



# ANNUAL STATEMENT

## For the Year Ending DECEMBER 31, 2019

### OF THE CONDITION AND AFFAIRS OF THE

# TOTAL HEALTH CARE, INC.

NAIC Group Code	1238 <small>(Current Period)</small>	1238 <small>(Prior Period)</small>	NAIC Company Code	95644	Employer's ID Number	38-2018957
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[X] No[ ] N/A[ ]	Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]			
Incorporated/Organized	07/01/1973		Commenced Business	05/01/1976		
Statutory Home Office	3011 W. GRAND BLVD. SUITE 1600 <small>(Street and Number)</small>		DETROIT, MI, US 48202 <small>(City or Town, State, Country and Zip Code)</small>			
Main Administrative Office	3011 W. GRAND BLVD. SUITE 1600 <small>(Street and Number)</small>					
	DETROIT, MI, US 48202 <small>(City or Town, State, Country and Zip Code)</small>		(313)871-2000 <small>(Area Code) (Telephone Number)</small>			
Mail Address	3011 W. GRAND BLVD. SUITE 1600 <small>(Street and Number or P.O. Box)</small>		DETROIT, MI, US 48202 <small>(City or Town, State, Country and Zip Code)</small>			
Primary Location of Books and Records	3011 W. GRAND BLVD. SUITE 1600 <small>(Street and Number)</small>					
	DETROIT, MI, US 48202 <small>(City or Town, State, Country and Zip Code)</small>		(313)871-2000 <small>(Area Code) (Telephone Number)</small>			
Internet Website Address	THCMI.COM					
Statutory Statement Contact	NICOLE ROUSH, CFO <small>(Name)</small>		(313)871-6402 <small>(Area Code)(Telephone Number)(Extension)</small>			
	NROUSH@THCMI.COM <small>(E-Mail Address)</small>		(313)871-4762 <small>(Fax Number)</small>			

### OFFICERS

Name	Title
RANDY NAROWITZ	EXECUTIVE DIRECTOR
JEANETTE ABBOTT	TREASURER
ROBYN JAMES ARRINGTON JR., M.D.	MEDICAL DIRECTOR
DOUGLAS PAUL BAKER	CHAIRPERSON
RUBY OCTAVIA COLE	V-CHAIRPERSON/SECRETARY

### OTHERS

#### DIRECTORS OR TRUSTEES

JEANETTE ABBOTT	DOUGLAS PAUL BAKER
RUBY OCTAVIA COLE	ELIZABETH PRATCHER
KRISTA POOLE	

State of Michigan  
County of WAYNE ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the 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>RANDY NAROWITZ</b> <small>(Printed Name)</small> 1. <b>EXECUTIVE DIRECTOR</b> <small>(Title)</small>	_____ <small>(Signature)</small> <b>NICOLE ROUSH</b> <small>(Printed Name)</small> 2. <b>CHIEF FINANCIAL OFFICER</b> <small>(Title)</small>	_____ <small>(Signature)</small> <b>DOUGLAS PAUL BAKER</b> <small>(Printed Name)</small> 3. <b>CHAIRPERSON</b> <small>(Title)</small>
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2020

- 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) .....	1,006,652		1,006,652	994,043
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common Stocks .....	35,752,789		35,752,789	42,563,170
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) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....34,345,944, Schedule E Part 1), cash equivalents (\$.....2,012,740, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA) .....	36,358,684		36,358,684	25,053,946
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 .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	73,118,125		73,118,125	68,611,159
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	45,482		45,482	70,906
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	2,005,767		2,005,767	2,102,511
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 .....	69,905		69,905	1,869,523
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 .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$.....4,169,343) and other amounts receivable .....	4,822,682	653,339	4,169,343	2,626,129
25. Aggregate write-ins for other than invested assets .....	8,337,739	73,658	8,264,081	9,699,680
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	88,399,700	726,997	87,672,703	84,979,908
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	88,399,700	726,997	87,672,703	84,979,908
<b>DETAILS OF WRITE-INS</b>				
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) .....				
2501. Prepaid Expenses .....	73,658	73,658		
2502. Insurance Provider Assessment Payable .....	8,253,474		8,253,474	9,699,680
2503. A/R Other .....	10,607		10,607	
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	8,337,739	73,658	8,264,081	9,699,680

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	31,470,185		31,470,185	15,346,466
2. Accrued medical incentive pool and bonus amounts .....	1,280,819		1,280,819	1,995,473
3. Unpaid claims adjustment expenses .....	596,245		596,245	799,004
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....	4,000,000		4,000,000	5,490,000
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....				
9. General expenses due or accrued .....				42,979
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 .....				
13. Remittances and items not allocated .....	14,199		14,199	26,120
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....	198,334		198,334	20,707
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 .....	176,739		176,739	1,179,786
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....	11,632,122		11,632,122	9,699,680
24. TOTAL Liabilities (Lines 1 to 23) .....	49,368,643		49,368,643	34,600,215
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		
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	38,304,061	50,379,693
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	38,304,061	50,379,693
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	X X X	X X X	87,672,704	84,979,908
<b>DETAILS OF WRITE-INS</b>				
2301. Insurance Provider Assessment Payable .....	8,253,474		8,253,474	9,699,680
2302. Medicaid Death Audit Recoupment .....	3,378,648		3,378,648	
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	11,632,122		11,632,122	9,699,680
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	610,090	619,607
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	180,666,839	183,424,560
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		
7. Aggregate write-ins for other non-health revenues .....	X X X	34,460,102	9,699,680
8. TOTAL Revenues (Lines 2 to 7) .....	X X X	215,126,941	193,124,240
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		112,741,713	101,520,346
10. Other professional services .....		11,189,811	11,463,431
11. Outside referrals .....			
12. Emergency room and out-of-area .....		19,880,636	20,367,396
13. Prescription drugs .....		29,514,791	36,109,281
14. Aggregate write-ins for other hospital and medical .....		153,989	27,990
15. Incentive pool, withhold adjustments and bonus amounts .....		(433,408)	173,177
16. Subtotal (Lines 9 to 15) .....		173,047,532	169,661,621
<b>Less:</b>			
17. Net reinsurance recoveries .....		(677,186)	1,999,198
18. TOTAL Hospital and Medical (Lines 16 minus 17) .....		173,724,718	167,662,423
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$.....481,464 cost containment expenses .....		481,464	477,429
21. General administrative expenses .....		58,640,599	35,739,028
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....		(1,490,000)	(2,992,000)
23. TOTAL Underwriting Deductions (Lines 18 through 22) .....		231,356,781	200,886,880
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	(16,229,840)	(7,762,640)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		10,776,928	14,461,164
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....			
27. Net investment gains (losses) (Lines 25 plus 26) .....		10,776,928	14,461,164
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	(5,452,912)	6,698,524
31. Federal and foreign income taxes incurred .....	X X X		
32. Net income (loss) (Lines 30 minus 31) .....	X X X	(5,452,912)	6,698,524
<b>DETAILS OF WRITE-INS</b>			
0601. ....	X X X		
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		
0701. Insurance Providers Assessment Tax .....	X X X	34,460,102	9,699,680
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	34,460,102	9,699,680
1401. Clinical Incentive .....		153,989	27,990
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) .....		153,989	27,990
2901. ....			
2902. ....			
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	2
		Current Year	Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33.	Capital and surplus prior reporting year .....	50,379,693	47,175,685
34.	Net income or (loss) from Line 32 .....	(5,452,912)	6,698,524
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 .....	(6,810,381)	(3,276,780)
37.	Change in net unrealized foreign exchange capital gain or (loss) .....		
38.	Change in net deferred income tax .....		
39.	Change in nonadmitted assets .....	187,661	(217,736)
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) .....	(12,075,632)	3,204,008
49.	Capital and surplus end of reporting year (Line 33 plus 48) .....	38,304,061	50,379,693
<b>DETAILS OF WRITE-INS</b>			
4701.	.....		
4702.	.....		
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	2
		Current Year	Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	180,763,582	178,509,361
2.	Net investment income .....	10,802,352	14,435,800
3.	Miscellaneous income .....	33,101,903	(1,385,695)
4.	TOTAL (Lines 1 through 3) .....	224,667,837	191,559,466
5.	Benefit and loss related payments .....	156,516,035	166,087,153
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	61,817,053	17,223,487
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) .....	218,333,088	183,310,640
11.	Net cash from operations (Line 4 minus Line 10) .....	6,334,749	8,248,826
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	1,000,000	
12.2	Stocks .....		
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 .....		1,808
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7) .....	1,000,000	1,808
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	1,000,000	
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....	12,609	
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6) .....	1,012,609	
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) .....	(12,609)	1,808
<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) .....	4,982,598	(9,678,573)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	4,982,598	(9,678,573)
<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) .....	11,304,738	(1,427,940)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	25,053,946	26,481,886
19.2	End of year (Line 18 plus Line 19.1) .....	36,358,684	25,053,946

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

20.0001	.....		
20.0002	.....		

## 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	180,666,839						263,931	180,402,908		
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues	34,460,102	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	34,460,102
7. TOTAL Revenues (Lines 1 to 6)	215,126,941						263,931	180,402,908		34,460,102
8. Hospital/medical benefits	112,741,713						130,851	112,610,862		X X X
9. Other professional services	11,189,811						48,164	11,141,647		X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area	19,880,636						20,828	19,859,808		X X X
12. Prescription drugs	29,514,791						1,807	29,512,984		X X X
13. Aggregate write-ins for other hospital and medical	153,989						755	153,234		X X X
14. Incentive pool, withhold adjustments and bonus amounts	(433,408)						1,160	(434,568)		X X X
15. Subtotal (Lines 8 to 14)	173,047,532						203,565	172,843,967		X X X
16. Net reinsurance recoveries	(677,186)							(677,186)		X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16)	173,724,718						203,565	173,521,153		X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$.....481,464 cost containment expenses	481,464						787	480,677		
20. General administrative expenses	58,640,599						199,614	58,440,985		
21. Increase in reserves for accident and health contracts	(1,490,000)						(2,593)	(1,487,407)		X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	231,356,781						401,373	230,955,408		
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(16,229,840)						(137,442)	(50,552,500)		34,460,102
<b>DETAILS OF WRITE-INS</b>										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601. Insurance Providers Assessment	34,460,102	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	34,460,102
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	34,460,102	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	34,460,102
1301. Clinical Incentive	153,989						755	153,234		X X X
1302.										X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)	153,989						755	153,234		X X X

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....				
2. Medicare Supplement .....				
3. Dental only .....				
4. Vision only .....				
5. Federal Employees Health Benefits Plan .....				
6. Title XVIII - Medicare .....	264,980		1,049	263,931
7. Title XIX - Medicaid .....	180,812,292		409,384	180,402,908
8. Other health .....				
9. Health subtotal (Lines 1 through 8) .....	181,077,272		410,433	180,666,839
10. Life .....				
11. Property/casualty .....				
12. TOTALS (Lines 9 to 11) .....	181,077,272		410,433	180,666,839



## 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 .....	158,315,654						81,289	158,234,365		
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....	1,122,432							1,122,432		
1.4 Net .....	157,193,222						81,289	157,111,933		
2. Paid medical incentive pools and bonuses .....	281,246						1,292	279,954		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	31,470,184							31,470,184		
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....	31,470,184							31,470,184		
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 .....	1,280,819						1,160	1,279,659		
6. Net healthcare receivables (a) .....	958,432							958,432		
7. Amounts recoverable from reinsurers December 31, current year .....	69,905							69,905		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	15,346,466							15,346,466		
8.2 Reinsurance assumed .....										
8.3 Reinsurance ceded .....										
8.4 Net .....	15,346,466							15,346,466		
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 .....	1,995,474						15,486	1,979,988		
11. Amounts recoverable from reinsurers December 31, prior year .....	1,869,523							1,869,523		
12. Incurred benefits:										
12.1 Direct .....	173,480,940						81,289	173,399,651		
12.2 Reinsurance assumed .....										
12.3 Reinsurance ceded .....	(677,186)							(677,186)		
12.4 Net .....	174,158,126						81,289	174,076,837		
13. Incurred medical incentive pools and bonuses .....	(433,409)						(13,034)	(420,375)		

(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 .....	2,725,692							2,725,692		
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	2,725,692							2,725,692		
2. Incurred but Unreported:										
2.1 Direct .....	28,744,492							28,744,492		
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	28,744,492							28,744,492		
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 .....	31,470,184							31,470,184		
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	31,470,184							31,470,184		

## UNDERWRITING AND INVESTMENT EXHIBIT

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

	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) .....						
2. Medicare Supplement .....						
3. Dental only .....						
4. Vision only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....		76,889				
7. Title XIX - Medicaid .....	16,455,074	141,502,446		31,470,185	16,455,074	15,346,466
8. Other health .....						
9. Health subtotal (Lines 1 to 8) .....	16,455,074	141,579,335		31,470,185	16,455,074	15,346,466
10. Healthcare receivables (a) .....						
11. Other non-health .....						
12. Medical incentive pool and bonus amounts .....	1,371,249	(1,090,004)		1,280,819	1,371,249	1,995,473
13. TOTALS (Lines 9 - 10 + 11 + 12) .....	17,826,323	140,489,331		32,751,004	17,826,323	17,341,939

(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 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior .....	25,247	25,180	28,545	28,538	28,538
2.	2015 .....	232,102	267,548	271,489	271,339	271,339
3.	2016 .....	X X X	212,016	240,603	240,441	240,441
4.	2017 .....	X X X	X X X	208,919	243,635	243,528
5.	2018 .....	X X X	X X X	X X X	154,699	171,261
6.	2019 .....	X X X	X X X	X X X	X X X	141,498

**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 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior .....	27,243	27,129	27,135	28,538	28,538
2.	2015 .....	269,028	267,735	268,246	271,336	271,339
3.	2016 .....	X X X	243,506	237,374	240,437	240,441
4.	2017 .....	X X X	X X X	246,265	244,428	243,525
5.	2018 .....	X X X	X X X	X X X	154,699	171,683
6.	2019 .....	X X X	X X X	X X X	X X X	173,986

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2015 .....	325,618	271,339	593	0.219	271,932	83.513			271,932	83.513
2. 2016 .....	284,120	240,441	518	0.215	240,959	84.809			240,959	84.809
3. 2017 .....	262,040	243,528	478	0.196	244,006	93.118	(3)		244,003	93.117
4. 2018 .....	184,561	171,261	549	0.321	171,810	93.091	422		172,232	93.320
5. 2019 .....	181,349	141,498	413	0.292	141,911	78.253	32,488	596	174,995	96.496

12 Grand Total

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE
- 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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior .....		5	5	14	14
2. 2015 .....	3,248	3,247	3,239	3,239	3,239
3. 2016 .....	X X X	3,234	3,234	3,234	3,234
4. 2017 .....	X X X	X X X	10	10	10
5. 2018 .....	X X X	X X X	X X X	163	163
6. 2019 .....	X X X	X X X	X X X	X X X	77

**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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior .....	1,955	1,954	1,945	14	14
2. 2015 .....	2,916	3,234	3,234	3,239	3,239
3. 2016 .....	X X X	10	10	3,234	3,234
4. 2017 .....	X X X	X X X	90	10	10
5. 2018 .....	X X X	X X X	X X X	163	172
6. 2019 .....	X X X	X X X	X X X	X X X	224

**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. 2015 .....	3,217	3,239	7	0.216	3,246	100.901			3,246	100.901
2. 2016 .....		3,234	1	0.031	3,235				3,235	
3. 2017 .....	870	10			10	1.149			10	1.149
4. 2018 .....	267	163			163	61.049	9		172	64.419
5. 2019 .....	265	77			77	29.057	147		224	84.528

**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 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior .....	25,247	25,175	28,540	28,524	28,524
2.	2015 .....	228,854	264,301	268,250	268,100	268,100
3.	2016 .....	X X X	208,782	237,369	237,207	237,207
4.	2017 .....	X X X	X X X	208,909	243,625	243,518
5.	2018 .....	X X X	X X X	X X X	154,536	171,098
6.	2019 .....	X X X	X X X	X X X	X X X	141,421

**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 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior .....	25,288	25,175	25,190	28,524	28,524
2.	2015 .....	266,112	264,501	265,012	268,097	268,100
3.	2016 .....	X X X	243,496	237,364	237,203	237,207
4.	2017 .....	X X X	X X X	246,175	244,418	243,515
5.	2018 .....	X X X	X X X	X X X	154,536	171,511
6.	2019 .....	X X X	X X X	X X X	X X X	173,762

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

	1	2	3	4	5	6	7	8	9	10
Years in Which Premiums were Earned and Claims were Incurred	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2015 .....	322,401	268,100	586	0.219	268,686	83.339			268,686	83.339
2. 2016 .....	284,120	237,207	517	0.218	237,724	83.670			237,724	83.670
3. 2017 .....	261,170	243,518	478	0.196	243,996	93.424	(3)		243,993	93.423
4. 2018 .....	184,294	171,098	549	0.321	171,647	93.138	413		172,060	93.362
5. 2019 .....	181,084	141,421	413	0.292	141,834	78.325	32,341	596	174,771	96.514

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior .....					
2. 2015 .....					
3. 2016 .....					
4. 2017 .....					
5. 2018 .....			X X X		
6. 2019 .....	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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior .....					
2. 2015 .....					
3. 2016 .....					
4. 2017 .....					
5. 2018 .....			X X X		
6. 2019 .....	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. 2015 .....										
2. 2016 .....										
3. 2017 .....										
4. 2018 .....										
5. 2019 .....										

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 .....									
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 .....	4,000,000							4,000,000	
6. TOTALS (Gross) .....	4,000,000							4,000,000	
7. Reinsurance ceded .....									
8. TOTALS (Net) (Page 3, Line 4) .....	4,000,000							4,000,000	
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. PREMIUM DEFICIENCY RESERVE .....	4,000,000							4,000,000	
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) .....	4,000,000							4,000,000	
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) .....			132,846		132,846
2. Salaries, wages and other benefits .....	481,464		10,278,323		10,759,787
3. Commissions (less \$.....0 ceded plus \$.....0 assumed) .....					
4. Legal fees and expenses .....			135,316		135,316
5. Certifications and accreditation fees .....			953,658		953,658
6. Auditing, actuarial and other consulting services .....			953,658		953,658
7. Traveling expenses .....			847,697		847,697
8. Marketing and advertising .....			2,419		2,419
9. Postage, express and telephone .....			1,589,431		1,589,431
10. Printing and office supplies .....			2,225,204		2,225,204
11. Occupancy, depreciation and amortization .....			1,907,318		1,907,318
12. Equipment .....			529,810		529,810
13. Cost or depreciation of EDP equipment and software .....					
14. Outsourced services including EDP, claims, and other services .....			2,321,801		2,321,801
15. Boards, bureaus and association fees .....			211,924		211,924
16. Insurance, except on real estate .....			1,283,253		1,283,253
17. Collection and bank service charges .....			211,924		211,924
18. Group service and administration fees .....					
19. Reimbursements by uninsured plans .....					
20. Reimbursements from fiscal intermediaries .....					
21. Real estate expenses .....					
22. Real estate taxes .....					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....			34,455,120		34,455,120
23.2 State premium taxes .....					
23.3 Regulatory authority licenses and fees .....			177,048		177,048
23.4 Payroll taxes .....			423,849		423,849
23.5 Other (excluding federal income and real estate taxes) .....					
24. Investment expenses not included elsewhere .....					
25. Aggregate write-ins for expenses .....					
26. TOTAL Expenses Incurred (Lines 1 to 25) .....	481,464		58,640,599		(a) 59,122,063
27. Less expenses unpaid December 31, current year .....					
28. Add expenses unpaid December 31, prior year .....			42,979		42,979
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) .....	481,464		58,683,578		59,165,042
<b>DETAILS OF WRITE-INS</b>					
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) .....					

(a) Includes management fees of \$.....24,418,483 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)	22,867	33,572
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	10,000,000	10,000,000
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	766,023	743,356
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL gross investment income	10,788,890	10,776,928
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. TOTAL Deductions (Lines 11 through 15)		
17. Net Investment income (Line 10 minus Line 16)		10,776,928

**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 \$.....0 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 \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
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)					
2.21 Common stocks of affiliates				(6,810,381)	
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)				(6,810,381)	

**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 .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....			
13. Title plants (for Title insurers only) .....			
14. Investment income due and accrued .....			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....			
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 .....			
21. Furniture and equipment, including health care delivery assets .....			
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....	653,339	838,354	185,015
25. Aggregate write-ins for other than invested assets .....	73,658	76,304	2,646
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	726,997	914,658	187,661
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. TOTAL (Lines 26 and 27) .....	726,997	914,658	187,661
<b>DETAILS OF WRITE-INS</b>			
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) .....			
2501. Prepaid Expense .....	73,658	76,304	2,646
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) .....	73,658	76,304	2,646

## EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations .....	51,300	51,925	50,041	50,806	48,919	610,090
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.	<b>TOTAL</b> .....	<b>51,300</b>	<b>51,925</b>	<b>50,041</b>	<b>50,806</b>	<b>48,919</b>	<b>610,090</b>
<b>DETAILS OF WRITE-INS</b>							
0601.	.....						
0602.	.....						
0603.	.....						
0698.	Summary of remaining write-ins for Line 6 from overflow page .....						
0699.	<b>TOTALS</b> (Lines 0601 through 0603 plus 0698) (Line 6 above) .....						

## Notes to Financial Statements

### 1. Nature of Business and Summary of Significant Accounting Policies

Total Health Care, Inc. (the "Company"), a not-for-profit corporation, operates as a state-licensed health maintenance organization (HMO). The Company provides medical services to persons primarily in southeastern Michigan who subscribe as recipients of federal and state health benefits or as individuals.

Total Health Care, Inc., and its wholly owned subsidiary, Total Health Care USA, Inc., have common officers on their respective governing boards.

#### a. Accounting Practices

The accompanying financial statements of Total Health Care, Inc. (the "Company" or "THC") have been prepared in conformity with statutory accounting practices prescribed or permitted by Section 1007 of the Michigan statutes of the state of Michigan for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Michigan Insurance law. The National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual, ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the state of Michigan.

Statutory accounting principles differ from generally accepted accounting principles (GAAP) in their definition of assets and liabilities. Specifically, certain assets (such as intangible assets and receivables greater than 90 days) are excluded from the statutory-basis balance sheet. GAAP net assets exceed statutory net assets by approximately \$727,000 and \$915,000 December 31, 2019 and December 31, 2018, respectively. There are no significant differences between statutory accounting principles prescribed by NAIC and the State of Michigan accounting requirements that are applicable to the Company.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Michigan is shown below:

NET INCOME	SSAP#	F/S Page	F/S Line #	2019	2018
(1) Total Health Care state basis(Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	(5,452,912)	6,698,524
(2) State Prescribed Practices that increase (decrease) NAIC SAP:	N/A	N/A	N/A	-	-
(3) State Permitted Practices that increase (decrease) NAIC SAP:	N/A	N/A	N/A	-	-
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	(5,452,912)	6,698,524
<b>SURPLUS</b>					
(5) Total Health Care state basis (Page3, Line 33, Columns 3 & 4 )	XXX	XXX	XXX	39,374,938	50,379,693
(6) State Prescribed Practices that increase (decrease) NAIC SAP:	N/A	N/A	N/A	-	-
(7) State Permitted Practices that increase (decrease) NAIC SAP:	N/A	N/A	N/A	-	-
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	39,374,938	50,379,693

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Certain significant estimates exist relating to unpaid claims. It is at least reasonably possible that these estimates will be materially revised in the near term.

#### c. Accounting Policy

## Notes to Financial Statements

**Cash and Short-term Investments** - The Company considers all highly liquid investments purchased with an original maturity of three months or less when purchased to be cash equivalents. Certificates of deposit in banks or other similar financial institutions with maturity dates of one year or less from the acquisition date are considered cash under statutory accounting principles. Short-term investments are stated at amortized cost.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments and long-term certificates of deposit are recorded at amortized cost, which approximates fair market value. Long-term certificates of deposit are classified as bonds on the balance sheet per statutory guidance. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in net investment income on the statement of operations. Changes in unrealized gains and losses on investments are included as a direct adjustment to capital and surplus.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3) The Company had no common stocks except items noted in (7) below.
- (4) The Company had no preferred stocks.
- (5) The Company had no mortgage loans.
- (6) The Company had no loan-backed securities.
- (7) The Company had investments in health care subsidiaries which are reported at the statutory net worth value of the subsidiary under the equity method and are reported as common stocks on the balance sheet.
- (8) The Company had no joint ventures of limited partnerships.
- (9) The Company had no derivatives.
- (10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company's pharmaceutical rebate receivables are recorded when received, as amounts are not estimable.

**Revenue Recognition and Accounts Receivable** – Capitation revenue and subscriber premiums are recognized in the period that members are entitled to related health care services. A portion of the health care receivable is due from third-party payors for subscribers located within southeastern Michigan. No allowance for doubtful accounts is recorded at December 31, 2019 and December 31, 2018, respectively. Receivables greater than 90 days old are treated as non-admitted for statutory accounting purposes. Approximately \$653,339 and \$838,000 of receivables greater than 90 days old were non-admitted at December 31, 2019 and December 31, 2018, respectively.

**Recognition of Medical and Hospital Expenses** - Medical and hospital expenses and the related liabilities are recorded when eligible medical and hospital services are authorized or performed. Claims unpaid represent management's estimate of the ultimate cost to settle all claims incurred prior to year-end.

**Physician Group Contracts** - The Company contracts with certain physician groups for the provision of medical care and compensates the groups on a capitation basis. These contracts have a pay-for-performance incentive. If the providers meet the incentives, they share in the savings and a payable is recorded. If the providers do not meet the incentives, they share in the excess costs and a health care receivable is recorded if deemed collectible by management. During 2019 and 2018, health care receivables and payables have been recorded from/to providers.

## Notes to Financial Statements

**Hospital and Other Group Contracts** - The Company contracts with several hospitals and other groups. These contracts are paid under capitated fees or various other charge arrangements.

**Malpractice Claims** - The Company has a claims-made policy for malpractice insurance. The Company's policy is to accrue for estimated costs of claims and incidents during the term of the claims-made policy.

**Employee Staffing and Purchased Services Agreement** - The Company has an employee staffing and purchased services agreement with a limited liability company, which is responsible for payment of most of the management, operational, and administrative expenses. Ultimate operational control rests with the board of directors of Total Health Care, Inc.

**Income Taxes** - Total Health Care, Inc. has received federal income tax exemption under Internal Revenue Code Section 501(c)(4). The Company is also exempt from state and local income taxes.

### 2. Accounting Changes and Corrections of Errors

During 2018, at the direction the Michigan Department of Insurance and Financial Services, the Company changed its method of accounting for the managed care Medicaid pass-through payments, to conform to SSAP 47, Uninsured Plans. 2018 asset and liability amounts have been restated to reflect this change.

Pursuant to SSAP 47, Uninsured Plans, Medicaid pass-through receivables are netted with Pass-through Medicaid liabilities. The net liability for amounts held under uninsured plans is \$176,739 and \$1,179,785 at December 31, 2019 and 2018 respectively.

Pass-through payments received from the Michigan Department of Health & Human Services (MDHHS) and related payments to providers are netted together and reported as administrative expense. Prior to 2018 pass-through payments received and paid were reported within net premiums earned and claims incurred, respectively. This change was reported in the 2018 and 2019 quarterly financial statements. The change in accounting had no impact on net income.

### 3. Business Combinations and Goodwill

- a. **Statutory Purchase Method**- None
- b. **Statutory Merger** - None
- c. **Assumption Reinsurance** – None
- d. **Impairment Loss** – None

### 4. Discontinued Operations

None

### 5. Investments

- a. Mortgage Loans, including Mezzanine Real Estate Loans – None
- b. Debt Restructuring – None
- c. Reverse Mortgages – None
- d. Loan-Backed Securities – None
- 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



## Notes to Financial Statements

### k. Low-income housing tax credits (LIHTC) – None

### l. Restricted Assets

#### (1) Restricted Assets (Including Pledged)

Restricted Asset Category	1	2	3	4	5	6
	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/(Decrease) (1 minus 2)	Total Current Year Admitted Assets	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Assets
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	%	%
b. Collateral held under security lending agreements						
c. Subject to repurchase agreements						
e. 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	1,056,905	1,021,427	35,477	87,672,704	1.19%	1.21%
k. On deposit with other regulatory bodies						
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	\$ 1,056,905	\$ 1,021,427	\$ 35,477	\$ 87,672,704	1.19%	1.21%

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories – None

(3) Detail of Other Restricted Assets – None

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

- None

m. Working Capital Finance Investments - None

n. Offsetting and Netting of Assets and Liabilities - None

o. Structured Notes – None

p. 5\* Securities – None

## Notes to Financial Statements

q. Short Sales –None

r. Prepayment Penalty and Acceleration Fees --None

### 6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company does not have any Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of the admitted assets.

B. The Company does not have any impaired investment in Joint Ventures, Partnerships or Limited Liability Companies.

### 7. Investment Income

a. All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default are excluded from surplus.

b. The Company had no investment income due and accrued excluded from surplus.

### 8. Derivative Instruments

None

### 9. Income Taxes

None

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

#### a, b, & c

Effective December 30, 2019, Total Health Care Foundation, a not-for-profit corporation, formed on a membership basis, became the sole member of Total Health Care, Inc. Effective January 1, 2020, Priority Health, a not-for-profit corporation, became the sole member of Total Health Care, Inc.

The Company owns 100 percent of a subsidiary: Total Health Care USA, Inc., whose carrying value is equal to or exceeds 10% of the total admitted assets of the company. The Company carries Total Health Care USA, Inc. at the statutory net worth value of the subsidiary under the equity method and are reported as common stocks on the balance sheet.

Total Health Care USA, Inc. has a statutory statement value of \$35,752,789 and \$42,563,171 at December 31, 2019 and December 31, 2018, respectively. The value of investments in Total Health Care USA, Inc. has been reduced by non-admitted assets totaling \$343,881 and \$286,429 at December 31, 2019 and December 31, 2018, respectively.

Total Health Care USA, Inc.'s (Total USA) net income was \$3,247,069 and \$10,593,368 at December 31, 2019 and December 31, 2018, respectively.

The Company received dividends of \$10 million and \$14 million from USA, Inc. during the periods ended December 31, 2019 and December 31, 2018 respectively all of which were approved by the Michigan Department of Insurance and Financial Services.

**d. Amounts Due from or (to) Related Parties** – At December 31, 2019 and December 31, 2018, the Company had amounts due to subsidiaries of (\$198,335) and (\$20,707), respectively, resulting from costs paid by the Company on behalf of subsidiaries for operating expenses.

**e. Guarantees** – The Company has no guarantees with any companies within its holding company structure.

## Notes to Financial Statements

**f. Material Employee, Office Space and Equipment Leasing Agreement** – The Company has an employee, office space, and equipment leasing agreement with Total Health Care USA, Inc. (USA). The agreement calls for the Company to provide personnel, office space, and supplies necessary to USA in order for USA to carry out its HMO business operations. The agreement calls for USA to pay the Company 12 to 13 percent of USA's gross revenue from the second preceding month after certain deductions. During 2019 and 2018, the proceeds from this arrangement totaled \$24,033,812 and \$23,388,940 respectively.

**g. Common Control** - Total Health Care, Inc., its parent Total Health Care Foundation and its wholly owned subsidiary, Total Health Care USA, Inc., have common officers on their respective governing boards. Total Health Care, Inc., the Parent Company, is domiciled in the State of Michigan.

**h. Deductions in Value** - There have been no deductions in value between affiliated companies.

**i. SCA that exceed 10% of Admitted Assets** - None

**j. Impaired SCAs** - The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled, or Affiliated Companies during the statement period.

**k. Foreign Subsidiary** - None

**l. Downstream Noninsurance Holding Company** – None

**m. All SCA Investments** – N/A, exception for 8bi entity

**n. Investment in Insurance SCAs** – There are no departures from the NAIC statutory accounting practices and procedures (e.g., permitted or prescribed practices) relative to our investment in the above mentioned insurance SCA.

**o. SCA Loss Tracking** – None. The SCA is not in a loss position.

### 11. Debt

None

### 12. Retirement Plans, Deferred Compensation, Post-Employment Benefits, Compensated Absences and other Postretirement Benefit Plans.

a.- d. Defined Benefit Plan – None

e. Defined Contribution Plans – None.

f. Multi-Employer Plan – None

g. Consolidated/Holding Company Plans – None

h. Post-Employment Benefits and Compensated Absences – None

i. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None

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

1) The Company has issued no capital stock.

2) The Company has no preferred stock outstanding.

(3) Dividends are paid as determined by the Board of Directors with the approval of the Commissioner of the Michigan Department of Insurance and Financial Services, as long as the Company meets or exceeds minimum surplus requirements.

(4) During 2019 the Company did not pay dividends.

(5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

## Notes to Financial Statements

(6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being paid.

(7) The Company has no advances to surplus not repaid.

(8) The Company held no stock.

(9) There were no changes to the balances of any special surplus funds from the prior year.

(10) The portion of unassigned surplus represented or increased (decreased) by unrealized gains (losses) is \$3,247,069 and \$10,593,367 at December 31, 2019 and December 31, 2018, respectively.

Unassigned surplus has been reduced by non-admitted assets totaling \$726,997 and \$914,658 at December 31, 2019 and December 31, 2018, respectively.

(11) The Company did not issue any surplus debentures or similar obligations.

(12) and (13) There have been no quasi-reorganizations.

### 14. Liabilities, Contingencies and Assessments

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company. No amounts have been accrued for losses as no losses are deemed probable or estimable. Estimated losses for claims-related matters are accrued as claims unpaid.

a. Contingent Commitments – None

b. Assessments – None

c. Gain Contingencies – None

d. Claims related extra contractual obligations and bad faith losses stemming from lawsuits – None

e. Joint and Several Liabilities - None

f. All Other Contingencies – There are no balances of assets covered by SSAP No. 6, Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, Retrospectively Rated Contracts.

### 15. Leases

#### A. Lessee Operating Lease

(1) The Company leases office space and computer software services under various non-cancelable operating lease agreements that expire through July 31, 2022. Rent payments are the responsibility of the management company and are included in the monthly payment under the employee staffing and purchased services agreement. Rent expense for 2019 and 2018 was approximately \$243,000 and \$243,000, respectively.

(2) The future minimum rental payments under the operating lease as of December 31, 2019 are as follows:

Year Ending December 31	Operating Leases
2020	138,452
2021	138,452
2022	80,764
Thereafter	-
Total	<u>\$ 357,668</u>

(3) The company is not involved in any material sales – leaseback transactions.

## Notes to Financial Statements

### B. Lessor Leases

None

### 16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations Of Credit Risk.

None

### 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

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

#### a. ASO Plans

Medicaid pass-through payments (GME, HRA, SNAF, etc) received and paid on behalf of the Michigan Department of Health & Human Services (MDHHS) to the hospitals and health centers are being disclosed under ASO Plans as directed by the Michigan Department of Insurance & Financial Services.

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2019:

	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plants	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ (22,130)	\$ -	\$ (22,130)
b. Total net other income or expenses (including interest paid to or received from plans)	\$ -	\$ -	\$ -
c. Net gain or (loss) from operations	\$ (22,130)	\$ -	\$ (22,130)
d. Total claim payment volume	\$ 76,058,323	\$ -	\$ 76,058,323

b. ASO Plans – None.

c. Medicare or Other Similarly Structured Cost Based Reimbursement Contract - None

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

None

### 20. Fair Value Measurements

The following table presents information about the Company's assets and liabilities measured at fair value at December 31, 2019, and the valuation techniques used by the Company to determine those fair values.

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

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

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 or liability.

## Notes to Financial Statements

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 in the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

### A. (1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at Fair Value				
Perpetual Preferred Stock				
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Perpetual Preferred Stocks	\$ -	\$ -	\$ -	\$ -
Bonds				
U.S. Governments	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	-	1,056,905	-	1,056,905
Hybrid Securities	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	\$ -	\$ 1,056,905	\$ -	\$ 1,056,905
Common Stock				
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Common Stocks	\$ -	\$ -	\$ -	\$ -
Derivative Assets				
Interest Rate Contracts	\$ -	\$ -	\$ -	\$ -
Foreign Exchange Contracts	-	-	-	-
Credit Contracts	-	-	-	-
Commodity Futures Contracts	-	-	-	-
Commodity Forward Contracts	-	-	-	-
Total Derivatives	\$ -	\$ -	\$ -	\$ -
Separate Account Assets	\$ -	\$ -	\$ -	\$ -
Total Assets at Fair Value	\$ -	\$ 1,056,905	\$ -	\$ 1,056,905
b. Liabilities at Fair Value				
Derivative Liabilities	\$ -	\$ -	\$ -	\$ -
Total Liabilities at Fair Value	\$ -	\$ -	\$ -	\$ -

### (2) Fair Value Measurements in (Level 3) of the Fair Value - None

(3) The Company's policy for determining when transfers between levels are recognized is determined at the end of the reporting period.

(4) The Company has not valued any securities at a Level 3.

(5) Derivative assets and liabilities- None

B. N/A

### C. Aggregate Fair Value for all Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	\$ 1,056,905	\$ 1,056,905	\$ -	\$ 1,056,905	\$ -	\$ -
Common Stock	-	-	-	-	-	-
Perpetual Preferred Stock	-	-	-	-	-	-
Mortgage Loans	-	-	-	-	-	-

## Notes to Financial Statements

Totals	\$ 1,056,905	\$ 1,056,905	\$ -	\$ 1,056,905	\$ -	\$ -
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D. Not Practicable to Estimate Fair Value – N/A

E. N/A

### 21. Other Items

a. Extraordinary Items – None

b. Troubled Debt Restructuring – None

c. Other Disclosures and Unusual Items - Funds Maintained Under Statutory Requirements - The Company maintains segregated funds under statutory requirements to protect members and health care providers in the event the Company is unable to meet its contractual obligations. These funds can be used only at the direction of the insurance commissioner in accordance with statutory and contractual provisions. These funds are classified according to the nature of the investment. At December 31, 2019 and December 31, 2018, the Company maintained \$1,056,905 and \$1,021,428, respectively, in long-term certificates of deposit and money market funds to fulfill these requirements. Interest earned on these funds can be utilized by the Company.

At December 31, 2019 and December 31, 2018, the Company had admitted assets of \$6,175,110 and \$21,614,620 respectively, in accounts receivable for amounts due from subscribers, governmental entities, and other health care providers. During 2019 and 2018, the Company routinely assessed the collectability of these receivables and directly wrote off any uncollectible receivables accordingly. Receivables not expected to be collected within 90 days were considered non-admitted.

d. Business Interruption Insurance Recoveries - None

e. State Transferable and Non-transferable Tax Credits - None

f. Subprime Mortgage Related Risk Exposure – None, The Companies wholly-owned subsidiaries have no activity related to subprime related risk exposure.

g. Retained Assets – None

h. Insurance-Linked Securities (ILS) Contracts - None

### 22. Events Subsequent

Type I. – Recognized Subsequent Events –

Subsequent events have been considered through 02/28/2020 for the statutory statement issued on December 31, 2019.

None

Type II. – Non-recognized Subsequent Events –

Subsequent events have been considered through 02/28/2020 for the statutory statement issued on December 31, 2019.

The Company is subject to an annual fee under section 9010 of the Affordable care Act (ACA) because it qualifies as a nonprofit corporation meeting the requirements of Section 57.2(b)(2)(iv) of the Act. This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2019, the Company has written health insurance subject to the ACA assessment but qualifies as a nonprofit corporation meeting the requirements as noted above, expects to conduct health insurance business in 2019, and estimates their portion of the annual health insurance industry fee to be payable on December

## Notes to Financial Statements

31, 2019 to be \$0. This assessment is expected to impact risk based capital by 0%. Reporting the ACA assessment as of December 31, 2019 would not have triggered an RBC action level.

	<u>Current Year</u>	<u>Prior Year</u>
A. ACA fee assessment payable for the upcoming year	\$ -	\$ -
B. ACA fee assessment paid	\$ -	\$ -
C. Premium written subject to ACA 9010 assessment	\$ -	\$ -
D. Total Adjusted Capital before surplus adjustment	\$ 38,304,061	\$ 50,379,694
E. Authorized Control Level before surplus adjustment	\$ 12,802,147	\$ 12,130,377
F. Total Adjusted Capital after surplus adjustment	\$ 38,304,061	\$ 50,379,694
G. Authorized Control Level after surplus adjustment	\$ 12,802,147	\$ 12,130,377
H. Would reporting the ACA assessment as of December 31, 2018 trigger an RBC action level? (YES/NO)	No	No

### 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?

Yes ( )                      No ( x )

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

Yes ( )                      No ( x )

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

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

Yes ( )                      No ( x )

a. Not Applicable

b. The Company had reinsurance recoverable receivables of \$69,905 and \$1,869,523 recorded at December 31, 2019 and December 31, 2018, respectively. The estimated reduction in surplus is zero.

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

Yes ( )                      No ( x )

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

(1) The estimated reduction in surplus is zero.

(2) The Company has entered into an agreement with Swiss Re Life & Health America Inc., effective November 1, 2019. The reinsurance policy provides the same coverage's on an annual per member basis after a \$500,000 (Medicaid CSHCS, Medicaid non-CSHCS, Dual eligible and Commercial Individual) deductible is reached. The maximum lifetime reinsurance indemnity payable under each agreement is \$2,000,000 per member.



## Notes to Financial Statements

B. Uncollectible Reinsurance – None

C. Commutation of Ceded Reinsurance – None

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

### 24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. The Company estimates accrued retrospective premium adjustments for its Healthy Michigan program based on the medical loss ratio of this program. This no longer applied as of January 1, 2016.

B. The Company records accrued retrospective premium as an adjustment to earned premium.

C. The amount of net premiums written by the Company at December 31, 2019 that are subject to retrospective rating features was \$0 that represented 0% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

D. At December 31, 2019, the Company had no medical loss ratio rebates required pursuant to the Public Health Service Act.

E. Risk Sharing Provisions of the Affordable Care Act

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

The Company has zero balances for the risk corridors program subject to the Affordable Care Act risk sharing provisions.

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year - None

## Notes to Financial Statements

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

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance. – None

	<u>Accrued During the Prior Year on Business Written Before December 31 of the Prior Year</u>		<u>Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year</u>		<u>Differences</u>		<u>Adjustments</u>		<u>Unsettled Balances as of the Reporting Date</u>	
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Prior Year</u>	<u>Prior Year</u>	<u>To Prior Year</u>	<u>To Prior Year</u>	<u>Cummulative Balance from Prior years (Col1-3+7)</u>	<u>Cummulative Balance from Prior years (Col2-4+8)</u>
					<u>Accrued Less Payments</u>	<u>Accrued Less Payments</u>				
	<u>Receivable</u>	<u>(Payable)</u>	<u>Receivable</u>	<u>(Payable)</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
				<u>Receivable</u>	<u>(Payable)</u>	<u>Receivable</u>	<u>(Payable)</u>	<u>Receivable</u>	<u>(Payable)</u>	
<u>a. Permanent ACA Risk Adjustment Program</u>										
1. Premium adjustments receivable	-	-	-	-	-	-	-	-	A	-
2. Premium adjustments (payable)	-	-	-	-	-	-	-	-	B	-
3. Subtotal ACA Permanent Risk Adjustment Program	-	-	-	-	-	-	-	-	-	-
<u>b. Transitional ACA Reinsurance Program</u>										



## Notes to Financial Statements

### 25. Change in Incurred Claims and Claims Adjustment Expenses

Reserves as of December 31, 2018 were \$17,341,940. As of December 31, 2019, \$17,826,323 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$0 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive Medical lines of business. Therefore, there has been a (\$484,383) unfavorable prior-year development since December 31, 2018 to 2019. The change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this decrease, the Company experienced \$0 of favorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

Reserves as of December 31, 2017 were \$36,945,706. \$20,217,072 of this amount was for uninsured plans and has been paid as of December 31, 2018. \$16,728,634 was for insured plans. As of December 31, 2018, \$14,171,985 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$698,276 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive Medical lines of business. Therefore, there has been a \$1,858,373 favorable prior-year development since December 31, 2017 to December 31, 2018. The change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this decrease, the Company experienced \$0 of favorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

### 26. Intercompany Pooling Arrangements

None

### 27. Structured Settlements

None

### 28. Health Care Receivables

The Company reports risk-sharing receivables and payables related to capitation and specialty claims arrangements based upon the terms of its contracts.

Pharmaceutical rebates receivable at December 31, 2019 and December 31, 2018 were \$0 and \$0, respectively. Rebates are netted with pharmacy expense. During 2019 and 2018, pharmacy rebates in the amount of \$198,177 and \$175,008, respectively, were collected.

Health care receivables include the following amounts related to Pharmaceutical rebates receivables.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/ Confirmed	Actual Rebates Collected Within 90 Days of Invoicing/ Confirmation	Actual Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation	Actual Rebates Collected More Than 180 Days After Invoicing/ Confirmation
12/31/19	104,589	104,589	104,589	0	0
9/30/19	27,641	27,641	27,641	0	0
6/30/19	32,139	32,139	32,139	0	0
3/31/19	33,808	33,808	33,808	0	0
12/31/18	58,404	58,404	58,404	0	0
9/30/18	40,881	40,881	40,881	0	0
6/30/18	47,713	47,713	47,713	0	0
3/31/18	28,010	28,010	28,010	0	0
12/31/17	83,335	83,335	83,335	0	0
9/30/17	62,383	62,383	62,383	0	0
6/30/17	89,905	89,905	89,905	0	0
3/31/17	58,668	58,668	58,668	0	0

## Notes to Financial Statements

Health care receivables include the following amounts related to specialty pool receivables.

	Evaluation Period Year Ending	Risk•Sharing Receivable as Estimated in the Prior Year	Risk•Sharing Receivable as Estimated in the Current Year	Risk•Sharing Receivable Billed	Risk•Sharing Receivable Not Yet Billed	Actual Risk•Sharing Amounts Received in Year Billed	Actual Risk•Sharing Amounts Received First Year Subsequent	Actual Risk•Sharing Amounts Received Second Year Subsequent	Actual Risk•Sharing Amounts Received - All Other
2019	2019	\$ 1,804,905	\$ (757)	\$ 1,804,148	\$ -	\$ -	\$ 1,804,148	\$ -	\$ -
	2020	\$ -	\$ 1,414,261	\$ -	\$ 1,414,261	\$ -	\$ -	\$ -	\$ -
2018	2018	\$ 1,228,103	\$ 163,131	\$ 1,391,234	\$ -	\$ 1,391,234	\$ -	\$ -	\$ -
	2019	\$ -	\$ 1,804,905	\$ -	\$ 1,804,905	\$ -	\$ -	\$ -	\$ -
2017	2017	\$ 1,312,418	\$ 78,816	\$ 1,391,234	\$ -	\$ 1,391,234	\$ -	\$ -	\$ -
	2018	\$ -	\$ 1,228,103	\$ -	\$ 1,228,103	\$ -	\$ -	\$ -	\$ -

### 29. Participating Policies

None

### 30. Premium Deficiency Reserves – No Change

- |   |   |
|---|---|
| 1. Liability carried for premium deficiency reserves    | \$4,000,000   |
| 2. Date of the most recent evaluation of this liability | 02/27/2019  |
| 3. Was anticipated investment income utilized?          | Yes <input type="radio"/> No <input checked="" type="radio"/> |

### 31. Anticipated Salvage and Subrogation

Loss reserves have not been reduced for any salvage or subrogation. During 2019 and 2018, the Company received subrogation totaling \$497,503 and \$617,961, respectively.

# 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 [ ] No[X]
- 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. .....12/31/2015.....
- 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). .....03/31/2017.....
- 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. Yes [ ] No[X]

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
N/A .....	.....

- 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
N/A .....	.....	..... 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 & MORAN, PLLC , 1111 MICHIGAN AVE., SUITE 100 ,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?  
AMY R. GIESE, MILLIMAN, 15800 BLUEMOUND ROAD, SUITE 100, BROOKFIELD, WI 53005

## 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 [ ] No [X]  
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 0

### INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No [ ]  
 24.02 If no, give full and complete information, relating thereto  
 24.03 For security 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 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]  
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ ..... 0  
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ ..... 0  
 24.07 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]  
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]  
 24.09 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]  
 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

## GENERAL INTERROGATORIES (Continued)

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$ ..... 0
24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$ ..... 0
24.103 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	\$ ..... 1,056,905
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 attest 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
COMERICA BANK - Carol Morga	P.O. BOX 75000, DETROIT, MI 48275-3462

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)
N/A		

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
Comerica Securities - Carol Morga	U

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

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



## GENERAL INTERROGATORIES (Continued)

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
17079 .....	Comerica Securities .....	.....	SEC .....	DS .....

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
000000000 .....	.....	.....
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:  
BANK STATEMENTS

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[X] 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[X] 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[X]

32.2 If no, list exceptions:

NOT REQUIRED BY STATE OF DOMICILE

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[X]

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

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as 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[X]

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

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

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes[ ] No[X]

### OTHER

36.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 0

## GENERAL INTERROGATORIES (Continued)

36.2 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

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

37.2 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

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

38.2 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
- 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 .....	180,671,821	183,424,560
2.2 Premium Denominator .....	180,666,839	183,424,560
2.3 Premium Ratio (2.1 / 2.2) .....	1.000	1.000
2.4 Reserve Numerator .....	36,751,004	22,831,939
2.5 Reserve Denominator .....	36,751,004	22,831,939
2.6 Reserve Ratio (2.4 / 2.5) .....	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes  No
- 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  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
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes  No
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
  - 5.31 Comprehensive Medical \$ ..... 0
  - 5.32 Medical Only \$ ..... 0
  - 5.33 Medicare Supplement \$ ..... 0
  - 5.34 Dental & Vision \$ ..... 0
  - 5.35 Other Limited Benefit Plan \$ ..... 0
  - 5.36 Other \$ ..... 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
CATASTROPHIC INSURANCE, LOOK SOLELY LANGUAGE IN CONTRACTS, INSOLVENCY INSURANCE
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes  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 ..... 5,751
  - 8.2 Number of providers at end of reporting year ..... 6,101
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes  No
- 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  No
- 10.2 If yes:
  - 10.21 Maximum amount payable bonuses \$ ..... 1,280,819
  - 10.22 Amount actually paid for year bonuses \$ ..... 281,245
  - 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
  - 11.13 An Individual Practice Association (IPA), or, Yes  No
  - 11.14 A Mixed Model (combination of above)? Yes  No
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes  No
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus.  
MICHIGAN
- 11.4 If yes, show the amount required. \$ ..... 25,604,294
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes  No
- 11.6 If the amount is calculated, show the calculation.  
Calculation is based on 200% RBC. See RBC calculation.
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
WAYNE COUNTY .....
OAKLAND COUNTY .....
MACOMB COUNTY .....
GENESEE COUNTY .....

- 13.1 Do you act as a custodian for health savings accounts? Yes  No
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ ..... 0
- 13.3 Do you act as an administrator for health savings accounts? Yes  No
- 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

## GENERAL INTERROGATORIES (Continued)

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 2019	2 2018	3 2017	4 2016	5 2015
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	87,672,703	84,979,908	95,200,711	83,179,320	84,236,667
2. TOTAL Liabilities (Page 3, Line 24) .....	49,368,643	34,600,215	48,025,026	36,635,700	42,524,983
3. Statutory minimum capital and surplus requirement .....	25,604,294	23,561,610	24,054,130	24,054,130	26,016,546
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	38,304,061	50,379,693	47,175,685	46,543,620	41,711,684
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	215,126,941	193,124,240	261,170,139	284,119,555	322,400,684
6. TOTAL Medical and Hospital Expenses (Line 18) .....	173,724,718	167,662,423	241,010,965	241,059,225	266,403,768
7. Claims adjustment expenses (Line 20) .....	481,464	477,429	494,058	527,645	575,469
8. TOTAL Administrative Expenses (Line 21) .....	58,640,599	35,739,028	26,881,610	44,495,977	49,602,366
9. Net underwriting gain (loss) (Line 24) .....	(16,229,840)	(7,762,640)	(15,698,494)	(1,963,292)	5,819,081
10. Net investment gain (loss) (Line 27) .....	10,776,928	14,461,164	277,673	186,085	49,974
11. TOTAL Other Income (Lines 28 plus 29) .....					
12. Net income or (loss) (Line 32) .....	(5,452,912)	6,698,524	(15,420,821)	(1,777,207)	5,869,055
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	6,334,749	8,248,826	(21,034,120)	(7,115,294)	15,443,627
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	38,304,061	50,379,693	47,175,685	46,543,620	41,711,684
15. Authorized control level risk-based capital .....	12,802,147	12,130,377	11,780,805	12,027,065	13,751,291
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	48,919	51,066	52,354	54,466	62,432
17. TOTAL Members Months (Column 6, Line 7) .....	610,090	619,607	648,736	671,562	769,618
<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) .....	96.2	91.4	92.3	84.8	82.6
20. Cost containment expenses .....	0.3	0.3	0.2	0.2	0.2
21. Other claims adjustment expenses .....					
22. TOTAL Underwriting Deductions (Line 23) .....	128.1	109.5	106.0	100.7	98.2
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	(9.0)	(4.2)	(6.0)	(0.7)	1.8
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	17,826,323	16,191,285	30,643,320	36,470,439	26,112,429
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	17,341,939	18,029,013	34,913,132	37,625,820	28,148,303
<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) .....	35,752,789	42,563,170	45,839,950	29,917,375	23,439,225
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 .....	35,752,789	42,563,170	45,839,950	29,917,375	23,439,225
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		264,980	180,812,292				181,077,272	
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		264,980	180,812,292				181,077,272	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	X X X		264,980	180,812,292				181,077,272	
<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 ARE WRITTEN WITHIN THE STATE OF MICHIGAN.

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

TOTAL HEALTH CARE FOUNDATION – PARENT  
84-2310771, STATE OF MICHIGAN

TOTAL HEALTH CARE, INC. – WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE FOUNDATION  
38-2018957, NAIC #95644, STATE OF MICHIGAN

TOTAL HEALTH CARE USA, INC. – WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE, INC.  
383240485, NAIC #12326, STATE OF MICHIGAN

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