
2. 2020 .....	36,800	25,008	3,099	12.4	28,107	76.4			28,107	76.4
3. 2021 .....	36,444	29,784	3,202	10.8	32,986	90.5			32,986	90.5
4. 2022 .....	38,560	32,449	3,666	11.3	36,115	93.7	8	0	36,123	93.7
5. 2023 .....	41,170	31,212	2,166	6.9	33,378	81.1	5,210	89	38,677	93.9

12.MS

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

**Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2019	2 2020	3 2021	4 2022	5 2023
1. Prior .....	2,167	2,167	2,167	2,167	2,167
2. 2019 .....	13,177	14,322	14,322	14,322	14,322
3. 2020 .....	XXX	9,663	10,610	10,610	10,610
4. 2021 .....	XXX	XXX	10,476	11,523	11,523
5. 2022 .....	XXX	XXX	XXX	8,648	9,956
6. 2023 .....	XXX	XXX	XXX	XXX	9,324

**Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium**

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 .....	1,897	1,897	1,897	1,897	1,897
2. 2019 .....	14,289	14,392	14,392	14,392	14,392
3. 2020 .....	XXX	10,549	10,604	10,604	10,604
4. 2021 .....	XXX	XXX	10,556	11,494	11,494
5. 2022 .....	XXX	XXX	XXX	9,292	9,956
6. 2023 .....	XXX	XXX	XXX	XXX	9,860

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	12,129	2,167	396	18.3	2,563	21.1			2,563	21.1
2. 2020 .....	11,274	14,322	373	2.6	14,695	130.3			14,695	130.3
3. 2021 .....	11,577	10,610	363	3.4	10,973	94.8			10,973	94.8
4. 2022 .....	11,875	11,523	433	3.8	11,956	100.7	1	0	11,957	100.7
5. 2023 .....	12,280	9,956	249	2.5	10,205	83.1	535	0	10,740	87.5

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health

**UNDERWRITING AND INVESTMENT EXHIBIT**

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

**Section A - Paid Health Claims - Title XVIII**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2019	2 2020	3 2021	4 2022	5 2023
1.	Prior .....	(4,189)	(4,189)	(4,189)	(4,189)	(4,189)
2.	2019 .....	1,336,101	1,431,709	1,431,709	1,431,709	1,431,709
3.	2020 .....	XXX	1,504,137	1,655,853	1,655,853	1,655,853
4.	2021 .....	XXX	XXX	1,751,318	1,914,941	1,914,941
5.	2022 .....	XXX	XXX	XXX	1,878,408	2,064,648
6.	2023 .....	XXX	XXX	XXX	XXX	2,176,404

**Section B - Incurred Health Claims - Title XVIII**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2019	2 2020	3 2021	4 2022	5 2023
1.	Prior .....	69,218	69,218	69,218	69,218	69,218
2.	2019 .....	1,451,645	1,427,386	1,427,386	1,427,386	1,427,386
3.	2020 .....	XXX	1,676,056	1,656,147	1,656,147	1,656,147
4.	2021 .....	XXX	XXX	1,902,839	1,889,618	1,889,618
5.	2022 .....	XXX	XXX	XXX	2,073,009	2,065,034
6.	2023 .....	XXX	XXX	XXX	XXX	2,377,061

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	1,592,463	1,431,709	30,803	2.2	1,462,512	91.8			1,462,512	91.8
2. 2020 .....	1,994,444	1,655,853	35,127	2.1	1,690,980	84.8			1,690,980	84.8
3. 2021 .....	2,077,493	1,914,941	38,890	2.0	1,953,831	94.0			1,953,831	94.0
4. 2022 .....	2,224,122	2,064,648	45,804	2.2	2,110,452	94.9	80	1	2,110,533	94.9
5. 2023 .....	2,566,972	2,176,404	28,586	1.3	2,204,990	85.9	200,673	2,825	2,408,488	93.8

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health

**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 .....	62,887	62,887	62,887	62,887	62,887
2.	2019 .....	2,756,765	2,991,496	2,991,496	2,991,496	2,991,496
3.	2020 .....	XXX	3,014,945	3,333,089	3,333,089	3,333,089
4.	2021 .....	XXX	XXX	3,531,236	3,921,029	3,921,029
5.	2022 .....	XXX	XXX	XXX	3,752,746	4,200,432
6.	2023 .....	XXX	XXX	XXX	XXX	4,326,297

**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 .....	134,616	134,616	134,616	134,616	134,616
2.	2019 .....	3,030,638	2,991,168	2,991,168	2,991,168	2,991,168
3.	2020 .....	XXX	3,373,542	3,318,311	3,318,311	3,318,311
4.	2021 .....	XXX	XXX	3,924,888	3,870,983	3,870,983
5.	2022 .....	XXX	XXX	XXX	4,223,200	4,202,311
6.	2023 .....	XXX	XXX	XXX	XXX	4,827,635

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2019 .....	3,406,596	2,979,341	108,091	3.6	3,087,432	90.6	0	0	3,087,432	90.6
2. 2020 .....	3,956,373	3,336,801	116,350	3.5	3,453,151	87.3	0	0	3,453,151	87.3
3. 2021 .....	4,292,759	3,920,116	127,718	3.3	4,047,834	94.3	0	0	4,047,834	94.3
4. 2022 .....	4,697,590	4,201,999	151,223	3.6	4,353,222	92.7	1,696	25	4,354,943	92.7
5. 2023 .....	5,371,089	4,326,929	94,194	2.2	4,421,123	82.3	501,352	7,349	4,929,824	91.8

12.GT



ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
1. Unearned premium reserves .....	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) ..	92,340,496	82,405,156	9,935,340										
5. Aggregate write-ins for other policy reserves .....	12,199,775	0	4,308,166	0	0	0	0	7,891,609	0	0	0	0	0
6. Totals (gross) .....	104,540,271	82,405,156	14,243,506	0	0	0	0	7,891,609	0	0	0	0	0
7. Reinsurance ceded .....	0												
8. Totals (Net)(Page 3, Line 4) .....	104,540,271	82,405,156	14,243,506	0	0	0	0	7,891,609	0	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. Cost Plus .....	4,308,166		4,308,166										
0502. Risk Corridor .....	7,891,609							7,891,609					
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 thru 0503 plus 0598) (Line 5 above)	12,199,775	0	4,308,166	0	0	0	0	7,891,609	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 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Includes \$ ..... premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**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) .....	858,210	903,057	2,071,740		3,833,007
2. Salary, wages and other benefits .....	35,016,514	36,846,320	84,530,708		156,393,542
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....			153,371,924		153,371,924
4. Legal fees and expenses .....	4,514	4,750	10,896		20,160
5. Certifications and accreditation fees .....	98,353	103,493	237,427		439,273
6. Auditing, actuarial and other consulting services ...	4,448,634	4,681,099	10,739,109		19,868,842
7. Traveling expenses .....	139,758	147,060	337,379		624,197
8. Marketing and advertising .....	3,434,396	3,613,862	8,290,716		15,338,974
9. Postage, express and telephone .....	1,288,823	1,356,172	3,111,250		5,756,245
10. Printing and office supplies .....	155,348	163,466	375,014		693,828
11. Occupancy, depreciation and amortization .....	32,726	34,436	(8,751,894)		(8,684,732)
12. Equipment .....	9,335	9,822	22,534		41,691
13. Cost or depreciation of EDP equipment and software .....	5,185,655	5,456,633	12,518,295		23,160,583
14. Outsourced services including EDP, claims, and other services .....	4,123,201	4,338,660	64,050,654		72,512,515
15. Boards, bureaus and association fees .....					0
16. Insurance, except on real estate .....	219,307	230,766	529,412		979,485
17. Collection and bank service charges .....	29,801	31,358	2,399,073		2,460,232
18. Group service and administration fees .....					0
19. Reimbursements by uninsured plans .....					0
20. Reimbursements from fiscal intermediaries .....					0
21. Real estate expenses .....	4,477	4,711	10,808		19,996
22. Real estate taxes .....	76,101	80,077	190,197		346,375
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....	7,596	7,993	27,805		43,394
23.2 State premium taxes .....					0
23.3 Regulatory authority licenses and fees .....			35,119,725		35,119,725
23.4 Payroll taxes .....	1,947,331	2,049,089	4,700,903		8,697,323
23.5 Other (excluding federal income and real estate taxes) .....	218,074	229,470	2,281,973		2,729,517
24. Investment expenses not included elsewhere .....					0
25. Aggregate write-ins for expenses .....	20,215,411	21,271,777	48,800,491	0	90,287,679
26. Total expenses incurred (Lines 1 to 25) .....	77,513,565	81,564,071	424,976,139	0	(a) 584,053,775
27. Less expenses unpaid December 31, current year .....	3,593,439	3,781,216	39,678,001		47,052,656
28. Add expenses unpaid December 31, prior year ....	4,025,896	3,752,982	29,711,467		37,490,345
29. Amounts receivable relating to uninsured plans, prior year .....			(3,114,243)		(3,114,243)
30. Amounts receivable relating to uninsured plans, current year .....			10,497,834		10,497,834
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	77,946,022	81,535,837	428,621,682	0	588,103,541
<b>DETAILS OF WRITE-INS</b>					
2501. Finance Management Fee .....	895,279	942,063	2,161,226		3,998,568
2502. HR Management Fee .....	588,109	618,841	1,419,710		2,626,660
2503. IS Management Fee .....	14,715,137	15,484,083	35,522,695		65,721,915
2598. Summary of remaining write-ins for Line 25 from overflow page .....	4,016,886	4,226,790	9,696,860	0	17,940,536
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	20,215,411	21,271,777	48,800,491	0	90,287,679

(a) Includes management fees of \$ .....346,197,248 to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds .....	(a) ..... 9,021,929	..... 9,429,559
1.1 Bonds exempt from U.S. tax .....	(a) .....	.....
1.2 Other bonds (unaffiliated) .....	(a) ..... 9,471,139	..... 9,636,658
1.3 Bonds of affiliates .....	(a) .....	.....
2.1 Preferred stocks (unaffiliated) .....	(b) .....	.....
2.11 Preferred stocks of affiliates .....	(b) .....	.....
2.2 Common stocks (unaffiliated) .....	..... 9,419,272	..... 9,419,272
2.21 Common stocks of affiliates .....	.....	.....
3. Mortgage loans .....	(c) .....	.....
4. Real estate .....	(d) .....	.....
5. Contract Loans .....	.....	.....
6. Cash, cash equivalents and short-term investments .....	(e) ..... 28,718,983	..... 29,341,226
7. Derivative instruments .....	(f) .....	.....
8. Other invested assets .....	.....	.....
9. Aggregate write-ins for investment income .....	..... 0	..... 0
10. Total gross investment income .....	56,631,323	57,826,715
11. Investment expenses .....	.....	(g) ..... 0
12. Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g) ..... 0
13. Interest expense .....	.....	(h) .....
14. Depreciation on real estate and other invested assets .....	.....	(i) .....
15. Aggregate write-ins for deductions from investment income .....	.....	..... 0
16. Total deductions (Lines 11 through 15) .....	.....	..... 0
17. Net investment income (Line 10 minus Line 16)		57,826,715
<b>DETAILS OF WRITE-INS</b>		
0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	..... 0	..... 0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page .....	.....	..... 0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)	.....	0

- (a) Includes \$ ..... 1,520,708 accrual of discount less \$ ..... 1,451,195 amortization of premium and less \$ ..... 645,381 paid for accrued interest on purchases.
- (b) Includes \$ ..... 0 accrual of discount less \$ ..... 0 amortization of premium and less \$ ..... 0 paid for accrued dividends on purchases.
- (c) Includes \$ ..... 0 accrual of discount less \$ ..... 0 amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own 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 \$ ..... 0 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 .....	(3,029,257)	0	(3,029,257)	0	0
1.1 Bonds exempt from U.S. tax .....	0	0	0	0	0
1.2 Other bonds (unaffiliated) .....	(1,291,316)	0	(1,291,316)	70,915	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) .....	(6,599,291)	0	(6,599,291)	39,944,586	0
2.21 Common stocks of affiliates .....	0	65,000,000	65,000,000	18,337,183	0
3. Mortgage loans .....	0	0	0	0	0
4. Real estate .....	0	0	0	0	0
5. Contract loans .....	0	0	0	0	0
6. Cash, cash equivalents and short-term investments .....	(159,824)	0	(159,824)	0	0
7. Derivative instruments .....	0	0	0	0	0
8. Other invested assets .....	0	1,775	1,775	(22,064)	0
9. Aggregate write-ins for capital gains (losses) .....	0	0	0	0	0
10. Total capital gains (losses)	(11,079,688)	65,001,775	53,922,087	58,330,620	0
<b>DETAILS OF WRITE-INS</b>					
0901. ....	.....	.....	.....	.....	.....
0902. ....	.....	.....	.....	.....	.....
0903. ....	.....	.....	.....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**EXHIBIT OF NON-ADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....	6,700,000	6,700,000	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale .....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			0
6. Contract loans .....			0
7. Derivatives (Schedule DB) .....			0
8. Other invested assets (Schedule BA) .....			0
9. Receivables for securities .....			0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	6,700,000	6,700,000	0
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	1,880,077	1,443,773	(436,304)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due ..			0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			0
16.2 Funds held by or deposited with reinsured companies .....			0
16.3 Other amounts receivable under reinsurance contracts .....			0
17. Amounts receivable relating to uninsured plans .....			0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....			0
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....			0
21. Furniture and equipment, including health care delivery assets .....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....			0
24. Health care and other amounts receivable .....	55,322,991	40,964,704	(14,358,287)
25. Aggregate write-ins for other than invested assets .....	52,102,461	52,303,467	201,006
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	116,005,529	101,411,944	(14,593,585)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27)	116,005,529	101,411,944	(14,593,585)
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Prepaid Expenses .....	52,102,461	52,303,467	201,006
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	52,102,461	52,303,467	201,006

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health

**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 .....	415,473	448,651	444,223	442,220	444,618	5,324,799
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....	55,845	65,739	65,397	64,789	63,926	780,961
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business.....	234,794	243,124	246,411	249,826	252,965	2,959,678
7. Total	706,112	757,514	756,031	756,835	761,509	9,065,438
<b>DETAILS OF WRITE-INS</b>						
0601. Medicare Advantage .....	217,096	225,810	229,017	232,316	235,437	2,751,183
0602. Medigap .....	17,698	17,314	17,394	17,510	17,528	208,495
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	234,794	243,124	246,411	249,826	252,965	2,959,678

## NOTES TO FINANCIAL STATEMENTS

**NOTE 1 Summary of Significant Accounting Policies and Going Concern**
**A. Accounting Practices**

The accompanying financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services (DIFS). DIFS requires that insurance contracts domiciled in Michigan prepare their statutory-basis financial statements in accordance with the National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, subject to any deviations prescribed or permitted by DIFS.

	SSAP #	F/S Page	F/S Line #	2023	2022
<b>NET INCOME</b>					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 91,281,133	\$ 111,933,583
(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	\$ 91,281,133	\$ 111,933,583
<b>SURPLUS</b>					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 1,358,236,540	\$ 1,211,443,807
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 1,358,236,540	\$ 1,211,443,807

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

The preparation of financial statements of HMOs requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

**C. Accounting Policy**
**(1) Basis for Short-Term Investments**

All short-term investments have been classified in accordance with National Association of Insurance Commissioners (NAIC) guidelines and are stated at amortized cost for financial statement disclosure.

**(2) Basis for Bonds and Amortization Schedule**

Investments in bonds are carried at amortized cost. The cost of bonds is adjusted for amortization of premiums and discounts to maturity using a level-yield method. Realized gains and losses are determined using the specific identification method and are included in operations. The fair value of investments is determined based upon quoted market prices.

**(3) Basis for Common Stocks**

Investments in Common Stocks are reported at fair market value based upon quoted market prices.

**(4) Basis for Preferred Stocks**

NOT APPLICABLE

**(5) Basis for Mortgage Loans**

NOT APPLICABLE

**(6) Basis for Loan-Backed Securities and Adjustment Methodology**

Loan-backed securities as well as other asset-backed securities are held and are reported at their amortized cost.

**(7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities**

NOT APPLICABLE

**(8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities**

NOT APPLICABLE

**(9) Accounting Policies for Derivatives**

NOT APPLICABLE

**(10) Anticipated Investment Income Used in Premium Deficiency Calculation**

The Plan utilizes anticipated investment income as a factor in the premium deficiency calculation.

**(11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses**

Under traditional arrangements, health care costs are recognized as expenses when services are rendered including, based on historical data, an estimate of costs incurred but not reported at the balance sheet date. Under capitation arrangements and risk-savings/sharing programs, health care costs are recognized when accruable under the providers' respective agreements. Adjustments to previously rendered claims reserve estimates are reflected in the statement of operations in the period in which the estimates are revised. Such reserve adjustments consist of restatements of claims estimates and changes in margin associated with these estimates and could be material in the future. Given the nature of the health care costs and provider billing requirements, as defined by the participating providers' agreements, amounts accrued at year-end are paid predominantly in the following year.

**(12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period**

The Plan has had no change in capitalization policy.

**(13) Method Used to Estimate Pharmaceutical Rebate Receivables**

The Plan estimates pharmaceutical rebate receivables based on historic collection experience and reporting provided by pharmacy benefit managers.

**D. Going Concern**

NONE.

**NOTE 2 Accounting Changes and Corrections of Errors**

See Note 3 for correction of error related to goodwill amortization.

**NOTE 3 Business Combinations and Goodwill**

On January 1, 2020, the Company acquired THC and its wholly owned subsidiary, USA, through a statutory purchase. Priority Health paid \$25,000,000 to THC's owner, the Total Health Foundation and generated \$29,436,000 of negative goodwill. Goodwill amortization was \$8,831,000 and \$2,943,000 for the years ended December 31, 2023 and 2022, respectively.

An error was corrected in the amortization of goodwill to reflect the decision to move all THC and USA membership to the Company and Choice in 2021. Goodwill amortization should have been accelerated with amortization completed at the end of 2023 after completion of claims run out. In 2023 \$11,775,000 has been adjusted to statutory equity to correct the amortization of 2021 and 2022 goodwill.

**NOTES TO FINANCIAL STATEMENTS**

A. Statutory Purchase Method

The transaction was accounted for as a statutory purchase, and reflects the following:

1	2	3	4	5
Purchased Entity	Acquisition Date	Cost of Acquired Entity	Original Amount of Goodwill	Original Amount of Admitted Goodwill
Total Health Care Inc	01/01/2020	\$ 25,000,000	\$ (29,436,312)	\$ (29,436,312)
Total	XXX	\$ 25,000,000	\$ (29,436,312)	\$ (29,436,312)

1	6	7	8	9
Purchased Entity	Admitted Goodwill as of the Reporting Date	Amount of Goodwill Amortized During the Reporting Period	Book Value of SCA	Admitted Goodwill as a % of SCA BACV, Gross of Admitted Goodwill Col. 6/Col. 8
Total Health Care Inc	\$ -	\$ 8,830,894	\$ -	0.0%
Total	\$ -	\$ 8,830,894	\$ -	XXX

B. Statutory Merger - NOT APPLICABLE

C. Assumption Reinsurance - NOT APPLICABLE

D. Impairment Loss - NOT APPLICABLE

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

(1) Capital & Surplus

Less:

(2) Admitted Positive Goodwill

(3) Admitted EDP Equipment & Operating System Software

(4) Admitted Net Deferred Taxes

(5) Adjusted Capital and Surplus (Line 1-2-3-4)

(6) Limitation on amount of goodwill (adjusted capital and surplus times 10% goodwill limitation [Line 5\*10%])

(7) Current period reported Admitted Goodwill

(8) Current Period Admitted Goodwill as a % of prior period Adjusted Capital and Surplus (Line 7/Line 5)

Calculation of Limitation Using Prior Quarter Numbers	Current Reporting Period
\$ 1,406,299,022	XXX
\$ -	XXX
\$ -	XXX
\$ -	XXX
\$ 1,406,299,022	XXX
\$ 140,629,902	XXX
XXX	\$ -
XXX	0.0%

**NOTE 4 Discontinued Operations**

A. Discontinued Operation Disposed of or Classified as Held for Sale - NOT APPLICABLE

B. Change in Plan of Sale of Discontinued Operation - NOT APPLICABLE

C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal - NOT APPLICABLE

D. Equity Interest Retained in the Discontinued Operation After Disposal - NOT APPLICABLE

**NOTE 5 Investments**

A. Mortgage Loans, including Mezzanine Real Estate Loans - NOT APPLICABLE

B. Debt Restructuring - NOT APPLICABLE

C. Reverse Mortgages - NOT APPLICABLE

D. Loan-Backed Securities - NOT APPLICABLE

E. Dollar Repurchase Agreements and/or Securities Lending Transactions - NOT APPLICABLE

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing - NOT APPLICABLE

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - NOT APPLICABLE

H. Repurchase Agreements Transactions Accounted for as a Sale - NOT APPLICABLE

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - NOT APPLICABLE

J. Real Estate - NOT APPLICABLE

K. Low Income Housing tax Credits (LIHTC) - NOT APPLICABLE

L. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	1	2	3	4	5	6	7
	Total Gross (Admitted & Non-admitted) Restricted from Current Year	Total Gross (Admitted & Non-admitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Non-admitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted & Non-admitted) Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%

## NOTES TO FINANCIAL STATEMENTS

b. Collateral held under security lending agreements	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%
c. Subject to repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%
d. Subject to reverse repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%
e. Subject to dollar repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%
f. Subject to dollar reverse repurchase agreements	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%
g. Placed under option contracts	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%
i. FHLB capital stock	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%
j. On deposit with states	\$ 1,103,413	\$ 1,077,420	\$ 25,993	\$ -	\$ 1,103,413	0.050%	0.053%
k. On deposit with other regulatory bodies	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%
l. Pledged collateral to FHLB (including assets backing funding agreements)	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%
m. Pledged as collateral not captured in other categories	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%
n. Other restricted assets	\$ -	\$ -	\$ -	\$ -	\$ -	0.000%	0.000%
<b>o. Total Restricted Assets (Sum of a through n)</b>	<b>\$ 1,103,413</b>	<b>\$ 1,077,420</b>	<b>\$ 25,993</b>	<b>\$ -</b>	<b>\$ 1,103,413</b>	<b>0.050%</b>	<b>0.053%</b>

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

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

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate) - NOT APPLICABLE
3. Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate) - NOT APPLICABLE
4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements - NOT APPLICABLE

M. Working Capital Finance Investments - NOT APPLICABLE

N. Offsetting and Netting of Assets and Liabilities - NOT APPLICABLE

O. 5GI Securities - NOT APPLICABLE

P. Short Sales - NOT APPLICABLE

Q. Prepayment Penalty and Acceleration Fees - NOT APPLICABLE

R. Reporting Entity's Share of Cash Pool by Asset Type - NOT APPLICABLE

**NOTE 6 Joint Ventures, Partnerships and Limited Liability Companies**

A. Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of Ownership

The Company has no Joint Ventures, Partnerships, or Limited Liability Companies to report.

B. Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies - NOT APPLICABLE

**NOTE 7 Investment Income**

This note is not applicable to the Company as no income due is past its due date and no investment income was non-admitted.

**NOTE 8 Derivative Instruments**

This note is not applicable to the Company.

**NOTE 9 Income Taxes**

The Company is exempt from federal income taxes as an organization described under Internal Revenue Code Section 501(C)(4). Therefore, income tax expense has not been recorded.

**NOTE 10 Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

A., B., C., D., E., F., G.

The Company has a management contract with Priority Health Managed Benefits, Inc. (PHMB), an organization related to the Company through common ownership, to provide certain management services. The management fee incurred by the Company was \$346,197,000 in 2023 and \$320,639,000 in 2022.

Premium revenues recognized from related organizations were approximately \$609,773,000 and \$304,524,000 during 2023 and 2022, respectively. Health care costs approximating \$1,060,398,000 during 2023 and \$862,445,000 during 2022 were provided to plan members by related organizations.

Amounts due from affiliates of \$20,413,000 at December 31, 2023 and \$20,599,000 at December 31, 2022. These relate primarily to premium receipts collected on behalf of Priority Health and payments that Priority Health has made on behalf of its affiliates. Amounts due to affiliates were \$5,307,000 at December 31, 2023, and \$2,734,000 at December 31, 2022, and relate primarily to premium receipts collected on behalf of Priority Health Insurance Company.

H. Amount Deducted from the Value of 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 48 Entity Loss Tracking - NOT APPLICABLE



## NOTES TO FINANCIAL STATEMENTS

**NOTE 11 Debt**

- A. Debt Including Capital Notes - NOT APPLICABLE
- B. FHLB (Federal Home Loan Bank) Agreements - NOT APPLICABLE

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

- A. Defined Benefit Plan - NOT APPLICABLE
- B. Investment Policies and Strategies - NOT APPLICABLE
- C. The fair value of each class of plan assets - NOT APPLICABLE
- D. Basis Used to Determine Expected Long-Term Rate-of-Return - NOT APPLICABLE
- E. Defined Contribution Plan - NOT APPLICABLE
- F. Multiemployer Plans - NOT APPLICABLE
- G. Consolidated/Holding Company Plans - NOT APPLICABLE
- H. Postemployment Benefits and Compensated Absences - NOT APPLICABLE
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - NOT APPLICABLE

**NOTE 13 Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations**

- A. Number of Share and Par or State Value of Each Class  
The Company has 10,000--Class A and 50,000--Class B authorized shares of common stock. Of these shares, 8,471 are issued and outstanding (8,000--Class A, 471--Class B).
- 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  
All stock is non-dividend bearing.
- E. Profits that may be Paid as Ordinary Dividends to Stockholders  
There were no restrictions placed on the Plan's surplus.
- F. Restrictions Placed on Unassigned Funds (Surplus) - NOT APPLICABLE
- G. Amount 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. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$ 58,330,620
- K. The Company issued the following surplus debentures or similar obligations - NOT APPLICABLE
- L. The impact of any restatement due to prior quasi-reorganizations is as follows - NOT APPLICABLE
- M. Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization - NOT APPLICABLE

**NOTE 14 Liabilities, Contingencies and Assessments**

- A. Contingent Commitments  
The Company has committed to its wholly owned subsidiaries, Priority Health Insurance Company, Inc., Priority Health Choice, Inc., Total Health Care Inc., and Total Health Care USA Inc. to provide additional capital as needed in order for this subsidiary to meet capital requirements as mandated by the regulating authority.
- B. Assessments  
The Company incurs an assessment based on certain membership under the Michigan Insurance Provider Assessment (IPA) Act. As the IPA taxes are the Company's responsibility, taxes are recorded under the gross method. The taxes collected and paid are recorded in premium revenue and general administrative expenses, respectively. The Company expensed \$13,635,000 for IPA taxes in 2023. The corresponding liability of \$6,818,000 is recorded in general expenses due or accrued as of December 31, 2023.
- C. Gain Contingencies - NOT APPLICABLE
- D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits - NOT APPLICABLE
- E. Joint and Several Liabilities - NOT APPLICABLE
- F. All Other Contingencies - NOT APPLICABLE

**NOTE 15 Leases**

This note is not applicable to the Company.

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

This note is not applicable to the Company.

**NOTE 17 Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

**NOTES TO FINANCIAL STATEMENTS**

This note is not applicable to the Company.

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

This note is not applicable to the Company.

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

This note is not applicable to the Company.

**NOTE 20 Fair Value Measurements**

A. The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by Financial Accounting Standards Board (FASB) Accounting Standards Codification 820, Fair Value Measurements and Disclosures. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lower ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.

Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instrument. The prices are determined using significant unobservable inputs or valuation techniques.

The following table summarizes the valuation of the Company's financial instruments by the above pricing categories:

(1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Common Stock	\$ 307,443,009	\$ -	\$ -	\$ -	\$ 307,443,009
<b>Total assets at fair value/NAV</b>	<b>\$ 307,443,009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 307,443,009</b>

(2) Fair Value Measurements in (Level 3) of the Fair Value hierarchy - NOT APPLICABLE

B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements - NOT APPLICABLE

C. Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Common Stock	\$ 307,443,009	\$ 307,443,009	\$ 337,443,009	\$ -	\$ -	\$ -	\$ -

D. Not Practicable to Estimate Fair Value - NOT APPLICABLE

E. NAV Practical Expedient Investments - NOT APPLICABLE

**NOTE 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

**NOTE 22 Events Subsequent**

Subsequent events have been considered through March 1, 2024 for these statutory financial statements which are to be issued on March 1, 2024.

**NOTE 23 Reinsurance**

A. Ceded Reinsurance Report - 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

**NOTE 24 Retrospectively Rated Contracts & Contracts Subject to Redetermination**

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

**NOTES TO FINANCIAL STATEMENTS**

Written premiums for the Company's Medicare Advantage product are subject to retrospective adjustments. The Company estimates accrued retrospective premiums based on a risk corridor calculation as defined by CMS.

**B. Retrospective Premiums Recorded Through Written Premium or Adjustment to Earned Premium**

The Company records accrued retrospective premium as an adjustment of earned premium.

**C. Amount and Percentage 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 \$2,567,307,000, representing 47.7% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

**D. Medical loss ratio rebates required pursuant to the Public Health Service Act - NOT APPLICABLE**

**E. Risk Sharing Provisions of the Affordable Care Act**

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)?

Yes [X] No [ ]

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

Amount

**a. Permanent ACA Risk Adjustment Program**

**Assets**

1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments) \$ -

**Liabilities**

2. Risk adjustment user fees payable for ACA Risk Adjustment \$ 591,000

3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool premium) \$ 92,340,000

**Operations (Revenue & Expense)**

4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment \$ (99,265,000)

5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) \$ 590,000

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
	1	2	3	4	Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Ref	Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)
					5	6	7	8		9	10
	Receivable	Payable	Receivable	Payable	Receivable	Payable	Receivable	Payable		Receivable	Payable
<b>a. Permanent ACA Risk Adjustment Program</b>											
1. Premium adjustments receivable (including high risk pool payments)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	A	\$ -	\$ -
2. Premium adjustments (payable) (including high risk pool premium)	\$ -	\$92,998,000	\$ -	\$99,922,000	\$ -	(\$6,924,000)	\$ -	\$ 6,924,000	B	\$ -	\$ -
3. Subtotal ACA Permanent Risk Adjustment Program	\$ -	\$92,998,000	\$ -	\$99,922,000	\$ -	(\$6,924,000)	\$ -	\$ 6,924,000		\$ -	\$ -

**Explanations of Adjustments**

B. Settlement finalized.

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

	1	2	3	4	5	6
Risk Corridors Program Year	Estimated Amount to be Filed or Final Amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Amounts received from CMS	Asset Balance (Gross of Non-admissions) (1-2-3)	Non-admitted Amount	Net Admitted Asset (4 - 5)
a. 2014	\$ 465,000	\$ 70,000	\$ 395,000	\$ -	\$ -	\$ -
b. 2015	\$ 14,346,000	\$ 717,000	\$ 13,629,000	\$ -	\$ -	\$ -
c. 2016	\$ 26,340,000	\$ 1,318,000	\$ 25,022,000	\$ -	\$ -	\$ -
d. Total (a + b + c)	\$ 41,151,000	\$ 2,105,000	\$ 39,046,000	\$ -	\$ -	\$ -

24E(5)d (Column 4) should equal 24E(3)c1 (Column 9)

24E(5)d (Column 6) should equal 24E(2)c1

**NOTE 25 Change in Incurred Claims and Claim Adjustment Expenses**

Adjustments to previously rendered claims reserve estimates are reflected in the statement of operations in the period in which the estimates are revised. Such reserve adjustments consist of restatements of claim estimates and release of any margin associated with these estimates. Reserve adjustments have decreased by approximately \$19,622,000 decreasing prior year-end claim reserve estimates of \$440,191,000 to \$420,569,000 in 2023.

**NOTE 26 Intercompany Pooling Arrangements**

This note is not applicable to the Company.

**NOTE 27 Structured Settlements**

This note is not applicable to the Company.

**NOTE 28 Health Care Receivables**

**A. Pharmaceutical Rebate Receivables**

Date	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

**NOTES TO FINANCIAL STATEMENTS**

12/31/2023	\$ 123,442,519	\$ -	\$ -	\$ -	\$ -
09/30/2023	\$ 119,795,304	\$ -	\$ 99,538,660	\$ -	\$ -
06/30/2023	\$ 109,835,480	\$ -	\$ 97,588,856	\$ 1,942,162	\$ -
03/31/2023	\$ 104,399,707	\$ -	\$ 93,980,258	\$ 1,450,974	\$ 679,094
	\$ -	\$ -	\$ -	\$ -	\$ -
12/31/2022	\$ 85,215,367	\$ -	\$ 78,004,895	\$ 6,078,093	\$ 2,067,678
09/30/2022	\$ 85,166,808	\$ -	\$ 71,368,086	\$ 11,867,117	\$ 3,481,337
06/30/2022	\$ 84,133,473	\$ -	\$ 74,944,674	\$ 1,456,070	\$ 10,219,868
03/31/2022	\$ 80,453,517	\$ -	\$ 71,347,482	\$ 4,895,084	\$ 7,369,566
	\$ -	\$ -	\$ -	\$ -	\$ -
12/31/2020	\$ 69,440,715	\$ -	\$ 63,394,530	\$ 7,302,647	\$ 1,048,989
09/30/2020	\$ 68,624,066	\$ -	\$ 61,096,372	\$ 8,535,544	\$ 944,063
06/30/2020	\$ 68,369,705	\$ -	\$ 57,489,705	\$ 5,134,773	\$ 6,576,534
03/31/2020	\$ 65,851,375	\$ -	\$ 57,093,891	\$ 670,719	\$ 8,886,884

**NOTE 29 Participating Policies**

This note is not applicable to the Company.

**NOTE 30 Premium Deficiency Reserves**

The Company recorded no premium deficiency reserve in the 2023 and 2022 financial statements.

**NOTE 31 Anticipated Salvage and Subrogation**

This note is not applicable to the Company.

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES  
GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]  
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [ 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. .... 12/31/2022
- 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. .... 12/31/2022
- 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). .... 02/12/2024
- 3.4 By what department or departments?  
State of 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? ..... Yes [ ] No [ X ]  
4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? ..... Yes [ ] No [ X ]  
4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]  
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [ X ]
- 6.2 If yes, give full information: .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [ X ]
- 7.2 If yes,  
7.21 State the percentage of foreign control; ..... %  
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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**GENERAL INTERROGATORIES**

- 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 the 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 below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company? ..... 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 the Federal 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?  
 Ernst & Young LLP, 171 Monroe Ave., Grand Rapids, MI 49503 .....
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
 .....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
 .....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain.  
 .....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
 Ernst & Young LLP, Insurance & Actuarial Advisory Services, 5 Times Square, New York, NY 10036 .....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ X ] No [ ]
- 12.11 Name of real estate holding company ... PHMB Properties, LLC
- 12.12 Number of parcels involved ..... 1
- 12.13 Total book/adjusted carrying value ..... \$ .....
- 12.2 If yes, provide explanation  
 Occupied buildings owned by a wholly-owned subsidiary .....
- 13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
 .....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:  
 .....
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
 .....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
 .....

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**GENERAL INTERROGATORIES**

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

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

**BOARD OF DIRECTORS**

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

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

**INVESTMENT**

- 25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03)..... Yes [ ] No [ X ]

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**GENERAL INTERROGATORIES**

- 25.02 If no, give full and complete information, relating thereto  
Priority Health had exclusive control over the securities, however, a third party, Northern Trust, had actual possession of the securities. ....
- 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 [ ] N/A [ X ]
- 25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? ..... Yes [ ] No [ ] N/A [ X ]
- 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 [ ] N/A [ X ]
- 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 21.1 and 25.03). .... Yes [ X ] No [ ]
- 26.2 If yes, state the amount thereof at December 31 of the current year:
- 26.21 Subject to repurchase agreements ..... \$ ..... 0
- 26.22 Subject to reverse repurchase agreements ..... \$ ..... 0
- 26.23 Subject to dollar repurchase agreements ..... \$ ..... 0
- 26.24 Subject to reverse dollar repurchase agreements ..... \$ ..... 0
- 26.25 Placed under option agreements ..... \$ ..... 0
- 26.26 Letter stock or securities restricted as to sale -  
excluding FHLB Capital Stock ..... \$ ..... 0
- 26.27 FHLB Capital Stock ..... \$ ..... 0
- 26.28 On deposit with states ..... \$ ..... 1,103,413
- 26.29 On deposit with other regulatory bodies ..... \$ ..... 0
- 26.30 Pledged as collateral - excluding collateral pledged to  
an FHLB ..... \$ ..... 0
- 26.31 Pledged as collateral to FHLB - including assets  
backing funding agreements ..... \$ ..... 0
- 26.32 Other ..... \$ ..... 0

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

LINES 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 [ X ]
- 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 [ X ] No [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
Northern Trust .....	Chicago, IL .....



**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
GENERAL INTERROGATORIES**

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

1 Name(s)	2 Location(s)	3 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 [ X ] No [ ]  
 29.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Mellon Bank .....	Northern Trust .....	10/01/2023 .....	Request For Proposal resulted in a decision to change the investment custodian. ....

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

1 Name of Firm or Individual	2 Affiliation
BlackRock Financial Management, Inc. ....	U.....
Sun Life Capital Management LLC .....	U.....
Robert W. Baird & Co. Inc. ....	U.....
Pacific Investment Management Company, LLC .....	U.....

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [ X ] No [ ]

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [ X ] No [ ]

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
N/A .....	BlackRock Financial Management, Inc. ....	5493001YLOM8HWINPEN55 .....	SEC .....	NO.....
N/A .....	Sun Life Capital Management LLC .....	2549001RCVK00T5TXG16 .....	SEC .....	NO.....
N/A .....	Robert W. Baird & Co. Inc. ....	549300772USAHRDGL053 .....	SEC .....	NO.....
N/A .....	Pacific Investment Management Company, LLC .....	549300KGPYQZXGMYYN38 .....	SEC .....	NO.....

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

30.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
74926P-31-6 .....	RBC EMERGING MARKETS EQUITY FUND .....	8,500,640
315911-75-0 .....	FIDELITY 500 INDEX FUND .....	90,268,803
41664T-44-6 .....	HARTFORD INTERNATIONAL VALUE FUND .....	37,473,579
461418-44-4 .....	WCM FOCUSED INTL GROWTH FUND .....	31,838,725
72201F-49-0 .....	PIMCO INCOME FUND .....	114,229,403
922908-87-6 .....	VANGUARD SMALL CAP INDEX FUND .....	18,333,382
969251-50-3 .....	WILLIAM BLAIR EMERGING MARKETS FUND .....	6,798,477
30.2999 - Total		307,443,009

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
RBC EMERGING MARKETS EQUITY FUND .....	Taiwan Semiconductor .....	638,398	12/31/2023 ..
FIDELITY 500 INDEX FUND .....	Apple Inc .....	6,327,843	12/31/2023 ..
HARTFORD INTERNATIONAL VALUE FUND .....	Royal Dutch Shell PLC .....	993,050	12/31/2023 ..
WCM FOCUSED INTL GROWTH FUND .....	Novo Nordisk A/S .....	1,837,094	12/31/2023 ..
PIMCO INCOME FUND .....	RFR USD SOFR/5.10 05/22/23-1Y LCH .....	37,021,750	12/31/2023 ..
VANGUARD SMALL CAP INDEX FUND .....	Builders FirstSource .....	71,500	12/31/2023 ..
WILLIAM BLAIR EMERGING MARKETS FUND .....	Taiwan Semiconductor .....	583,309	12/31/2023 ..

**ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
GENERAL INTERROGATORIES**

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds .....	964,606,025	909,206,384	(55,399,641)
31.2 Preferred stocks .....	0		0
31.3 Totals	964,606,025	909,206,384	(55,399,641)

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

Pricing services and brokers .....

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

32.2 If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ X ] No [ ]

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

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

33.2 If no, list exceptions:  
.....

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

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

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 nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.  
c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.  
d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.  
Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? ..... Yes [ X ] No [ ] N/A [ ]

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**GENERAL INTERROGATORIES**

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

**OTHER**

40.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? ..... \$ .....355,676

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	2
Name	Amount Paid
Alliance of Community Health Plans .....	229,368

41.1 Amount of payments for legal expenses, if any? ..... \$ ..... 17,658

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	2
Name	Amount Paid
Smith Haughey Rice & Roegge .....	6,775
Taft Stettinius & Hollister LLP .....	11,218

42.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? ..... \$ ..... 506,300

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	2
Name	Amount Paid

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**GENERAL INTERROGATORIES**

**PART 2 - HEALTH INTERROGATORIES**

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

1.2 If yes, indicate premium earned on U.S. business only. .... \$ 41,169,648

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. .... \$ 36,303,595

1.6 Individual policies: Most current three years:

1.61 Total premium earned ..... \$ 41,169,648

1.62 Total incurred claims ..... \$ 36,303,595

1.63 Number of covered lives ..... 17,536

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 .....	5,371,088,277	4,695,822,159	
2.2	Premium Denominator .....	5,371,088,277	4,695,822,159	
2.3	Premium Ratio (2.1/2.2) .....	1.000	1.000	
2.4	Reserve Numerator .....	607,588,961	570,497,570	
2.5	Reserve Denominator .....	607,588,961	570,497,570	
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 [ X ]

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

5.2 If no, explain:  
.....

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical ..... \$ 1,750,000

5.32 Medical Only ..... \$

5.33 Medicare Supplement ..... \$

5.34 Dental & 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:  
HMO holds harmless provisions of provider contracts, trust indentures .....

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 ..... 41,382

8.2 Number of providers at end of reporting year ..... 62,061

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 ..... \$.....

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**GENERAL INTERROGATORIES**

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes  No
- 10.2 If yes:
- |  |               |
|--|---------------|
| 10.21 Maximum amount payable bonuses.....          | \$ 21,913,014 |
| 10.22 Amount actually paid for year bonuses.....   | \$ 30,506,459 |
| 10.23 Maximum amount payable withholds.....        | \$ 24,443     |
| 10.24 Amount actually paid for year withholds..... | \$ 18,462     |

- 11.1 Is the reporting entity organized as:
- |   |   |
|---|---|
| 11.12 A Medical Group/Staff Model, .....                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| 11.13 An Individual Practice Association (IPA), or, ..... | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| 11.14 A Mixed Model (combination of above)? ....          | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? ..... Yes  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. .... \$ 476,068,556
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes  No
- 11.6 If the amount is calculated, show the calculation
- 200% ACL .....

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

1 Name of Service Area
State of Michigan .....
.....

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

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

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health

**FIVE-YEAR HISTORICAL DATA**

	1 2023	2 2022	3 2021	4 2020	5 2019
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	2,075,300,597	1,873,890,449	1,913,135,127	1,898,724,738	1,400,393,676
2. Total liabilities (Page 3, Line 24) .....	717,064,057	662,446,642	672,122,232	769,662,775	521,667,521
3. Statutory minimum capital and surplus requirement .....	476,068,556	441,314,918	418,926,514	356,299,301	289,427,772
4. Total capital and surplus (Page 3, Line 33) .....	1,358,236,540	1,211,443,807	1,241,012,898	1,129,061,963	878,726,153
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	5,370,331,219	4,693,955,659	4,290,539,150	3,954,833,776	3,405,819,769
6. Total medical and hospital expenses (Line 18) .....	4,806,745,113	4,169,294,568	3,869,655,997	3,334,071,700	2,967,079,634
7. Claims adjustment expenses (Line 20) .....	159,077,636	145,790,201	113,455,817	118,107,318	101,485,182
8. Total administrative expenses (Line 21) .....	424,976,139	378,453,007	352,052,589	346,907,273	253,916,289
9. Net underwriting gain (loss) (Line 24) .....	(20,467,669)	417,883	(41,625,253)	152,666,162	83,176,554
10. Net investment gain (loss) (Line 27) .....	111,748,802	111,515,700	37,644,393	(49,841,115)	61,039,458
11. Total other income (Lines 28 plus 29) .....	0	0	0	22,028	1,408,800
12. Net income or (loss) (Line 32) .....	91,281,133	111,933,583	(3,980,860)	102,847,075	145,624,812
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	94,159,980	87,105,512	(21,151,257)	364,701,151	129,770,033
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	1,358,236,540	1,211,443,807	1,241,012,898	1,129,061,963	878,726,153
15. Authorized control level risk-based capital .....	238,034,278	220,657,459	209,463,257	178,149,651	144,713,886
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	761,509	706,112	668,246	604,853	544,198
17. Total members months (Column 6, Line 7) .....	9,065,438	8,479,461	7,859,605	7,139,363	6,466,813
<b>Operating Percentage</b> (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) .....	89.5	88.8	90.2	84.3	87.2
20. Cost containment expenses .....	1.4	1.6	1.5	1.6	1.4
21. Other claims adjustment expenses .....	1.5	1.5	1.2	1.4	1.5
22. Total underwriting deductions (Line 23) .....	100.4	100.0	101.0	96.2	97.6
23. Total underwriting gain (loss) (Line 24) .....	(0.4)	0.0	(1.0)	3.9	2.4
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5) .....	449,398,325	389,626,386	318,564,245	236,655,866	65,243,396
25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)] .....	470,287,403	443,531,815	423,255,518	276,228,501	128,800,982
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....					0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....		0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	323,396,426	305,059,243	357,301,648	274,623,232	266,515,539
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. Total of above Lines 26 to 31 .....	323,396,426	305,059,243	357,301,648	274,623,232	266,515,539
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**

States, etc.	1 Active Status (a)	Direct Business Only									
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums & Other Considerations	8 Property/Casualty Premiums	9 Total Columns 2 Through 8	10 Deposit-Type Contracts	
1. Alabama	AL	N								0	
2. Alaska	AK	N								0	
3. Arizona	AZ	N								0	
4. Arkansas	AR	N								0	
5. California	CA	N								0	
6. Colorado	CO	N								0	
7. Connecticut	CT	N								0	
8. Delaware	DE	N								0	
9. District of Columbia	DC	N								0	
10. Florida	FL	N								0	
11. Georgia	GA	N								0	
12. Hawaii	HI	N								0	
13. Idaho	ID	N								0	
14. Illinois	IL	N								0	
15. Indiana	IN	N								0	
16. Iowa	IA	N								0	
17. Kansas	KS	N								0	
18. Kentucky	KY	N								0	
19. Louisiana	LA	N								0	
20. Maine	ME	N								0	
21. Maryland	MD	N								0	
22. Massachusetts	MA	N								0	
23. Michigan	MI	L	2,797,387,600	2,567,306,762		12,310,282				5,377,004,644	
24. Minnesota	MN	N								0	
25. Mississippi	MS	N								0	
26. Missouri	MO	N								0	
27. Montana	MT	N								0	
28. Nebraska	NE	N								0	
29. Nevada	NV	N								0	
30. New Hampshire	NH	N								0	
31. New Jersey	NJ	N								0	
32. New Mexico	NM	N								0	
33. New York	NY	N								0	
34. North Carolina	NC	N								0	
35. North Dakota	ND	N								0	
36. Ohio	OH	N								0	
37. Oklahoma	OK	N								0	
38. Oregon	OR	N								0	
39. Pennsylvania	PA	N								0	
40. Rhode Island	RI	N								0	
41. South Carolina	SC	N								0	
42. South Dakota	SD	N								0	
43. Tennessee	TN	N								0	
44. Texas	TX	N								0	
45. Utah	UT	N								0	
46. Vermont	VT	N								0	
47. Virginia	VA	N								0	
48. Washington	WA	N								0	
49. West Virginia	WV	N								0	
50. Wisconsin	WI	N								0	
51. Wyoming	WY	N								0	
52. American Samoa	AS	N								0	
53. Guam	GU	N								0	
54. Puerto Rico	PR	N								0	
55. U.S. Virgin Islands	VI	N								0	
56. Northern Mariana Islands	MP	N								0	
57. Canada	CAN	N								0	
58. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0	0	0
59. Subtotal	XXX	2,797,387,600	2,567,306,762	0	0	12,310,282	0	0	5,377,004,644	0	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX								0		0
61. Totals (Direct Business)	XXX	2,797,387,600	2,567,306,762	0	0	12,310,282	0	0	5,377,004,644	0	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	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0	0

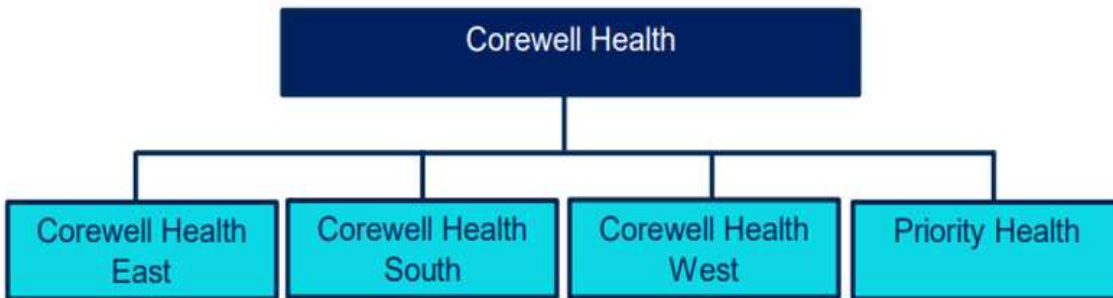
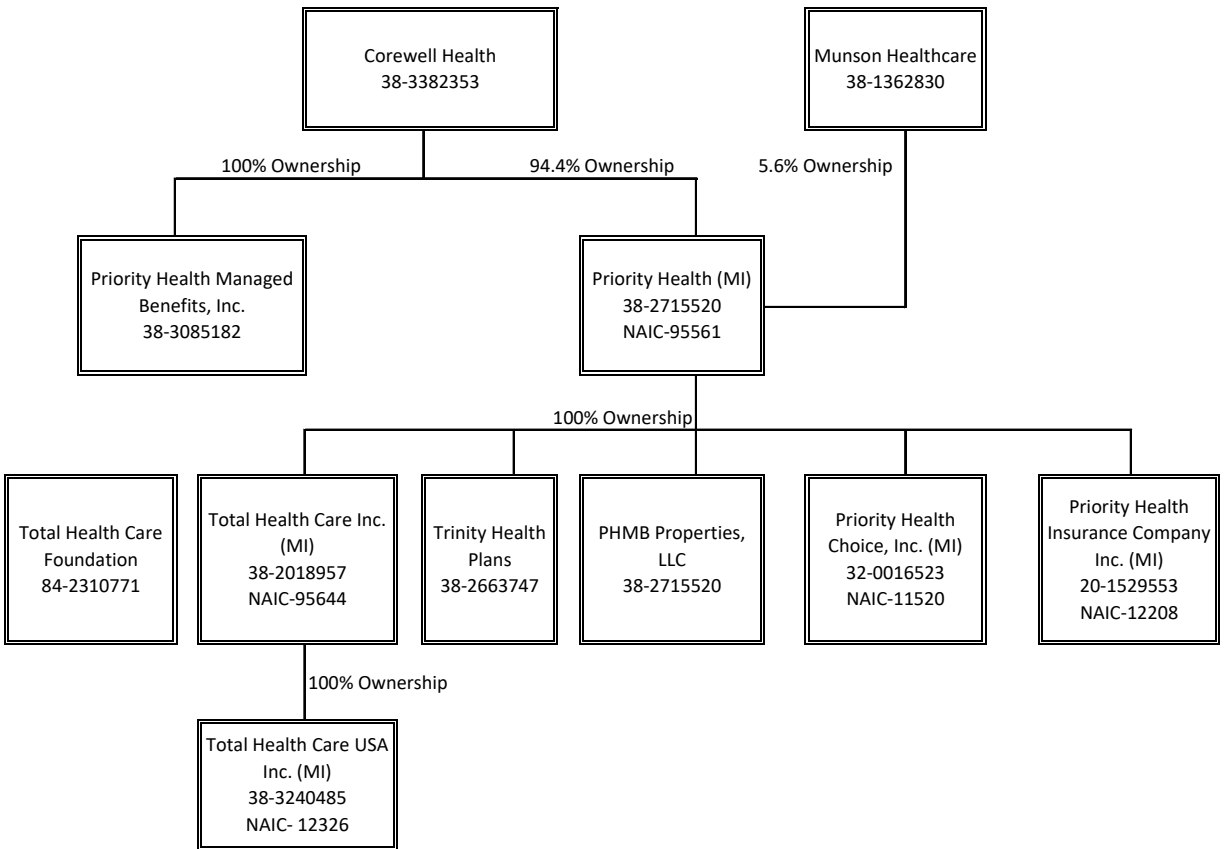
(a) Active Status Counts:

- 1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 1
- 2. R - Registered - Non-domiciled RRGs..... 0
- 3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state. .... 0
- 4. Q - Qualified - Qualified or accredited reinsurer..... 0
- 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 state, etc.

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

## PART 1 – ORGANIZATIONAL CHART





ANNUAL STATEMENT FOR THE YEAR 2023 OF THE Priority Health  
**OVERFLOW PAGE FOR WRITE-INS**

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

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
2504. Other Corporate Management Fee .....	4,016,886	4,226,790	9,696,860		17,940,536
2597. Summary of remaining write-ins for Line 25 from overflow page	4,016,886	4,226,790	9,696,860	0	17,940,536