



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2019
OF THE CONDITION AND AFFAIRS OF THE

Maine Community Health Options

NAIC Group Code 0000 0000 NAIC Company Code 15077 Employer's ID Number 45-3416923
(Current) (Prior)

Organized under the Laws of Maine, State of Domicile or Port of Entry ME

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

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

Incorporated/Organized 09/26/2011 Commenced Business 01/01/2014

Statutory Home Office 150 Mill Street, Suite 3, Lewiston, ME, US 04240
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 150 Mill Street, Suite 3
(Street and Number)
Lewiston, ME, US 04240,
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address PO Box 1121, Lewiston, ME, US 04243-1121
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 150 Mill Street, Suite 3
(Street and Number)
Lewiston, ME, US 04240,
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.healthoptions.org

Statutory Statement Contact Joanne Lauterbach, 207-330-2390
(Name) (Area Code) (Telephone Number)
jlauterbach@healthoptions.org, 207-402-3318
(E-mail Address) (FAX Number)

OFFICERS

Chief Executive Officer Kevin Lewis Chief Information Officer William Kilbreth
 Chief Operating Officer Robert J Hillman Chief Financial Officer Edward J Vozzo

OTHER

Margaret Kelley #, Chief Clinical Officer

DIRECTORS OR TRUSTEES

<u>Fred Craigie Dr.</u>	<u>Michael DeLorenzo</u>	<u>Judiann Ferretti Smith #</u>
<u>Sarah Hines</u>	<u>Holly Korda #</u>	<u>Robert Lorenzo</u>
<u>Heidi Lukas</u>	<u>Rocell Marcellino</u>	<u>Jeff Norris</u>
<u>Sharon Reishus #</u>	<u>David Shipman</u>	<u>David Shultz</u>
<u>W. Douglas Smith</u>	<u>Mitchell Stein #</u>	<u>Lisa Tapert</u>
<u>Ronnie Weston</u>	<u>Douglas Wilson</u>	

State of Maine SS:
 County of Androscoggin

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.

Kevin Lewis
 Chief Executive Officer

Edward Vozzo
 Chief Financial Officer

Subscribed and sworn to before me this _____ day of _____

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

Carrie Bolduc
 Notary
 08/2020

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	51,384,628		51,384,628	64,177,338
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$			0	0
encumbrances)				
4.2 Properties held for the production of income (less				
\$				
encumbrances)			0	0
4.3 Properties held for sale (less \$				
encumbrances)			0	0
5. Cash (\$10,335,299 , Schedule E - Part 1), cash equivalents				
(\$103,739,982 , Schedule E - Part 2) and short-term				
investments (\$0 , Schedule DA)	114,075,281		114,075,281	97,227,688
6. Contract loans, (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	225,000	225,000	0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	165,684,909	225,000	165,459,909	161,405,026
13. Title plants less \$ charged off (for Title insurers				
only)			0	0
14. Investment income due and accrued	357,220		357,220	430,334
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,458,124	71,488	1,386,636	3,288,838
15.2 Deferred premiums and agents' balances and installments booked but				
deferred and not yet due (including \$				
earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums (\$) and				
contracts subject to redetermination (\$)	201,241	201,241	0	53,435
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	12,182,461		12,182,461	558,485
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	397,754	397,754	0	755,661
21. Furniture and equipment, including health care delivery assets				
(\$)	602,002	602,002	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$3,014,650) and other amounts receivable	3,276,793	262,143	3,014,650	3,978,503
25. Aggregate write-ins for other than invested assets	1,473,944	1,473,944	0	189,085
26. Total assets excluding Separate Accounts, Segregated Accounts and				
Protected Cell Accounts (Lines 12 to 25)	185,634,448	3,233,572	182,400,876	170,659,367
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts			0	0
28. Total (Lines 26 and 27)	185,634,448	3,233,572	182,400,876	170,659,367
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Sales Taxes Receivable	200	200	0	189,085
2502. Miscellaneous Receivables	13,868	13,868	0	0
2503. Prepaid Expenses	1,444,292	1,444,292	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	15,584	15,584	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,473,944	1,473,944	0	189,085

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 1,944,942 reinsurance ceded)	23,096,128		23,096,128	45,180,712
2. Accrued medical incentive pool and bonus amounts	141,192		141,192	317,328
3. Unpaid claims adjustment expenses	1,752,875		1,752,875	1,051,887
4. Aggregate health policy reserves, including the liability of \$ 3,344,029 for medical loss ratio rebate per the Public Health Service Act	61,844,029		61,844,029	56,400,000
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	4,617,091		4,617,091	5,488,975
9. General expenses due or accrued	5,548,788		5,548,788	3,552,598
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	360,887		360,887	0
12. Amounts withheld or retained for the account of others	320,961		320,961	580,288
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ 125,864 current) and interest thereon \$ (including current)	450,565		450,565	658,971
15. Amounts due to parent, subsidiaries and affiliates			0	0
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ 0 unauthorized reinsurers and \$ 0 certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$ companies)			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	79,439	0	79,439	95,052
24. Total liabilities (Lines 1 to 23)	98,211,955	0	98,211,955	113,325,811
25. Aggregate write-ins for special surplus funds	XXX	XXX	2,256,974	0
26. Common capital stock	XXX	XXX		
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX		
29. Surplus notes	XXX	XXX	132,316,124	132,316,124
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(50,384,177)	(74,982,568)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	84,188,921	57,333,556
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	182,400,876	170,659,367
DETAILS OF WRITE-INS				
2301. Risk Adjustment User Fee Payable	79,439		79,439	95,052
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	79,439	0	79,439	95,052
2501. Estimated ACA Insurer Fee	XXX	XXX	2,256,974	0
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	2,256,974	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	468,819	633,678
2. Net premium income (including \$ non-health premium income)	XXX	242,246,323	379,263,309
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	
4. Fee-for-service (net of \$ medical expenses)	XXX	0	
5. Risk revenue	XXX	0	
6. Aggregate write-ins for other health care related revenues	XXX	298,281	1,052,693
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	242,544,604	380,316,002
Hospital and Medical:			
9. Hospital/medical benefits		121,594,422	189,246,113
10. Other professional services		7,890,841	9,197,704
11. Outside referrals		41,100	217,013
12. Emergency room and out-of-area		40,477,719	47,971,251
13. Prescription drugs		31,370,404	38,150,025
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		141,192	457,997
16. Subtotal (Lines 9 to 15)	0	201,515,678	285,240,103
Less:			
17. Net reinsurance recoveries		43,468,638	1,979,377
18. Total hospital and medical (Lines 16 minus 17)	0	158,047,040	283,260,726
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$10,949,797 cost containment expenses		17,303,461	18,515,638
21. General administrative expenses		37,578,208	37,732,988
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		6,300,000	15,800,000
23. Total underwriting deductions (Lines 18 through 22).....	0	219,228,709	355,309,352
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	23,315,895	25,006,650
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		3,276,791	1,851,075
26. Net realized capital gains (losses) less capital gains tax of \$			9,909
27. Net investment gains (losses) (Lines 25 plus 26)	0	3,276,791	1,860,984
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$1,405,842)]		(1,405,842)	(1,580,815)
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	25,186,844	25,286,819
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Lines 30 minus 31)	XXX	25,186,844	25,286,819
DETAILS OF WRITE-INS			
0601. User Fee Revenue – Contraceptive Claims	XXX	298,281	1,052,693
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	298,281	1,052,693
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	57,333,556	33,734,794
34. Net income or (loss) from Line 32.....	25,186,844	25,286,819
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....		
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....		
39. Change in nonadmitted assets.....	1,668,521	(1,688,057)
40. Change in unauthorized and certified reinsurance.....	0	0
41. Change in treasury stock.....	0	0
42. Change in surplus notes.....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	0	0
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	26,855,365	23,598,762
49. Capital and surplus end of reporting period (Line 33 plus 48)	84,188,921	57,333,556
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	242,880,217	418,514,220
2. Net investment income	3,214,240	1,738,026
3. Miscellaneous income	298,281	1,052,693
4. Total (Lines 1 through 3)	246,392,738	421,304,939
5. Benefit and loss related payments	191,931,736	263,639,805
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	53,661,958	58,068,463
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	245,593,694	321,708,268
11. Net cash from operations (Line 4 minus Line 10)	799,044	99,596,671
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	13,000,000	13,400,000
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	44,909
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	13,000,000	13,444,909
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	41,093,530
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	155,000
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	41,248,530
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	13,000,000	(27,803,621)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	(208,406)	(247,557)
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	3,256,955	(575,337)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	3,048,549	(822,894)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	16,847,593	70,970,156
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	97,227,688	26,257,532
19.2 End of year (Line 18 plus Line 19.1)	114,075,281	97,227,688

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

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ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options
ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	242,246,323	242,246,323								
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	298,281	0	0	0	0	0	0	0	298,281	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	242,544,604	242,246,323	0	0	0	0	0	0	298,281	0
8. Hospital/medical benefits	121,594,422	121,594,422								XXX
9. Other professional services	7,890,841	7,890,841								XXX
10. Outside referrals	41,100	41,100								XXX
11. Emergency room and out-of-area	40,477,719	40,477,719								XXX
12. Prescription drugs	31,370,404	31,370,404								XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	141,192	141,192								XXX
15. Subtotal (Lines 8 to 14)	201,515,678	201,515,678	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries	43,468,638	43,468,638								XXX
17. Total medical and hospital (Lines 15 minus 16)	158,047,040	158,047,040	0	0	0	0	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 10,949,797 cost containment expenses	17,303,461	17,303,461								
20. General administrative expenses	37,578,208	37,578,208								
21. Increase in reserves for accident and health contracts	6,300,000	6,300,000								XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	219,228,709	219,228,709	0	0	0	0	0	0	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	23,315,895	23,017,614	0	0	0	0	0	0	298,281	0
DETAILS OF WRITE-INS										
0501. User Fee Revenue - Contraceptive Claims	298,281								298,281	XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	298,281	0	0	0	0	0	0	0	298,281	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	262,554,620		20,308,297	242,246,323
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	0			0
6. Title XVIII - Medicare	0			0
7. Title XIX - Medicaid	0			0
8. Other health				0
9. Health subtotal (Lines 1 through 8)	262,554,620	0	20,308,297	242,246,323
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	262,554,620	0	20,308,297	242,246,323

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	221,150,766	221,150,766								
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	30,752,720	30,752,720								
1.4 Net	190,398,046	190,398,046	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses	317,328	317,328								
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	25,041,070	25,041,070	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	1,944,942	1,944,942	0	0	0	0	0	0	0	0
3.4 Net	23,096,128	23,096,128	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	141,192	141,192								
6. Net healthcare receivables (a)	(1,216,362)	(1,216,362)								
7. Amounts recoverable from reinsurers December 31, current year	12,182,461	12,182,461								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	46,033,712	46,033,712	0	0	0	0	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	853,000	853,000	0	0	0	0	0	0	0	0
8.4 Net	45,180,712	45,180,712	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	317,328	317,328								
11. Amounts recoverable from reinsurers December 31, prior year	558,485	558,485								
12. Incurred Benefits:										
12.1 Direct	201,374,486	201,374,486	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	43,468,638	43,468,638	0	0	0	0	0	0	0	0
12.4 Net	157,905,848	157,905,848	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	141,192	141,192	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	10,439,464	10,439,464								
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	1,132,766	1,132,766								
1.4 Net	9,306,698	9,306,698	0	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1 Direct	14,601,606	14,601,606								
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	812,176	812,176								
2.4 Net	13,789,430	13,789,430	0	0	0	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	25,041,070	25,041,070	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	1,944,942	1,944,942	0	0	0	0	0	0	0	0
4.4 Net	23,096,128	23,096,128	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	31,799,857	151,467,368	473,754	22,622,374	32,273,611	45,180,712
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	31,799,857	151,467,368	473,754	22,622,374	32,273,611	45,180,712
10. Healthcare receivables (a)		3,276,793			0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	317,328			141,192	317,328	317,328
13. Totals (Lines 9 - 10 + 11 + 12)	32,117,185	148,190,575	473,754	22,763,566	32,590,939	45,498,040

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

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

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	19,913	19,597	19,298	19,279	19,183
2.	2015	250,333	303,446	300,179	300,111	299,932
3.	2016	XXX	329,503	375,988	376,287	376,107
4.	2017	XXX	XXX	206,013	231,380	231,736
5.	2018	XXX	XXX	XXX	241,410	273,626
6.	2019	XXX	XXX	XXX	XXX	148,191

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

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	20,200	19,480	19,298	19,279	19,183
2.	2015	306,750	302,942	300,179	300,111	299,932
3.	2016	XXX	380,478	375,988	376,287	376,107
4.	2017	XXX	XXX	235,240	232,049	231,736
5.	2018	XXX	XXX	XXX	286,240	274,099
6.	2019	XXX	XXX	XXX	XXX	170,954

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	341,237	299,932	9,381	3.1	309,313	90.6	0	0	309,313	90.6
2. 2016	382,653	397,107	9,895	2.5	407,002	106.4	0	0	407,002	106.4
3. 2017	267,966	231,736	5,245	2.3	236,981	88.4	0	0	236,981	88.4
4. 2018	379,263	273,626	8,143	3.0	281,769	74.3	474	33	282,276	74.4
5. 2019	242,246	148,191	15,558	10.5	163,749	67.6	22,763	1,720	188,232	77.7

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	19,913	19,597	19,298	19,279	19,183
2.	2015	250,333	303,446	300,179	300,111	299,932
3.	2016	XXX	329,503	375,988	376,287	376,107
4.	2017	XXX	XXX	206,013	231,380	231,736
5.	2018	XXX	XXX	XXX	241,410	273,626
6.	2019	XXX	XXX	XXX	XXX	148,191

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	20,200	19,480	19,298	19,279	19,183
2.	2015	306,750	302,942	300,179	300,111	299,932
3.	2016	XXX	380,478	375,988	376,287	376,107
4.	2017	XXX	XXX	235,240	232,049	231,736
5.	2018	XXX	XXX	XXX	286,240	274,099
6.	2019	XXX	XXX	XXX	XXX	170,954

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	341,237	299,932	9,381	3.1	309,313	90.6	0	0	309,313	90.6
2. 2016	382,653	397,107	9,895	2.5	407,002	106.4	0	0	407,002	106.4
3. 2017	267,966	231,736	5,245	2.3	236,981	88.4	0	0	236,981	88.4
4. 2018	379,263	273,626	8,143	3.0	281,769	74.3	474	33	282,276	74.4
5. 2019	242,246	148,191	15,558	10.5	163,749	67.6	22,763	1,720	188,232	77.7

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ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	22,100,000	22,100,000							
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including \$) for investment income	3,344,029	3,344,029							
5. Aggregate write-ins for other policy reserves	36,400,000	36,400,000	0	0	0	0	0	0	0
6. Totals (gross)	61,844,029	61,844,029	0	0	0	0	0	0	0
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	61,844,029	61,844,029	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. Risk Adjustment Payable	36,400,000	36,400,000							
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	36,400,000	36,400,000	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$22,000,000 premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building)			233,379		233,379
2. Salary, wages and other benefits	3,690,255	1,328,473	11,394,549		16,413,277
3. Commissions (less \$ ceded plus \$ assumed)			3,235,965		3,235,965
4. Legal fees and expenses			164,335		164,335
5. Certifications and accreditation fees	317,143				317,143
6. Auditing, actuarial and other consulting services	224,367		3,020,636		3,245,003
7. Traveling expenses			174,682		174,682
8. Marketing and advertising			561,126		561,126
9. Postage, express and telephone			855,107		855,107
10. Printing and office supplies	13,333		532,203		545,536
11. Occupancy, depreciation and amortization			235,727		235,727
12. Equipment			40,593		40,593
13. Cost or depreciation of EDP equipment and software			468,439		468,439
14. Outsourced services including EDP, claims, and other services	6,704,699	5,025,191	4,491,011	249,169	16,470,070
15. Boards, bureaus and association fees			68,723		68,723
16. Insurance, except on real estate			325,408		325,408
17. Collection and bank service charges			264,097		264,097
18. Group service and administration fees					0
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses			216,760		216,760
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			5,250		5,250
23.2 State premium taxes			200		200
23.3 Regulatory authority licenses and fees			9,382,805		9,382,805
23.4 Payroll taxes			1,042,735		1,042,735
23.5 Other (excluding federal income and real estate taxes)			328,329		328,329
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	0	536,149	0	536,149
26. Total expenses incurred (Lines 1 to 25)	10,949,797	6,353,664	37,578,208	249,169 (a)	55,130,838
27. Less expenses unpaid December 31, current year		1,752,875	5,548,788		7,301,663
28. Add expenses unpaid December 31, prior year		1,051,887	3,552,598		4,604,485
29. Amounts receivable relating to uninsured plans, prior year					0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	10,949,797	5,652,676	35,582,018	249,169	52,433,660
DETAILS OF WRITE-INS					
2501. Charitable Contributions			500,500		500,500
2502. Fines and Penalties Expense			35,649		35,649
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	536,149	0	536,149

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 1,728,408	1,682,193
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract Loans		
6. Cash, cash equivalents and short-term investments	(e) 1,897,137	1,876,996
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	3,625,545	3,559,189
11. Investment expenses		(g) 249,169
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 33,229
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		282,398
17. Net investment income (Line 10 minus Line 16)		3,276,791
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 248,619 accrual of discount less \$ 41,329 amortization of premium and less \$ paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ 14,467 amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)					
NONE					
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)					

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)	225,000	225,000	0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	225,000	225,000	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	71,488	116,713	45,225
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination	201,241	201,241	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	397,754		(397,754)
21. Furniture and equipment, including health care delivery assets	602,002	800,890	198,888
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	262,143	514,652	252,509
25. Aggregate write-ins for other than invested assets	1,473,944	3,043,597	1,569,653
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	3,233,572	4,902,093	1,668,521
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	3,233,572	4,902,093	1,668,521
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Miscellaneous Receivables	14,068	1,577,609	1,563,541
2502. Prepaid Expense	1,444,292	1,450,404	6,112
2503. Security Deposits	15,584	15,584	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,473,944	3,043,597	1,569,653

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	18,522	14,524	13,816	12,804	12,189	163,879
2. Provider Service Organizations						
3. Preferred Provider Organizations	31,530	25,874	25,110	24,878	24,873	304,940
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	50,052	40,398	38,926	37,682	37,062	468,819
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

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

The accompanying financial statements of Maine Community Health Options (the "Company") have been prepared in conformity with the National Association of Insurance Commissioners' ("NAIC") *Annual Statement Instructions* and in accordance with accounting practices prescribed by the NAIC *Accounting Practices and Procedures Manual* ("NAIC SAP"), subject to any deviations prescribed or permitted by the Maine Bureau of Insurance (the "Bureau").

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

		SSAP #	F/S Page	F/S Line #	2019	2018
NET INCOME						
(1)	Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$25,186,844	\$25,286,819
(2)	State Prescribed Practices that are an increase/(decrease) from NAIC SAP				—	—
(3)	State Permitted Practices that are an increase/(decrease) from NAIC SAP				—	—
(4)	NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$25,186,844	\$25,286,819
SURPLUS						
(5)	Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$84,188,921	\$57,333,556
(6)	State Prescribed Practices that are increase/(decrease) from NAIC SAP				—	—
(7)	State Permitted Practices that are an increase/(decrease) from NAIC SAP				—	—
(8)	NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$84,188,921	\$57,333,556

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

The preparation of financial statements in conformity with NAIC Annual Statement Instructions and NAIC SAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

C. Accounting Policy

Health premiums are earned over the term of the related insurance policies and reinsurance contracts. Premiums written are reported net of excess loss reinsurance ceded and experience rating refunds. Premiums paid by subscribers prior to the effective date are recorded on the balance sheet as premiums received in advance and are subsequently credited to income as earned during the coverage period. Premium rates are subject to approval by the Bureau. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. All other costs, including underwriting expenses, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments include investments with maturities of less than one year at the date of acquisition and are reported at amortized cost, which approximates fair value.
- (2) Investment grade bonds not backed by other loans are stated at amortized cost, with amortization calculated based on the scientific interest method, using yield to maturity.
- (3) The Company has no investments in common stocks of unaffiliated companies.
- (4) The Company has no investments in preferred stocks.
- (5) The Company has no mortgage loans on real estate.
- (6) The Company has no investments in loan-backed securities.
- (7) The Company has no investments in subsidiaries, controlled and affiliated entities.
- (8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) The Company has no derivative instruments.
- (10) The Company uses anticipated investment income as a factor in the premium deficiency reserve calculation.

NOTES TO FINANCIAL STATEMENTS

(11) Unpaid claims and claims adjustment expenses included management's best estimate of amounts based on historical claim development patterns and certain individual case estimates. The established liability considered health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Liabilities for unpaid claims and claims adjustment expenses are based on assumptions and estimates. While management believes such estimates are reasonable, 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 continuously reviewed and changes in estimates are incorporated into current period estimates.

(12) The Company has not modified its capitalization policy from the prior period.

(13) Pharmaceutical rebate receivables are recorded when earned based on actual rebate receivables billed and an estimate of receivables based on current utilization of specific pharmaceuticals and provider contract terms.

D. Going Concern

Not applicable.

2. Accounting Changes and Corrections of Errors

A. Accounting Changes

There were no accounting changes during the years ended December 31, 2019 and 2018.

B. Corrections of Errors

There were no accounting changes during the years ended December 31, 2019 and 2018.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Assumption Reinsurance

Not applicable.

D. Impairment Loss

Not applicable.

4. Discontinued Operations

The Company had no operations that were discontinued during 2019 and 2018.

NOTES TO FINANCIAL STATEMENTS

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company did not have investments in mortgage loans at December 31, 2019 or 2018.

B. Debt Restructuring

The Company did not have invested assets that were restructured debt at December 31, 2019 or 2018.

C. Reverse Mortgages

The Company did not have investments in reverse mortgages at December 31, 2019 or 2018.

D. Loan-Backed Securities

The Company did not have investments in loan-backed securities at December 31, 2019 or 2018.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

The Company entered into a repurchase investment sweep arrangement whereby the banking institution automatically sweeps excess available account funds into overnight repurchase agreements based on predefined increments. On the next banking day, the funds are returned to the Company's bank accounts. These funds are secured by an obligation of the United States of America. The Company did not enter securities lending transactions during 2019 or 2018.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company did not enter into repurchase agreement transactions accounted for as a secured borrowing at December 31, 2019 or 2018.

G. Reverse Repurchase Agreements Transaction Accounted for as Secured Borrowing

The Company did not enter into reverse repurchase agreement transactions accounted for as a secured borrowing at December 31, 2019 or 2018.

H. Repurchase Agreements Transactions Accounted for as a Sale

The Company did not enter into repurchase agreements transactions accounted for as a sale at December 31, 2019 or 2018.

I. Reverse Repurchase Agreements Transactions Accounted for a Sale

The Company did not enter into reverse repurchase agreements transactions accounted for as a sale at December 31, 2019 or 2018.

J. Real Estate

The Company did not have investments in real estate at December 31, 2019 and 2018.

K. Low-Income Housing Tax Credits (LIHTC)

The Company did not invest in properties generating low-income housing tax credits during 2019 or 2018.

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$.....	\$.....	\$.....	\$.....	\$.....
b. Collateral held under security lending agreements
c. Subject to repurchase agreements
d. Subject to reverse repurchase agreements
e. Subject to dollar repurchase agreements
f. Subject to dollar reverse repurchase agreements
g. Placed under option contracts
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock
i. FHLB capital stock
j. On deposit with states	110,579	110,708	(129)	110,579	0.001	0.001
k. On deposit with other regulatory bodies
l. Pledged 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	\$.... 110,579	\$.... 110,708	\$..... (129)	\$.....	\$... 110,579 0.0010.001

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

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

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories – Not applicable.

(3) Detail of Other Restricted Assets – Not applicable.

(4) Collateral Received and Reflected as Assets within the Reporting Entity’s Financial Statements – Not applicable.

NOTES TO FINANCIAL STATEMENTS

M. Working Capital Finance Investments

The Company did not have any working capital finance investments at December 31, 2019 and 2018.

N. Offsetting and Netting of Assets and Liabilities

The Company did not have any offsetting and netting of assets and liabilities at December 31, 2019 and 2018.

O. 5GI Securities

The Company did not have any 5GI securities at December 31, 2019 and 2018.

P. Short Sales

The Company did not have any short sales at December 31, 2019 and 2018.

Q. Prepayment Penalty and Acceleration Fees

The Company did not have any prepayment penalty or acceleration fees at December 31, 2019 and 2018.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company had no investments in joint ventures, partnerships or limited liability companies that exceeded 10% of its admitted assets at December 31, 2019 or 2018.

B. Not applicable.

7. Investment Income

A. All investment income due and accrued with amounts that are over 90 days past due is non-admitted.

B. At December 31, 2019 and 2018 there was no non-admitted accrued investment income.

8. Derivative Instruments

The Company had no derivative instruments at December 31, 2019 or 2018.

9. Income Taxes

The Company is exempt from Federal income taxes under Section 501(c)(29) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Company's federal income tax return is not consolidated with any other entity.

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

A. Nature of the Relationship: Not applicable.

B. Significant Transactions for Each Period: Not applicable.

C. Intercompany Management and Service Arrangements: Not applicable.

D. Amounts Due from or to Related Parties: Not applicable.

E. Guarantees or Contingencies for Related Parties: Not applicable.

F. Management and Service Contracts and Cost Sharing Arrangements: Not applicable.

G. Nature of Control Relationships that Could Affect Operations or Financial Position: Not applicable.

H. Amount Deducted for Investment to Upstream Company: Not applicable.

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets: Not applicable.

J. Write-down for Impairments of Investments in Subsidiaries, Controlled or Affiliated Companies ("SCA"): Not applicable.

K. Investment in a Foreign Insurance Subsidiary: Not applicable.

NOTES TO FINANCIAL STATEMENTS

L. Investments in Downstream Non-Insurance Holding Companies: Not applicable.

M. All SCA investments: Not applicable.

N. Investment in Insurance SCAs: Not applicable.

O. SCA and SSAP No. 48 Entity Loss Tracking: Not applicable.

11. Debt

A. Debt, including Capital Notes

At December 31, 2019 and 2018 the Company had outstanding a note payable, with a face value and a carry value of \$257,043 and \$324,675 to Mill 2 Storehouse, LLC, for expenses related to leasehold improvements. The note payable was issued May 1, 2014 (the commencement date) and is payable in monthly principal and interest payments of \$7,106 until April 2023. The note is contingent upon the Company remaining in the leased space. If the Company does not renew the lease after the initial five year term, the note will become due 60 days after cancellation. The note carries interest at 6%. During 2019 and 2018, the Company paid interest of \$17,641 and \$21,570 on this note. This note is off-set against leasehold improvements in line 21 of the Asset Schedule.

At December 31, 2019 and 2018 the Company had outstanding a note payable, with a face value and a carry value of \$193,522 and \$244,441 to Mill 2 Storehouse, LLC, for expenses related to leasehold improvements. The note payable was issued October 1, 2014 (the commencement date) and is payable in monthly principal and interest payments of \$5,350 until April 2023. The note is contingent upon the Company remaining in the leased space. If the Company does not renew the lease after the initial five (5) year term, the note will become due 60 days after cancellation. The note carries interest at 6%. During 2019 and 2018, the Company paid interest of \$13,281 and \$16,239 on this note.

At December 31, 2018, the Company had outstanding a note payable, with a face value and a carry value of \$89,855 to Key Equipment Corporation for equipment. The note payable was issued October 14, 2014 (the commencement date) and was payable in monthly principal and interest payments of \$8,378 until November 2019. The note carried interest at 5.1%. During 2019 and 2018, the Company paid interest of \$2,308 and \$7,182 on this note.

Debt maturities subsequent to December 31, 2019 consist of:

2020	\$ 125,864
2021	133,627
2022	141,868
2023	49,206
2024 or after	<u>-</u>
Total	<u>\$ 450,565</u>

The Company does not have any reverse repurchase agreements at December 31, 2019 or 2018.

B. FHLB (Federal Home Loan Bank) Agreements

The Company had no FHLB Agreements outstanding at December 31, 2019 or 2018.

NOTES TO FINANCIAL STATEMENTS

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**A. Defined Benefit Plan**

Not applicable.

B. Not Applicable**C. Not applicable****D. Not applicable.****E. Defined Contribution Plan**

The Company maintains a Section 401(k) Retirement Plan for its employees. For the years ended December 31, 2019 and 2018, elective employee deferrals were matched by the Company in an amount equal to 100% of such deferrals up to a maximum match of 3% of compensation plus 50% of such elective deferrals equal to more than 3% but not exceeding 5% of compensation. The Company's contribution to the plan was \$438,520 and \$303,475 for 2019 and 2018, respectively.

The Company owns a Section 457(b) Plan (the "Plan") for its employees. The Plan limits participation to a select group of management or highly compensated employees (or "top hat" group) and is exempt from most Employee Retirement Income Security Act of 1974 requirements. The value of the Plan funds was \$162,500 and \$162,500 at December 31, 2019 and 2018, respectively. As of December 31, 2019 and 2018 the fair market value of the funds is \$215,318 and \$180,717, respectively.

F. Multiemployer Plans

Not applicable.

G. Consolidated/Holding Company Plans

Not applicable.

H. Postemployment Benefits and Compensated Absences

Liabilities for earned not yet taken vacation benefits have been accrued as of December 31, 2019 and 2018.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not applicable.

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

(1) **Outstanding Shares:** The Company has no outstanding shares.

(2) **Preferred Stock:** The Company has no preferred stock outstanding.

(3) **Dividend Restrictions:** Not applicable.

(4) **Dividends Paid:** Not applicable.

(5) **Maximum Ordinary Dividend during 2019:** Not applicable.

(6) **Unassigned Surplus Restrictions:** There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

(7) **Mutual Surplus Advances:** Not applicable.

(8) **Company Stock Held for Special Purpose:** Not applicable.

NOTES TO FINANCIAL STATEMENTS

(9) **Changes in Special Surplus Funds:** The change in the balance of special surplus funds from the prior year is due to changes in the amounts segregated for the Affordable Care Act (“ACA”) health insurer fee. The insurer fee was suspended for 2019; therefore no surplus was segregated as of December 31, 2018.

(10) **Changes in Unassigned Funds:** Not applicable.

(11) **Surplus Notes:** The Company issued the following surplus debentures or similar obligations

1 Date Issued	2 Interest Rate	3 Par Value (Face Amount of Notes)	4 Carrying Value of Note	5 Interest And/Or Principal Paid Current Year	6 Total Interest And/Or Principal Paid	7 Unapproved Interest And/Or Principal	8 Date of Maturity
02/22/2013	0.370%	\$119,810,000	\$119,810,000	\$ -	\$ -	\$ 2,058,332	12/30/2030
03/29/2012	0.000%	\$ 12,506,124	\$ 12,506,124	-	-	-	08/12/2020
Total		\$132,316,124	\$132,316,124	\$ -	\$ -	\$ 2,058,332	

At December 31, 2019 and 2018, the surplus notes had carrying values of \$119,810,000 and \$12,506,124. Under the terms of the \$119,800,000 surplus notes, each individual draw is repayable fifteen years from the date of the draw, with the last repayment due December 30, 2030. Under the terms of the \$12,506,124 surplus notes, each individual draw is repayable five years from the date of the draw, with the last repayment due August 12, 2020. Accrued interest payments are due annually beginning in 2019 for draws made prior to 2018. Interest rates for the surplus notes of \$119,810,000 and \$12,506,124 are accrued at 0.37% and 0.00%, respectively.

The surplus note has the following repayment conditions and restrictions: Each payment of interest on and principal of the surplus note may be made only with the prior approval of the Commissioner of Insurance of the State of Maine and only to the extent the Company has sufficient surplus earnings to make such payment. During 2019 and 2018, the Company made no interest or principal payments and, because interest payments have not been approved by the Commissioner of Insurance, accrued interest on the surplus note is excluded from these financial statements.

The surplus note has the following subordination terms: Because the intent of the note is to provide financing that meets the definition of “risk based capital” for State Insurance Laws purposes, the note will have a claim on cash flow and reserves of the Company that is subordinate to (a) claims payments, (b) basic operating expenses, and (c) maintenance of required reserve funds while the Company is operating as a CO-OP under State Insurance Laws.

(12) **Restatement Due to Prior Quasi-Reorganizations:** The Company had no restatements due to prior quasi-reorganizations.

(13) **Quasi-Reorganizations over Prior 10 Years:** The Company has not been involved in a quasi-reorganization during the past 10 years.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company has no contingent commitments at December 31, 2019 and 2018.

B. Assessments

The Company has identified no assessments that could have a material financial effect on these statements at December 31, 2019 and 2018.

C. Gain Contingencies

The Company has no gain contingencies at December 31, 2019 and 2018.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

Not applicable.

NOTES TO FINANCIAL STATEMENTS

E. Joint and Several Liabilities

Not applicable.

F. All Other Contingencies

At December 31, 2019 and 2018, the Company reported admitted assets of \$596,963 and \$1,031,565, respectively, in premiums receivable due from policyholders. Based upon Company experience, any uncollectible receivables are not expected to exceed \$71,488 that was nonadmitted at December 31, 2019; therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

15. Leases**A. Lessee Operating Leases**

(1) The Company leases office space under various non-cancelable operating leases. Related lease expense for 2019 and 2018 was \$233,379 and \$226,713, respectively.

Certain rental commitments have renewal options extending until April 2023 and include incremental increases in the per-foot cost each year. Certain rental commitments include favorable purchase options at the end of the lease term.

(2) At December 31, 2019, the minimum aggregate rental commitments are as follows:

Year Ended <u>December 31,</u>	Operating <u>Leases</u>
2020	\$ 210,000
2021	220,000
2022	<u>76,667</u>
Total	<u>\$ 506,667</u>

(3) The Company is not involved in any sales-leaseback transactions.

B. Lessor Leases

(1) The Company has not entered into any operating leases.

(2) The Company has not entered into any leveraged leases.

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

The Company had no financial instruments with off-balance sheet risk at December 31, 2019 and 2018.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of investment securities. All investment securities are managed by professional investment managers within policies authorized by the board of directors. Such policies limit the amounts that may be invested in any one issuer and prescribe certain investee company criteria. As of December 31, 2019, there were no significant concentrations

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**A. Transfers of Receivables Reported as Sales**

Not applicable at December 31, 2019 and 2018.

NOTES TO FINANCIAL STATEMENTS

B. Transfer and Servicing of Financial Assets

Not applicable at December 31, 2019 or 2018.

C. Wash Sales

(1) In the course of the Company's asset management, securities may be sold and reacquired within 30 days of the sale date to enhance yield on the investments.

(2) At December 31, 2019 and 2018, there were no wash sales involving securities with an NAIC designation of 3 or below or unrated.

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

A. Administrative Services Only Plans: Not applicable.

B. Administrative Services Contract Plans: Not applicable.

C. Medicare or Similarly Structured Cost-Based Reimbursement Contract: Not applicable.

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

The Company had no premiums written by managing general agents or third party administrators during the years ended December 31, 2019 and 2018.

20. Fair Value Measurements**A. Fair Value Measurements**

The Company had no material assets or liabilities measured and reported at fair value at December 31, 2019.

B. Fair Value Measurements Under Other Accounting Pronouncements

Not applicable.

C. Financial Instruments

Certain of the Company's financial instruments are measured at fair value. The fair values of these instruments are based on valuations that include inputs that can be classified within one of three levels of a hierarchy established by GAAP. The following are the levels of the hierarchy and a brief description of the type of valuation information (inputs) that qualifies a financial asset or liability for each level:

- **Level 1** – Unadjusted quoted prices for identical assets or liabilities in active markets.
- **Level 2** – Inputs other than Level 1 that are based on observable market data. These include: quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs that are observable that are not prices (such as interest rates and credit risks) and inputs that are derived from or corroborated by observable markets.
- **Level 3** – Developed from unobservable data, reflecting the Organization's own assumptions.

Financial assets and liabilities are classified based upon the lowest level of input that is significant to the valuation. When quoted prices in active markets for identical assets and liabilities are available, the Company uses these quoted market prices to determine the fair value of financial assets and liabilities and classify these assets and liabilities as Level 1. In other cases where a quoted market price for identical assets and liabilities in an active market is either not available or not observable, the Company estimates fair value using valuation methodologies based on available and observable market information or by using a matrix pricing model. These financial assets and liabilities would then be classified as Level 2. If quoted market prices are not available, the Company determines fair value using broker quotes or an

NOTES TO FINANCIAL STATEMENTS

internal analysis of each investment's financial performance and cash flow projections. Thus, financial assets and liabilities may be classified in Level 3 even though there may be some significant inputs that may be observable.

There have been no significant changes in the valuation techniques during 2019.

The carrying values and estimated fair values of the Organization's financial instruments at December 31, 2019 were as follows:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$52,666,038	\$51,384,628	\$-----	\$52,666,038	\$-----	\$-----	\$-----
Short-term Investments	\$103,739,982	\$103,739,982	\$103,739,982	\$-----	\$-----	\$-----	\$-----

D. Not Practicable to Estimate Fair Value

There are no financial instruments that were not practicable to estimate fair value at December 31, 2019 and 2018.

E. Investments Measured at Net Asset Value

The Company has investments measured at net asset value at December 31, 2019 and 2018.

21. Other Items

A. Unusual or Infrequent Items: Not applicable.

B. Troubled Debt Restructuring: Debtors: Not applicable.

C. Other Disclosures:

Bonds with an amortized cost of \$110,579 and \$110,708 were on deposit with a regulatory authority at December 31, 2019 and 2018.

D. Business Interruption Insurance Recoveries: Not applicable.

E. State Transferable and Non-transferable Tax Credits: Not applicable.

F. Subprime-Mortgage-Related Risk Exposure: Not applicable.

G. Retained Assets: Not Applicable.

H. Insurance-Linked Securities (ILS) Contracts: Not applicable.

I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy: Not Applicable

NOTES TO FINANCIAL STATEMENTS

22. Events Subsequent

The Company is subject to an annual fee under Section 9010 of the Federal ACA. This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. The annual fee under Section 9010 of the ACA was suspended for 2019.

- A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)? Yes

	<u>Current Year</u>	<u>Prior Year</u>
B. ACA fee assessment payable for the upcoming year	\$ 2,256,974	\$ -
C. ACA fee assessment paid	\$ -	\$ 2,311,244
D. Premium written subject to ACA 9010 assessment	\$ 262,554,620	\$ 381,321,778
E. Total Adjusted Capital before surplus adjustment	\$ 84,188,921	
F. Total Adjusted Capital after surplus adjustment	\$ 81,931,947	
G. Authorized Control Level	\$ 7,966,078	
H. Would reporting the ACA assessment as of December 31, 2019, have triggered an RBC action level (YES/NO)? No		

Subsequent events have been considered through February 27, 2020 for the statutory statements issued on February 28, 2020. There were not other events occurring subsequent to December 31, 2019 requiring disclosure.

23. Reinsurance**A. Ceded Reinsurance Report.**

Section 1 – General Interrogatories

- 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)
- Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, beneficiary, a creditor or any other person not primarily engaged in the insurance business?
Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

- 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)
- 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 reinsurance policies?
Yes () No (X)

NOTES TO FINANCIAL STATEMENTS

Section 3 – Ceded Reinsurance Report – Part B

- 1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.
Not applicable

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

B. Uncollectible Reinsurance

The Company has no uncollectible reinsurance as of December 31, 2019 and 2018.

C. Commutation of Ceded Reinsurance

The Company has not commuted ceded reinsurance during the years ended December 31, 2019 and 2018.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not applicable at December 31, 2019 and 2018.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. The Company sells accident and health policies for which the premiums vary based on loss experience. The Company estimates retrospective premium adjustments through review of each retrospectively rated account, comparing the claim development with that anticipated in the policy contracts.

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

- C. The amount of premiums written by the Company at December 31, 2019 that was subject to retrospective rating features was \$262,554,620, which represented 100% of the total net premiums written.

NOTES TO FINANCIAL STATEMENTS

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

	1	2	3	4	5
	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	-	-	-	-	-
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss ratio rebates unpaid	-	-	-	-	-
(4) Plus reinsurance assumed amounts	XXXX	XXXX	XXXX	XXXX	XXXX
(5) Less reinsurance ceded amounts	XXXX	XXXX	XXXX	XXXX	XXXX
(6) Rebates unpaid net of reinsurance	XXXX	XXXX	XXXX	XXXX	XXXX
Current Reporting Year-to-Date					
(1) Medical loss ratio rebates incurred	\$ 2,776,224	-	\$ 567,804	-	\$ 3,344,029
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss ratio rebates unpaid	\$ 2,776,224	-	\$ 567,804	-	\$ 3,344,029
(4) Plus reinsurance assumed amounts	XXXX	XXXX	XXXX	XXXX	XXXX
(5) Less reinsurance ceded amounts	XXXX	XXXX	XXXX	XXXX	XXXX
(6) Rebates unpaid net of reinsurance	XXXX	XXXX	XXXX	XXXX	XXXX

NOTES TO FINANCIAL STATEMENTS

E. Risk Sharing Provisions of the Affordable Care Act

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

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

	AMOUNT
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment (including high-risk payments)	\$ 0
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	70,323
3. Premium adjustments payable due to ACA Risk Adjustment (including high-risk payments)	36,400,000
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	17,800,393
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	70,323
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	0
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	0
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	0
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	0
5. Ceded reinsurance premiums payable due to ACA Reinsurance	0
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	0
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	0
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	0
9. ACA Reinsurance contributions – not reported as ceded premium	0
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	0
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	0
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	0
4. Effect of ACA Risk Corridors on change in reserves for rate credits	0

NOTES TO FINANCIAL STATEMENTS

(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 Written Before Dec 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
	1	2	3	4	Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2- 4 + 8)	
					5	6	7	8			
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high-risk payments)	53,435	0	126,553	0	(73,118)	0	73,118	0	A	0	0
2. Premium adjustments payable (including high-risk payments)	0	0	0	22,073,511	0	(22,073,511)	0	22,073,511	B	0	0
3. Subtotal ACA Permanent Risk Adjustment Program	53,435	0	126,553	22,073,511	(73,118)	(22,073,511)	73,118	22,073,511		0	0
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	119,107	0	181,776	0	(62,669)	0	62,669	0	C	0	0
2. Amounts recoverable for claims unpaid (contra liability)	0	0	0	0	0	0	0	0	D	0	0
3. Amounts receivable relating to uninsured plans	0	0	0	0	0	0	0	0	E	0	0
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	0	0	0	0	0	0	0	0	F	0	0
5. Ceded reinsurance premiums payable	0	0	0	0	0	0	0	0	G	0	0
6. Liability for amounts held under uninsured plans ..	0	0	0	0	0	0	0	0	H	0	0
7. Subtotal ACA Transitional Reinsurance Program	119,107	0	181,776	0	(62,669)	0	62,669	0		0	0
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	201,241	0	0	0	201,241	0	0	0	I	201,241	0
2. Reserve for rate credits or policy experience rating refunds	0	0	0	0	0	0	0	0	J	0	0
3. Subtotal ACA Risk Corridors Program	201,241	0	0	0	201,241	0	0	0		201,241	0
d. Total for ACA Risk Sharing Provisions	373,783	0	308,329	22,073,511	65,454	(22,073,511)	135,787	22,073,511		201,241	0

Explanation of Adjustments

- A** Adjustment were made to reflect the ending balance as reported in the CMS "Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2018 Benefit Year"
- B** Adjustment were made to reflect the ending balance as reported in the CMS "Summary Report on Transitional Reinsurance Payments and Permanent Risk Adjustment Transfers for the 2018 Benefit Year"
- C** RIP Proration factor 53.046% to 53.163% increase for 2016
- D** Not applicable
- E** Not applicable
- F** Not applicable
- G** Not applicable
- H** Not applicable
- I** Not applicable
- J** Not applicable

NOTES TO FINANCIAL STATEMENTS

(4) Roll forward of Risk Corridors Asset and Liability Balances by Program Benefit Year.

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before Dec 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
	1	2	3	4	Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)	
					5	6	7	8			
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. 2014											
1. Accrued retrospective premium	201,241	0	0	0	201,241	0	0	0	A	201,241	0
2. Reserve for rate credits or policy experience rating refunds	0	0	0	0	0	0	0	0	B	0	0
b. 2015											
1. Accrued retrospective premium	0	0	0	0	0	0	0	0	C	0	0
2. Reserve for rate credits or policy experience rating refunds	0	0	0	0	0	0	0	0	D	0	0
c. 2016											
1. Accrued retrospective premium	0	0	0	0	0	0	0	0	E	0	0
2. Reserve for rate credits or policy experience rating refunds	0	0	0	0	0	0	0	0	F	0	0
d. Total for Risk Corridors	201,241	0	0	0	201,241	0	0	0		201,241	0

Explanation of Adjustments

- A Not applicable
- B Not applicable
- C Not applicable
- D Not applicable
- E Not applicable
- F Not applicable

24(4)d (Columns 1 through 10) should equal 24E(3)c3 (Column 1 through 10 respectively)

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 Asset Balance (Gross of Non-admissions) (1-2-3)	5 Non-admitted	6 Net Admitted Asset (4-5)
a. 2014	241,717	-	40,476	201,241	201,241	-
b. 2015	22,739,205	22,739,205	-	-	-	-
c. 2016	35,998,655	35,998,655	-	-	-	-
e. Total (a+b+c)	58,979,577	58,737,860	40,476	201,241	201,241	-

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

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

25. Change in Incurred Claims and Claim Adjustment Expenses

A. Reserves as of December 31, 2019 were \$24,990,195. As of December 31, 2019, \$33,169,072 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$506,916 as a result of re-estimation of unpaid claims and claim adjustments expenses principally on the comprehensive line of business. Therefore, there has been a \$12,873,942 favorable prior year development since December 31, 2018 to December 31, 2019. 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.

NOTES TO FINANCIAL STATEMENTS

- B. There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid claims and claim adjustment expenses.

26. Intercompany Pooling Arrangements

Not applicable at December 31, 2019 and 2018.

27. Structured Settlements

Not applicable at December 31, 2019 and 2018.

28. Health Care Receivables**A. Pharmaceutical Rebate Receivables**

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2019	\$ 2,360,590	\$ 1,878,649	\$ -	\$ -	\$ -
09/30/2019	\$ 2,151,282	\$ 1,642,123	\$ -	\$ -	\$ -
06/30/2019	\$ 2,756,688	\$ 1,719,801	\$ -	\$ 2,168,705	\$ -
03/31/2019	\$ 1,445,755	\$ 1,881,458	\$ -	\$ 1,985,523	\$ 33,940
12/31/2018	\$ 2,839,602	\$ 2,235,691	\$ -	\$ 2,884,512	\$ 8,688
09/30/2018	\$ 2,620,684	\$ 2,389,322	\$ -	\$ 2,404,907	\$ 190,697
06/30/2018	\$ 2,455,135	\$ 2,093,450	\$ -	\$ 2,389,322	\$ 135,900
03/31/2018	\$ 2,517,225	\$ 2,204,950	\$ -	\$ 2,201,335	\$ 146,636
12/31/2017	\$ 2,440,285	\$ 2,369,624	\$ -	\$ 2,529,687	\$ 77,577
09/30/2017	\$ 2,946,918	\$ 1,880,991	\$ -	\$ 2,029,349	\$ 141,223
06/30/2017	\$ 1,788,835	\$ 1,864,263	\$ -	\$ 1,942,946	\$ 208,883
03/31/2017	\$ 1,750,897	\$ 1,884,874	\$ -	\$ 1,988,999	\$ 163,185

B. Risk Sharing Receivables

Not applicable at December 31, 2019 and 2018.

29. Participating Policies

Not applicable at December 31, 2019 and 2018.

30. Premium Deficiency Reserves

The Company recorded a premium deficiency reserves at December 31, 2019.

- | | |
|---|---------------|
| 1. Liability carried for premium deficiency reserves | \$ 22,100,000 |
| 2. Date of the most recent evaluation of this liability | 12/31/2019 |
| 3. Was anticipated investment income utilized in the calculation? | Yes X No |

31. Anticipated Salvage and Subrogation

The Company took into account estimated anticipated subrogation recoveries in its determination of the liability for unpaid claims and reduced such liability by \$0 for the years ended December 31, 2019 and 2018.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No [X]
If yes, complete Schedule Y, Parts 1, 1A and 2
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] N/A [X]
- 1.3 State Regulating? Maine
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2017
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2017
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 10/04/2019
- 3.4 By what department or departments?
Maine Bureau of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options

GENERAL INTERROGATORIES

- 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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLC One Financial Plaza 755 Main Street Hartford, CT 06103
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Kathleen Ely FSA, MAAA, Milliman 80 Lamberton Road Windsor, CT 06095 Actuary/Consultant
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value \$
- 12.2 If, yes provide explanation:
.....
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

GENERAL INTERROGATORIES

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

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

BOARD OF DIRECTORS

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

FINANCIAL

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

INVESTMENT

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

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GENERAL INTERROGATORIES

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

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

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

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

25.21 Subject to repurchase agreements	\$	10,977,500
25.22 Subject to reverse repurchase agreements	\$	
25.23 Subject to dollar repurchase agreements	\$	
25.24 Subject to reverse dollar repurchase agreements	\$	
25.25 Placed under option agreements	\$	
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	
25.27 FHLB Capital Stock	\$	
25.28 On deposit with states	\$	110,579
25.29 On deposit with other regulatory bodies	\$	
25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	
25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	
25.32 Other	\$	

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?..... Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?..... Yes [] No [] N/A []
 If no, attach a description with this statement.

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

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

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

26.41 Special accounting provision of SSAP No. 108	Yes [] No []
26.42 Permitted accounting practice	Yes [] No []
26.43 Other accounting guidance	Yes [] No []

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:..... Yes [] No []

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Key Private Bank	4900 Tiedeman Road, Brooklyn, OH 44144-2302
US Bank	1555 N. Rivercenter Dr. Suite 300 Milwaukee, WI 53212

**ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options
GENERAL INTERROGATORIES**

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?..... Yes [] No [X]
 28.04 If yes, give full and complete information relating thereto:

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

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

1 Name of Firm or Individual	2 Affiliation
Key Private Bank	U.....
Edward Vozzo	I.....

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
Not Applicable	Key Private Bank	HUX2X73FUCYHUVH1BK78	Office of the Comptroller of the Currency	DS.....

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

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

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options
GENERAL INTERROGATORIES

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	51,384,628	52,666,036	1,281,408
30.2 Preferred stocks	0		0
30.3 Totals	51,384,628	52,666,036	1,281,408

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

IDC Fixed Income

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

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

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

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

32.2 If no, list exceptions:

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

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

Has the reporting entity self-designated 5GI securities? Yes [] No [X]

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

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

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

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

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

OTHER

36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$68,723

36.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Health Plan Alliance	48,683
.....	

GENERAL INTERROGATORIES

37.1 Amount of payments for legal expenses, if any?\$ 164,335

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

1 Name	2 Amount Paid
Kozak & Gayer, PA	120,945
.....

38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$ 50,212

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

1 Name	2 Amount Paid
Government Strategies	50,212
.....

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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

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

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

1.31 Reason for excluding

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

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$ _____ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ _____ 0

1.62 Total incurred claims \$ _____ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned \$ _____ 0

1.65 Total incurred claims \$ _____ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ _____ 0

1.72 Total incurred claims \$ _____ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned \$ _____ 0

1.75 Total incurred claims \$ _____ 0

1.76 Number of covered lives 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	242,246,323	379,263,309
2.2 Premium Denominator	242,246,323	379,263,309
2.3 Premium Ratio (2.1/2.2)	1.000	1.000
2.4 Reserve Numerator	85,081,349	101,898,040
2.5 Reserve Denominator	85,081,349	101,898,040
2.6 Reserve Ratio (2.4/2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No []

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

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical \$ _____ 226,000

5.32 Medical Only \$ _____

5.33 Medicare Supplement \$ _____

5.34 Dental & Vision \$ _____

5.35 Other Limited Benefit Plan \$ _____

5.36 Other \$ _____

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No []

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 33,126

8.2 Number of providers at end of reporting year 35,907

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months.. \$ _____

9.22 Business with rate guarantees over 36 months \$ _____

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options

FIVE-YEAR HISTORICAL DATA

	1 2019	2 2018	3 2017	4 2016	5 2015
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	182,400,876	170,659,367	72,937,723	101,985,131	167,555,607
2. Total liabilities (Page 3, Line 24)	98,211,955	113,325,811	39,202,929	63,367,838	117,771,813
3. Statutory minimum capital and surplus requirement	15,932,156	27,545,738	21,959,422	35,433,552	29,041,836
4. Total capital and surplus (Page 3, Line 33)	84,188,921	57,333,556	33,734,794	38,617,293	49,783,794
Income Statement (Page 4)					
5. Total revenues (Line 8)	242,544,604	380,316,002	266,227,778	377,805,773	287,049,413
6. Total medical and hospital expenses (Line 18)	158,047,040	283,260,726	227,804,241	375,949,286	299,844,370
7. Claims adjustment expenses (Line 20)	17,303,461	18,515,638	12,525,535	16,883,743	13,497,447
8. Total administrative expenses (Line 21)	37,578,208	37,732,988	30,477,588	42,679,506	47,914,916
9. Net underwriting gain (loss) (Line 24)	23,315,895	25,006,650	(4,579,586)	(14,634,221)	(74,207,320)
10. Net investment gain (loss) (Line 27)	3,276,791	1,860,984	309,134	647,774	190,976
11. Total other income (Lines 28 plus 29)	(1,405,842)	(1,580,815)	(2,075,389)	0	0
12. Net income or (loss) (Line 32)	25,186,844	25,286,819	(6,345,841)	(13,986,447)	(74,016,344)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	799,044	99,596,671	(8,792,950)	(54,701,137)	(10,043,300)
Risk-Based Capital Analysis					
14. Total adjusted capital	84,188,921	57,333,556	33,734,794	38,617,293	49,783,794
15. Authorized control level risk-based capital	7,966,078	13,772,869	10,979,711	17,716,776	14,520,918
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	37,062	50,052	37,784	67,539	74,981
17. Total members months (Column 6, Line 7)	468,819	633,678	498,750	925,926	824,005
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	65.2	74.7	85.6	99.6	104.5
20. Cost containment expenses	4.5	2.7	2.7	1.8	1.4
21. Other claims adjustment expenses	2.6	2.1	2.0	2.6	3.3
22. Total underwriting deductions (Line 23)	90.5	93.7	101.7	104.0	125.9
23. Total underwriting gain (loss) (Line 24)	9.6	6.6	(1.7)	(3.9)	(25.9)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	32,590,939	26,246,949	42,918,948	44,374,373	18,750,116
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	45,498,040	29,226,654	50,354,371	48,902,932	25,609,819
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0				
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0				
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.					

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Maine Community Health Options
SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

1 States, etc.	Active Status (a)	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama	AL	N							0	
2. Alaska	AK	N							0	
3. Arizona	AZ	N							0	
4. Arkansas	AR	N							0	
5. California	CA	N							0	
6. Colorado	CO	N							0	
7. Connecticut	CT	N							0	
8. Delaware	DE	N							0	
9. District of Columbia	DC	N							0	
10. Florida	FL	N							0	
11. Georgia	GA	N							0	
12. Hawaii	HI	N							0	
13. Idaho	ID	N							0	
14. Illinois	IL	N							0	
15. Indiana	IN	N							0	
16. Iowa	IA	N							0	
17. Kansas	KS	N							0	
18. Kentucky	KY	N							0	
19. Louisiana	LA	N							0	
20. Maine	ME	L	262,554,620						262,554,620	
21. Maryland	MD	N							0	
22. Massachusetts	MA	N							0	
23. Michigan	MI	N							0	
24. Minnesota	MN	N							0	
25. Mississippi	MS	N							0	
26. Missouri	MO	N							0	
27. Montana	MT	N							0	
28. Nebraska	NE	N							0	
29. Nevada	NV	N							0	
30. New Hampshire	NH	L							0	
31. New Jersey	NJ	N							0	
32. New Mexico	NM	N							0	
33. New York	NY	N							0	
34. North Carolina	NC	N							0	
35. North Dakota	ND	N							0	
36. Ohio	OH	N							0	
37. Oklahoma	OK	N							0	
38. Oregon	OR	N							0	
39. Pennsylvania	PA	N							0	
40. Rhode Island	RI	N							0	
41. South Carolina	SC	N							0	
42. South Dakota	SD	N							0	
43. Tennessee	TN	N							0	
44. Texas	TX	N							0	
45. Utah	UT	N							0	
46. Vermont	VT	N							0	
47. Virginia	VA	N							0	
48. Washington	WA	N							0	
49. West Virginia	WV	N							0	
50. Wisconsin	WI	N							0	
51. Wyoming	WY	N							0	
52. American Samoa	AS	N							0	
53. Guam	GU	N							0	
54. Puerto Rico	PR	N							0	
55. U.S. Virgin Islands	VI	N							0	
56. Northern Mariana Islands	MP	N							0	
57. Canada	CAN	N							0	
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX		262,554,620	0	0	0	0	0	262,554,620	0
60. Reporting entity contributions for Employee Benefit Plans	XXX								0	
61. Total (Direct Business)	XXX		262,554,620	0	0	0	0	0	262,554,620	0
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX		0	0	0	0	0	0	0	0

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....2 R - Registered - Non-domiciled RRGs.....0
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....0 Q - Qualified - Qualified or accredited reinsurer.....0
 N - None of the above - Not allowed to write business in the state.....55

(b) Explanation of basis of allocation by states, premiums by state, etc.
 Allocation is based on the residency of the member or group

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

NONE

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
2504. Security Deposits	15,584	15,584	0	0
2597. Summary of remaining write-ins for Line 25 from overflow page	15,584	15,584	0	0

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