



# ANNUAL STATEMENT

## For the Year Ending DECEMBER 31, 2020

### OF THE CONDITION AND AFFAIRS OF THE

# McLAREN HEALTH PLAN, INC

NAIC Group Code	4700 <small>(Current Period)</small>	4700 <small>(Prior Period)</small>	NAIC Company Code	95562	Employer's ID Number	38-3252216
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:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]	Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]	Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]			
Incorporated/Organized	09/12/1997		Commenced Business	08/01/1998		
Statutory Home Office	G-3245 Beecher Rd. <small>(Street and Number)</small>		FLINT, MI, US 48532 <small>(City or Town, State, Country and Zip Code)</small>			
Main Administrative Office	FLINT, MI, US 48532 <small>(City or Town, State, Country and Zip Code)</small>		G-3245 Beecher Rd. <small>(Street and Number)</small>		(810)733-9723 <small>(Area Code) (Telephone Number)</small>	
Mail Address	G-3245 Beecher Rd. <small>(Street and Number or P.O. Box)</small>		FLINT, MI, US 48532 <small>(City or Town, State, Country and Zip Code)</small>			
Primary Location of Books and Records	FLINT, MI, US 48532 <small>(City or Town, State, Country and Zip Code)</small>		G-3245 Beecher Rd. <small>(Street and Number)</small>		(810)733-9723 <small>(Area Code) (Telephone Number)</small>	
Internet Website Address	www.mclarenhealthplan.org					
Statutory Statement Contact	Rachel L. Hairston <small>(Name)</small>		(810)733-9678 <small>(Area Code)(Telephone Number)(Extension)</small>			
	rachel.hairston@mclaren.org <small>(E-Mail Address)</small>		(810)600-7947 <small>(Fax Number)</small>			

### OFFICERS

Name	Title
NANCY JENKINS	President
KATHY KENDALL	Vice President
PATRICK HAYES	Secretary
DAVE MAZURKIEWICZ	Treasurer
*RACHEL HAIRSTON	Assistant Treasurer/VP, Finance
KEVIN TOMPKINS	Chairman
*CHERYL DIEHL	Assistant Secretary
*DENNIS PERRY MD	Chief Medical Officer

### OTHERS

LAKISHA ATKINS, Enrollee Representative

MELISSA JENKINS, Enrollee Representative

### DIRECTORS OR TRUSTEES

NANCY JENKINS  
PATRICK HAYES

KEVIN TOMPKINS  
DAVE MAZURKIEWICZ

State of Michigan  
County of Genesee ss

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

_____ <small>(Signature)</small> <b>NANCY JENKINS</b> _____ <small>(Printed Name)</small> 1. President _____ <small>(Title)</small>	_____ <small>(Signature)</small> <b>CHERYL DIEHL</b> _____ <small>(Printed Name)</small> 2. Assistant Secretary _____ <small>(Title)</small>	_____ <small>(Signature)</small> <b>RACHEL HAIRSTON</b> _____ <small>(Printed Name)</small> 3. Assistant Treasurer/VP, Finance _____ <small>(Title)</small>
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021

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

Yes[X] No[ ]

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
(Notary Public Signature)

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)				
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common Stocks	92,714,108		92,714,108	87,884,393
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)	1,609,790		1,609,790	1,909,010
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....233,193,230, Schedule E Part 1), cash equivalents (\$.....1,339,104, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA)	234,532,334		234,532,334	146,296,901
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets	13,719,428	6,337,274	7,382,154	466,370
12. Subtotals, cash and invested assets (Lines 1 to 11)	342,575,660	6,337,274	336,238,385	236,556,673
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	2,084		2,084	199,038
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	399,254	87,316	311,938	310,344
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	472,215		472,215	554,895
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	374,196	331,083	43,113	61
21. Furniture and equipment, including health care delivery assets (\$.....0)	56,947	56,947		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	3,242,694	79	3,242,615	3,122,175
24. Health care (\$.....24,871,512) and other amounts receivable	24,871,512		24,871,512	17,443,927
25. Aggregate write-ins for other than invested assets				
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	371,994,561	6,812,698	365,181,863	258,187,114
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	371,994,561	6,812,698	365,181,863	258,187,114
<b>DETAILS OF WRITE-INS</b>				
1101. INVENTORY	5,715	5,715		
1102. DEFERRED CHARGES EQUIP FEES	5,375,763	5,375,763		
1103. PREPAID EXPENSES	915,395	915,395		
1198. Summary of remaining write-ins for Line 11 from overflow page	7,422,555	40,401	7,382,154	466,370
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	13,719,428	6,337,274	7,382,154	466,370
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)				

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	86,386,994		86,386,994	73,465,413
2. Accrued medical incentive pool and bonus amounts .....	14,949,222		14,949,222	4,304,615
3. Unpaid claims adjustment expenses .....	3,042,887		3,042,887	1,958,028
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....	20,950,446		20,950,446	
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	3,310,540		3,310,540	2,287,125
9. General expenses due or accrued .....	20,086,862		20,086,862	21,862,765
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....	287,843		287,843	232,776
13. Remittances and items not allocated .....				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....	5,228,544		5,228,544	4,041,956
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) .....				
20. Reinsurance in unauthorized and certified (\$.....0) companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....				
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....				
24. TOTAL Liabilities (Lines 1 to 23) .....	154,243,339		154,243,339	108,152,679
25. Aggregate write-ins for special surplus funds .....	X X X	X X X		
26. Common capital stock .....	X X X	X X X		
27. Preferred capital stock .....	X X X	X X X		
28. Gross paid in and contributed surplus .....	X X X	X X X	1,140,000	1,140,000
29. Surplus notes .....	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
31. Unassigned funds (surplus) .....	X X X	X X X	209,798,524	148,894,435
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0) .....	X X X	X X X		
32.2 .....0 shares preferred (value included in Line 27 \$.....0) .....	X X X	X X X		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....	X X X	X X X	210,938,524	150,034,435
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	X X X	X X X	365,181,863	258,187,114
<b>DETAILS OF WRITE-INS</b>				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				
2501. ....	X X X	X X X		
2502. ....	X X X	X X X		
2503. ....	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	X X X	X X X		
3001. ....	X X X	X X X		
3002. ....	X X X	X X X		
3003. ....	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	X X X	X X X		

## STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months .....	X X X	2,649,831	2,417,039
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	846,335,666	788,258,012
3. Change in unearned premium reserves and reserve for rate credits .....	X X X		
4. Fee-for-service (net of \$.....0 medical expenses) .....	X X X		
5. Risk revenue .....	X X X		
6. Aggregate write-ins for other health care related revenues .....	X X X	(2,894,262)	(2,692,103)
7. Aggregate write-ins for other non-health revenues .....	X X X		
8. TOTAL Revenues (Lines 2 to 7) .....	X X X	843,441,404	785,565,909
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		486,016,747	479,008,297
10. Other professional services .....		10,686,511	10,125,067
11. Outside referrals .....			
12. Emergency room and out-of-area .....		41,054,611	43,910,650
13. Prescription drugs .....		146,007,561	128,430,701
14. Aggregate write-ins for other hospital and medical .....			
15. Incentive pool, withhold adjustments and bonus amounts .....		12,137,885	2,738,314
16. Subtotal (Lines 9 to 15) .....		695,903,315	664,213,028
<b>Less:</b>			
17. Net reinsurance recoveries .....		1,736,528	1,523,647
18. TOTAL Hospital and Medical (Lines 16 minus 17) .....		694,166,787	662,689,381
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$.....1,506,686 cost containment expenses .....		7,929,927	7,346,333
21. General administrative expenses .....		91,953,441	86,784,934
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....			
23. TOTAL Underwriting Deductions (Lines 18 through 22) .....		794,050,156	756,820,648
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	49,391,248	28,745,261
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		930,623	3,723,205
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....		380,455	(8,393)
27. Net investment gains (losses) (Lines 25 plus 26) .....		1,311,078	3,714,812
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....			
29. Aggregate write-ins for other income or expenses .....			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X	50,702,326	32,460,072
31. Federal and foreign income taxes incurred .....	X X X		
32. Net income (loss) (Lines 30 minus 31) .....	X X X	50,702,326	32,460,072
<b>DETAILS OF WRITE-INS</b>			
0601. MPCA .....	X X X	(2,894,262)	(2,692,103)
0602. ....	X X X		
0603. ....	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X	(2,894,262)	(2,692,103)
0701. ....	X X X		
0702. ....	X X X		
0703. ....	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	X X X		
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....			
2901. ....			
2902. LOSS ON SALE OF EQUIPMENT .....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....			

## STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year .....	150,034,435	115,890,818
34. Net income or (loss) from Line 32 .....	50,702,326	32,460,072
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....	3,028,082	927,445
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	7,173,680	756,101
40. Change in unauthorized and certified reinsurance .....		
41. Change in treasury stock .....		
42. Change in surplus notes .....		
43. Cumulative effect of changes in accounting principles .....		
44. Capital Changes:		
44.1 Paid in .....		
44.2 Transferred from surplus (Stock Dividend) .....		
44.3 Transferred to surplus .....		
45. Surplus adjustments:		
45.1 Paid in .....		
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....		
48. Net change in capital and surplus (Lines 34 to 47) .....	60,904,088	34,143,617
49. Capital and surplus end of reporting year (Line 33 plus 48) .....	210,938,524	150,034,435
<b>DETAILS OF WRITE-INS</b>		
4701. ....		
4702. PENSION RELATED COSTS OTHER THAN NET PERIODIC PENSION COSTS .....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....		
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....		

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	868,314,264	790,112,019
2. Net investment income .....	1,127,577	3,838,012
3. Miscellaneous income .....	(2,819,692)	(2,504,456)
4. TOTAL (Lines 1 through 3) .....	866,622,149	791,445,575
5. Benefit and loss related payments .....	677,982,342	660,322,373
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	100,574,412	93,965,728
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....		
10. TOTAL (Lines 5 through 9) .....	778,556,754	754,288,101
11. Net cash from operations (Line 4 minus Line 10) .....	88,065,395	37,157,474
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....		
12.2 Stocks .....	54,205,112	
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7 Miscellaneous proceeds .....	28,419	525,815
12.8 TOTAL Investment proceeds (Lines 12.1 to 12.7) .....	54,233,531	525,815
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....		
13.2 Stocks .....	55,612,858	41,323,208
13.3 Mortgage loans .....		
13.4 Real estate .....		6,997
13.5 Other invested assets .....		
13.6 Miscellaneous applications .....		8,393
13.7 TOTAL Investments acquired (Lines 13.1 to 13.6) .....	55,612,858	41,338,598
14. Net increase (decrease) in contract loans and premium notes .....		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(1,379,327)	(40,812,783)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....		
16.2 Capital and paid in surplus, less treasury stock .....		
16.3 Borrowed funds .....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5 Dividends to stockholders .....		
16.6 Other cash provided (applied) .....	1,549,365	805,673
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	1,549,365	805,673
<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) .....	88,235,433	(2,849,636)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	146,296,901	149,146,537
19.2 End of year (Line 18 plus Line 19.1) .....	234,532,334	146,296,901

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

20.0001	.....	.....	.....
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## ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	846,335,666	446,643					50,000	845,839,023		
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										XXX
4. Risk revenue										XXX
5. Aggregate write-ins for other health care related revenues	(2,894,262)							(2,894,262)		XXX
6. Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. TOTAL Revenues (Lines 1 to 6)	843,441,404	446,643					50,000	842,944,761		
8. Hospital/medical benefits	486,016,747	(71,242)					(25,739)	486,113,728		XXX
9. Other professional services	10,686,511	(935)					(387)	10,687,833		XXX
10. Outside referrals										XXX
11. Emergency room and out-of-area	41,054,611							41,054,611		XXX
12. Prescription drugs	146,007,561						0	146,007,561		XXX
13. Aggregate write-ins for other hospital and medical										XXX
14. Incentive pool, withhold adjustments and bonus amounts	12,137,885							12,137,885		XXX
15. Subtotal (Lines 8 to 14)	695,903,315	(72,177)					(26,126)	696,001,618		XXX
16. Net reinsurance recoveries	1,736,528							1,736,528		XXX
17. TOTAL Hospital and Medical (Lines 15 minus 16)	694,166,787	(72,177)					(26,126)	694,265,090		XXX
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....1,506,686 cost containment expenses	7,929,927	71					69,546	7,860,310		
20. General administrative expenses	91,953,441	337,762					198,360	91,417,319		
21. Increase in reserves for accident and health contracts										XXX
22. Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	794,050,156	265,656					241,780	793,542,719		
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	49,391,248	180,987					(191,780)	49,402,042		
<b>DETAILS OF WRITE-INS</b>										
0501. MPCA	(2,894,262)							(2,894,262)		XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page										XXX
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	(2,894,262)							(2,894,262)		XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page										XXX
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										XXX

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS

		1	2	3	4
	Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical) .....	446,643			446,643
2.	Medicare Supplement .....				
3.	Dental only .....				
4.	Vision only .....				
5.	Federal Employees Health Benefits Plan .....				
6.	Title XVIII - Medicare .....	50,000			50,000
7.	Title XIX - Medicaid .....	848,863,874		3,024,851	845,839,023
8.	Other health .....				
9.	Health subtotal (Lines 1 through 8) .....	849,360,517		3,024,851	846,335,666
10.	Life .....				
11.	Property/casualty .....				
12.	TOTALS (Lines 9 to 11) .....	849,360,517		3,024,851	846,335,666



## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	669,107,322	(13,310)					(8,418)	669,129,050		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	(1,736,528)							(1,736,528)		
1.4 Net	670,843,849	(13,310)					(8,418)	670,865,578		
2. Paid medical incentive pools and bonuses	1,493,278							1,493,278		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	86,386,994							86,386,994		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	86,386,994							86,386,994		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	14,949,222							14,949,222		
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year	2,084							2,084		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	73,465,413	58,866					17,428	73,389,119		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	73,465,413	58,866					17,428	73,389,119		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	4,304,615							4,304,615		
11. Amounts recoverable from reinsurers December 31, prior year	554,895							554,895		
12. Incurred benefits:										
12.1 Direct	682,028,902	(72,177)					(25,846)	682,126,925		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	(2,289,338)							(2,289,338)		
12.4 Net	684,318,241	(72,177)					(25,846)	684,416,264		
13. Incurred medical incentive pools and bonuses	12,137,885							12,137,885		

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

## UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	44,921,237							44,921,237		
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	44,921,237							44,921,237		
2. Incurred but Unreported:										
2.1 Direct .....	41,465,757							41,465,757		
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	41,465,757							41,465,757		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS										
4.1 Direct .....	86,386,994							86,386,994		
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	86,386,994							86,386,994		

## 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	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical) .....	(13,310)				(13,310)	58,866
2.	Medicare Supplement .....						
3.	Dental only .....						
4.	Vision only .....						
5.	Federal Employees Health Benefits Plan .....						
6.	Title XVIII - Medicare .....	(8,418)				(8,418)	17,428
7.	Title XIX - Medicaid .....	54,839,272	614,289,778	7,660,219	78,726,775	62,499,491	73,389,119
8.	Other health .....						
9.	Health subtotal (Lines 1 to 8) .....	54,817,544	614,289,778	7,660,219	78,726,775	62,477,763	73,465,413
10.	Healthcare receivables (a) .....						
11.	Other non-health .....						
12.	Medical incentive pool and bonus amounts .....	1,452,564	40,714	2,852,051	12,097,171	4,304,615	4,304,615
13.	<b>TOTALS (Lines 9 - 10 + 11 + 12) .....</b>	<b>56,270,108</b>	<b>614,330,492</b>	<b>10,512,270</b>	<b>90,823,946</b>	<b>66,782,378</b>	<b>77,770,028</b>

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

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

**Grand Total**

**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior .....	111,631	129,890	130,282	129,585	122,629
2. 2016 .....	735,299	804,726	806,093	806,893	803,461
3. 2017 .....	X X X	705,848	757,506	760,158	760,000
4. 2018 .....	X X X	X X X	582,212	706,825	707,485
5. 2019 .....	X X X	X X X	X X X	537,483	590,594
6. 2020 .....	X X X	X X X	X X X	X X X	615,313

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior .....	127,869	132,005	130,282	129,585	116,971
2. 2016 .....	822,155	814,172	808,331	806,893	761,038
3. 2017 .....	X X X	780,609	763,820	760,326	756,059
4. 2018 .....	X X X	X X X	656,715	714,385	710,438
5. 2019 .....	X X X	X X X	X X X	607,449	644,517
6. 2020 .....	X X X	X X X	X X X	X X X	706,137

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2016 .....	931,744	803,461	1,492	0.186	804,953	86.392	(42,423)	1,772	764,302	82.029
2. 2017 .....	843,207	760,000	6	0.001	760,005	90.133	(3,941)	76	756,140	89.674
3. 2018 .....	732,765	707,485			707,485	96.550	2,953		710,438	96.953
4. 2019 .....	788,258	590,594			590,594	74.924	53,923	110	644,627	81.779
5. 2020 .....	846,336	615,313			615,313	72.703	90,824	1,085	707,222	83.563

12 Grand Total

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

**Hospital and Medical**  
**Section A - Paid Health Claims**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2016	2 2017	3 2018	4 2019	5 2020
1.	Prior .....	13,139	13,089	13,068	13,018	6,066
2.	2016 .....	41,992	42,617	42,212	42,205	38,827
3.	2017 .....	X X X				
4.	2018 .....	X X X	X X X			
5.	2019 .....	X X X	X X X	X X X		
6.	2020 .....	X X X	X X X	X X X	X X X	

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2016	2 2017	3 2018	4 2019	5 2020
1.	Prior .....	13,148	13,089	13,068	13,018	0
2.	2016 .....	43,079	42,669	42,267	42,205	
3.	2017 .....	X X X				
4.	2018 .....	X X X	X X X			
5.	2019 .....	X X X	X X X	X X X		
6.	2020 .....	X X X	X X X	X X X	X X X	

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

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2016 .....	46,932	38,827	10	0.025	38,837	82.751	(38,827)	33	43	0.091
2.	2017 .....	271		(16)		(16)	(5.780)		(31)	(47)	(17.341)
3.	2018 .....	6									
4.	2019 .....										
5.	2020 .....	447									

12 Hospital and Medical

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

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

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

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior .....	273	272	271	(408)	(408)
2. 2016 .....	4,062	4,824	4,823	4,220	4,171
3. 2017 .....	X X X	6,193	6,627	6,689	6,585
4. 2018 .....	X X X	X X X			
5. 2019 .....	X X X	X X X	X X X		
6. 2020 .....	X X X	X X X	X X X	X X X	

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior .....	323	272	271	(408)	
2. 2016 .....	4,925	4,836	4,823	4,220	
3. 2017 .....	X X X	7,723	6,644	6,689	0
4. 2018 .....	X X X	X X X			
5. 2019 .....	X X X	X X X	X X X		
6. 2020 .....	X X X	X X X	X X X	X X X	

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2016 .....	4,906	4,171	27	0.639	4,198	85.570	(4,171)	27	54	1.101
2. 2017 .....	7,291	6,585	16	0.246	6,602	90.541	(6,585)	19	35	0.482
3. 2018 .....	(295)									
4. 2019 .....	134									
5. 2020 .....	50									

12 Title XVIII-Medicare

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

**Title XIX - Medicaid**

**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior .....	98,218	116,529	116,943	116,975	116,972
2. 2016 .....	689,245	757,286	759,058	760,469	760,463
3. 2017 .....	X X X	699,655	750,879	753,469	753,414
4. 2018 .....	X X X	X X X	582,212	706,825	707,485
5. 2019 .....	X X X	X X X	X X X	537,483	590,594
6. 2020 .....	X X X	X X X	X X X	X X X	615,313

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior .....	114,398	118,644	116,943	116,975	116,972
2. 2016 .....	774,151	766,667	761,241	760,469	761,038
3. 2017 .....	X X X	772,886	757,177	753,637	756,059
4. 2018 .....	X X X	X X X	656,715	714,385	710,438
5. 2019 .....	X X X	X X X	X X X	607,449	644,517
6. 2020 .....	X X X	X X X	X X X	X X X	706,137

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2016 .....	879,906	760,463	1,456	0.191	761,919	86.591	575	1,712	764,205	86.851
2. 2017 .....	835,645	753,414	5	0.001	753,419	90.160	2,645	88	756,152	90.487
3. 2018 .....	733,055	707,485			707,485	96.512	2,953		710,438	96.915
4. 2019 .....	788,124	590,594			590,594	74.937	53,923	110	644,627	81.793
5. 2020 .....	845,839	615,313			615,313	72.746	90,824	1,085	707,222	83.612

12 Title XIX-Medicaid



## UNDERWRITING AND INVESTMENT EXHIBIT

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

**Other**

#### Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior .....						
2. 2016 .....						
3. 2017 .....						
4. 2018 .....						
5. 2019 .....			X X X			
6. 2020 .....		X X X	X X X	X X X	X X X	

#### Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior .....						
2. 2016 .....						
3. 2017 .....						
4. 2018 .....						
5. 2019 .....			X X X			
6. 2020 .....		X X X	X X X	X X X	X X X	

#### Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2016 .....										
2. 2017 .....										
3. 2018 .....										
4. 2019 .....										
5. 2020 .....										

12 Other

## UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	20,950,446							20,950,446	
2. Additional policy reserves (a) .....									
3. Reserve for future contingent benefits .....									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income) .....									
5. Aggregate write-ins for other policy reserves .....									
6. TOTALS (Gross) .....	20,950,446							20,950,446	
7. Reinsurance ceded .....									
8. TOTALS (Net) (Page 3, Line 4) .....	20,950,446							20,950,446	
9. Present value of amounts not yet due on claims .....									
10. Reserve for future contingent benefits .....									
11. Aggregate write-ins for other claim reserves .....									
12. TOTALS (Gross) .....									
13. Reinsurance ceded .....									
14. TOTALS (Net) (Page 3, Line 7) .....									
<b>DETAILS OF WRITE-INS</b>									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page .....									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....									
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....									

(a) Includes \$.....0 premium deficiency reserve.

## UNDERWRITING AND INVESTMENT EXHIBIT PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building) .....				924,533	924,533
2. Salaries, wages and other benefits .....	701,684	2,991,388	10,511,050		14,204,122
3. Commissions (less \$.....0 ceded plus \$.....0 assumed) .....					
4. Legal fees and expenses .....	2,332	9,941	341,961		354,234
5. Certifications and accreditation fees .....					
6. Auditing, actuarial and other consulting services .....	25,825	110,097	159,886		295,809
7. Traveling expenses .....	53,763	229,202	34,930		317,895
8. Marketing and advertising .....			287,496		287,496
9. Postage, express and telephone .....	29,210	124,525	386,856		540,591
10. Printing and office supplies .....	18,098	77,156	805,362		900,615
11. Occupancy, depreciation and amortization .....	518,877	2,212,056	3,116,079		5,847,013
12. Equipment .....	59,115	252,015	437,554		748,683
13. Cost or depreciation of EDP equipment and software .....			271,107		271,107
14. Outsourced services including EDP, claims, and other services .....			7,346,520		7,346,520
15. Boards, bureaus and association fees .....			885,521		885,521
16. Insurance, except on real estate .....			110,914		110,914
17. Collection and bank service charges .....				218,661	218,661
18. Group service and administration fees .....					
19. Reimbursements by uninsured plans .....					
20. Reimbursements from fiscal intermediaries .....					
21. Real estate expenses .....			68,419	597,849	666,269
22. Real estate taxes .....					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....			65,725,031		65,725,031
23.2 State premium taxes .....					
23.3 Regulatory authority licenses and fees .....					
23.4 Payroll taxes .....	43,277	184,496	648,276		876,049
23.5 Other (excluding federal income and real estate taxes) .....					
24. Investment expenses not included elsewhere .....					
25. Aggregate write-ins for expenses .....	54,505	232,365	816,478		1,103,349
26. TOTAL Expenses Incurred (Lines 1 to 25) .....	1,506,686	6,423,241	91,953,441	1,741,043	(a) 101,624,412
27. Less expenses unpaid December 31, current year .....			20,086,862		20,086,862
28. Add expenses unpaid December 31, prior year .....			21,862,765		21,862,765
29. Amounts receivable relating to uninsured plans, prior year .....					
30. Amounts receivable relating to uninsured plans, current year .....					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	1,506,686	6,423,241	93,729,344	1,741,043	103,400,314
<b>DETAILS OF WRITE-INS</b>					
2501. Business Development .....	180	768	2,699		3,648
2502. Misc .....	53,507	228,107	801,515		1,083,128
2503. Community Support .....	1,355	5,777	20,300		27,433
2598. Summary of remaining write-ins for Line 25 from overflow page .....	(536)	(2,287)	(8,036)		(10,860)
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	54,505	232,365	816,478		1,103,349

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

## EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates	251,552	251,552
3. Mortgage loans	(c)	
4. Real estate	(d) style="text-align: right;">924,533	924,533
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) style="text-align: right;">1,991,755	1,794,801
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL gross investment income	3,167,840	2,970,887
11. Investment expenses		(g) style="text-align: right;">1,741,043
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) style="text-align: right;">299,220
15. Aggregate write-ins for deductions from investment income		
16. TOTAL Deductions (Lines 11 through 15)		2,040,263
17. Net Investment income (Line 10 minus Line 16)		930,623

**DETAILS OF WRITE-INS**

0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		

- (a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....924,533 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....299,220 depreciation on real estate and \$.....0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	380,455		380,455	3,003,185	
2.21 Common stocks of affiliates				24,897	
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	380,455		380,455	3,028,082	

**DETAILS OF WRITE-INS**

0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....	6,337,274	12,995,689	6,658,415
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	6,337,274	12,995,689	6,658,415
13. Title plants (for Title insurers only) .....			
14. Investment income due and accrued .....			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	87,316	93,648	6,332
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....	331,083	671,471	340,388
21. Furniture and equipment, including health care delivery assets .....	56,947	156,240	99,293
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....	79	31,598	31,520
24. Health care and other amounts receivable .....		37,732	37,732
25. Aggregate write-ins for other than invested assets .....			
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	6,812,698	13,986,378	7,173,680
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. TOTAL (Lines 26 and 27) .....	6,812,698	13,986,378	7,173,680
<b>DETAILS OF WRITE-INS</b>			
1101. INVENTORY .....	5,715	8,723	3,007
1102. DEFERRED CHARGES EQUIP FEES .....	5,375,763	6,017,393	641,630
1103. PREPAID EXPENSES .....	915,395	625,774	(289,621)
1198. Summary of remaining write-ins for Line 11 from overflow page .....	40,401	6,343,799	6,303,398
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	6,337,274	12,995,689	6,658,415
2501. ....			
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....			

## 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 .....	203,039	208,803	220,265	229,533	236,104	2,649,831
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business .....						
7. TOTAL .....	203,039	208,803	220,265	229,533	236,104	2,649,831
<b>DETAILS OF WRITE-INS</b>						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....						

## Notes to Financial Statements

McLaren Health Plan, Inc.  
December 31, 2020

### Note 1 - Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of McLaren Health Plan have been prepared in accordance with NAIC Accounting Practices and Procedures manual and statutory accounting principles as prescribed by the Michigan Department of Insurance and Financial Services. Statutory accounting principles differ from generally accepted accounting principles (“GAAP”) in certain respects and include the following accounting practices:

Certain assets designated as “non-admitted assets” are excluded from the statement of admitted asset, liabilities, and capital and surplus by a direct charge to surplus. Such items include intangible assets, prepaid expenses, and certain receivables and certain depreciable/amortizable assets.

Statutory accounting principles require that the goodwill from a statutory purchase be calculated as the excess of cost of acquiring an entity over its book value, admitted subject to limitation, and amortized over a period not to exceed 10 years. Goodwill is required to be charged or credited immediately to surplus in the event that the investee to which the goodwill relates ceases to exist. GAAP requires that goodwill be recorded as a residual after the fair value of the entity and other identifiable assets have been determined, and be subject to an impairment evaluation rather than amortized.

Real estate owned and occupied by the Plan is included in investments, while under GAAP it is reported as an operating asset.

Statutory basis investment income and operating expenses include rent for the Plan's occupancy of those properties, and depreciation expense is reported as investment expense as a component of investment income for statutory financial statement purposes, rather than operating expense under GAAP.

Salvage and subrogation are recognized when received rather than when earned, as required by GAAP.

Comprehensive income and its components are not presented in the statutory basis financial statements.

Subsidiaries are included as common stock carried under the statutory equity method, with changes in the carrying value credited or debited directly to the Plan's surplus for statutory accounting principles. GAAP requires consolidation or, for those entities being accounting for under the equity basis of accounting, that their net income or loss be recognized in the statement of operations.

The statement of cash flows is prepared in the prescribed statutory format.

The Plan adopted the NAIC's Codification of Statutory Accounting Principles on January 1, 2003 at the direction of the Michigan Department of Insurance and Financial Services. There are no significant differences between statutory accounting principles prescribed by the NAIC and the State of Michigan accounting requirements that are applicable to the Plan, except for the prescribed practice for SSAP 84, Certain Health Care Receivables and Receivables under Government Insured Plans. There is no impact on statutory surplus of the differences in accounting principles prescribed by the NAIC and the State of Michigan, due to the prescribed practice referenced above.

## Notes to Financial Statements

	Description	SSAP	F/S Page	F/S Line #	State of Domicile	2020	2019
<b>Net Income</b>							
1	State Basis	XXX	XXX	XXX	MI	50,702,326	32,460,072
2	State Prescribed Practices that increase/(decrease) NAIC SAP						
3	State Permitted Practices that increase/(decrease) NAIC SAP						
4	NAIC SAP	XXX	XXX	XXX	MI	50,702,326	32,460,072
<b>Surplus</b>							
5	State Basis	XXX	XXX	XXX	MI	210,938,524	150,034,435
6	State Prescribed Practices that increase/(decrease) NAIC SAP						
7	State Permitted Practices that increase/(decrease) NAIC SAP						
8	NAIC SAP	XXX	XXX	XXX	MI	210,938,524	150,034,435

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

Preparation of financial statements in conformity with the Annual Statement Instructions and Accounting Practices and Procedures Manual requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates exist relating to accrued health care costs. These estimates are actuarially determined and represent the Plan's best estimate of the level of claims to be paid applicable to 2020 or prior periods. Any future adjustments to these amounts will affect the reported results in the future periods.

### C. Accounting Policy

(1) Short-term investments: None. Pursuant to SSAP 2R, money market mutual funds are no longer considered short-term investments and are now classified as cash equivalents.

(2) Bonds: None

(3) Common Stock: Unaffiliated common stocks are stated at fair market value, as prescribed by the NAIC Securities Valuation Office.

Health Advantage Inc. d/b/a McLaren Health Advantage, Inc. and McLaren Health Plan Community are wholly owned subsidiaries of the Plan. The Plan carries them on the statutory equity basis in accordance with Statement of Statutory Accounting Principles (SSAP) No. 97, *Investments in Subsidiary, Controlled and Affiliated Entities, A Replacement of SSAP No. 88 (SSAP 97)*.

(4) Preferred Stock: None

(5) Mortgage Loans: None

(6) Loan-Backed Securities: None

(7) Investments in Subsidiaries, Controlled and Affiliated Companies: The Plan is the parent corporation of Health Advantage, Inc., a licensed Michigan TPA. The Plan carries Health Advantage, Inc., at SSAP equity basis.

During 2010, the Plan became the Parent Corporation of McLaren Health Plan Insurance Company. The Plan carries McLaren Health Plan Insurance Company at SSAP equity basis. In 2014, McLaren Health Plan Insurance Company was dissolved.

During 2011, the plan became the Parent Corporation for McLaren Health Plan Community. The Plan carries McLaren Health Plan Community at SSAP equity basis.

(8) Investments in Joint Ventures, Partnerships, and Limited Liability Companies: None



## Notes to Financial Statements

(9) Derivatives: None

(10) Anticipated investment income is not a factor in the premium deficiency calculation.

(11) Policy and methodologies for estimating liabilities for losses and loss/claim adjustment expenses: Estimates of liabilities for losses and loss/claim adjustment expenses are made by our independent actuary and are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principals, are based on actuarial assumptions relevant to contract provisions, and include appropriate provision for all actuarial terms that ought to be established.

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss/lag reports, based on past experience, for losses incurred but not reported. The methods for making such estimates and for establishing the resulting liability, are continually reviewed and any adjustments are reflected in the period determined

(12) Effective October 1, 2017 the capitalization policy was revised and a new predefined threshold of \$3,000 was set.

(13) Pharmaceutical Rebate Receivables: Pharmaceutical rebates receivables are derived from actual confirmed receipts from the PBM.

D. Going Concern

Management has evaluated McLaren Health Plan's ability to continue as a going concern and has no substantial doubt as to the going concern of McLaren Health Plan.

Note 2 - Accounting Changes and Corrections of Errors: None

Note 3 - Business Combinations and Goodwill

A. Statutory Purchase Method: None

B. Statutory Merger: None

C. Assumption Reinsurance: None

D. Impairment Loss: None

Note 4 - Discontinued Operations

A. Discontinued Operation Disposed of or Classified as Held for Sale: None

B. Change in Plan of Sale of discontinued Operation: None

C. Nature of Any Significant Continuing Involvement with Discontinued Operations After Disposal: None

D. Equity Interest Retained in the Discontinued Operation After Disposal: None

Note 5 - Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans: None

B. Debt Restructuring: None

C. Reverse Mortgage: None

D. Loan Backed Securities: None

## Notes to Financial Statements

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions: None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing: None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing: None
- H. Repurchase Agreements Transactions Accounted for as a Sale: None
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale: None
- J. Real Estate: None
- K. Low-Income Housing Tax Credits (LIHTC): None
- L. Restricted Assets:

		1	2	3	5	5	6	7
Restricted Asset Category		Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/(Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted	Percent Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a.	Subject to contractual obligation for which liability is not shown							
b.	Collateral held under security lending agreements							
c.	Subject to repurchase agreements							
d.	Subject to reverse repurchase agreements							
e.	Subject to dollar repurchase agreements							
f.	Subject to dollar reverse repurchase agreements							
g.	Placed under option contracts							
h.	Letter stock or securities restricted as to sale							
i.	FHLB capital stock							
j.	On deposit with states							
k.	On deposit with other regulatory bodies	1,280,676	1,274,621	6,056	0.00	1,280,676	0.345	0.352
l.	Pledged as collateral to FHLB (including assets backing funding agreements)							
m.	Pledged as collateral not captured in other categories							
n.	Other restricted assets							
o.	Total Restricted Assets	1,280,676	1,274,621	6,056	0.00	1,280,676	0.345	0.352

- M. Working Capital Finance Investments: None
- N. Offsetting and Netting of Assets and Liabilities: None
- O. 5GI Securities: None
- P. Short Sales: None
- Q. Prepayment Penalty and Acceleration Fees: None

### Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investment in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships or Limited Liability Companies during the statement periods.

### Note 7 - Investment Income

- A. Due and accrued income was excluded from surplus on the following basis:  
All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

## Notes to Financial Statements

- B. The total amount excluded was \$0.

### Note 8 - Derivative Investments: None

### Note 9 - Income Taxes

- A. Components of Net Deferred Income Tax Asset: N/A
- B. Extent That DTL's Are Not Recognized: N/A
- C. Disclosure of Significant Components of Income Taxes Incurred: N/A
- D. Sum of Reporting Entity's Income Tax Incurred: N/A
- E. Reporting Entity Additional Disclosure: N/A
- F. Consolidated Federal Income Tax: N/A
- G. McLaren Health Care Corporation is subject to routine audits by taxing jurisdictions. McLaren Health Care Corporation, McLaren Health Plan's parent company and its subsidiaries completed an audit in 2014, covering the tax periods of 2010, 2011, and 2012. McLaren Health Plan has received a notice from the IRS dated 01/21/15 stating the Plan as exempt from Federal income tax under IRS section 501 (c) (4) of the internal revenue code retroactive to August 1, 2012. The plan is however, subject to unrelated business income tax. For 2020, the plan had no significant unrelated business income.

### Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

- A. Nature of the relationship:

McLaren Health Care Corporation (MHCC), a Michigan nonprofit corporation and holding company of various health care entities and was the sole parent of McLaren Health Plan, Inc. The parent company initially invested into McLaren Health Plan gross paid in and contributed surplus of \$1,140,000. On March 15, 2018 the Board of Directors of McLaren Health Care Corporation adopted a resolution to establish a Michigan nonprofit corporation McLaren Integrated HMO Group as to which MHCC would be the sole Member. Further, the Board of Directors of McLaren Health Care Corporation adopted a resolution to transfer its Membership in the McLaren Health Plan, Inc. and MDwise, Inc. to the McLaren Integrated HMO Group (MIG).

McLaren Regional Medical Center dba McLaren Flint is a subsidiary of McLaren Health Care Corporation.

PHNS was purchased by CONJOIN in November 2010. The merged entity changed its name to Anthelio HealthCare Solutions in early 2011. MHCC still maintained its ownership as a shareholder. In September of 2016, Anthelio was purchased by Atos and McLaren Health Care Corporation is no longer a shareholder.

Health Advantage Inc., is a wholly owned subsidiary of McLaren Health Plan.

McLaren Health Plan Community is a wholly owned subsidiary of McLaren Health Plan. The parent company initially invested into McLaren Health Plan Community gross paid in capital and contributed surplus of \$3,000,000 in 2011. An additional investment of \$15,000,000 was made in 2016.

- B. Description of transactions: None

## Notes to Financial Statements

- C. Transactions with related parties not reported on Schedule Y: None
- D. Due from Affiliates: \$3,242,615 amounts due from affiliate for administrative services and information system operations support. The amounts are settled monthly.

Due to Affiliates: \$5,228,544 amounts due to affiliate per contract for various administrative support, including personnel and information system operations support. The amounts are settled monthly.

- E. Management & Service Agreements:

**(1) McLaren Health Plan and McLaren Health Care Corporation:**

There are the following agreements between the companies.

- The Management Agreement states McLaren Health Care Corporation agrees to provide certain operational services and other resources to McLaren Health Plan. Amount for 2020 was \$11,096,854.
- The Service Agreement states McLaren Health Care Corporation agrees to provide a Leased Employee to perform certain operational, personnel services, and other resources to McLaren Health Plan.
- The Management Agreement states McLaren Health Plan agrees to provide certain operational services and other resources to McLaren Health Care Corporation.

**(2) McLaren Health Plan and McLaren Regional Medical Center, DBA McLaren Flint:**

MRMC agrees to provide certain accounting / resource services to McLaren Health Plan. Amount for 2020 was \$11,742.

**(3) McLaren Health Plan and Health Advantage:**

McLaren Health Plan agrees to provide certain operational, personnel services and other resources to Health Advantage. Amount for 2020 was \$11,244,127.

**(4) McLaren Health Plan and McLaren Health Plan Community:**

McLaren Health Plan agrees to provide certain operational, personnel services and other resources to MHPC. Amount for 2020 was \$4,947,032.

**(5) McLaren Health Plan and McLaren Integrated HMO Group:**

McLaren Integrated HMO Group and McLaren Health Plan entered into a services agreement effective 12/22/19. McLaren Integrated HMO Group agrees to provide McLaren Health Plan administrative services and lease personnel. McLaren Integrated HMO Group may purchase from McLaren Health Plan certain administrative services. Amount for 2020 was \$4,040,418.

- F. Guarantees or undertakings: None
- G. Nature of Control Relationship: McLaren Health Plan is the sole owner and parent company of McLaren Health Plan Community and Health Advantage.
- H. Upstream/downstream activity: None
- I. Investment in SCA: None

## Notes to Financial Statements

- J. Investments in impaired SCA: None
- K. Investment in foreign insurance subsidiary: None
- L. Investment in downstream noninsurance holding company: None
- M. All SCA Investments:

(1) Balance Sheet Value

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
b. SSAP No. 97 8b(ii) Entities				
Health Advantage	100%	\$ 4,462,546	\$ 4,462,546	\$ -

- (2) NAIC Filing Response Information: McLaren Health Plan received a one year waiver dated October 2, 2020 from submitting its investment in McLaren Health Advantage to the NAIC SVO for valuation.

- N. Investment in Insurance SCAs: N/A
- O. SCA Loss Tracking: N/A

Note 11 – Debt: None

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

- A. Defined Benefit Plan  
See G Below
- B. Narrative Description of Investment Policies and Strategies: N/A
- C. Fair Value of each class of Plan Assets: N/A
- D. Narrative Description of Basis: N/A
- E. Defined Contribution Plans:  
McLaren Health Plan employees hired on or after October 1, 2004 are covered by a qualified defined contribution plan which is a part of the master trust agreement with MHCC. Vesting period for contribution matching by McLaren Health Plan is 1 year (previous to 2014, was 2-year vesting period). For 2020, the employer contribution was \$628,746.
- F. Multiemployer Plans: None
- G. Consolidated/Holding Company Plans: McLaren Health Plan is a wholly owned subsidiary of McLaren Health Care Corporation, which sponsors a defined benefit pension plan covering substantially all of McLaren Health Plan employees whose employment began prior to Oct 1, 2004. The benefits under the plan are based on years of service and the employee's termination of employment. The plan has no legal obligation for benefits under this plan. The funding policy is to contribute annually an amount in accordance with the standards of the Employee Retirement Income Security Act of 1974. Contributions are intended to provide not only the benefits attributed to services to date, but also those expected to be earned in the future. As of Oct 1, 2012, the pension plan has been frozen.
- H. Postemployment Benefits and Compensated Absences: They are accrued.
- I. The impact of Medicare Modernization Act on Post-Retirement Benefits is not reflected in the financial statements or accompanying notes.

## Notes to Financial Statements

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

- A. Capital stock: None
- B. Dividend rate: None
- C. Dividend restrictions: Subject to other regulatory limitations on capital and surplus and working capital, the Plan is limited by statute to paying dividends no greater than annual income or 10 percent of surplus without prior approval of the Michigan Department of Insurance and Financial Services.
- D. Date and amount of dividends paid: None
- E. Within the limitations of C. above, there are no restrictions placed on the portion of the Plan profits that may be paid as ordinary dividends to stockholders.
- F. Restrictions placed on unassigned funds (surplus): None
- G. Advances of surplus not paid: None
- H. Amount of stock held for special purposes: None
- I. Special surplus funds: None
- J. Unassigned funds (surplus) represented or reduced: None
- K. Surplus notes: None
- L. Impact of any restatement due to quasi-reorganization: None
- M. Effective date(s) of a quasi-reorganization in the prior 10 years: None

### Note 14 - Liabilities, Contingencies and Assessments

- A. Contingent Commitments: None
- B. Assessments: None
- C. Gain Contingencies: None
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits: None
- E. Joint and Several Liabilities: None
- F. All Other Contingencies

The Plan is susceptible to various legal actions related to Plan activities. Management is of the opinion that no litigation matters are outstanding or pending that will have a material effect on its financial position or results of operations.

### Note 15 – Leases

McLaren Health Plan currently holds two building leases:

The lease for the East Lansing office was renewed on March 17<sup>th</sup>, 2015 for a period of five (5) years, commencing on April 1, 2015, fully to be completed and ended March 31, 2020. The lease includes an option to extend the Lease for two 3-year terms at Tenant's option at the same terms as if the Lease continues under the original

## Notes to Financial Statements

provisions provided the rental rate for the first optional extension shall be \$20,191 monthly and the rental rate for the second option shall be \$21,705 monthly or the current market rate. The East Lansing lease was amended on September 4, 2019 commencing April 1, 2020 and expiring March 31, 2025. The amended lease contains an option to extend for one (1) additional period of five (5) years at the then “Fair Market Rental”.

The lease for the Auburn Hills office was executed on May 21, 2012, commenced on July 1, 2012 and is for ten years.

The future minimum lease payments under all non-cancelable leases are as follows:

Year Ending December 31	Operating Lease
1. 2021	\$460,916
2. 2022	\$384,619
3. 2023	\$223,992
4. 2024-2025	\$279,990

Note 16 - Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk: None

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities:

- A. Transfers of Receivables Reported as Sales: None.
- B. Transfer and Servicing of Financial Assets: None
- C. Wash Sales: None

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

A. ASO plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2020:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	0	0	0
b. Total net other income or expenses (including interest paid to or received from plans)	0	0	0
c. Net gain or (loss) from operations	0	0	0
d. Total claim payment volume	255,267,958	0	255,267,958

B. ASC plans – N/A

C. Medicare or similarly structured cost based reimbursed contracts – N/A

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators: None

Note 20 - Fair Value Measurement

## Notes to Financial Statements

### A. Fair Value Measurements at Reporting Date

Accounting standards require certain assets and liabilities be reported or disclosed at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following table presents information about the Plan's assets and liabilities measured at fair value at December 31, 2020, and the valuation techniques used by the Plan to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active market for identical assets or liabilities that the Plan has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

	Assets measured or disclosed at Fair Value at December 31, 2020			Total
	Level 1	Level 2	Level 3	
Cash, Cash Equivalents, and Short-term Investments	\$234,532,334			\$234,532,334
Mutual funds - Industrial and miscellaneous	\$72,225,594			\$72,225,594
Total	\$306,757,928			\$306,757,928
	Assets measured or disclosed at Fair Value at December 31, 2019			Total
	Level 1	Level 2	Level 3	
Cash, Cash Equivalents, and Short-term Investments	\$146,296,901			\$146,296,901
Mutual funds - Industrial and miscellaneous	\$67,434,208			\$67,434,208
Total	\$213,731,109			\$213,731,109

The following summarizes the valuation methodology used in determining fair value measurements of significant classes of the Plan's financial instruments:

#### Level 1 Measurements

Cash and Cash Equivalents – the fair value of cash is the Plan's reported cash balances.

Short-term Investments – None.

Mutual Funds – the fair value of these stocks and funds is based upon the unadjusted quoted prices for the identical security in active markets that the Plan can access.

B. Fair Value information under SSAP No. 100 combined with Fair Value information under other accounting pronouncements: None

C. Aggregate Fair Value of All Financial Instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Cash, Cash Equivalents, and Short-term Investments	\$234,532,334	\$234,532,334	\$234,532,334			
Mutual funds - Industrial and miscellaneous	\$72,225,594	\$72,225,594	\$72,225,594			

D. Not Practicable to Estimate Fair Value: None

E. Investments Measured Using NAV: None



## Notes to Financial Statements

### Level 2 Measurements

Bonds – None

### Note 21 - Other Items

- A. Unusual or Infrequent Items: None
- B. Troubled Debt Restructuring: Debtors: None
- C. Other Disclosures and Unusual Items: Cash equivalents in the amount of \$1,280,676 as of 12/31/20 are on deposit with the State of Michigan Treasury in a safekeeping account as required by regulation.
- D. Business Interruption Insurance Recoveries: None
- E. State Transferable Tax Credits: None
- F. Subprime Mortgage Related Risk Exposure: None
- G. Retained Assets: None
- H. Insurance-Linked Securities (ILS) Contracts: None
- I. 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: None

Note 22 - Events Subsequent: Effective with the first payroll in 2020, all employees in McLaren Health Plan (MHP) will be employed by McLaren Integrated HMO Group (MIG). MIG will lease personnel to MHP pursuant to a services agreement.

### Note 23 – Reinsurance

#### A. Ceded Reinsurance Report

##### Section 1-General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? No.
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business? No.

##### Section 2 - Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit? No.
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? No.

## Notes to Financial Statements

### Section 3 - Ceded Reinsurance Report – Part B

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

The Plan cedes reinsurance under a specific excess loss reinsurance agreement. During 2019 the Plan's specific deductible per covered person is \$275,000 for Medicaid (ABAD, AFDC, OAA, and Healthy MI) and \$500,000 (CSHCS), up to a maximum per covered person of \$1,000,000 for Medicaid, and \$1,000,000 for CSHCS.

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? No.

B. Uncollectible Reinsurance: None

C. Commutation of Ceded Reinsurance: None

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation: None

#### Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Medicare Advantage: The Plan had retrospective premiums based on members risk score adjustments submitted to CMS.
- B. The Plan records accrued retrospective premium as an adjustment to earned premium.
- C. The amount of net premiums written by the Plan at December 31, 2020 that are subject to retrospective rating features was \$446,554 representing less than 1% of total net premiums written.
- D. Medical loss rebates required pursuant to the Public Health Service Act –The Plan is required to refund premiums to subscribers to the extent medical loss ratios fall short of those specified percentages as directed by the Affordable Care Act. Effective December 31, 2020, the Plan estimated that no amounts will be paid out and no accrual has been recorded as of December 31, 2020.
- E. Risk-Sharing Provisions of the Affordable Care Act (ACA)
- Risk adjustment program - Premium adjustments pursuant to the risk adjustment program will be based on the risk scores (health status) of enrollees participating in risk adjustment covered plans, rather than the actual loss experience of the insured. Risk adjustment receivables or payables are estimated based on experience to date and determinations of the Plan's risk score versus the overall market risk score. These amounts represent the estimated amounts receivable or payable for both individual and small group populations, and are based on general demographic data and health status of these populations and data assumptions regarding the general health status of the overall market for which there is limited data. For 2019, the Plan did not write any accident and health insurance premium.

## Notes to Financial Statements

- Risk corridors - The risk corridors program is effective for benefit years beginning in 2015 through 2016. The purpose of the program is to provide limitations on issuer losses and gains for qualified health plans through additional protection against initial pricing risk. The program creates a mechanism for sharing the risk for allowable costs between the federal government and the qualified health plan issuers. Although the risk corridors program provides protection against extreme bounds of experience, there is a substantial corridor in which all variance in experience directly affects the loss experience of the Plan. For 2014, the Plan has recorded an estimate receivable of \$446,554. For 2015, the Plan has recorded an estimated receivable of \$5,523,611. For 2016, the plan has recorded an estimated receivable of \$781,058.

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions – No

(2)

<b>IMPACT OF RISK-SHARING PROVISIONS OF THE ACA</b>		
		<u>AMOUNT</u>
Permanent ACA Risk Adjustment Program		
Assets		
	Premium adjustments receivable due to ACA Risk Adjustment	\$ -
Liabilities		
	Risk adjustment user fees payable for ACA Risk Adjustment	\$ -
	Premium adjustments payable due to ACA Risk Adjustment	\$ -
Operations (Revenue & Expense)		
	Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ -
	Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ -
Transitional ACA Reinsurance Program		
Assets		
	Amounts recoverable for claims paid due to ACA Reinsurance	\$ -
	Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$ -
	Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$ -
Liabilities		
	Liabilities for contribution payable due to ACA Reinsurance - not reported as ceded premium	\$ -
	Ceded reinsurance premiums payable due to ACA Reinsurance	\$ -
	Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$ -
Operations (Revenue & Expense)		
	Ceded reinsurance premiums due to ACA Reinsurance	\$ -
	Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ -
	ACA Reinsurance contributions - not reported as ceded premium	\$ -
Temporary ACA Risk Corridors Program		
Assets		
	Accrued retrospective premium due to ACA Risk Corridors	\$ 6,751,222
Liabilities		
	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$ -
Operations (Revenue & Expense)		
	Effect of ACA Risk Corridors on net premium income (paid/received)	\$ 446,554
	Effect of ACA Risk Corridors on change in reserves for rate credits	\$ -

## Notes to Financial Statements

(3)

### ROLL-FORWARD OF PRIOR YEAR ACA RISK-SHARING PROVISIONS

	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 Receivable	2 (Payable)	3 Receivable	4 (Payable)	5 Receivable	6 (Payable)	7 Receivable	8 (Payable)	Ref	Cumulative	Cumulative
										Balance from Prior Years (Col 1 - 3 + 7)	Balance from Prior Years (Col 2 - 4 + 8)
<b>Permanent ACA Risk Adjustment Program</b>											
Premium adjustments receivable	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -		A	\$ -	\$ -
Premium adjustments (payable)		\$ -		\$ -	\$ -	\$ -		\$ -	B	\$ -	\$ -
Subtotal ACA Permanent Risk Adjustment Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
<b>Transitional ACA Reinsurance Program</b>											
Amounts recoverable for claims paid	\$ -		\$ -		\$ -	\$ -	\$ -		C	\$ -	\$ -
Amounts recoverable for claims unpaid (contra liability)					\$ -	\$ -			D	\$ -	\$ -
Amounts receivable relating to uninsured plans					\$ -	\$ -			E	\$ -	\$ -
Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium		\$ -		\$ -	\$ -	\$ -			F	\$ -	\$ -
Ceded reinsurance premiums payable					\$ -	\$ -			G	\$ -	\$ -
Liability for amounts held under uninsured plans					\$ -	\$ -			H	\$ -	\$ -
Subtotal ACA Transitional Reinsurance Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
<b>Temporary ACA Risk Corridors Program</b>											
Accrued retrospective premium	\$ 6,304,669	\$ -	\$ -		\$ 6,304,669	\$ -	\$ 446,554		I	\$ 6,751,222	\$ -
Reserve for rate credit or policy experience rating refunds					\$ -	\$ -	\$ -	\$ -	J	\$ -	\$ -
Subtotal ACA Risk Corridors Program	\$ 6,304,669	\$ -	\$ -	\$ -	\$ 6,304,669	\$ -	\$ 446,554	\$ -		\$ 6,751,222	\$ -
<b>Total for ACA Risk Sharing Provisions</b>	\$ 6,304,669	\$ -	\$ -	\$ -	\$ 6,304,669	\$ -	\$ 446,554	\$ -		\$ 6,751,222	\$ -

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

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
	1 Receivable	2 (Payable)	3 Receivable	4 (Payable)	5 Receivable	6 (Payable)	7 Receivable	8 (Payable)	Ref	Cumulative	Balance from
										Balance from Prior Years (Col 1 - 3 + 7)	Prior Years (Col 2 - 4 + 8)
<b>a. 2014</b>											
1. Accrued retrospective premium			\$ -		\$ -	\$ -	\$ 446,554			\$ 446,554	
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -					
<b>b. 2015</b>											
1. Accrued retrospective premium	\$ 5,523,611				\$ 5,523,611	\$ -				\$ 5,523,611	
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -					
<b>c. 2016</b>											
1. Accrued retrospective premium	\$ 781,058				\$ 781,058	\$ -				\$ 781,058	
2. Reserve for rate credits or policy experience rating refunds					\$ -	\$ -					
<b>d. Total for Risk Corridors</b>	\$ 6,304,669	\$ -	\$ -	\$ -	\$ 6,304,669	\$ -	\$ 446,554	\$ -	\$ -	\$ 6,751,222	\$ -

(5) ACA Risk Corridors Receivable as of Reporting Date

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)	Non-Admitted Amount	Net Admitted Asset
2014	\$ 446,554	\$ -	\$ -	\$ 446,554	\$ -	\$ 446,554
2015	\$ 5,523,611	\$ -	\$ -	\$ 5,523,611	\$ -	\$ 5,523,611
2016	\$ 781,058	\$ -	\$ -	\$ 781,058	\$ -	\$ 781,058
<b>Total</b>	\$ 6,751,222	\$ -	\$ -	\$ 6,751,222	\$ -	\$ 6,751,222

Note 25 - Change in Incurred Claims and Claim Adjustment Expenses

An enrolled actuary has determined the estimated reserve for claims incurred but not reported. Although management believes that the provision for unpaid claims is adequate, no assurance can be given that the ultimate settlement of these liabilities may not be greater or less than such estimates. Any future adjustments to these amounts will affect the reported results of future periods.

Note 26 - Intercompany Pooling Arrangements: None

Note 27 - Structured Settlements: N/A

## Notes to Financial Statements

### Note 28 - Health Care Receivables

The Plan has no accounts receivable for pharmaceutical rebates.

#### A. Pharmacy rebates received were as follows:

*Section ID	Quarter	Estimated pharmacy rebates reported	Pharmacy rebates as billed	Actual rebates received <= 90 days	Actual rebates received 91 - 180 days	Actual rebates received > 180 days	Total Received
01	12/31/20	-	-	-	-	-	-
01	09/30/20	-	-	-	-	-	-
01	06/30/20	-	-	778,048	-	-	778,048
01	03/31/20	-	-	14,298	739,710	-	754,008
01	12/31/19	-	-	733	4,868	720,316	725,917
01	09/30/19	-	-	-	1,210	883,232	884,443
01	06/30/19	-	-	-	3,320	1,224,244	1,227,565
01	03/31/19	-	-	-	-	621,263	621,263
01	12/31/18	-	-	-	-	931,357	931,357
01	09/30/18	-	-	-	-	968,109	968,109
01	06/30/18	-	-	-	-	1,016,432	1,016,432
01	03/31/18	-	-	-	-	924,710	924,710

#### B. Risk Sharing Receivables –See note 24.

Note 29 - Participating Policies: None

### Note 30- Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves: None
2. Date of the most recent evaluation of this liability: December 31, 2020
3. Was anticipated investment income utilized in the calculation? No

Note 31 - Anticipated Salvage and Subrogation: None

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[ ] N/A[ ]
- 1.3 State Regulating? 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. .....12/31/2019.....
- 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. .....12/31/2015.....
- 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). .....03/21/2017.....

- 3.4 By what department or departments?  
Michigan Department of Insurance and Financial Services
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[X] No[ ] N/A[ ]
- 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?  
If yes, complete and file the merger history data file with the NAIC. Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[ ] No[X]
- 7.2 If yes, .....0.000%
- 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
.....	.....

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
PLANTE AND MORAN LLP, 1111 MICHIGAN AVE. EAST LANSING MI 48823
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[ ] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[ ] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[ ] N/A[ ]
- 10.6 If the response to 10.5 is no or n/a please explain:

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
JOHN VATAHA, ASA, MAAA ACTUARY CONSULTANT, 96 Willibrook Drive Doylestown, PA 18901

## GENERAL INTERROGATORIES (Continued)

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

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

### BOARD OF DIRECTORS

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

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes[ ] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ ..... 0
- 20.12 To stockholders not officers \$ ..... 0
- 20.13 Trustees, supreme or grand (Fraternal only) \$ ..... 0
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ ..... 0
- 20.22 To stockholders not officers \$ ..... 0
- 20.23 Trustees, supreme or grand (Fraternal only) \$ ..... 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes[ ] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ ..... 0
- 21.22 Borrowed from others \$ ..... 0
- 21.23 Leased from others \$ ..... 0
- 21.24 Other \$ ..... 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes[ ] No[X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ ..... 0
- 22.22 Amount paid as expenses \$ ..... 0
- 22.23 Other amounts paid \$ ..... 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[X] No[ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 85,833

### INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes[X] No[ ]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$ ..... 0
- 24.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$ ..... 0
- 24.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes[ ] No[ ] N/A[X]
- 24.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes[ ] No[ ] N/A[X]
- 24.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[ ] No[ ] N/A[X]
- 24.09 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ ..... 0

## GENERAL INTERROGATORIES (Continued)

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

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

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

25.21 Subject to repurchase agreements	\$	0
25.22 Subject to reverse repurchase agreements	\$	0
25.23 Subject to dollar repurchase agreements	\$	0
25.24 Subject to reverse dollar repurchase agreements	\$	0
25.25 Placed under option agreements	\$	0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	0
25.27 FHLB Capital Stock	\$	0
25.28 On deposit with states	\$	0
25.29 On deposit with other regulatory bodies	\$	1,280,676
25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	0
25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	0
25.32 Other	\$	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

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

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

27.2 If yes, state the amount thereof at December 31 of the current year. \$ ..... 0

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

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

1 Name of Custodian(s)	2 Custodian's Address
JPMORGAN CHASE BANK, NA .....	1111 POLARIS PARKWAY, COLUMBUS OH 43240 .....

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

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

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

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

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

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

1 Name of Firm or Individual	2 Affiliation
Cheryl Diehl, Assistant Treasurer/CFO .....	I .....

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

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

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



## GENERAL INTERROGATORIES (Continued)

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

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

Yes  No

29.2 If yes, complete the following schedule:

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

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

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

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

	1  Statement (Admitted) Value	2  Fair Value	3  Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds			
30.2 Preferred stocks			
30.3 Totals			

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

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

Yes  No

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

Yes  No  N/A

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

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

Yes  No

32.2 If no, list exceptions:

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

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

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

Yes  No

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

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

Has the reporting entity self-designated PLGI securities?

Yes  No

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

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

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

Yes  No

36. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliate then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate then the reporting entity has complete robust reunderwriting of the transaction for which documentation is available for regulator review.
- d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a-36.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria?

Yes  No  N/A

## GENERAL INTERROGATORIES (Continued)

### OTHER

37.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ ..... 0

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

1 Name	2 Amount Paid

38.1 Amount of payments for legal expenses, if any? \$ ..... 0

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

# GENERAL INTERROGATORIES (Continued)

## PART 2 - HEALTH INTERROGATORIES

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

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	846,335,666	788,258,012
2.2 Premium Denominator .....	846,335,666	788,258,012
2.3 Premium Ratio (2.1 / 2.2) .....	100.000	100.000
2.4 Reserve Numerator .....	122,286,662	77,770,028
2.5 Reserve Denominator .....	122,286,662	77,770,028
2.6 Reserve Ratio (2.4 / 2.5) .....	100.000	100.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No [ ]
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [ ] N/A[X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes[X] No [ ]
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
  - 5.31 Comprehensive Medical \$ ..... 550,000
  - 5.32 Medical Only \$ ..... 0
  - 5.33 Medicare Supplement \$ ..... 0
  - 5.34 Dental & Vision \$ ..... 0
  - 5.35 Other Limited Benefit Plan \$ ..... 0
  - 5.36 Other \$ ..... 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
ALL ABOVE TOPICS ARE INCLUDED IN ALL PROVIDER CONTRACTS WITH LANGUAGE APPROVED BY DIFS
- 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 ..... 33,779
  - 8.2 Number of providers at end of reporting year ..... 36,060
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No[X]
- 9.2 If yes, direct premium earned:
  - 9.21 Business with rate guarantees between 15-36 months ..... 0
  - 9.22 Business with rate guarantees over 36 months ..... 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes[X] No [ ]
- 10.2 If yes:
  - 10.21 Maximum amount payable bonuses \$ ..... 14,949,222
  - 10.22 Amount actually paid for year bonuses \$ ..... 1,493,278
  - 10.23 Maximum amount payable withholds \$ ..... 0
  - 10.24 Amount actually paid for year withholds \$ ..... 0
- 11.1 Is the reporting entity organized as:
  - 11.12 A Medical Group/Staff Model, Yes [ ] No[X]
  - 11.13 An Individual Practice Association (IPA), or, Yes [ ] No[X]
  - 11.14 A Mixed Model (combination of above)? Yes [ ] No[X]
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes[X] No [ ]
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus.  
MICHIGAN
- 11.4 If yes, show the amount required. \$ ..... 66,575,822
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No[X]
- 11.6 If the amount is calculated, show the calculation.  
200% OF AUTHORIZED CONTROL LEVEL
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
Alcona County .....
Allegan County .....
Alpena County .....
Antrim County .....
Arenac County .....
Bay County .....
Benzie County .....
Berrien County .....
Branch County .....
Barry County .....
Calhoun County .....

# GENERAL INTERROGATORIES (Continued)

1 Name of Service Area
Cass County .....
Cheboygan County .....
Charlevoix County .....
Clare County .....
Clinton County .....
Crawford County .....
Eaton County .....
Emmet County .....
Genesee County .....
Gladwin County .....
Gratiot County .....
Grand Traverse County .....
Hillsdale County .....
Huron County .....
Ingham County .....
Ionia County .....
Iosco County .....
Isabella County .....
Jackson County .....
Kent County .....
Kalkaska County .....
Kalamazoo County .....
Lake County .....
Lapeer County .....
Leelenau County .....
Lenawee County .....
Livingston County .....
Mason County .....
Macomb County .....
Montcalm County .....
Montmorency County .....
Mecosta County .....
Midland County .....
Missaukee County .....
Monroe County .....
Manistee County .....
Muskegon County .....
Newaygo County .....
Oakland County .....
Oceana County .....
Ogemaw County .....
Osceola County .....
Oscoda County .....
Otsego County .....
Ottawa County .....
Presque Isle County .....
Roscommon County .....
Saginaw County .....
Sanilac County .....
St. Clair County .....
Shiawassee County .....
St. Joseph County .....
Tuscola County .....
Van Buren County .....
Washtenaw County .....
Wayne County .....
Wexford County .....

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

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

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

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

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

## FIVE-YEAR HISTORICAL DATA

	1 2020	2 2019	3 2018	4 2017	5 2016
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	365,181,863	258,187,114	227,932,953	200,832,158	207,535,101
2. TOTAL Liabilities (Page 3, Line 24) .....	154,243,339	108,152,679	112,042,135	100,222,989	124,497,626
3. Statutory minimum capital and surplus requirement .....	66,575,822	64,539,710	50,426,676	63,775,338	57,321,530
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	210,938,524	150,034,435	115,890,818	100,609,169	83,037,475
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	843,441,404	785,565,909	694,237,623	840,439,214	929,576,721
6. TOTAL Medical and Hospital Expenses (Line 18) .....	694,166,787	662,689,381	634,129,434	778,129,509	819,717,532
7. Claims adjustment expenses (Line 20) .....	7,929,927	7,346,333	6,429,682	8,245,141	7,406,423
8. TOTAL Administrative Expenses (Line 21) .....	91,953,441	86,784,934	42,819,020	32,315,933	82,804,710
9. Net underwriting gain (loss) (Line 24) .....	49,391,248	28,745,261	10,859,486	21,748,631	20,611,605
10. Net investment gain (loss) (Line 27) .....	1,311,078	3,714,812	4,711,943	470,120	(122,035)
11. TOTAL Other Income (Lines 28 plus 29) .....					
12. Net income or (loss) (Line 32) .....	50,702,326	32,460,072	15,571,429	22,218,751	20,489,570
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	88,065,395	37,157,474	10,109,784	(4,404,680)	(14,819,981)
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	210,938,524	150,034,435	115,890,818	100,609,169	83,037,475
15. Authorized control level risk-based capital .....	33,287,911	32,269,855	25,213,338	31,887,669	31,345,375
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	236,104	203,039	201,579	194,899	186,387
17. TOTAL Members Months (Column 6, Line 7) .....	2,649,831	2,417,039	2,400,627	2,332,168	2,366,346
<b>OPERATING PERCENTAGE (Page 4)</b>					
(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) .....	82.0	84.1	90.9	92.3	88.0
20. Cost containment expenses .....	0.2	0.2	0.2	0.2	0.2
21. Other claims adjustment expenses .....	0.8	0.8	0.7	0.8	0.6
22. TOTAL Underwriting Deductions (Line 23) .....	93.8	96.0	98.0	97.1	97.6
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	5.8	3.6	1.6	2.6	2.2
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	66,782,378	77,364,741	80,944,909	99,246,574	123,444,079
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	77,770,028	83,054,863	86,321,591	103,093,824	130,306,511
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) .....	20,488,514	20,450,184	22,110,831	16,936,294	16,747,144
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. TOTAL of Above Lines 26 to 31 .....	20,488,514	20,450,184	22,110,831	16,936,294	16,747,144
33. TOTAL Investment in Parent Included in Lines 26 to 31 above .....					

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

If no, please explain:

# SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

State, Etc.	1 Active Status (a)	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	L	446,643	50,000	848,863,874			849,360,517		
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X	446,643	50,000	848,863,874			849,360,517		
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	X X X	446,643	50,000	848,863,874			849,360,517		
<b>DETAILS OF WRITE-INS</b>									
58001	X X X								
58002	X X X								
58003	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

(a) Active Status Counts:

- L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG
- E - Eligible - Reporting entities eligible or approved to write surplus lines in the state
- N - None of the above - Not allowed to write business in the state

1

R - Registered - Non-domiciled RRGs

Q - Qualified - Qualified or accredited reinsurer

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(b) Explanation of basis of allocation by state, premiums by state, etc.: All premiums written in the State of Michigan

# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART

McLaren Health Care Corporation



McLaren Health Care 38-2397643 [MI] 100%	McLaren Greater Lansing 38-1434090 [MI] 100%	McLaren Northern Michigan 38-2146751 [MI] 100%	McLaren Bay Region 38-1976271 [MI] 100%	McLaren Central Michigan 38-1420304 [MI] 100%	McLaren Macomb 38-1218516 [MI] 100%	McLaren Oakland 38-1428164 [MI] 100%	McLaren Flint 38-2383119 [MI] 100%	McLaren Lapeer 38-2689033 [MI] 100%	Karmanos Cancer Institute 38-1613280 [MI] 100%	McLaren Port Huron 38-1369611 [MI] 100%	McLaren Medical Group 38-2988086 [MI] 100%	McLaren Health Management Group 38-3491714 [MI] 100%	McLaren High Performance Network 81-2692784 [MI] 100%	McLaren Insurance Company LTD [CYM] 100%	McLaren Thumb Region 38-1474929 [MI] 100%	McLaren Integrated HMO Group 82-4449304 [MI] 100%	McLaren Caro Region 38-3426063 [MI] 100%	McLaren St. Luke's Hospital 34-4428232 [OH] 100%
McLaren Healthcare Village 26-2693350 [MI] 100%	McLaren Lansing Foundation 38-2463637 [MI] 100%	McLaren Northern Michigan Foundation 38-2445611 [MI] 100%	McLaren Bay Special Care 38-3161753 [MI] 100%	Meridian Ventures 38-3226022 [MI] 100%	McLaren Macomb Foundation 38-2578873 [MI] 100%	McLaren Riley Foundation 20-0442217 [MI] 100%	McLaren Flint Foundation 38-1358053 [MI] 100%	McLaren Lapeer Foundation 38-2689603 [MI] 100%	Karmanos Cancer Center 20-1649466 [MI] 100%	McLaren Port Huron Foundation 38-2777750 [MI] 100%	Mid-Michigan Physicians 38-3267121 [MI] 100%	Hospice and Homecare Foundation 46-3643089 [MI] 100%	McLaren Health Plan 38-3252216 [MI] 100%	MDWise, Inc 35-1931354 [IN] 100%	MDWise Medicaid Network 47-3192307 [IN] 100%	McLaren Caro Region Foundation 38-2422995 [MI] 100%	Wellcare Physician Group 61-1528443 [OH] 100%	
Great Lakes Cancer Institute 38-3584572 [MI] 100%	VitalCare, Inc 38-2527255 [MI] 100%	McLaren Bay Medical Foundation 38-2156534 [MI] 100%	McLaren Physician Partners 38-3136458 [MI] 100%	McLaren Hospitality House 45-5567669 [MI] 100%	Michigan Cancer Society 38-2823451 [MI] 100%	Marwood Manor Nursing 38-2683251 [MI] 100%	McLaren Health Plan Community 27 2204037 [MI] 100%	CCH Holdings Inc 81-3487385 [MI] 100%	McLaren Health Plan Advantage 91-214720 [MI] 100%									
NMI Medical Management 20-8458840 [MI] 100%	Hospital Health Care 38-2643070 [MI] 100%	Delphinus Investments Inc 45-4758176 [MI] 100%	Parkview Property Management 38-2467310 [MI] 100%	Willow Enterprises 38-2491659 [MI] 100%														
NMI Hematology/Oncology 32-0020293 [MI] 100%	Cardiac Institute 26-2774689 [MI] 100%	Charlevoix Nursing Home 38-3038683 [MI] 100%	Rapin & Rapin Prescription Services Pharmacy 38-3465261 [MI] 100%															