



**QUARTERLY STATEMENT  
AS OF MARCH 31, 2020  
OF THE CONDITION AND AFFAIRS OF THE  
TOTAL HEALTH CARE, INC.**

NAIC Group Code	<u>3383</u> <small>(Current Period)</small>	<u>1238</u> <small>(Prior Period)</small>	NAIC Company Code	<u>95644</u>	Employer's ID Number	<u>38-2018957</u>
Organized under the Laws of	<u>Michigan</u>		State of Domicile or Port of Entry	<u>MI</u>		
Country of Domicile	<u>United States of America</u>					
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	<u>07/01/1973</u>	Commenced Business	<u>05/01/1976</u>			
Statutory Home Office	<u>3011 W. GRAND BLVD. SUITE 1600</u> <small>(Street and Number)</small>	<u>DETROIT, MI, US 48202</u> <small>(City or Town, State, Country and Zip Code)</small>				
Main Administrative Office	<u>3011 W. GRAND BLVD. SUITE 1600</u> <small>(Street and Number)</small>		<u>DETROIT, MI, US 48202</u> <small>(City or Town, State, Country and Zip Code)</small>	<u>(313)871-2000</u> <small>(Area Code) (Telephone Number)</small>		
Mail Address	<u>3011 W. GRAND BLVD. SUITE 1600</u> <small>(Street and Number or P.O. Box)</small>	<u>DETROIT, MI, US 48202</u> <small>(City or Town, State, Country and Zip Code)</small>	<u>(313)871-2000</u> <small>(Area Code) (Telephone Number)</small>			
Primary Location of Books and Records	<u>3011 W. GRAND BLVD. SUITE 1600</u> <small>(Street and Number)</small>		<u>DETROIT, MI, US 48202</u> <small>(City or Town, State, Country and Zip Code)</small>	<u>(313)871-2000</u> <small>(Area Code) (Telephone Number)</small>		
Internet Web Site Address	<u>THCMI.COM</u>					
Statutory Statement Contact	<u>SARA JANE MCGLYNN, CONTROLLER</u> <small>(Name)</small>	<u>(313)293-6466</u> <small>(Area Code)(Telephone Number)(Extension)</small>				
	<u>SMCGLYNN@THCMI.COM</u> <small>(E-Mail Address)</small>	<u>(313)748-1391</u> <small>(Fax Number)</small>				

**OFFICERS**

Name	Title	
JOAN ANTAYA BUDDEN	PRESIDENT	#
RANDY ALAN NAROWITZ	VICE PRESIDENT	
MARY ANNE JONES	TREASURER	#
KIMBERLY LYNN THOMAS	SECRETARY	#

**OTHERS**

**DIRECTORS OR TRUSTEES**

JOAN ANTAYA BUDDEN #	KRYSTALYNN PATRICE CAMPBELL #
MARY ANNE JONES #	MARTI RAE LOLLI #
RICK VIRGILIO MORRONE #	RANDY ALAN NAROWITZ #

State of Michigan  
County of WAYNE ss

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

\_\_\_\_\_  
(Signature)  
JOAN ANTAYA BUDDEN  
(Printed Name)  
1.  
PRESIDENT AND CEO  
(Title)

\_\_\_\_\_  
(Signature)  
MARY ANNE JONES  
(Printed Name)  
2.  
SVP, FINANCE  
(Title)

\_\_\_\_\_  
(Signature)  
KIMBERLY LYNN THOMAS  
(Printed Name)  
3.  
SVP, GENERAL COUNSEL  
(Title)

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 Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	1,012,400		1,012,400	1,006,652
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....	38,382,365		38,382,365	35,752,789
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
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 (\$.....35,783,881), cash equivalents (\$.....2,021,383) and short-term investments (\$.....0) .....	37,805,264		37,805,264	36,358,684
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....				
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	77,200,029		77,200,029	73,118,125
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	33,036		33,036	45,482
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	2,426,269		2,426,269	2,005,767
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	69,905
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 adjustments in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$.....3,375,690) and other amounts receivable .....	4,048,563	672,873	3,375,690	4,169,343
25. Aggregate write-ins for other-than-invested assets .....	8,282,491	18,410	8,264,081	8,264,081
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	92,060,293	691,283	91,369,010	87,672,703
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	92,060,293	691,283	91,369,010	87,672,703
<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 .....	18,410	18,410		
2502. IPA Assessment Receivable .....	8,253,474		8,253,474	8,253,474
2503. A/R Other .....	10,607		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) .....	8,282,491	18,410	8,264,081	8,264,081

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	30,904,920		30,904,920	31,470,185
2. Accrued medical incentive pool and bonus amounts .....	1,633,318		1,633,318	1,280,819
3. Unpaid claims adjustment expenses .....	590,262		590,262	596,245
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....	2,666,667		2,666,667	4,000,000
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....				
9. General expenses due or accrued .....				
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized 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 .....	3,184,768		3,184,768	3,392,846
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....	1,329,444		1,329,444	198,334
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 .....	3,132		3,132	176,739
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....	8,253,474		8,253,474	8,253,474
24. Total liabilities (Lines 1 to 23) .....	48,565,985		48,565,985	49,368,642
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	42,803,025	38,304,061
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	42,803,025	38,304,061
34. Total Liabilities, capital and surplus (Lines 24 and 33) .....	X X X	X X X	91,369,010	87,672,703
<b>DETAILS OF WRITE-INS</b>				
2301. Insurance Provider Assessment Payable .....	8,253,474		8,253,474	8,253,474
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	8,253,474		8,253,474	8,253,474
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 To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months .....	X X X	146,151	154,111	610,090
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	44,112,168	46,216,211	180,666,839
3. Change in unearned premium reserves and reserves 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	8,253,474	9,699,680	34,460,102
7. Aggregate write-ins for other non-health revenues .....	X X X			
8. Total revenues (Lines 2 to 7) .....	X X X	52,365,642	55,915,891	215,126,941
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		24,352,423	28,184,775	112,741,713
10. Other professional services .....		2,026,034	2,520,067	11,189,811
11. Outside referrals .....				
12. Emergency room and out-of-area .....		5,651,103	4,556,152	19,880,636
13. Prescription drugs .....		7,582,540	7,485,974	29,514,791
14. Aggregate write-ins for other hospital and medical .....			13,989	153,989
15. Incentive pool, withhold adjustments and bonus amounts .....		77,500	(385,732)	(433,408)
16. Subtotal (Lines 9 to 15) .....		39,689,600	42,375,225	173,047,532
<b>Less:</b>				
17. Net reinsurance recoveries .....			150,000	(677,186)
18. Total hospital and medical (Lines 16 minus 17) .....		39,689,600	42,225,225	173,724,718
19. Non-health claims (net) .....				
20. Claims adjustment expenses, including \$.....79,415 cost containment expenses .....		79,415	118,145	481,464
21. General administrative expenses .....		12,224,420	15,562,577	58,640,599
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....		(1,333,333)	(1,830,000)	(1,490,000)
23. Total underwriting deductions (Lines 18 through 22) .....		50,660,102	56,075,947	231,356,781
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	1,705,540	(160,056)	(16,229,840)
25. Net investment income earned .....		128,134	165,199	10,776,928
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....				
27. Net investment gains or (losses) (Lines 25 plus 26) .....		128,134	165,199	10,776,928
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	1,833,674	5,143	(5,452,912)
31. Federal and foreign income taxes incurred .....	X X X			
32. Net income (loss) (Lines 30 minus 31) .....	X X X	1,833,674	5,143	(5,452,912)
<b>DETAILS OF WRITE-INS</b>				
0601. Insurance Providers Assessment Tax .....	X X X	8,253,474	9,699,680	34,460,102
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	8,253,474	9,699,680	34,460,102
0701. ....	X X X			
0702. ....	X X X			
0703. ....	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page .....	X X X			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	X X X			
1401. Clinical Incentive .....			13,989	153,989
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) .....			13,989	153,989
2901. ....				
2902. ....				
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page .....				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....				

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

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year .....	38,304,061	50,379,693	50,379,693
34. Net income or (loss) from Line 32 .....	1,833,674	5,143	(5,452,912)
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	2,629,576	2,360,590	(6,810,381)
37. Change in net unrealized foreign exchange capital gain or (loss) .....			
38. Change in net deferred income tax .....			
39. Change in nonadmitted assets .....	35,714	298,694	187,661
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) .....	4,498,964	2,664,427	(12,075,632)
49. Capital and surplus end of reporting period (Line 33 plus 48) .....	42,803,025	53,044,120	38,304,061
<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 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	43,691,666	47,477,717	180,763,582
2. Net investment income .....	140,580	173,892	10,802,352
3. Miscellaneous income .....	9,027,592	9,324,996	33,101,903
4. TOTAL (Lines 1 to 3) .....	52,859,838	56,976,605	224,667,837
5. Benefit and loss related payments .....	39,902,366	28,957,748	156,516,035
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7. Commissions, expenses paid and aggregate write-ins for deductions .....	12,483,425	16,119,491	61,817,053
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) .....	52,385,791	45,077,239	218,333,088
11. Net cash from operations (Line 4 minus Line 10) .....	474,047	11,899,366	6,334,749
<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 .....			
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7) .....			1,000,000
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 .....	5,748	4,187	12,609
13.7 TOTAL investments acquired (Lines 13.1 to 13.6) .....	5,748	4,187	1,012,609
14. Net increase (or decrease) in contract loans and premium notes .....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(5,748)	(4,187)	(12,609)
<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 .....	(1)		
16.6 Other cash provided (applied) .....	978,280	(196,704)	4,982,598
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	978,281	(196,704)	4,982,598
<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) .....	1,446,580	11,698,475	11,304,738
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	36,358,684	25,053,946	25,053,946
19.2 End of period (Line 18 plus Line 19.1) .....	37,805,264	36,752,421	36,358,684

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

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

## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year .....	48,919							225	48,694	
2. First Quarter .....	49,207							192	49,015	
3. Second Quarter .....										
4. Third Quarter .....										
5. Current Year .....										
6. Current Year Member Months .....	146,151							631	145,520	
Total Member Ambulatory Encounters for Period:										
7. Physician .....	67,454								67,454	
8. Non-Physician .....	46,481								46,481	
9. Total .....	113,935								113,935	
10. Hospital Patient Days Incurred .....	5,777								5,777	
11. Number of Inpatient Admissions .....	1,519								1,519	
12. Health Premiums Written (a) .....	44,197,667							47,510	44,150,157	
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	44,197,667							47,510	44,150,157	
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	39,902,366								39,902,366	
18. Amount Incurred for Provision of Health Care Services .....	39,689,600							(71,655)	39,761,255	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0.

**CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)****Aging Analysis of Unpaid Claims**

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
<b>Claims unpaid (Reported)</b>						
Envision .....	1,412,731					1,412,731
0199999 Individually Listed Claims Unpaid .....	1,412,731					1,412,731
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....						
0399999 Aggregate Accounts Not Individually Listed - Covered .....	1,163,039					1,163,039
0499999 Subtotals .....	2,575,770					2,575,770
0599999 Unreported claims and other claim reserves .....						28,329,150
0699999 Total Amounts Withheld .....						
0799999 Total Claims Unpaid .....						30,904,920
0899999 Accrued Medical Incentive Pool And Bonus Amounts .....						1,633,318



## UNDERWRITING AND INVESTMENT EXHIBIT

### ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical) .....						
2. Medicare Supplement .....						
3. Dental only .....						
4. Vision only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....						
7. Title XIX - Medicaid .....	15,983,654	24,193,711	12,076,902	18,828,018	28,060,556	31,470,185
8. Other health .....						
9. Health subtotal (Lines 1 to 8) .....	15,983,654	24,193,711	12,076,902	18,828,018	28,060,556	31,470,185
10. Healthcare receivables (a) .....						
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....		(274,999)	1,280,819	352,499	1,280,819	1,280,819
13. Totals (Lines 9 - 10 + 11 + 12) .....	15,983,654	23,918,712	13,357,721	19,180,517	29,341,375	32,751,004

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

## Notes to Financial Statement

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

Total Health Care USA, Inc. (the "Company"), a not-for-profit corporation and wholly owned subsidiary of Total Health Care, Inc., operates as a state-licensed health maintenance organization (HMO). The Company provides medical services to persons primarily in southeastern Michigan who subscribe as part of an employer group or as individuals.

#### a. Accounting Practices

The accompanying financial statements of Total Health Care USA, 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 certain receivables from affiliates) are excluded from the statutory-basis balance sheet. GAAP net assets exceed statutory net assets by approximately \$739,000 and \$344,000 at March 31, 2020 and December 31, 2019, 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	<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>2020</u>	<u>2019</u>
(1) Total Health Care USA state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	3,024,291	3,247,069
(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	3,024,291	3,247,069
<b>SURPLUS</b>					
(5) Total Health Care USA state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	38,382,363	35,752,787
(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	38,382,363	45,752,787

#### 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, health policy reserves, and risk-sharing provisions. It is at least reasonably possible that these estimates will be materially revised in the near term.

#### c. Accounting Policy

## Notes to Financial Statement

**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 are not backed by other loans and are stated at amortized cost using the interest method.

(3) The Company had no common stock.

(4) The Company had no preferred stock.

(5) The Company had no mortgage loans.

(6) The Company had no loan-backed securities.

(7) The Company had no subsidiaries, controlled or affiliated investments.

(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 liabilities 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 estimated based prior period actual receipts.

**Revenue Recognition and Accounts Receivable** - Subscriber premiums are recognized in the period that members are entitled to related health care services. A substantial portion of health premiums due and unpaid is due from third-party payers for subscribers located within southeastern Michigan. Health premiums due and unpaid are stated at invoice amounts. No allowance for doubtful accounts is recorded at March 31, 2020 and December 31, 2019, respectively. Unpaid invoices greater than 90 days old are treated as non-admitted for statutory accounting purposes.

**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 2020 and 2019, health care receivables and payables have been recorded from/to providers.

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

## Notes to Financial Statement

**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, Office Space and Equipment Leasing Agreement** - The Company has an employee, office space and equipment leasing agreement with Total Health Care, Inc., its parent 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 USA, Inc.

**Income Taxes** - Total Health Care USA, 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

None

### 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

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 Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	%	%

## Notes to Financial Statement

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	1,064,647	1,056,906	7,741	87,349,206	1.19%	1.22%	
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	1,064,647	1,056,906	7,741	87,349,206	1.22%	1.19%	

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

(3) Detail of Other Restricted Assets – None

m. Working Capital Finance Investments - None

n. Offsetting and Netting of Assets and Liabilities - None

o. Structured Notes – Notes

p. 5\* Securities – None

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 Joint Ventures, Partnerships and 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.

## Notes to Financial Statement

### 8. Derivative Instruments

None

### 9. Income Taxes

None

### 10. Information Concerning Parent, Subsidiaries and Affiliates

#### a, b, & c

The Company is a wholly owned subsidiary of Total Health Care, Inc., the parent company.

**d. Amounts Due for or to Related Parties** – At March 31, 2020 and December 31, 2019, the Company had amounts due from parent of \$3,000 and \$198,335 and respectively, resulting from costs paid by the Company on behalf of the parent for operating expenses.

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

**f. Material Employee, Office Space and Equipment Leasing Agreement** – The Company has an employee, office space and equipment leasing agreement with Total Health Care, Inc. The agreement calls for Total Health Care, Inc. to provide certain management services to the Company in order for the Company to carry out its HMO business operations. The management fee incurred by the Company was \$3,307,111 and \$24,418,483 in 2020 and 2019 respectively.

**g. Common Control** – All outstanding shares of Total Health Care USA, Inc. are owned by the Parent Company, Total Health Care, Inc, an insurance holding company 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** – None

**n. Investment in Insurance SCAs** - None

### 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

## Notes to Financial Statement

- (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 State of Michigan Office of Insurance Regulation, as long as the Company meets or exceeds minimum surplus requirements.
- (4) During 2020 and 2019 the Company has paid dividends of \$0 and \$10,000,000 respectively.
- (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.
- (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) Portion of unassigned funds represented or reduced by unrealized gains or losses is \$0. The portion of unassigned funds represented or reduced by the change in non-admitted asset values is (\$1,546,500) and (\$57,542) at March 31, 2020 and December 31, 2019, 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

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

## Notes to Financial Statement

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 – None

b. ASC 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 March 31, 2020, 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.

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.

The fair value of bonds was determined primarily based on level 2 inputs. The Company obtains the fair value of these investments based on values determined and provided by the investment custodians.

#### 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	-	1,064,647	-	1,064,647
Hybrid Securities	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	\$ -	\$ 1,064,647	\$ -	\$ 1,064,647
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	-	-	-	-



## Notes to Financial Statement

Commodity Forward Contracts	-	-	-	-
Total Derivatives	\$ -	\$ -	\$ -	\$ -
<hr/>				
Separate Account Assets	\$ -	\$ -	\$ -	\$ -
Total Assets at Fair Value	\$ -	\$ 1,064,647	\$ -	\$ 1,064,647
<hr/>				
b. Liabilities at Fair Value				
Derivative Liabilities	\$ -	\$ -	\$ -	\$ -
Total Liabilities at Fair Value	\$ -	\$ -	\$ -	\$ -
<hr/>				

(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	\$ 1,064,647	\$ 1,064,647	\$ -	\$ 1,064,647	\$ -	\$ -
Cash	-	-	-	-	-	-
Short Term Certificates of Deposit	-	-	-	-	-	-
Money Market Funds	-	-	-	-	-	-
Totals	<u>\$ 1,064,647</u>	<u>\$ 1,064,647</u>	<u>\$ -</u>	<u>\$ 1,064,647</u>	<u>\$ -</u>	<u>\$ -</u>

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 issued only at the direction of the insurance commissioner in accordance with statutory and contractual provisions. At March 31, 2020 and December 31, 2019, \$1,064,647 and \$1,056,906, respectively were held 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 March 31, 2020 and December 31, 2019, respectively the Company had admitted assets of \$3,898,547 and \$3,084,502, respectively, in health premiums due and unpaid for amounts due from subscribers, governmental entities, and other health care providers. The Company routinely assessed the collectability of these receivables and directly wrote off any uncollectible receivables accordingly. Receivables greater than 90 days are considered non-admitted for statutory purposes.

## Notes to Financial Statement

- d. Business Interruption Insurance Recoveries - None
- e. State Transferable and Non-transferable Tax Credits - None
- f. Subprime Mortgage Related Risk Exposure – None
- 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 05/14/2020 for the statutory statement issued on March 31, 2020.

None

#### Type II. – Non-recognized Subsequent Events –

Subsequent events have been considered through 05/14/2020 for the statutory statement issued on March 31, 2020.

The Company is subject to an annual fee under section 9010 of the Affordable care Act (ACA). The 2020 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. During 2018, legislation was enacted which suspends the collection of the health insurance provider fee for the 2019 calendar year only. As a result, health insurers, including the Company, were not required to pay the fee during 2019. During 2019, the Company wrote health insurance subject to the ACA assessment for 2020. The Company estimates their portion of the annual health insurance industry fee to be payable in 2020 to be \$1,535,714. This assessment was repealed in December 2019. 2020 will be the last year the fee is assessed.

	<u>Current Year</u>	<u>Prior Year</u>
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010	No	
B. ACA fee assessment payable for the upcoming year	\$ -	\$ 1,535,714
C. ACA fee assessment paid	\$ -	\$ -
D. Premium written subject to ACA 9010 assessment	\$ -	\$ 76,566,999
E. Total Adjusted Capital before surplus adjustment	\$ 35,752,787	
F. Total Adjusted Capital after surplus adjustment	\$ 34,217,073	
G. Authorized Control Level 5 Year Historical	\$ 6,112,142	
H. Would reporting the ACA assessment as of Mar. 31, 2020 trigger an RBC action level? (YES/NO)	No	

The Company continues to actively monitor the current international and domestic impacts of and responses to Coronavirus Disease 2019 (COVID-19) and its related risks and continues to prepare accordingly. At this time, the company is not able to predict the impact COVID-19 may have on its results of operations, cash flows or financial condition, however, it is reasonably possible the outcome may be material.

### 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

## Notes to Financial Statement

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 \$205,150 and \$274,224 recorded at March 31, 2020 and December 31, 2019, respectively. In addition, the Company had \$0 in ACA transitional reinsurance recoverable receivables recorded at March 31, 2020 and December 31, 2019, respectively.

(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 coverage on an annual per member basis after a \$500,000 (Commercial-Group and Commercial Individual) deductible is reached. The maximum lifetime reinsurance indemnity payable under each agreement is \$2,000,000 per member.

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 group health insurance business through a mathematical approach using an algorithm of the company's underwriting rules and experience rating practices.

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

C. The amount of net premiums written by the Company at March 31, 2020 that are subject to retrospective rating features was \$39,922,321 that represented 100% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

D. At March 31, 2020, the Company had medical loss ratio rebates payable of \$4,118,748. At December 31, 2019, the Company had medical loss ratio rebates payable of \$2,929,692 required pursuant to Public Health Service Act. For December 31, 2018 the actual rebate amounts paid to subscribers was \$5,408,641.

## Notes to Financial Statement

	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	-	1,095,391	1,834,301	-	2,929,692
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss ratio rebates unpaid	-	1,095,391	1,834,301	-	2,929,692
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	XXX
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	XXX
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	XXX
Current Reporting Year-to-Date					
(1) Medical loss ratio rebates incurred	-	24,430	1,164,626	-	1,189,056
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss ratio rebates unpaid	-	1,119,821	2,998,927	-	4,118,748
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	XXX
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	XXX
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	4,118,748

## 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)? **YES**

The Company recorded \$1,873,994 due for risk adjustment for 2020 and a net due of \$11,825,000 for 2019. During the period of December 31, 2019, the Company paid \$5,743,622 due for risk adjustment for 2018.

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

	March 31, 2020	December 31, 2019
	<u>Amount</u>	<u>Amount</u>
<u>a. Permanent ACA Risk Adjustment Program</u>		
Assets		
1. Premium adjustments receivable due to ACA Risk Adjustment	\$ -	\$ 389,000
Liabilities		
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$ 47,496	\$ 38,228
3. Premium adjustments payable due to ACA Risk Adjustment	\$ 14,087,994	\$ 12,214,000
Operations (Revenue & Expenses)		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ (1,873,994)	\$ (11,498,667)
5. Reported in expenses as ACA risk adjustment user fees (incurred/Paid)	\$ 9,268	\$ 38,169
<u>b. Transitional ACA Reinsurance Program</u>		
Assets		
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	\$ -	\$ -
Liabilities		
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	\$ -	\$ -
Operations (Revenue & Expenses)		
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>		
Assets		

## Notes to Financial Statement

1. Accrued retrospective premiums due to ACA Risk Corridors	\$	-	\$	-
Liabilities				
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$	-	\$	-
Operations (Revenue & Expenses)				
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 non-admission) and liability balances along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business		Received or Paid as of the Current Year on		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
	Written Before December 31 of the Prior Year		Business Written Before December 31 of the Prior Year		Prior Year Accrued	Prior Year Accrued	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior years (Col 1-3+7)	Cumulative Balance from Prior years (Col 2-4+8)	
			Less Payments (Col 1-3)	Less Payments (Col 2-4)							
	1	2	3	4	5	6	7	8	9	10	11
Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)	
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	389,000.-	-	-	-	389,000	-	-	-	A	389,000	-
2. Premium adjustments (payable)	-	(12,214,000)	-	-	-	(12,214,000)	-	(-	B	-	(12,214,000)
3. Subtotal ACA Permanent Risk Adjustment Program	389,000	(12,214,000)	-	-	-389,000	(12,214,000)	-	-		389,000	(12,214,000)
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	-	-	-	-	-	-	-	-	C	-	-
2. Amounts recoverable for claims unpaid (contra liability)	-	-	-	-	-	-	-	-	D	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	-
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premiums	-	-	-	-	-	-	-	-	F	-	-
5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G	-	-
6. Liability for amounts held uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance	-	-	-	-	-	-	-	-		-	-

**Notes to Financial Statement**

Program												
c. Temporary ACA Risk Corridors Program												
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	I	-	-	-
2. Reserve for rate credits or policy experience rating	-	-	-	-	-	-	-	-	J	-	-	-
3. Subtotal ACA Risk												
Corridors Program	-	-	-	-	-	-	-	-	K	-	-	-
d. Total for ACA Risk Sharing												
Provisions	\$ 389,000	\$(12,214,000)	-	\$ -	\$ 389,000	\$(12,214,000)	\$ -	\$ -		\$ 389,000	\$ (12,214,000)	

Explanations of Adjustments

A)

B)

(4) Roll Forward of ACA Risk Corridor Asset and Liability Balances: Not Applicable

(5) ACA Risk Corridor Receivable: Not Applicable

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

Reserves as of December 31, 2019 were \$24,797,753. As of March 31, 2020, \$12,725,230 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$7,696,631 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 \$4,375,892 favorable development since December 31, 2019 to March 31, 2020. The decrease 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 global capitation and specialty claims arrangements based upon the terms of its contracts.

Pharmaceutical rebates receivable at both March 31, 2020 and December 31, 2019 were \$0. Rebates are netted with pharmacy expense. During 2020 and 2019, pharmacy rebates in the amount of \$891,288 and \$3,407,046 respectively, were collected.

## Notes to Financial Statement

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/ Confirmed	Rebates Collected Within 90 Days of Invoicing/ Confirmation	Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation	Collected More Than 180 Days After Invoicing/ Confirmation
3/31/20	891,288	891,288	891,288	-	-
12/31/19	853,437	853,437	853,437	-	-
9/30/19	890,219	890,219	890,219	-	-
6/30/19	816,588	816,588	816,588	-	-
3/31/19	846,802	846,802	846,802	-	-
12/31/18	965,711	965,711	965,711	-	-
9/30/18	922,415	922,415	922,415	-	-
6/30/18	842,001	842,001	842,001	-	-
3/31/18	762,324	762,324	762,324	-	-

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

Calendar Year	Evaluation Period 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
2020	2020	\$ 628,867	\$ 628,867	\$ -	\$ 628,867	\$ -	\$ -	\$ -	\$ -
	2021	\$ -	\$ 159,000	\$ -	\$ 159,000	\$ -	\$ -	\$ -	\$ -
2019	2019	\$ 635,139	\$ 68,334	\$ 703,473	\$ -	\$ -	\$ 703,473	\$ -	\$ -
	2020	\$ -	\$ 628,867	\$ -	\$ 628,867	\$ -	\$ -	\$ -	\$ -
2018	2018	\$ -	\$ 733,457	\$ 733,457	\$ -	\$ 733,457	\$ -	\$ -	\$ -
	2019	\$ -	\$ 635,139	\$ -	\$ 635,139	\$ -	\$ -	\$ -	\$ -

## 29. Participating Policies

None

## 30. Premium Deficiency Reserves – No Change

- Liability carried for premium deficiency reserves \$0
- Date of the most recent evaluation of this liability 12/31/2019
- Was anticipated investment income utilized? Yes  No

## 31. Anticipated Salvage and Subrogation

Loss reserves have not been reduced for any salvage or subrogation. During 2020 and 2019, the Company received subrogation totaling \$10,628 and \$257,180, respectively.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[ ] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[ ] No[ ] N/A[X]
- 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[X] No[ ]
- 2.2 If yes, date of change: 02/10/2020
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[ ]
- If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[X] No[ ]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes:  
On 01/1/2020, Priority Health became the sole member of Total Health Care, Inc.
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes[ ] No[X]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
- If yes, complete and file the merger history data file with the NAIC.
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[X] No[ ] N/A[ ]
- If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2019
- 6.2 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. 12/13/2015
- 6.3 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). 12/31/2017
- 6.4 By what department or departments?  
MICHIGAN DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
- 6.5 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[ ]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[ ] N/A[ ]
- 7.1 Has this 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]
- 7.2 If yes, give full information
- 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 below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

- 9.1 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?  
(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. Yes[X] No[ ]
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes[X] No[ ]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
Senior officers are subject to Priority Health's code of ethics as of January 1, 2020.
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[ ] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

### INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[ ] No[X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
13. Amount of real estate and mortgages held in short-term investments: \$ 0



## GENERAL INTERROGATORIES (Continued)

### INVESTMENT

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes[X] No[]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....		
14.22 Preferred Stock .....		
14.23 Common Stock .....	35,752,789	38,382,365
14.24 Short-Term Investments .....		
14.25 Mortgages Loans on Real Estate .....		
14.26 All Other .....		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	35,752,789	38,382,365
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes[] No[X]

15.2 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.

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

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

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[]

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

1 Name of Custodian(s)	2 Custodian Address
COMERICA BANK - Carol Morga .....	P.O. BOX 75000, DETROIT, MI 48275-3462 .....

17.2 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 .....		

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes[] No[X]

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

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

17.5 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 .....

17.5097 For those firms/individuals listed in the table for Question 17.5, 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[]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes[X] No[]

17.6 For those firms or individuals listed in the table for 17.5 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 .....

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

18.2 If no, list exceptions:

NOT REQUIRED BY STATE OF DOMICILE

19. By self-designating 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]

## **GENERAL INTERROGATORIES (Continued)**

20. By self-designating PLGI securities, the reporting entity is certifying the following elements for each self-designated PLGI security:
- a. The security was purchased prior to January 1, 2018.
  - b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
  - c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
  - d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.
- Has the reporting entity self-designated PLGI securities? Yes[ ] No[X]
21. 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]

## **General Interrogatories Part 1 Attachments**

**Total Health Care, Inc.**

**Quarterly Financial Statement Filing – March 31, 2020**

**General Interrogatories, Question 5 Explanation**

The management agreement with Universal Health Management was terminated as of December 31, 2019. On January 1, 2020, the Company entered a management agreement with Priority Health Benefits Manager.

# GENERAL INTERROGATORIES

## PART 2 - HEALTH

- |   |               |
|---|---------------|
| 1. Operating Percentages:   |               |
| 1.1 A&H loss percent  | ..... 90.150% |
| 1.2 A&H cost containment percent  | ..... 0.180%  |
| 1.3 A&H expense percent excluding cost containment expenses   | ..... 9.000%  |
| 2.1 Do you act as a custodian for health savings accounts?  | Yes[ ] No[X]  |
| 2.2 If yes, please provide the amount of custodial funds held as of the reporting date.   | \$..... 0     |
| 2.3 Do you act as an administrator for health savings accounts?   | Yes[ ] No[X]  |
| 2.4 If yes, please provide the balance of the funds administered as of the reporting date.  | \$..... 0     |
| 3. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?   | Yes[ ] No[X]  |
| 3.1 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]  |

## SCHEDULE S - CEDED REINSURANCE

**Showing All New Reinsurance Treaties - Current Year to Date**

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Business Ceded	8 Type of Reinsurer	9 Certified Reinsurer Rating (1 through 6)	10 Effective Date of Certified Reinsurer Rating
<b>Accident and Health - Non-affiliates</b>									
25364 .....	13-1675535 .....	11/01/2019 .....	SWISS REINS AMER CORP .....	NY .....	SSL/I .....	A .....	Authorized .....		

# SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

## Current Year to Date - Allocated by States and Territories

		Direct Business Only							
		1	2	3	4	5	6	7	8
State, Etc.	Active Status (a)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	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		47,510	44,150,157				44,197,667	
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		47,510	44,150,157				44,197,667	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. Total (Direct Business)	X X X		47,510	44,150,157				44,197,667	
<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

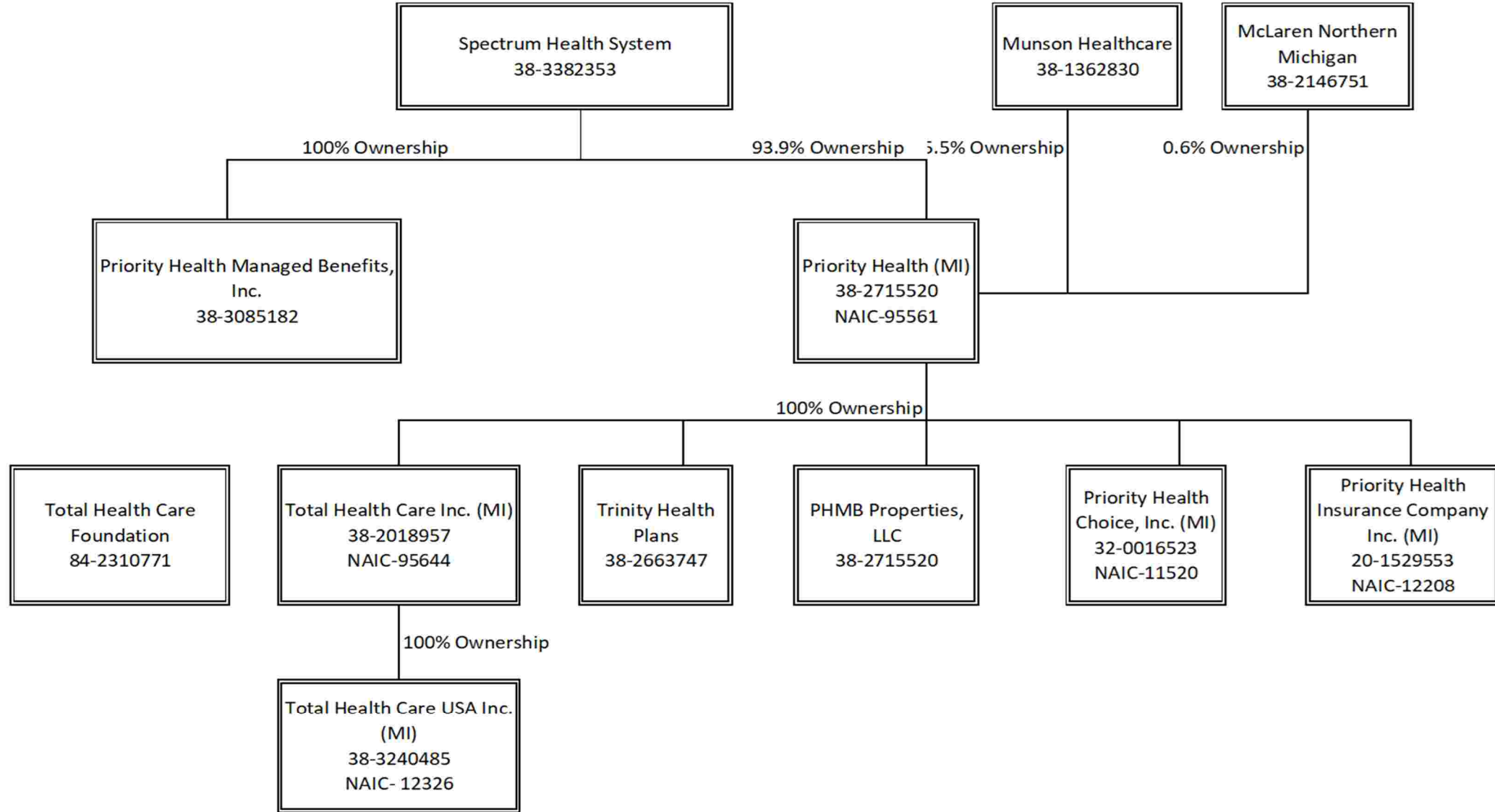
Q Qualified - Qualified or accredited reinsurer

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# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART



# SCHEDULE Y

## PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	Is an SCA Filing Required? (Y/N)	*
3383	Priority Health	9556100000	38-2715520			Priority Health	Priority Health	MI	UDP	Spectrum Health System	Ownership	93.9	Spectrum Health System	N	0000001
		000000					Munson HealthCare				Ownership	5.5		N	0000001
		000000					McClaren Northern Michigan				Ownership	0.6		N	0000001
3383	Priority Health	11520	32-0016523			Priority Health Choice, Inc	Priority Health Choice, Inc	MI	IA	Priority Health	Ownership	100.0	Spectrum Health System	N	
3383	Priority Health	12208	20-1529553			Priority Health Insurance Company	Priority Health Insurance Company	MI	IA	Priority Health	Ownership	100.0	Spectrum Health System	N	
3383	Priority Health	95644	38-2018957			Total Health Care, Inc.	Total Health Care, Inc.	MI	IA	Priority Health	Ownership	100.0	Spectrum Health System	N	
3383	Priority Health	12326	38-3240485			Total Health Care USA, Inc.	Total Health Care USA, Inc.	MI	IA	Total Health Care, Inc.	Ownership	100.0	Spectrum Health System	N	
3383	Priority Health	00000	84-2310771			Total Health Care Foundation	Total Health Care Foundation	MI	NIA	Priority Health	Board of Directors		Spectrum Health System	N	
3383	Priority Health	00000	38-2715520			PHMB Properties, LLC	PHMB Properties, LLC	MI	NIA	Priority Health	Ownership	100.0	Spectrum Health System	N	
3383	Priority Health	00000	38-2663747			Trinity Health Plans	Trinity Health Plans	MI	NIA	Priority Health	Ownership	100.0	Spectrum Health System	N	
3383	Priority Health	00000	38-3085182			Priority Health Managed Benefits, Inc.	Priority Health Managed Benefits, Inc.	MI	NIA	Spectrum Health System	Ownership	100.0	Spectrum Health System	N	
		00000				Spectrum Health Grand Rapids	Spectrum Health Grand Rapids	MI	NIA	Spectrum Health System	Ownership	100.0	Spectrum Health System	N	
		00000				Spectrum Health Big Rapids Hospital	Spectrum Health Big Rapids Hospital	MI	NIA	Spectrum Health System	Ownership	100.0	Spectrum Health System	N	
		00000				Spectrum Health Reed City Hospital	Spectrum Health Reed City Hospital	MI	NIA	Spectrum Health System	Ownership	100.0	Spectrum Health System	N	
		00000				Spectrum Health Gerber Hospital	Spectrum Health Gerber Hospital	MI	NIA	Spectrum Health System	Ownership	100.0	Spectrum Health System	N	
		00000				Spectrum Health Ludington Hospital	Spectrum Health Ludington Hospital	MI	NIA	Spectrum Health System	Ownership	100.0	Spectrum Health System	N	
		00000				Spectrum Health Pennock	Spectrum Health Pennock	MI	NIA	Spectrum Health System	Ownership	100.0	Spectrum Health System	N	
		00000				Spectrum Health United Hospital	Spectrum Health United Hospital	MI	NIA	Spectrum Health System	Ownership	100.0	Spectrum Health System	N	
		00000				Spectrum Health Kelsey Hospital	Spectrum Health Kelsey Hospital	MI	NIA	Spectrum Health System	Ownership	100.0	Spectrum Health System	N	
		00000				Spectrum Health Zeeland Community Hospital	Spectrum Health Zeeland Community Hospital	MI	NIA	Spectrum Health System	Ownership	100.0	Spectrum Health System	N	
		00000				Spectrum Health Continuing Care	Spectrum Health Continuing Care	MI	NIA	Spectrum Health System	Ownership	100.0	Spectrum Health System	N	
		00000				Spectrum Health Medical Group	Spectrum Health Medical Group	MI	NIA	Spectrum Health System	Ownership	100.0	Spectrum Health System	N	
		00000				Spectrum Health Lakeland	Spectrum Health Lakeland	MI	NIA	Spectrum Health System	Ownership	100.0	Spectrum Health System	N	

Q16

Asterisk	Explanation
0000001	



# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

**RESPONSE**

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



95644202036500001

2020

Document Code: 365

**OVERFLOW PAGE FOR WRITE-INS**

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1	2	3	4
	Uncovered	Total	Total	Total
0604. ....	X X X			
0605. ....	X X X			
0606. ....	X X X			
0607. ....	X X X			
0697. Summary of remaining write-ins for Line 6 (Lines 0604 through 0696) .....	X X X			
0797. Summary of remaining write-ins for Line 7 (Lines 0704 through 0796) .....	X X X			
1404. ....				
1405. ....				
1406. ....				
1497. Summary of remaining write-ins for Line 14 (Lines 1404 through 1496) .....				
2997. Summary of remaining write-ins for Line 29 (Lines 2904 through 2996) .....				

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

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
4704. ....			
4797. Summary of remaining write-ins for Line 47 (Lines 4704 through 4796) .....			

**SCHEDULE A - VERIFICATION****Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Current year change in encumbrances .....		
4. Total gain (loss) on disposals .....		
5. Deduct amounts received on disposals .....		
6. Total foreign exchange change in book/adjusted carrying value .....		
7. Deduct current year's other-than-temporary impairment recognized .....		
8. Deduct current year's depreciation .....		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8) .....		
10. Deduct total nonadmitted amounts .....		
11. Statement value at end of current period (Line 9 minus Line 10) .....		

**NONE****SCHEDULE B - VERIFICATION****Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and mortgage interest points .....		
9. Total foreign exchange change in book value/recorded investment .....		
10. Deduct current year's other-than-temporary impairment recognized .....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) .....		
12. Total valuation allowance .....		
13. Subtotal (Line 11 plus Line 12) .....		
14. Deduct total nonadmitted amounts .....		
15. Statement value at end of current period (Line 13 minus Line 14) .....		

**NONE****SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and depreciation .....		
9. Total foreign exchange change in book/adjusted carrying value .....		
10. Deduct current year's other-than-temporary impairment recognized .....		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) .....		
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....		

**NONE****SCHEDULE D - VERIFICATION****Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	36,759,441	43,557,213
2. Cost of bonds and stocks acquired .....		1,000,000
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....	2,635,324	(6,797,772)
5. Total gain (loss) on disposals .....		
6. Deduct consideration for bonds and stocks disposed of .....		1,000,000
7. Deduct amortization of premium .....		
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other-than-temporary impairment recognized .....		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees .....		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10) .....	39,394,765	36,759,441
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....	39,394,765	36,759,441

## SCHEDULE D - PART 1B

**Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation**

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a) .....	1,006,652	5,748			1,012,400			1,006,652
2. NAIC 2 (a) .....								
3. NAIC 3 (a) .....								
4. NAIC 4 (a) .....								
5. NAIC 5 (a) .....								
6. NAIC 6 (a) .....								
7. Total Bonds .....	1,006,652	5,748			1,012,400			1,006,652
<b>PREFERRED STOCK</b>								
8. NAIC 1 .....								
9. NAIC 2 .....								
10. NAIC 3 .....								
11. NAIC 4 .....								
12. NAIC 5 .....								
13. NAIC 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds & Preferred Stock .....	1,006,652	5,748			1,012,400			1,006,652

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

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**SI03 Schedule DA Part 1 ..... NONE**

**SI03 Schedule DA Verification ..... NONE**

**SI04 Schedule DB - Part A Verification ..... NONE**

**SI04 Schedule DB - Part B Verification ..... NONE**

**SI05 Schedule DB Part C Section 1 ..... NONE**

**SI06 Schedule DB Part C Section 2 ..... NONE**

**SI07 Schedule DB - Verification ..... NONE**

**SCHEDULE E - PART 2 - VERIFICATION****(Cash Equivalents)**

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year .....	2,012,740	3,410,536
2.	Cost of cash equivalents acquired .....	8,643	4,353,050
3.	Accrual of discount .....		
4.	Unrealized valuation increase (decrease) .....		
5.	Total gain (loss) on disposals .....		
6.	Deduct consideration received on disposals .....		5,750,846
7.	Deduct amortization of premium .....		
8.	Total foreign exchange change in book/adjusted carrying value .....		
9.	Deduct current year's other-than-temporary impairment recognized .....		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....	2,021,383	2,012,740
11.	Deduct total nonadmitted amounts .....		
12.	Statement value at end of current period (Line 10 minus Line 11) .....	2,021,383	2,012,740

<b>E01 Schedule A Part 2</b>	<b>NONE</b>
<b>E01 Schedule A Part 3</b>	<b>NONE</b>
<b>E02 Schedule B Part 2</b>	<b>NONE</b>
<b>E02 Schedule B Part 3</b>	<b>NONE</b>
<b>E03 Schedule BA Part 2</b>	<b>NONE</b>
<b>E03 Schedule BA Part 3</b>	<b>NONE</b>
<b>E04 Schedule D Part 3</b>	<b>NONE</b>
<b>E05 Schedule D Part 4</b>	<b>NONE</b>
<b>E06 Schedule DB Part A Section 1</b>	<b>NONE</b>
<b>E07 Schedule DB Part B Section 1</b>	<b>NONE</b>
<b>E08 Schedule DB Part D Section 1</b>	<b>NONE</b>
<b>E09 Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity</b>	<b>NONE</b>
<b>E09 Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity</b>	<b>NONE</b>
<b>E10 Schedule DB Part E</b>	<b>NONE</b>
<b>E11 Schedule DL - Part 1 - Securities Lending Collateral Assets</b>	<b>NONE</b>
<b>E12 Schedule DL - Part 2 - Securities Lending Collateral Assets</b>	<b>NONE</b>

# SCHEDULE E - PART 1 - CASH

## Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
Depository		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
						First Month	Second Month	Third Month	
<b>open depositories</b>									
COMERICA BANK .....	COMERICA, DETROIT, MI .....		1.440	126,190	26,073	36,004,745	35,993,560	35,852,834	X X X
STRIDE BANK .....	STRIDE BANK, ENID, OK .....					(741,828)	(947,742)	(68,953)	X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
.....	.....								X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories .....		X X X	X X X						X X X
0199999 Totals - Open Depositories .....		X X X	X X X	126,190	26,073	35,262,917	35,045,818	35,783,881	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories .....		X X X	X X X						X X X
0299999 Totals - Suspended Depositories .....		X X X	X X X						X X X
0399999 Total Cash On Deposit .....		X X X	X X X	126,190	26,073	35,262,917	35,045,818	35,783,881	X X X
0499999 Cash in Company's Office .....		X X X	X X X	X X X	X X X				X X X
0599999 Total Cash .....		X X X	X X X	126,190	26,073	35,262,917	35,045,818	35,783,881	X X X



**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8	9
CUSIP	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<b>Exempt Money Market Mutual Funds - as Identified by SVO</b>								
. 09248U551	BLACKROCK TREASURY TRUST FUND .....	O .....	10/04/2018 .....	2.210 .....	X X X .....	1,969,657 .....	1,597 .....	7,170 .....
. 09248U700	BLACKROCK TREASTURY TRUST FUND .....	^SD .....	10/04/2018 .....	1.180 .....	X X X .....	51,726 .....	42 .....	186 .....
8599999	Subtotal - Exempt Money Market Mutual Funds - as Identified by SVO .....					2,021,383 .....	1,639 .....	7,356 .....
8899999	Total Cash Equivalents .....					2,021,383 .....	1,639 .....	7,356 .....

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