



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2021
OF THE CONDITION AND AFFAIRS OF THE

Empire HealthChoice HMO, Inc.

NAIC Group Code 0671 0671 NAIC Company Code 95433 Employer's ID Number 13-3874803
(Current) (Prior)

Organized under the Laws of New York, State of Domicile or Port of Entry NY

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

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

Incorporated/Organized 03/05/1996 Commenced Business 03/19/1996

Statutory Home Office 9 Pine Street, 14th Floor New York, NY, US 10005
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 9 Pine Street, 14th Floor
(Street and Number)
New York, NY, US 10005 212-563-5570
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 9 Pine Street, 14th Floor New York, NY, US 10005
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 220 Virginia Avenue
(Street and Number)
Indianapolis, IN, US 46204 866-583-6182
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.empireblue.com

Statutory Statement Contact Leigh Barrett 317-488-6816
(Name) (Area Code) (Telephone Number)
leigh.barrett@anthem.com 317-488-6200
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OFFICERS

President, Chairperson and Chief Executive Officer Alan James Murray Treasurer Eric (Rick) Kenneth Noble
Secretary Jay Harry Wagner Assistant Secretary Patrick James O'Keeffe

OTHER

Vincent Edward Scher, Assistant Treasurer

DIRECTORS OR TRUSTEES

Alan James Murray Lois Susan Freedman Patrick James O'Keeffe
Raul Guillermo Smith #

State of Indiana SS
County of Johnson

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

[Signature]
2D300904431B4B6...
Alan James Murray
President, Chairperson and Chief Executive Officer

DocuSigned by:
[Signature]
12E402B11463483...
Jay Harry Wagner
Secretary

DocuSigned by:
[Signature]
E598440298764EA...
Eric (Rick) Kenneth Noble
Treasurer

Subscribed and sworn to before me this
1st day of February 2022

[Signature]
Rita F. Gentry
Executive Assistant
1/17/2029

- 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.....

Rita F. Gentry
Notary Public
SEAL
Johnson County, State of Indiana
My Commission Expires January 17, 2029
Commission No: NP0641321

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

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)	320,250,647		320,250,647	311,064,048
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 \$ encumbrances)			0	0
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 (\$10,802,737, Schedule E - Part 1), cash equivalents (\$0, Schedule E - Part 2) and short-term investments (\$, Schedule DA)	10,802,737		10,802,737	28,493,763
6. Contract loans, (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)			0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL)	15,180,624		15,180,624	10,382,589
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	346,234,008	0	346,234,008	349,940,400
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	2,841,886		2,841,886	2,939,671
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	8,112,263	1,716,320	6,395,943	5,923,724
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 (\$1,596,905) and contracts subject to redetermination (\$20,523,539)	22,120,444		22,120,444	23,018,437
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
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	2,958,744	113,532	2,845,212	187,430
18.1 Current federal and foreign income tax recoverable and interest thereon	13,763,052		13,763,052	9,250,200
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$5,792,640) and other amounts receivable	17,399,692	11,607,052	5,792,640	6,790,234
25. Aggregate write-ins for other than invested assets	31,800,382	756,265	31,044,117	27,342,305
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	445,230,471	14,193,169	431,037,302	425,392,401
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	445,230,471	14,193,169	431,037,302	425,392,401
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. Medicare Receivables	24,997,827		24,997,827	19,775,377
2502. City Income Tax Recoverable	4,054,393		4,054,393	542,192
2503. Premium Tax Recoverable	1,228,407		1,228,407	1,574,458
2598. Summary of remaining write-ins for Line 25 from overflow page	1,519,755	756,265	763,490	5,450,278
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	31,800,382	756,265	31,044,117	27,342,305

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$0 reinsurance ceded).....	91,172,785		91,172,785	122,196,630
2. Accrued medical incentive pool and bonus amounts.....	26,259,533		26,259,533	21,929,771
3. Unpaid claims adjustment expenses.....	2,186,844		2,186,844	2,674,150
4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act.....	1,527,610		1,527,610	18,579,698
5. Aggregate life policy reserves.....			0	0
6. Property/casualty unearned premium reserves.....			0	0
7. Aggregate health claim reserves.....			0	1,030
8. Premiums received in advance.....	577,898		577,898	478,284
9. General expenses due or accrued.....	835,566		835,566	1,950,187
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses)).....			0	0
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable.....			0	0
12. Amounts withheld or retained for the account of others.....	1,457,180		1,457,180	1,145,158
13. Remittances and items not allocated.....	3,222,505		3,222,505	3,559,413
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current).....			0	0
15. Amounts due to parent, subsidiaries and affiliates.....	139,337,162		139,337,162	59,856,905
16. Derivatives.....			0	0
17. Payable for securities.....			0	0
18. Payable for securities lending.....	15,180,624		15,180,624	10,382,589
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 \$2,854,302 current).....	3,602,985	0	3,602,985	2,436,845
24. Total liabilities (Lines 1 to 23).....	285,360,692	0	285,360,692	245,190,660
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX	2	2
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	101,999,998	101,999,998
29. Surplus notes.....	XXX	XXX	0	
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	94,833,398	118,700,549
31. Unassigned funds (surplus).....	XXX	XXX	(51,156,788)	(40,498,808)
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	145,676,610	180,201,741
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	431,037,302	425,392,401
DETAILS OF WRITE-INS				
2301. Other Premium Liability.....	1,064,303		1,064,303	280,510
2302. Miscellaneous Medicare Liabilities.....	900,338		900,338	949,315
2303. Escheat Liability.....	886,417		886,417	765,564
2398. Summary of remaining write-ins for Line 23 from overflow page.....	751,927	0	751,927	441,456
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above).....	3,602,985	0	3,602,985	2,436,845
2501.	XXX	XXX		
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	0	0
3001. Required Reserves.....	XXX	XXX	94,833,398	118,700,549
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	94,833,398	118,700,549

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	708,959	898,761
2. Net premium income (including \$ non-health premium income)	XXX	758,667,182	949,604,393
3. Change in unearned premium reserves and reserve for rate credits	XXX	(3,454,546)	2,863,580
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	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	755,212,636	952,467,973
Hospital and Medical:			
9. Hospital/medical benefits		535,994,080	643,366,771
10. Other professional services		19,506,195	26,112,583
11. Outside referrals		91,981,506	59,798,654
12. Emergency room and out-of-area		24,504,414	28,467,417
13. Prescription drugs		39,783,372	61,632,989
14. Aggregate write-ins for other hospital and medical	0	(54,879)	(301,376)
15. Incentive pool, withhold adjustments and bonus amounts		15,755,756	22,169,453
16. Subtotal (Lines 9 to 15)	0	727,470,444	841,246,491
Less:			
17. Net reinsurance recoveries		0	
18. Total hospital and medical (Lines 16 minus 17)	0	727,470,444	841,246,491
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 32,189,072 cost containment expenses		45,694,823	54,590,226
21. General administrative expenses		55,648,901	92,710,145
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		(17,640,696)	(33,112,103)
23. Total underwriting deductions (Lines 18 through 22)	0	811,173,472	955,434,759
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(55,960,836)	(2,966,786)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		8,661,365	8,662,295
26. Net realized capital gains (losses) less capital gains tax of \$ 223,747		367,482	2,479,770
27. Net investment gains (losses) (Lines 25 plus 26)	0	9,028,847	11,142,065
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$ (580,473))]		(580,473)	(210,585)
29. Aggregate write-ins for other income or expenses	0	60,476	(188,464)
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	(47,451,986)	7,776,230
31. Federal and foreign income taxes incurred	XXX	(13,964,485)	(2,379,942)
32. Net income (loss) (Lines 30 minus 31)	XXX	(33,487,501)	10,156,172
DETAILS OF WRITE-INS			
0601.	XXX		
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	0	0
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. Pool Recoveries - Stop Loss		(54,879)	(301,376)
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	(54,879)	(301,376)
2901. Miscellaneous (expense) income		60,476	(188,464)
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	60,476	(188,464)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	180,201,741	157,155,770
34. Net income or (loss) from Line 32.....	(33,487,501)	10,156,172
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 49,884	187,660	(175,723)
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	49,884	(46,712)
39. Change in nonadmitted assets.....	(1,275,174)	13,112,234
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).....	(34,525,131)	23,045,971
49. Capital and surplus end of reporting period (Line 33 plus 48)	145,676,610	180,201,741
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 2021 OF THE Empire HealthChoice HMO, Inc.

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	756,517,862	953,888,306
2. Net investment income	11,616,178	11,544,219
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	768,134,040	965,432,525
5. Benefit and loss related payments	757,281,702	792,879,404
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	109,353,426	148,138,648
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 223,747 tax on capital gains (losses)	(9,227,886)	3,756,144
10. Total (Lines 5 through 9)	857,407,242	944,774,196
11. Net cash from operations (Line 4 minus Line 10)	(89,273,202)	20,658,329
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	64,682,757	95,453,423
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	(19,992)
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	64,682,757	95,433,431
13. Cost of investments acquired (long-term only):		
13.1 Bonds	76,047,666	93,190,892
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	4,798,035	6,546,266
13.7 Total investments acquired (Lines 13.1 to 13.6)	80,845,701	99,737,158
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)	(16,162,944)	(4,303,727)
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	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	87,745,120	3,492,680
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	87,745,120	3,492,680
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)	(17,691,026)	19,847,282
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	28,493,763	8,646,481
19.2 End of year (Line 18 plus Line 19.1)	10,802,737	28,493,763

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

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ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

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	758,667,182	17,230,584		0	0		741,436,598			
2. Change in unearned premium reserves and reserve for rate credit	(3,454,546)						(3,454,546)			
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	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	755,212,636	17,230,584	0	0	0	0	737,982,052	0	0	0
8. Hospital/medical benefits	535,994,080	10,566,603		0	0		525,427,477			XXX
9. Other professional services	19,506,195	606,252					18,899,943			XXX
10. Outside referrals	91,981,506	358,913					91,622,593			XXX
11. Emergency room and out-of-area	24,504,414	1,518,072					22,986,342			XXX
12. Prescription drugs	39,783,372	432,754					39,351,952		(1,334)	XXX
13. Aggregate write-ins for other hospital and medical	(54,879)	(54,879)	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	15,755,756	192,712					15,563,044			XXX
15. Subtotal (Lines 8 to 14)	727,470,444	13,620,427	0	0	0	0	713,851,351	0	(1,334)	XXX
16. Net reinsurance recoveries	0								0	XXX
17. Total medical and hospital (Lines 15 minus 16)	727,470,444	13,620,427	0	0	0	0	713,851,351	0	(1,334)	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 32,189,072 cost containment expenses	45,694,823	1,022,868					44,671,955			
20. General administrative expenses	55,648,901	1,245,688					54,403,213			
21. Increase in reserves for accident and health contracts	(17,640,696)	(3,839,232)					(13,801,464)			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)	811,173,472	12,049,751	0	0	0	0	799,125,055	0	(1,334)	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	(55,960,836)	5,180,833	0	0	0	0	(61,143,003)	0	1,334	0
DETAILS OF WRITE-INS										
0501.										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)	0	0	0	0	0	0	0	0	0	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. Pool Recoveries - Stop Loss	(54,879)	(54,879)								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)	(54,879)	(54,879)	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

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)	17,230,584	0	0	17,230,584
2. Medicare Supplement	0	0	0	0
3. Dental only	0	0	0	0
4. Vision only	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0
6. Title XVIII - Medicare	741,436,598	0	0	741,436,598
7. Title XIX - Medicaid	0	0	0	0
8. Other health	0	0	0	0
9. Health subtotal (Lines 1 through 8)	758,667,182	0	0	758,667,182
10. Life	0	0	0	0
11. Property/casualty	0	0	0	0
12. Totals (Lines 9 to 11)	758,667,182	0	0	758,667,182

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

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	745,855,707	16,808,935	0	0	0	0	729,046,682	0	90	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
1.4 Net	745,855,707	16,808,935	0	0	0	0	729,046,682	0	90	0
2. Paid medical incentive pools and bonuses	11,425,994	203,143	0	0	0	0	11,222,851	0	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	91,172,785	2,540,283	0	0	0	0	88,632,502	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	91,172,785	2,540,283	0	0	0	0	88,632,502	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0	0	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	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	26,259,533	323,938	0	0	0	0	25,935,595	0	0	0
6. Net healthcare receivables (a)	3,116,144	3,097,443	0	0	0	0	19,277	0	(576)	0
7. Amounts recoverable from reinsurers December 31, current year	0	0	0	0	0	0	0	0	0	0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	122,196,630	2,823,031	0	0	0	0	119,371,599	0	2,000	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	122,196,630	2,823,031	0	0	0	0	119,371,599	0	2,000	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	1,030	1,029	0	0	0	0	1	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	1,030	1,029	0	0	0	0	1	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	21,929,771	334,369	0	0	0	0	21,595,402	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	711,714,688	13,427,715	0	0	0	0	698,288,307	0	(1,334)	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	711,714,688	13,427,715	0	0	0	0	698,288,307	0	(1,334)	0
13. Incurred medical incentive pools and bonuses	15,755,756	192,712	0	0	0	0	15,563,044	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

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	28,377,563	1,237,653					27,139,910			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	28,377,563	1,237,653	0	0	0	0	27,139,910	0	0	0
2. Incurred but Unreported:										
2.1 Direct	62,795,222	1,302,630					61,492,592			
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	62,795,222	1,302,630	0	0	0	0	61,492,592	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	91,172,785	2,540,283	0	0	0	0	88,632,502	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	91,172,785	2,540,283	0	0	0	0	88,632,502	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

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)	4,686,452	18,787,687	707,897	1,832,386	5,394,349	2,824,060
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	96,718,155	639,946,295	2,645,330	85,987,172	99,363,485	119,371,600
7. Title XIX - Medicaid					0	0
8. Other health	1,179	(513)			1,179	2,000
9. Health subtotal (Lines 1 to 8)	101,405,786	658,733,469	3,353,227	87,819,558	104,759,013	122,197,660
10. Healthcare receivables (a)	3,492,024	13,907,668			3,492,024	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	5,304,758	6,121,236	22,987,555	3,271,978	28,292,313	21,929,771
13. Totals (Lines 9 - 10 + 11 + 12)	103,218,520	650,947,037	26,340,782	91,091,536	129,559,302	144,127,431

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	42,672	41,829	41,664	40,728	40,728
2.	2017	467,564	520,563	521,602	524,449	525,242
3.	2018	XXX	93,556	102,312	102,405	102,840
4.	2019	XXX	XXX	80,539	90,353	90,127
5.	2020	XXX	XXX	XXX	21,632	22,282
6.	2021	XXX	XXX	XXX	XXX	12,263

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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	45,374	42,607	41,697	41,118	40,728
2.	2017	526,053	522,587	524,604	524,511	525,633
3.	2018	XXX	105,347	102,581	102,724	102,851
4.	2019	XXX	XXX	90,465	90,488	90,554
5.	2020	XXX	XXX	XXX	23,887	22,465
6.	2021	XXX	XXX	XXX	XXX	14,115

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. 2017	561,974	525,242	23,948	4.6	549,190	97.7	390	5	549,585	97.8
2. 2018	124,461	102,840	6,041	5.9	108,881	87.5	12		108,893	87.5
3. 2019	105,315	90,127	3,008	3.3	93,135	88.4	427	3	93,565	88.8
4. 2020	39,598	22,282	2,606	11.7	24,888	62.9	183	3	25,074	63.3
5. 2021	17,231	12,263	851	6.9	13,114	76.1	1,853	27	14,994	87.0

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior	87,715	90,167	88,506	87,254	87,254
2. 2017	651,644	735,688	735,422	735,141	735,471
3. 2018	XXX	731,613	801,629	805,118	805,242
4. 2019	XXX	XXX	716,294	796,760	798,596
5. 2020	XXX	XXX	XXX	676,920	776,195
6. 2021	XXX	XXX	XXX	XXX	638,685

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior	91,418	89,427	88,509	87,257	87,254
2. 2017	740,969	737,209	737,248	735,229	735,473
3. 2018	XXX	810,358	803,953	806,681	809,772
4. 2019	XXX	XXX	794,665	803,457	807,165
5. 2020	XXX	XXX	XXX	809,537	788,424
6. 2021	XXX	XXX	XXX	XXX	727,923

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2017	722,297	735,471	26,342	3.6	761,813	105.5	2	0	761,815	105.5
2. 2018	867,320	805,242	36,590	4.5	841,832	97.1	4,530	1	846,363	97.6
3. 2019	871,982	798,596	46,977	5.9	845,573	97.0	8,568	2	854,143	98.0
4. 2020	912,811	776,195	50,356	6.5	826,551	90.6	12,229	61	838,841	91.9
5. 2021	737,982	638,685	38,259	6.0	676,944	91.7	89,238	2,085	768,267	104.1

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	6	5	5	5	5
2.	2017	276	278	278	278	278
3.	2018	XXX	244	256	256	256
4.	2019	XXX	XXX	251	258	258
5.	2020	XXX	XXX	XXX	79	79
6.	2021	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Other

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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	7	5	5	5	5
2.	2017	282	278	278	278	278
3.	2018	XXX	253	257	256	256
4.	2019	XXX	XXX	255	258	258
5.	2020	XXX	XXX	XXX	81	79
6.	2021	XXX	XXX	XXX	XXX	

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

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. 2017	311	278	2	0.7	280	90.0			280	90.0
2. 2018	313	256	3	1.2	259	82.7			259	82.7
3. 2019	294	258	2	0.8	260	88.4			260	88.4
4. 2020	58	79	1	1.3	80	137.9			80	137.9
5. 2021				0.0	0	0.0			0	0.0

12.01

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	130,393	132,001	130,175	127,987	127,987
2.	2017	1,119,484	1,256,529	1,257,302	1,259,868	1,260,991
3.	2018	XXX	825,413	904,197	907,779	908,338
4.	2019	XXX	XXX	797,084	887,371	888,981
5.	2020	XXX	XXX	XXX	698,631	798,556
6.	2021	XXX	XXX	XXX	XXX	650,948

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 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior	136,799	132,039	130,211	128,380	127,987
2.	2017	1,267,304	1,260,074	1,262,130	1,260,018	1,261,384
3.	2018	XXX	915,958	906,791	909,661	912,879
4.	2019	XXX	XXX	885,385	894,203	897,977
5.	2020	XXX	XXX	XXX	833,505	810,968
6.	2021	XXX	XXX	XXX	XXX	742,038

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. 2017	1,284,582	1,260,991	50,292	4.0	1,311,283	102.1	392	5	1,311,680	102.1
2. 2018	992,094	908,338	42,634	4.7	950,972	95.9	4,542	1	955,515	96.3
3. 2019	977,591	888,981	49,987	5.6	938,968	96.0	8,995	5	947,968	97.0
4. 2020	952,467	798,556	52,963	6.6	851,519	89.4	12,412	64	863,995	90.7
5. 2021	755,213	650,948	39,110	6.0	690,058	91.4	91,091	2,112	783,261	103.7

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ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

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				0				
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including \$) for investment income	1,527,610						1,527,610		
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	1,527,610	0	0	0	0	0	1,527,610	0	0
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	1,527,610	0	0	0	0	0	1,527,610	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.									
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)	0	0	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 \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building)	498,134	435,305	22,049	18	955,506
2. Salary, wages and other benefits	15,973,041	6,325,142	14,133,795	11,654	36,443,632
3. Commissions (less \$ ceded plus \$ assumed)	0		11,936,063	0	11,936,063
4. Legal fees and expenses	1,053	2	1,006,769	830	1,008,654
5. Certifications and accreditation fees				0	0
6. Auditing, actuarial and other consulting services	1,155,377	1,576,261	1,538,307	1,268	4,271,213
7. Traveling expenses	11,307	352	119,434	98	131,191
8. Marketing and advertising	59,701	36,412	14,815,790	12,216	14,924,119
9. Postage, express and telephone	201,072	180,328	688,394	568	1,070,362
10. Printing and office supplies	18,945	9,157	65,093	54	93,249
11. Occupancy, depreciation and amortization	0		0	0	0
12. Equipment	205	1,991	207,895	171	210,262
13. Cost or depreciation of EDP equipment and software	140,715	118,099	859,356	709	1,118,879
14. Outsourced services including EDP, claims, and other services	12,765,078	2,204,288	10,055,988	8,291	25,033,645
15. Boards, bureaus and association fees	2,879	39	77,224	64	80,206
16. Insurance, except on real estate	0		172,007	142	172,149
17. Collection and bank service charges	1	0	39,014	32	39,047
18. Group service and administration fees	90,437	58,401	52,597	43	201,478
19. Reimbursements by uninsured plans	0		0	0	0
20. Reimbursements from fiscal intermediaries	0		0	0	0
21. Real estate expenses	8,366	2,513	266,615	220	277,714
22. Real estate taxes	0		45,661	0	45,661
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0		(4,276,436)	0	(4,276,436)
23.2 State premium taxes	0		346,052	0	346,052
23.3 Regulatory authority licenses and fees	7,566	1,135	436,505	0	445,206
23.4 Payroll taxes	951,208	382,008	923,794	0	2,257,010
23.5 Other (excluding federal income and real estate taxes)	0		275,518	0	275,518
24. Investment expenses not included elsewhere	0		0	312,452	312,452
25. Aggregate write-ins for expenses	303,987	2,174,318	1,841,417	1,518	4,321,240
26. Total expenses incurred (Lines 1 to 25)	32,189,072	13,505,751	55,648,901	350,348	(a) 101,694,072
27. Less expenses unpaid December 31, current year		2,186,844	835,566		3,022,410
28. Add expenses unpaid December 31, prior year		2,674,150	1,950,187		4,624,337
29. Amounts receivable relating to uninsured plans, prior year			424,963		424,963
30. Amounts receivable relating to uninsured plans, current year			2,958,744		2,958,744
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	32,189,072	13,993,057	59,297,303	350,348	105,829,780
DETAILS OF WRITE-INS					
2501. Miscellaneous Expenses	303,987	2,174,318	1,841,417	1,518	4,321,240
2502.					
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)	303,987	2,174,318	1,841,417	1,518	4,321,240

(a) Includes management fees of \$ 80,953,827 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 82,869	82,869
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 8,900,430	8,802,062
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	0	0
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract Loans	0	0
6. Cash, cash equivalents and short-term investments	(e) 17,303	17,303
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	0
9. Aggregate write-ins for investment income	108,896	109,479
10. Total gross investment income	9,109,498	9,011,713
11. Investment expenses		(g) 350,348
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		350,348
17. Net investment income (Line 10 minus Line 16)		8,661,365
DETAILS OF WRITE-INS		
0901. Miscellaneous Income	81,500	81,500
0902. Securities Lending	27,396	27,979
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)	108,896	109,479
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 \$ 136,811 accrual of discount less \$ 3,143,894 amortization of premium and less \$ 101,590 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(46,844)	0	(46,844)	0	0
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	638,073	0	638,073	237,544	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	0	0	0	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	591,229	0	591,229	237,544	0
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

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)			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)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	1,716,320	1,907,550	191,230
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	113,532	237,533	124,001
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	11,607,052	7,493,313	(4,113,739)
25. Aggregate write-ins for other than invested assets	756,265	3,279,599	2,523,334
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	14,193,169	12,917,995	(1,275,174)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	14,193,169	12,917,995	(1,275,174)
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. Blue Card Program Receivables	104,168	86,981	(17,187)
2502. Miscellaneous Receivables	258,945	3,485	(255,460)
2503. Prepaid Expenses	393,152	3,189,133	2,795,981
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)	756,265	3,279,599	2,523,334

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	71,963	59,106	57,276	55,780	54,424	687,051
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service	1,916	1,930	1,941	1,995	1,461	21,908
5. Indemnity Only						
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	73,879	61,036	59,217	57,775	55,885	708,959
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 Empire HealthChoice HMO, Inc. (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 New York State Department of Financial Services (the “Department”). The Department has adopted accounting policies found in NAIC SAP as a component of prescribed accounting practices. Additionally, the Department has adopted certain prescribed accounting practices that differ from those found in NAIC SAP, which impact the Company, specifically 1) overdue premiums (in excess of 90 days) from state and local governments or any of its instrumentalities shall be admitted assets; in NAIC SAP, premiums over 90 days due are non-admitted; 2) certain estimated market stabilization reinsurance/pooling recoverables, stop-loss recoverables, and reinsurance recoverables are admitted assets; in NAIC SAP, these recoverables are admitted only upon notification of the refund; and 3) prepaid broker commissions are admitted assets; in NAIC SAP, prepaid broker commissions are nonadmitted assets. The Department has the right to permit other specific practices that deviate from prescribed practices. The Company has employed no permitted practices in preparing the accompanying statutory-basis financial statements.

A reconciliation of the Company’s net income (loss) and capital and surplus between NAIC SAP and practices prescribed and permitted by the Department is shown below:

	<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>2021</u>	<u>2020</u>
<u>Net Income</u>					
(1) Empire HealthChoice HMO, Inc. state basis (Page 4, Line 32, Columns 2 & 3)	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>\$ (33,487,501)</u>	<u>\$ 10,156,172</u>
(2) State Prescribed Practices that is an increase/(decrease) from NAIC SAP:				<u>—</u>	<u>—</u>
(3) State Permitted Practices that is an increase/(decrease) from NAIC SAP:				<u>—</u>	<u>—</u>
(4) NAIC SAP (1-2-3=4)	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>\$ (33,487,501)</u>	<u>\$ 10,156,172</u>
<u>Surplus</u>					
(5) Empire HealthChoice HMO, Inc. state basis (Page 3, Line 33, Columns 3 & 4)	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>\$145,676,610</u>	<u>\$ 180,201,741</u>
(6) State Prescribed Practices that is an increase/(decrease) from NAIC SAP:					
Pooling/Stop Loss recoverable	6	2	25	—	194,103
Prepaid Brokers’ Commissions	29	2	25	148,336	1,248,377
Overdue local government premiums	6	2	15.1	339,682	424,689
(7) State Permitted Practices that is an increase/(decrease) from NAIC SAP:				<u>—</u>	<u>—</u>
(8) NAIC SAP (5-6-7=8)	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>\$145,188,592</u>	<u>\$ 178,334,572</u>

NOTES TO FINANCIAL STATEMENTS

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

Preparation of financial statements 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 Policies

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. Unearned premium reserves are established to cover the unexpired portion of premiums written and are computed by pro rata methods for direct business and based on reports received from ceding companies for reinsurance. 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 for certain lines of business are subject to approval by the Department. 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 and more than three months at the date of acquisition and are reported at amortized cost, which approximates fair value. Non-investment grade short-term investments are stated at the lower of amortized cost or fair value.
- (2) Investment grade bonds not backed by other loans are stated at amortized cost, with amortization calculated based on the modified scientific method, using lower of yield to call or yield to maturity. Non-investment grade bonds are stated at the lower of amortized cost or fair value as determined by various third-party pricing sources.
- (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 - real estate.
- (6) Loan-backed securities are stated at amortized cost. Prepayment assumptions for loan-backed securities and structured securities were obtained from broker-dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized cost or fair value.
- (7) The Company has no investments in subsidiaries, controlled and affiliated companies.
- (8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) The Company has no derivative instruments.
- (10) The Company recognizes losses from other-than-temporary impairments ("OTTI") of investments in accordance with Statements of Standard Accounting Practice ("SSAP") No. 26R, *Bonds*; and SSAP No. 30, *Common Stock*; and SSAP No. 32R, *Preferred Stock*.
- (11) The Company does not anticipate investment income as a factor in premium deficiency calculations.
- (12) Unpaid claims and claims adjustment expenses include management's best estimate of amounts based on historical claim development patterns and certain individual case estimates. The established liability considers 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 claim adjustment expenses are based on assumptions and estimates, and while

NOTES TO FINANCIAL STATEMENTS

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 continually reviewed and changes in estimates are incorporated into current period estimates.

- (13) The Company has not modified its capitalization policy from the prior period.
- (14) Pharmacy rebate receivables are recorded when earned based upon actual rebate receivables billed and an estimate of receivables based upon current utilization of specific pharmaceuticals and provider contract terms.

D. Going Concern

Not applicable.

2. Accounting Changes and Corrections of Errors

There were no accounting changes or corrections of errors during the years ended December 31, 2021 and 2020.

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.

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

Not applicable.

4. Discontinued Operations

The Company had no operations that were discontinued during 2021 or 2020.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company did not have investments in mortgage loans at December 31, 2021 or 2020.

B. Debt Restructuring

The Company did not have invested assets that were restructured debt at December 31, 2021 or 2020.

NOTES TO FINANCIAL STATEMENTS

C. Reverse Mortgages

The Company did not have investments in reverse mortgages at December 31, 2021 or 2020.

D. Loan-Backed Securities

- (1) Prepayment assumptions for single-class and multi-class mortgage-backed and asset-backed securities were obtained from broker-dealer survey values or internal estimates. The Company used various third-party pricing sources in determining the market value of its loan-backed securities.
- (2) The Company did not recognize OTTI on its loan-backed securities during the years ended December 31, 2021 and 2020.
- (3) The Company did not recognize OTTI on its loan-backed securities at December 31, 2021 and 2020.
- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):
 - a. The aggregate amount of unrealized losses:

1.	Less than 12 Months	\$	(1,053,212)
2.	12 Months or Longer	\$	(210,340)
 - b. The aggregate related fair value of securities with unrealized losses:

1.	Less than 12 Months	\$	79,090,327
2.	12 Months or Longer	\$	4,027,513
- (5) The Company's bond portfolio is sensitive to interest rate fluctuations, which impact the fair value of individual securities. Unrealized losses on bonds were primarily caused by the effects of the interest rate environment and the widening of credit spreads on certain securities. The Company currently has the ability and intent to hold these securities until their full cost can be recovered. Therefore, the Company does not believe the unrealized losses represent an OTTI at December 31, 2021 or 2020.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

- (1) The Company did not enter into repurchase agreements at December 31, 2021 or 2020.
- (2) The Company participates in a securities lending program whereby marketable securities in its investment portfolio are transferred to independent brokers or dealers based on, among other things, their creditworthiness in exchange for collateral initially equal to at least 102% of the market value of the loaned securities. The Company receives the collateral in cash or securities, and if cash is received the cash collateral is thereafter invested according to guidelines of the Company's Investment Policy.

NOTES TO FINANCIAL STATEMENTS

(3) Collateral Received

a. Aggregate amount collateral received

	<u>Fair Value</u>
1. Securities Lending	
(a) Open	\$ 14,392,182
(b) 30 days or less	—
(c) 31 to 60 days	—
(d) 61 to 90 days	—
(e) Greater than 90 days	—
(f) Sub-total	<u>\$ 14,392,182</u>
(g) Securities received	<u>788,649</u>
(h) Total collateral received	<u><u>\$ 15,180,831</u></u>

2. Dollar repurchase agreement - Not applicable.

b. The fair value of that collateral and of the portion of that collateral that it has sold or replugged \$ 15,180,831

c. The Company receives cash collateral in an amount in excess of fair value of the securities lent. The Company reinvests the cash collateral according to guidelines of the Company's Investment Policy.

(4) The Company does not have any securities lending transactions administered by an affiliated agent.

(5) Collateral Reinvestment

a. Aggregate amount collateral reinvested

	<u>Amortized Cost</u>	<u>Fair Value</u>
1. Securities Lending		
(a) Open	\$ —	\$ —
(b) 30 days or less	4,781,385	4,781,399
(c) 31 to 60 days	5,794,095	5,794,109
(d) 61 to 90 days	1,612,479	1,612,662
(e) 91 to 120 days	1,343,969	1,343,958
(f) 121 to 180 days	283,941	283,948
(g) 181 to 365 days	576,106	576,106
(h) 1 to 2 years	—	—
(i) 2 to 3 years	—	—
(j) Greater than 3 years	—	—
(k) Sub-total	<u>\$ 14,391,975</u>	<u>\$ 14,392,182</u>
(l) Securities received	<u>788,649</u>	<u>788,649</u>
(m) Total collateral reinvested	<u><u>\$ 15,180,624</u></u>	<u><u>\$ 15,180,831</u></u>

2. Dollar repurchase agreement - Not applicable.

b. Not applicable.

(6) Not applicable.

(7) Not applicable.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company did not enter into repurchase agreement transactions accounted for as secured borrowing at December 31, 2021 or 2020.

NOTES TO FINANCIAL STATEMENTS

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company did not enter into reverse repurchase agreement transactions accounted for as a secured borrowing at December 31, 2021 or 2020.

H. Repurchase Agreements Transactions Accounted for as a Sale

The Company did not enter into repurchase agreement transactions accounted for as a sale at December 31, 2021 or 2020.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

The Company did not enter into reverse repurchase agreement transactions accounted for as a sale at December 31, 2021 or 2020.

J. Real Estate

The Company did not have investments in real estate and did not engage in retail land sales operations during 2021 or 2020.

K. Investments in Low-Income Housing Tax Credits

The Company did not invest in properties generating low-income housing tax credits during 2021 or 2020.

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

(1) Restricted assets (including pledged)

Restricted Asset Category	1	2	3	4	5	6	7
	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross Admitted and Nonadmitted Restricted to Total Assets (a)	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	15,180,624	10,382,589	4,798,035	—	15,180,624	3.41 %	3.52 %
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	55,121,503	56,351,118	(1,229,615)	—	55,121,503	12.38 %	12.79 %
k. On deposit with other regulatory bodies	—	—	—	—	—		
l. Pledged as collateral to FHLB (including assets backing funding agreements)	—	—	—	—	—		
m. Pledged as collateral not captured in other categories	—	—	—	—	—		
n. Other restricted assets	—	—	—	—	—		
o. Total Restricted Assets	\$ 70,302,127	\$ 66,733,707	\$ 3,568,420	\$ —	\$ 70,302,127	15.79 %	16.31 %

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

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

(2) Not applicable.

(3) Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

Collateral Assets	1	2	3	4
	Book/ Adjusted Carrying Value (BACV)	Fair Value	% of BACV to Total Assets (Admitted and Nonadmitted *)	% of BACV to Total Admitted Assets **
a. Cash	\$ —	\$ —	— %	— %
b. Schedule D, Part 1	—	—	—	—
c. Schedule D, Part 2 Section 1	—	—	—	—
d. Schedule D, Part 2 Section 2	—	—	—	—
e. Schedule B	—	—	—	—
f. Schedule A	—	—	—	—
g. Schedule BA, Part 1	—	—	—	—
h. Schedule DL, Part 1	15,180,624	15,180,831	3.41 %	3.52 %
i. Other	—	—	—	—
j. Total Collateral Assets (a+b+c+d+e+f+g+h+i)	\$ 15,180,624	\$ 15,180,831	3.41 %	3.52 %

* Column 1 divided by Asset Page, Line 26 (Column 1)

** Column 1 divided by Asset Page, Line 26 (Column 3)

	<u>1</u>	<u>2</u>
	<u>Amount</u>	<u>% of Liability to Total Liabilities *</u>
k. Recognized Obligation to Return Collateral Asset	\$ 15,180,624	5.32 %

* Column 1 divided by Liability Page, Line 24 (Column 3)

M. Working Capital Finance Investments

The Company did not have any working capital finance investments at December 31, 2021 and 2020.

N. Offsetting and Netting of Assets and Liabilities

The Company did not have any offsetting or netting of assets and liabilities at December 31, 2021 and 2020.

O. 5GI Securities

The Company has no 5GI Securities as of December 31, 2021 and 2020.

P. Short Sales

The Company did not have any short sales at December 31, 2021 and 2020.

Q. Prepayment Penalty and Acceleration Fees

	General Account
(1) Number of CUSIPs	5
(2) Aggregate Amount of Investment Income \$	498,449

R. Reporting Entity's Share of Cash Pool by Asset Type

The Company did not participate in a cash pool at December 31, 2021.

NOTES TO FINANCIAL STATEMENTS

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in joint ventures, partnerships or LLCs.

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, 2021 and 2020 there was no nonadmitted accrued investment income.

8. Derivative Instruments

The Company has no derivative instruments.

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. The components of net deferred tax assets (liabilities):

(1) The components of net deferred tax asset (liabilities) are as follows:

12/31/2021			
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	\$ 4,061,024	\$ 28,462	\$ 4,089,486
(b) Statutory Valuation Allowance Adjustments	4,052,809	28,462	4,081,271
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	8,215	—	8,215
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	8,215	—	8,215
(f) Deferred Tax Liabilities	8,215	—	8,215
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ —	\$ —	\$ —

12/31/2020			
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 7,074,863	\$ 104,043	\$ 7,178,906
(b) Statutory Valuation Allowance Adjustments	7,068,160	104,045	7,172,205
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	6,703	(2)	6,701
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	6,703	(2)	6,701
(f) Deferred Tax Liabilities	6,701	—	6,701
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 2	\$ (2)	\$ —

Change			
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ (3,013,839)	\$ (75,581)	\$ (3,089,420)
(b) Statutory Valuation Allowance Adjustments	(3,015,351)	(75,583)	(3,090,934)
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	1,512	2	1,514
(d) Deferred Tax Assets Nonadmitted	—	—	—
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	1,512	2	1,514
(f) Deferred Tax Liabilities	1,514	—	1,514
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ (2)	\$ 2	\$ —

NOTES TO FINANCIAL STATEMENTS

- (2) The amount of admitted adjusted gross deferred tax assets under each component of SSAP No. 101, *Income Taxes* (“SSAP No. 101”) are as follows:

12/31/2021		
(1)	(2)	(3)
Ordinary	Capital	(Col 1+2) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$	—	\$	—	\$	—
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)		—		—		—
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.		—		—		—
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.		XXX		XXX		21,851,491
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.		8,215		—		8,215
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$	8,215	\$	—	\$	8,215

12/31/2020		
(4)	(5)	(6)
Ordinary	Capital	(Col 4+5) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$	—	\$	—	\$	—
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)		—		—		—
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.		—		—		—
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.		XXX		XXX		27,030,261
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.		6,703		(2)		6,701
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$	6,703	\$	(2)	\$	6,701

Change		
(7)	(8)	(9)
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	\$	—	\$	—	\$	—
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)		—		—		—
1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.		—		—		—
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.		XXX		XXX		(5,178,770)
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.		1,512		2		1,514
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$	1,512	\$	2	\$	1,514

NOTES TO FINANCIAL STATEMENTS

	2021	2020
(3) (a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	498.64 %	537.05 %
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 145,676,610	\$ 180,201,741

	12/31/2021		12/31/2020		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital

Impact of Tax-Planning Strategies

(a) Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.						
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 8,215	\$ —	\$ 6,703	\$ (2)	\$ 1,512	\$ 2
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	\$ 8,215	\$ —	\$ 6,703	\$ (2)	\$ 1,512	\$ 2
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes _____ No X

B. The Company has no unrecognized deferred tax liabilities at December 31, 2021 and 2020.

C. Current income taxes incurred consist of the following major components:

	(1) 12/31/2021	(2) 12/31/2020	(3) (Col 1-2) Change
(1) Current Income Tax			
(a) Federal	\$ (13,964,485)	\$ (2,379,942)	\$ (11,584,543)
(b) Foreign	—	—	—
(c) Subtotal	(13,964,485)	(2,379,942)	(11,584,543)
(d) Federal income tax expense on net capital gains	223,747	634,891	(411,144)
(e) Utilization of capital loss carry-forwards	—	—	—
(f) Other	—	—	—
(g) Federal and foreign income taxes incurred	\$ (13,740,738)	\$ (1,745,051)	\$ (11,995,687)

NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)
	12/31/2021	12/31/2020	(Col 1-2) Change
(2) Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 235,534	\$ 374,770	\$ (139,236)
(2) Unearned premium reserve	24,272	20,185	4,087
(3) Policyholder reserves	504,000	609,772	(105,772)
(4) Investments	—	—	—
(5) Deferred acquisition costs	—	—	—
(6) Policyholder dividends accrual	—	—	—
(7) Fixed assets	—	—	—
(8) Compensation and benefits accrual	—	—	—
(9) Pension accrual	—	—	—
(10) Receivables - nonadmitted	2,851,591	2,006,863	844,728
(11) Net operating loss carry-forward	—	—	—
(12) Tax credit carry-forward	—	—	—
(13) Other (including items <5% of total ordinary tax assets)	60,967	12,355	48,612
(14) Accrued future expenses	32,777	84,293	(51,516)
(15) Premium deficiency reserves	—	3,704,546	(3,704,546)
(16) Prepaid expenses	351,883	262,079	89,804
(99) Subtotal	4,061,024	7,074,863	(3,013,839)
(b) Statutory valuation allowance adjustment	4,052,809	7,068,160	(3,015,351)
(c) Nonadmitted	—	—	—
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	8,215	6,703	1,512
(e) Capital			
(1) Investments	28,462	104,043	(75,581)
(2) Net capital loss carry-forward	—	—	—
(3) Real estate	—	—	—
(4) Other (including items <5% of total capital tax assets)	—	—	—
(99) Subtotal	28,462	104,043	(75,581)
(f) Statutory valuation allowance adjustment	28,462	104,045	(75,583)
(g) Nonadmitted	—	—	—
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	—	(2)	2
(i) Admitted deferred tax assets (2d + 2h)	\$ 8,215	\$ 6,701	\$ 1,514
(3) Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ —	\$ —	\$ —
(2) Fixed assets	—	—	—
(3) Deferred and uncollected premium	—	—	—
(4) Policyholder reserves	—	—	—
(5) Other (including items <5% of total ordinary tax liabilities)	—	—	—
(6) Discount of coordination of benefits	8,215	6,701	1,514
(99) Subtotal	8,215	6,701	1,514
(b) Capital			
(1) Investments	—	—	—
(2) Real estate	—	—	—
(3) Other (including items <5% of total capital tax liabilities)	—	—	—
(99) Subtotal	—	—	—
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 8,215	\$ 6,701	\$ 1,514
(4) Net deferred tax assets/liabilities (2i - 3c)	\$ —	\$ —	\$ —

NOTES TO FINANCIAL STATEMENTS

- D.** The Company's income tax expense and change in deferred income taxes differs from the amount obtained by applying the federal statutory income tax rate of 21% for the year ended December 31 as follows:

	<u>2021</u>	<u>2020</u>
Tax expense computed using federal statutory rate	\$ (9,917,930)	\$ 1,766,335
ACA health insurer fee	—	3,543,167
Change in nonadmitted assets	(267,787)	2,753,569
Tax exempt income and dividend received deduction net of proration	(516,225)	(547,132)
Prior year true-up and adjustments	9	—
Valuation allowance	(3,090,935)	(9,215,143)
Other, net	2,246	865
Total	<u>\$ (13,790,622)</u>	<u>\$ (1,698,339)</u>
Federal income taxes incurred	(13,740,738)	\$ (1,745,051)
Change in net deferred income taxes	(49,884)	46,712
Total statutory income taxes	<u>\$ (13,790,622)</u>	<u>\$ (1,698,339)</u>

E. Operating loss carryforwards:

- (1) The Company has no operating loss carryforwards and no tax credit carryforwards as of December 31, 2021 or 2020.
- (2) The Company has no federal income taxes available for recoupment.
- (3) The Company has no protective tax deposits reported as admitted assets under Section 6603 of the Internal Revenue Service Code as of December 31, 2021 and 2020.

- F.** The following companies will be included in the consolidated federal income tax return with their parent Anthem, Inc. ("Anthem") as of December 31, 2021 and either are current members of the consolidated tax sharing agreement or are in the process of being added to the consolidated tax sharing agreement. Allocation of federal income taxes with affiliates subject to the tax sharing agreement is based upon separate income tax return calculations with credit for net losses that can be used on a consolidated basis. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. Intercompany income tax balances are settled based on the Internal Revenue Service due dates.

Alliance Care Management, LLC	Designated Agent Company, Inc.
American Imaging Management, Inc.	EHC Benefits Agency, Inc.
America's 1st Choice of South Carolina, Inc.	Empire HealthChoice Assurance, Inc.
America's Health Management Services, Inc.	Empire HealthChoice HMO, Inc.
AMERIGROUP Community Care of New Mexico, Inc.	Federal Government Solutions, LLC
AMERIGROUP Corporation	FHC Health Systems, Inc.
Amerigroup Delaware, Inc.	Freedom Health, Inc.
Amerigroup District of Columbia, Inc.	Golden West Health Plan, Inc.
Amerigroup Health Plan of Louisiana, Inc.	Health Core, Inc.
Amerigroup Insurance Company	Health Management Corporation
AMERIGROUP Iowa, Inc.	Healthkeepers, Inc.
AMERIGROUP Maryland, Inc.	HealthLink HMO, Inc.
Amerigroup Mississippi, Inc.	HealthLink, Inc.
AMERIGROUP New Jersey, Inc.	HealthLink Insurance Company
AMERIGROUP Ohio, Inc.	HealthPlus HP, LLC
Amerigroup Oklahoma, Inc.	HealthSun Health Plan, Inc.
Amerigroup Pennsylvania, Inc.	Healthy Alliance Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

AMERIGROUP Tennessee, Inc.	HEP AP Holdings, Inc.
AMERIGROUP Texas, Inc.	HMO Colorado, Inc.
AMERIGROUP Washington, Inc.	HMO Missouri, Inc.
AMGP Georgia Managed Care Company, Inc.	IEC Group Holdings, Inc.
Anthem Blue Cross Life and Health Insurance Company	IEC Group, Inc. d/b/a AmeriBen
Anthem Financial, Inc.	Imaging Management Holdings, LLC
Anthem Health Plans of Kentucky, Inc.	IngenioRx, Inc.
Anthem Health Plans of Maine, Inc.	Legato Health Technologies U.S., Inc.
Anthem Health Plans of New Hampshire, Inc.	Legato Holdings I, Inc.
Anthem Health Plans of Virginia, Inc.	Living Complete Technologies, Inc.
Anthem Health Plans, Inc.	Massachusetts Behavioral Health Partnership
Anthem Holding Corp.	Matthew Thornton Health Plan, Inc.
Anthem Insurance Companies, Inc.	Missouri Care, Incorporated
Anthem Kentucky Managed Care Plan, Inc.	myNEXUS Holdings, Inc.
Anthem Southeast, Inc.	myNEXUS, Inc.
Anthem UM Services, Inc.	myNEXUS Management, Inc.
Anthem, Inc.	Nash Holding Company, LLC
Arcus Enterprises, Inc.	National Government Services, Inc.
Aspire Health, Inc.	New England Research Institutes, Inc.
Associated Group, Inc.	Optimum Healthcare, Inc.
Beacon Health Financing, LLC	OPTIONS Health Care, Inc.
Beacon Health Options Care Services, Inc.	Park Square Holdings, Inc.
Beacon Health Options Holdco, Inc.	Park Square I, Inc.
Beacon Health Options, Inc.	Park Square II, Inc.
Beacon Health Options of California, Inc.	Resolution Health, Inc.
Beacon Health Options of Ohio, Inc.	RightCHOICE Managed Care, Inc.
Beacon Health Options of Pennsylvania, Inc.	Rocky Mountain Hospital and Medical Service, Inc.
Beacon Health Vista Parent, Inc.	SellCore, Inc.
BHS IPA, LLC	Simply Healthcare Plans, Inc.
Blue Cross Blue Shield Healthcare Plan of Georgia, Inc.	Southeast Services, Inc.
Blue Cross Blue Shield of Wisconsin	State Sponsored Services, Inc.
Blue Cross of California	The Anthem Companies, Inc.
Blue Cross of California Partnership Plan, Inc.	The Anthem Companies of California, Inc.
CareMarket, Inc.	TrustSolutions, LLC
CareMore Health IPA of New York, Inc.	UNICARE Health Plan of West Virginia, Inc.
CareMore Health Plan	UNICARE Illinois Services, Inc.
CareMore Health Plan of Arizona, Inc.	UNICARE Life & Health Insurance Company
CareMore Health Plan of Nevada, Inc.	UNICARE National Services, Inc.
CareMore Health Plan of Texas, Inc.	UNICARE Specialty Services, Inc.
CareMore Health System	Value Health Reinsurance, Inc.
Cerulean Companies, Inc.	ValueOptions Federal Services, Inc.
CHCS IPA, Inc.	ValueOptions of Kansas, Inc.
Claim Management Services, Inc.	ValueOptions of New Jersey, Inc.
Community Care Health Plan of Kansas, Inc.	ValueOptions Texas, Inc.
Community Care Health Plan of Nebraska, Inc.	Valus, Inc.
Community Care Health Plan of Nevada, Inc.	WellPoint California Services, Inc.
Community Insurance Company	WellPoint Dental Services, Inc.
CompCare Health Services Insurance Corporation	WellPoint Health Solutions, Inc.
Crossroads Acquisition Corp.	WellPoint Holding Corporation
DBG Holdings, Inc.	WellPoint Information Technology Services, Inc.
DeCare Analytics, LLC	WellPoint Insurance Services, Inc.
DeCare Dental Health International, LLC	WellPoint Military Care Corporation
DeCare Dental Networks, LLC	ZipDrug, Inc.
DeCare Dental, LLC	

NOTES TO FINANCIAL STATEMENTS

G. Not applicable.**H. Repatriation Transition Tax (RTT)**

Not applicable.

I. Alternative Minimum Tax (AMT) Credit

Not applicable.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**A. Nature of the Relationship**

The Company is a New York domiciled stock health maintenance organization (“HMO”) and is a wholly-owned subsidiary of Empire HealthChoice Assurance, Inc. (“EHCA”), which is an indirect wholly-owned subsidiary of Anthem, a publicly traded company.

B. Significant Transactions for Each Period

There were no significant transactions during the years ended December 31, 2021 and 2020.

For changes to the intercompany management and service arrangements see Note 10E. The amounts of transactions under such agreements are presented in Schedule Y, Part 2.

C. Transactions with Related Parties who are not Reported on Schedule Y

The Company has no transactions with related parties who are not reported on Schedule Y.

D. Amounts Due to or from Related Parties

At December 31, 2021 and 2020, the Company reported no amounts due from affiliates. At December 31, 2021 and 2020, the Company reported \$139,337,162 and \$59,856,905 due to affiliates, respectively. The receivable and payable balances represent intercompany transactions that will be settled in accordance with the settlement terms of the intercompany agreement.

Following is a summary of transactions between the Company and various affiliates during the years:

	<u>2021</u>	<u>2020</u>
The Anthem Companies, Inc.		
Medical Management	\$ 15,364,901	\$ 18,720,005
MIS-IT	2,864,816	2,947,883
Sales	5,812,146	11,821,007
Customer Service	4,663,027	5,429,738
Claims	877,391	1,166,096
Provider Network	1,474,335	2,008,514
Enrollment and Billing	743,073	970,869
Operations Support	1,844,000	2,176,051
Finance	515,381	692,383
Decision Support	544,513	615,225
Underwriting	14,293	23,338
Legal and Compliance	648,025	794,899
Human Resources	371,616	445,109
Marketing	1,225,013	1,223,872
General Management	147,453	82,795
Product Development and Management	291,946	346,540
Planning	52,808	50,726

NOTES TO FINANCIAL STATEMENTS

General Administration	187,835	276,945
Other	911,890	1,195,497
Total	\$ 38,554,462	\$ 50,987,492
Anthem, Inc.		
MIS-IT	\$ 2,980,889	\$ 3,286,166
Medical Management	10,031,409	10,786,099
General Management	826,050	1,091,377
Print Mail	598,171	710,756
Customer Service	2,426,094	2,178,630
Marketing	7,746,361	9,672,373
Legal and Compliance	943,071	2,156,196
Provider Network	435,791	418,551
Sales	9,707,262	10,291,433
Claims	(31,498)	864,954
Enrollment and Billing	265,164	372,378
General Administration	(174,396)	480,292
Finance	87,111	116,791
Product Development & Management	27,846	39,544
Operations Support	7,842,587	7,752,015
External Affairs	109,159	166,770
Decision Support	58,158	100,570
Other	1,274,681	853,865
Total	\$ 45,153,910	\$ 51,338,760
WellPoint Information Technology Services, Inc.		
MIS-IT	\$ 1,036,658	\$ 988,540
Other	830	1,281
Total	\$ 1,037,488	\$ 989,821
WellPoint Holding Corporation		
Claims	\$ 9	\$ 768
Medical Management	2,914	13,839
Other	6,003	10,205
Total	\$ 8,926	\$ 24,812
Costs allocated from other Anthem, Inc. affiliates not listed above		
Medical Management	\$ (5,181,308)	\$ (3,076,210)
General Administration	(193,140)	(564,990)
Provider Network	8,050	684
MIS-IT	102,162	545,630
Finance	30,449	40,707
External Affairs	5,945	2,768
Product Development and Management	5,795	2,034
Claims	561,278	897,494
General Management	68,145	32,753
Decision Support	8,920	5,078
Credentialing	131	330
Marketing	23,175	21,208
Customer Service	1,659	555
Print Mail	350	1,343
Legal and Compliance	3,948	97
Clinical Health Policy	27,429	152
Human Resources	26,255	1,172
Sales	359,944	163,518
Planning	155	418
Actuarial Valuation	388	253
Operations Support	337,398	438,099
Other	1,913	(574,075)
Total	\$ (3,800,959)	\$ (2,060,982)
Net Costs Allocated to the Company	\$ 80,953,827	\$ 101,279,903
Federal Tax Payments to Anthem, Inc.	(9,227,886)	3,743,138
ACA Fee Assessment	—	16,872,226
Total Schedule Y, Part 2, Column 8	<u>\$ 71,725,941</u>	<u>\$ 121,895,267</u>

NOTES TO FINANCIAL STATEMENTS

E. Management and Service Contracts and Cost Sharing Arrangements

The Company has entered into administrative services agreements with its affiliated companies. Pursuant to these agreements, various administrative, management and support services are provided to or provided by the Company. The costs and expenses related to these administrative management and support services are allocated to or allocated by the Company in an amount equal to the direct and indirect costs and expenses incurred in providing these services. Costs include expenses such as salaries, employee benefits, information technology, pharmacy benefits administration, communications, advertising, consulting services, rent, utilities, billing, accounting, underwriting, and product development, which support the Company's operations. These costs are allocated based on various utilization statistics.

F. Guarantees or Contingencies for Related Parties

The Company did not enter into guarantees or undertakings for the benefit of an affiliate which would result in a material contingent exposure of the Company's or any affiliated insurer's assets or liabilities.

G. Nature of Control Relationships that Could Affect Operations or Financial Position

EHCA owns all outstanding shares of the Company. The Company's ultimate parent is Anthem.

H. Amount Deducted for Investment in Upstream Company

The Company does not own shares of upstream intermediate entities or Anthem.

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

At December 31, 2021 and 2020, the Company did not have investments in affiliates.

J. Write-down for Impairments of Investments in Subsidiaries, Controlled or Affiliated ("SCA") Companies

Not applicable.

K. Investment in a Foreign Insurance Subsidiary

The Company does not have investments in foreign insurance subsidiaries.

L. Investment in Downstream Non-insurance Holding Companies

The Company does not have investments in downstream non-insurance holding companies.

M. All SCA Investments

The Company has no SCA Investments.

N. Investment in Insurance SCAs

The Company does not have investments in Insurance SCAs.

NOTES TO FINANCIAL STATEMENTS

O. SCA or SSAP 48 Entity Loss Tracking

The Company does not have losses on investments in Insurance SCAs and/or joint ventures, partnerships or LLCs.

11. Debt

A. Capital Notes and Other Debt

The Company had no capital notes or other debt outstanding at December 31, 2021 and 2020.

B. FHLB (Federal Home Loan Bank) Agreements

The Company had no FHLB agreements outstanding at December 31, 2021 and 2020.

C. All Other Debt

The Company had no other debt outstanding at December 31, 2021 and 2020.

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

A. Defined Benefit Plan

Not applicable - See Note 12G.

B. Not applicable - See Note 12G.

C. Not applicable - See Note 12G.

D. Not applicable - See Note 12G.

E. Defined Contribution Plans

Not applicable - See Note 12G.

F. Multiemployer Plans

The Company does not participate in a multiemployer plan.

G. Consolidated/Holding Company Plans

The Company participates in frozen non-contributory defined benefit pension plans sponsored by ATH Holding Company, LLC ("ATH Holding"), covering most employees of Anthem and its subsidiaries. ATH Holding allocates a share of the total accumulated costs of the plans to the Company based on the number of allocated employees. The Company has no legal obligation for benefits under these plans.

The Company participates in a postretirement medical benefit plan, sponsored by ATH Holding, providing certain health, life, vision and dental benefits to eligible retirees. ATH Holding allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. The Company has no legal obligation for benefits under this plan.

The Company participates in a nonqualified deferred compensation plan sponsored by Anthem which covers certain employees once the participant reaches the maximum contribution amount for the Anthem 401(k) Plan (the "401(k) Plan"). The deferred

NOTES TO FINANCIAL STATEMENTS

amounts are payable according to the terms and subject to the conditions of the deferred compensation plan. Anthem allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees subject to the deferred compensation plan. The Company has no legal obligation for benefits under this plan.

The Company participates in the 401(k) Plan, sponsored by ATH Holding and covering substantially all employees. Voluntary employee contributions are matched by ATH Holding subject to certain limitations. ATH Holding allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. The Company has no legal obligation for benefits under this plan.

The Company participates in a stock incentive compensation plan, sponsored by Anthem, providing incentive awards to non-employee directors and employees, consisting of Anthem stock options, restricted stock, restricted stock units, stock appreciation rights, performance shares, and performance units. Anthem allocates a share of the total share-based compensation expense of this plan to the Company based on the number of allocated employees. The Company has no legal obligation for benefits under this plan.

During 2021 and 2020, the Company was allocated the following costs or (credits) for these retirement benefits:

	2021	2020
Defined benefit pension plan	\$ (107,686)	\$ (271,453)
Postretirement medical benefit plan	(64,611)	(95,836)
Deferred compensation plan	12,563	17,513
Defined contribution plan	950,863	1,221,052
Stock incentive compensation plan	556,476	695,845

H. Post Employment Benefits and Compensated Absences

Not applicable.

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

Not applicable.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**A. Outstanding Shares**

As of December 31, 2021, the Company has 200,000 shares of \$.01 par value common stock authorized, issued and outstanding.

B. Preferred Stock

The Company has no preferred stock outstanding.

C. Dividend Restrictions

Under New York law, the Company is limited in the amount of dividends that can be declared without regulatory approval. The Department and the New York State Department of Health ("NYDOH") must approve any dividend that exceeds the lesser of 10% of its capital and surplus or 100% of adjusted net investment income. Also, any dividend paid from other than positive unassigned surplus shall be considered an extraordinary dividend, and will need approval of the Insurance Commissioner.

NOTES TO FINANCIAL STATEMENTS

D. Dividends Paid

See Footnote 10B.

E. Maximum Ordinary Dividend During 2022

Within the limitations of (C) above, the Company may not pay dividends during 2022 without prior approval.

F. Unassigned Surplus Restrictions

Unassigned surplus funds are not restricted at December 31, 2021.

G. Mutual Surplus Advances

Not applicable.

H. Company Stock Held for Special Purpose

There are no shares of stock held for special purposes at December 31, 2021.

I. Changes in Special Surplus Funds

There are no special surplus funds at December 31, 2021.

J. Changes in Unassigned Funds

The portion of unassigned funds represented by cumulative unrealized investment gains and losses was \$(21,234) at December 31, 2021.

K. Surplus Notes

The Company has not issued any surplus notes or debentures or similar obligations.

L. Restatement due to Prior Quasi-reorganizations

The Company had no restatements due to prior quasi-reorganizations.

M. 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 had no contingent commitments at December 31, 2021 or 2020.

B. Assessments

New York does not have an insolvency or guaranty association law under which the Company can be assessed for amounts paid by guaranty funds for member losses when a health insurance company or HMO becomes insolvent.

The Company participates in risk sharing pools, including the Demographic and Specified Medical Conditions (Regulation 164) and Stop Loss (Regulation 171) pools. These pools are intended to subsidize health insurance carriers for unfavorable claims experience. The Company is also subject to Bad Debt and Charity Care pools which

NOTES TO FINANCIAL STATEMENTS

subsidize financially stressed hospitals and Graduate Medical Expenses (“GME”) assessments which subsidize hospital indigent care and health care initiatives.

C. Gain Contingencies

The Company has no gain contingencies at December 31, 2021 or 2020.

D. Claims-Related Extra Contractual Obligation and the Bad Faith Losses Stemming From Lawsuits

Not applicable.

E. Joint and Several Liabilities

Not applicable.

F. All Other Contingencies

Litigation and regulatory proceedings

Blue Cross Blue Shield Antitrust Litigation

Anthem Inc. (“Anthem”) is a defendant in multiple lawsuits that were initially filed in 2012 against the BCBSA and Blue Cross and/or Blue Shield licensees (“Blue Plans”) across the country. Cases filed in twenty-eight states were consolidated into a single, multi-district proceeding captioned *In re Blue Cross Blue Shield Antitrust Litigation* that is pending in the United States District Court for the Northern District of Alabama (the “Court”). Generally, the suits allege that the BCBSA and the Blue plans have conspired to horizontally allocate geographic markets through license agreements, best efforts rules that limit the percentage of non-Blue revenue of each plan, restrictions on acquisitions, rules governing the BlueCard[®] and National Accounts program and other arrangements in violation of the Sherman Antitrust Act (“Sherman Act”), and related state laws. The cases were brought by two putative nationwide classes of plaintiffs, health plan subscribers and providers.

In April 2018, the Court issued an order on the parties’ cross motions for partial judgment, determining that the defendants’ aggregation of geographic market allocations and output restrictions are to be analyzed under a per se standard of review, and the BlueCard[®] program and other alleged Section 1 Sherman Act violations are to be analyzed under the rule of reason standard of review. The Court also found that there remain genuine issues of material fact as to whether defendants operate as a single entity with regard to the enforcement of the Blue Cross Blue Shield trademarks. In April 2019, plaintiffs filed motions for class certification, which defendants opposed.

The BCBSA and Blue plans have approved a settlement agreement and release (the “Subscriber Settlement Agreement”), with the subscriber plaintiffs. If approved by the Court, the Subscriber Settlement Agreement will require defendants to make a monetary settlement payment, Anthem’s portion of which is estimated to be \$594,000,000 and will contain certain non-monetary terms including (i) eliminating the “national best efforts” rule in the BSBSA license agreements (which rule limits the percentage of non-Blue revenue permitted for each Blue plan) and (ii) allowing for some large national employers with self-funded benefit plans to request a bid for insurance coverage from a second Blue plan in addition to the local Blue plan. As of December 31, 2021, the liability balance accrued for Anthem’s estimated payment obligation was \$507,000,000, net of payments made. The Company recorded its estimated portion of the Subscriber Settlement Agreement, net of third party insurance coverage, in 2020.

NOTES TO FINANCIAL STATEMENTS

In November 2020, the Court issued an order preliminarily approving the Subscriber Settlement Agreement, following which members of the subscriber class were provided notice of the Subscriber Settlement Agreement and an opportunity to opt out of the class. All terms of the Subscriber Settlement Agreement are subject to final approval by the Court. The deadlines for objections to the settlement as well as the deadline for those who wish to opt-out from the settlement was in July 2021 and a small number of subscribers submitted valid opt outs by the deadline. The claims deadline was in November 2021 and an excess of eight thousand claims were submitted. A final approval hearing was held in October 2021. The Court took the request for approval under advisement and requested supplemental briefing that has been submitted. If the Court grants approval of the Subscriber Settlement Agreement, and after all appellate rights have expired or have been exhausted in a manner that affirms the Court's final order and judgement, the defendants' payment and non-monetary obligations under the Subscriber Settlement Agreement will become effective.

In October 2020, after the Court lifted the stay as to the provider litigation, provider plaintiffs filed a renewed motion for class certification, which defendants opposed. In March 2021, the Court issued an order terminating the pending motion for class certification until the Court determines the standard of review applicable to the providers' claims. In May 2021, the defendants and provider plaintiffs filed renewed standard of review motions which are now fully briefed. In June 2021, the parties filed summary judgment motions not critically dependent on class certification which are now fully briefed. No decision has been rendered. Anthem intends to continue to vigorously defend the provider suit, which they believe is without merit; however, its ultimate outcome cannot be presently determined.

Express Scripts, Inc. Pharmacy Benefit Management Litigation

In March 2016, Anthem filed a lawsuit against Express Scripts, Inc. ("Express Scripts"), their vendor at the time for PBM services, captioned *Anthem, Inc. v. Express Scripts, Inc.*, in the U.S. District Court for the Southern District of New York. The lawsuit seeks to recover over \$14,800,000,000 in damages for pharmacy pricing that is higher than competitive benchmark pricing under the agreement between the parties (the "ESI PBM Agreement"), over \$158,000,000 in damages related to operational breaches, as well as various declarations under the ESI PBM Agreement, including that Express Scripts: (i) breached its obligation to negotiate in good faith and to agree in writing to new pricing terms; (ii) was required to provide competitive benchmark pricing to Anthem through the term of the ESI PBM Agreement; (iii) has breached the ESI PBM Agreement; and (iv) is required under the ESI PBM Agreement to provide post-termination services, at competitive benchmark pricing, for one year following any termination.

Express Scripts has disputed Anthem's contractual claims and is seeking declaratory judgments: (i) regarding the timing of the periodic pricing review under the ESI PBM Agreement, and (ii) that it has no obligation to ensure that Anthem receives any specific level of pricing, that Anthem has no contractual right to any change in pricing under the ESI PBM Agreement and that its sole obligation is to negotiate proposed pricing terms in good faith. In the alternative, Express Scripts claims that Anthem has been unjustly enriched by its payment of \$4,675,000,000 at the time they entered into the ESI PBM Agreement. In March 2017, the court granted Anthem's motion to dismiss Express Scripts' counterclaims for (i) breach of the implied covenant of good faith and fair dealing, and (ii) unjust enrichment with prejudice. The only remaining claims are for breach of contract and declaratory relief. In August 2021, ESI filed a motion for summary judgment, which Anthem opposed. Express Scripts' motion for summary judgment is now fully briefed and no decision has been rendered. Anthem intends to vigorously pursue their claims and defend against any counterclaims, which they believe are without merit; however, the ultimate outcome cannot be presently determined.

NOTES TO FINANCIAL STATEMENTS

In re Express Scripts/Anthem ERISA Litigation

Anthem is a defendant in a class action lawsuit that was initially filed in June 2016 against Anthem, Inc. and Express Scripts, which has been consolidated into a single multi-district lawsuit captioned *In Re Express Scripts/Anthem ERISA Litigation*, in the U.S. District Court for the Southern District of New York. The consolidated complaint was filed by plaintiffs against Express Scripts and Anthem on behalf of all persons who are participants in or beneficiaries of any ERISA or non-ERISA healthcare plan from December 1, 2009 to December 31, 2019 in which Anthem provided prescription drug benefits through the ESI PBM Agreement and paid a percentage based co-insurance payment in the course of using that prescription drug benefit. The plaintiffs allege that Anthem breached their duties, either under ERISA or with respect to the implied covenant of good faith and fair dealing implied in the health plans, (i) by failing to adequately monitor Express Scripts' pricing under the ESI PBM Agreement, (ii) by placing their own pecuniary interest above the best interests of their insureds by allegedly agreeing to higher pricing in the ESI PBM Agreement in exchange for the purchase price for their NextRx PBM business, and (iii) with respect to the non-ERISA members, by negotiating and entering into the ESI PBM Agreement that was allegedly detrimental to the interests of such non-ERISA members. Plaintiffs seek to hold Anthem and Express Scripts jointly and severally liable and to recover all losses suffered by the proposed class, equitable relief, disgorgement of alleged ill-gotten gains, injunctive relief, attorney's fees and costs and interest.

In April 2017, Anthem filed a motion to dismiss the claims brought against them, and it was granted, without prejudice, in January 2018. Plaintiffs filed a notice of appeal with the United States Court of Appeals for the Second Circuit (the "Second Circuit"), which was heard in October 2018. In December 2020, the Court affirmed the trial court's decision dismissing the ERISA complaint. Plaintiffs filed a Petition for Rehearing and Rehearing En Banc, which was denied. Plaintiffs filed a writ of certiorari with the United States Supreme Court, which Anthem opposed, and the plaintiffs have replied. In December 2021, the United States Supreme Court requested that the Solicitor General submit a brief "expressing the views of the United States" as to whether the Court should grant plaintiffs' writ. Anthem intends to vigorously defend this suit, which they believe is without merit; however, its ultimate outcome cannot be presently determined.

Medicare Risk Adjustment Litigation

In March 2020, the U.S. Department of Justice ("DOJ") filed a civil lawsuit against Anthem, Inc. in the U.S. District Court for the Southern District of New York in a case captioned *United States v. Anthem, Inc.* The DOJ's suit alleges, among other things, that Anthem falsely certified the accuracy of the diagnosis data they submitted to the Centers for Medicare and Medicaid Services ("CMS") for risk-adjustment purposes under Medicare Part C and knowingly failed to delete inaccurate diagnosis codes. The DOJ further alleges that, as a result of these purported acts, Anthem caused CMS to calculate the risk-adjustment payments based on inaccurate diagnosis information, which enabled Anthem to obtain unspecified amounts of payments in Medicare funds in violation of the False Claims Act. The DOJ filed an amended complaint in July 2020, alleging the same causes of action but revising some of its allegations. In September 2020, Anthem filed a motion to transfer the lawsuit to the Southern District of Ohio, a motion to dismiss part of the lawsuit, and a motion to strike certain allegations in the amended complaint. The motions are fully briefed and no decision has been rendered. Anthem intends to continue to vigorously defend this suit, which they believe is without merit; however, the ultimate outcome cannot be presently determined.

Other Contingencies

From time to time, the Company is party to various legal proceedings, many of which involve claims for coverage encountered in the ordinary course of business. The

NOTES TO FINANCIAL STATEMENTS

Company, like HMOs and health insurers generally, exclude certain healthcare and other services from coverage under our HMO, PPO, and other plans. The Company is, in the ordinary course of business, subject to the claims of our enrollees arising out of decisions to restrict or deny reimbursement for uncovered services. The loss of even one such claim, if it results in a significant punitive damage award, could have a material adverse effect on the Company. In addition, the risk of potential liability under punitive damage theories may increase significantly the difficulty of obtaining reasonable reimbursement of coverage claims.

In addition to the lawsuits described above, the Company is also involved in other pending and threatened litigation of the character incidental to their business, and is from time to time involved as a party in various governmental investigations, audits, reviews and administrative proceedings. These investigations, audits, reviews and administrative proceedings include routine and special inquiries by state insurance departments, state attorneys general, the U.S. Attorney General and subcommittees of the U.S. Congress. Such investigations, audits, reviews and administrative proceedings could result in the imposition of civil or criminal fines, penalties, other sanctions and additional rules, regulations or other restrictions on the Company's business operations. Any liability that may result from any one of these actions, or in the aggregate, could have a material adverse effect on the Company's financial position or results of operations.

The Company has no other known material contingencies.

Provisions for uncollectible amounts

At December 31, 2021 and 2020, the Company reported admitted assets of \$9,241,155 and \$6,111,154 respectively, in premium receivables and receivables due from uninsured plans. Based upon the Company's experience, any uncollectible receivables are not expected to exceed \$1,829,852 that was nonadmitted at December 31, 2021; 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 Lease**

(1) The Company leases office space, office equipment, EDP equipment, and software under various noncancelable operating leases. Certain leases have the right to renew. There are no escalation clauses for any lease. Related lease expense for 2021 and 2020 was \$1,020,535 and \$1,281,434, respectively.

(2) At December 31, 2021, the minimum aggregate rental commitments are as follows:

	<u>Year Ending December 31</u>	<u>Operating Leases</u>
1	2022	\$ 688,620
2	2023	709,279
3	2024	730,561
4	2025	370,682
5	2026	—
6	Total	<u>\$ 2,499,142</u>

(3) The Company has not entered into any material sale-leaseback transactions.

B. Lessor Leases

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

NOTES TO FINANCIAL STATEMENTS

(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 has no significant financial instruments with off-balance sheet risk.

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, 2021, 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, 2021 and 2020.

B. Transfer and Servicing of Financial Assets

(1) The Company participates in a securities lending program whereby marketable securities in its investment portfolio are transferred to independent brokers or dealers. At December 31, 2021 the fair value of securities loaned was \$14,863,656 and the carrying value of securities loaned was \$14,054,312.

(2) - (7) Not applicable.

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 the yield on the investments.

(2) At December 31, 2021 and 2020, 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 ("ASO") Plans

Not applicable at December 31, 2021.

B. Administrative Services Contract ("ASC") Plans

Not applicable at December 31, 2021.

C. Medicare or Other Similarly Structured Cost-Based Reimbursement Contract

(1) The Company does not record revenue explicitly attributable to the cost share and reinsurance components of administered Medicare products.

NOTES TO FINANCIAL STATEMENTS

(2)	Receivable from	Related to	2021	2020
	Centers for Medicare and Medicaid Services	Cost share and reinsurance components of administered Medicare products	\$ 24,997,827	\$ 19,775,377
	U.S. Department of Health and Human Services	Cost share and reinsurance components of administered commercial ACA products	\$ —	\$ —
	Uninsured plans	Uninsured business, not including pharmaceutical rebate receivables	\$ —	\$ —

(3) As no revenue is recorded in connection with the cost share and reinsurance components of the Company's Medicare and ACA products, the Company has recorded no allowances and reserves for the adjustment of recorded revenues and receivables.

(4) The Company has made no adjustment to revenue resulting from the audit of cost-reimbursement receivables related to revenues recorded in the prior period.

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

No premiums were written by managing general agents or third party administrators during the years ended December 31, 2021 and 2020.

20. Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date:

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
a. Assets at fair value					
Bonds					
Industrial and misc	\$ —	\$ 1,173,731	\$ —	\$ —	\$ 1,173,731
Total bonds	\$ —	\$ 1,173,731	\$ —	\$ —	\$ 1,173,731
Total assets at fair value/NAV	\$ —	\$ 1,173,731	\$ —	\$ —	\$ 1,173,731

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

There are no investments in Level 3 as of December 31, 2021 and 2020.

(3) The Company's policy is to recognize transfers between Levels, if any, as of the beginning of the reporting period.

(4) Fair values of bonds are based on quoted market prices, where available. These fair values are obtained primarily from third party pricing services, which generally use Level 1 or Level 2 inputs, for the determination of fair value to facilitate fair value measurements and disclosures. Level 2 securities primarily include United States government securities, corporate securities, securities from states, municipalities and political subdivisions, mortgage-backed securities and certain other asset-backed securities. For securities not actively traded, the pricing services may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds. The Company has controls in place to review the pricing services' qualifications and procedures used to determine fair values. In addition, the Company

NOTES TO FINANCIAL STATEMENTS

periodically reviews the pricing services' pricing methodologies, data sources and pricing inputs to ensure the fair values obtained are reasonable.

Certain bonds, primarily corporate debt securities, are designated Level 3. For these securities, the valuation methodologies may incorporate broker quotes or discounted cash flow analyses using assumptions for inputs such as expected cash flows, benchmark yields, credit spreads, default rates and prepayment speeds that are not observable in the markets.

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

B. Fair Value Measurements Under Other Accounting Pronouncements

Not applicable at December 31, 2021 and 2020.

C. Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$331,023,457	\$320,250,647	\$ —	\$331,023,457	\$ —	\$ —	\$ —
Securities lending collateral asset	15,180,831	15,180,624	—	15,180,831	—	—	—

D. Not Practicable to Estimate Fair Value

There are no financial instruments that were not practicable to estimate fair value.

E. Investments Measured at Net Asset Value

The Company has no investments measured at net asset value.

21. Other Items**A. Unusual or Infrequent Items**

The spread of the COVID-19 virus caused significant financial market volatility, economic uncertainty, and interruptions to normal business activities. The ultimate impact to the Company is unknown, but management expects continued interruptions to day-to-day business activities, impacts to claim and premium activity, investment values, as well as possible impacts to liquidity.

B. Troubled Debt Restructuring: Debtors

Not applicable at December 31, 2021 and 2020.

C. Other Disclosures

Assets in the amount of \$55,121,503 and \$56,351,118 at December 31, 2021 and 2020, respectively, were on deposit with government authorities or trustees as required by law.

D. Business Interruption Insurance Recoveries

The Company has reported no recoveries for business interruption for the years ended December 31, 2021 and 2020.

NOTES TO FINANCIAL STATEMENTS

E. State Transferable and Non-Transferable Tax Credits

The Company did not have state transferable or non-transferable tax credits at December 31, 2021 and 2020.

F. Subprime Mortgage-Related Risk Exposure

- (1) The Company's investment strategy of providing safety and preservation of capital, sufficient liquidity to meet cash flow requirements and the attainment of a competitive after-tax investment return is supported by a well diversified portfolio consisting of many different types of investments. The portion of the Company's investment portfolio with subprime mortgage-related risk exposure is relatively small in comparison to the overall investment portfolio, and consists mainly of investment grade securities with no exposure to collateralized debt obligations. All mortgage related investments are monitored closely as part of the quarterly investment review performed by the Anthem Investment Impairment Review Committee.
- (2) The Company did not carry investments in subprime mortgage loans in its portfolio at December 31, 2021 or 2020.
- (3) The Company did not have subprime mortgage-related risk exposure at December 31, 2021 or 2020.
- (4) The Company did not underwrite Mortgage Guaranty or Financial Guaranty insurance coverage at December 31, 2021 or 2020.

G. Retained Assets

The Company does not have retained assets at December 31, 2021 and 2020.

H. Insurance-Linked Securities 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.

22. Events Subsequent

Subsequent events have been considered through March 30, 2022 for the statutory statement issued on March 31, 2022. There were no events occurring subsequent to December 31, 2021 requiring recognition or disclosure.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

- (1) Are any of the reinsurers that are 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)

If yes, give full details.

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

Yes () No (X)

If yes, give full details.

Section 2 - Ceded Reinsurance Report - Part A

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

Yes () No (X)

If yes, give full details.

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

Yes () No (X)

If yes, give full details.

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.

\$0

- (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

NOTES TO FINANCIAL STATEMENTS

force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

If yes, give full details.

B. Uncollectible Reinsurance

The Company has no uncollectible reinsurance at December 31, 2021 and 2020.

C. Commutation of Ceded Reinsurance

The Company has not commuted ceded reinsurance during 2021 and 2020.

D. Certified Reinsurer Rating Downgraded or Status Subject Revocation

The Company has no downgraded certified reinsurer ratings or status subject to revocations during 2021 and 2020.

E. Reinsurance Credit

(1) Not applicable.

(2) Not applicable.

(3) Not applicable.

(4) Not applicable.

(5) Not applicable.

24. Retrospectively Rated Contracts & 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 the review of each retrospectively rated account, comparing the claim development with that anticipated in the policy contracts.

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

C. The amount of net premiums written by the Company at December 31, 2021 and 2020 that were subject to retrospective rating features was \$758,667,182 and \$949,546,071, respectively, which represented 100.0% and 99.9%, respectively, of the total net premiums written.

D. Not applicable.

NOTES TO FINANCIAL STATEMENTS

E. Risk-Sharing Provisions of the ACA

(1)	Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?	<u>Yes</u>
(2)	Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year	
a.	Permanent ACA Risk Adjustment Program	
	Assets	
	1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)	\$ 221,608
	Liabilities	
	2. Risk adjustment user fees payable for ACA Risk Adjustment	\$ 9
	3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool premiums)	\$ —
	Operations (Revenue & Expense)	
	4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ 257,871
	5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ (17)
b.	Transitional ACA Reinsurance Program	
	Assets	
	1. Amounts recoverable for claims paid due to ACA Reinsurance	\$ —
	2. Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)	\$ —
	3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$ —
	Liabilities	
	4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$ —
	5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$ —
	6. Liability for amounts held under uninsured plans contributions for ACA Reinsurance	\$ —
	Operations (Revenue & Expense)	
	7. Ceded reinsurance premiums due to ACA Reinsurance	\$ —
	8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ —
	9. ACA Reinsurance contributions - not reported as ceded premium	\$ —
c.	Temporary ACA Risk Corridors Program	
	Assets	
	1. Accrued retrospective premium due to ACA Risk Corridors	\$ —
	Liabilities	
	2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$ —
	Operations (Revenue & Expense)	
	3. Effect of ACA Risk Corridors on net premium income (paid/received)	\$ —
	4. Effect of ACA Risk Corridors on change in reserves for rate credits	\$ —

Line items where the amount is zero is due to no balance and/or no activity as of the reporting date.

NOTES TO FINANCIAL STATEMENTS

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

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Ref	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)
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high risk pool payments)	\$ 1,357,283	\$ —	\$ 415,219	\$ —	\$ 942,064	\$ —	\$(720,456)	\$ —	A	\$ 221,608	\$ —
2. Premium adjustments (payable) (including high risk pool premiums)	\$ —	\$ 848,309	\$ —	\$ 549,857	\$ —	\$ 298,452	\$ —	\$(298,452)	B	\$ —	\$ —
3. Subtotal ACA Permanent Risk Adjustment Program	\$ 1,357,283	\$ 848,309	\$ 415,219	\$ 549,857	\$ 942,064	\$ 298,452	\$(720,456)	\$(298,452)		\$ 221,608	\$ —
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	C	\$ —	\$ —
2. Amounts recoverable for claims unpaid (contra liability)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	D	\$ —	\$ —
3. Amounts receivable relating to uninsured plans	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	E	\$ —	\$ —
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	F	\$ —	\$ —
5. Ceded reinsurance premiums payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	G	\$ —	\$ —
6. Liability for amounts held under uninsured plans	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	H	\$ —	\$ —
7. Subtotal ACA Transitional Reinsurance Program	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		\$ —	\$ —
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	I	\$ —	\$ —
2. Reserve for rate credits or policy experience rating refunds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	J	\$ —	\$ —
3. Subtotal ACA Risk Corridors Program	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		\$ —	\$ —
d. Total for ACA Risk Sharing Provisions	\$ 1,357,283	\$ 848,309	\$ 415,219	\$ 549,857	\$ 942,064	\$ 298,452	\$(720,456)	\$(298,452)		\$ 221,608	\$ —

Explanations of Adjustments

- A Adjustments were made to reflect the ending balance in the Centers for Medicare & Medicaid Services "Summary Report on Permanent Risk Adjustment Transfers for the 2020 Benefit Year."
- B Adjustments were made to reflect the ending balance in the Centers for Medicare & Medicaid Services "Summary Report on Permanent Risk Adjustment Transfers for the 2020 Benefit Year."
- C Not applicable.
- 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 December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reporting Date	
	1	2	3	4	5	6	7	8	9	10
a. 2014										
1. Accrued retrospective premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	A	\$ —
2. Reserve for rate credits for policy experience rating refunds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	B	\$ —
b. 2015										
1. Accrued retrospective premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	C	\$ —
2. Reserve for rate credits for policy experience rating refunds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	D	\$ —
c. 2016										
1. Accrued retrospective premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	E	\$ —
2. Reserve for rate credits for policy experience rating refunds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	F	\$ —
d. Total for Risk Corridors	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		\$ —

Explanations of adjustments

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

24E(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 Amount	6 Net Admitted Asset (4 - 5)
a. 2014	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
b. 2015	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
c. 2016	\$ 8,305,585	\$ 41,465	\$ 8,264,120	\$ —	\$ —	\$ —
d. Total (a + b + c)	\$ 8,305,585	\$ 41,465	\$ 8,264,120	\$ —	\$ —	\$ —

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. The estimated cost of claims and claim adjustment expense attributable to insured events of prior years decreased by \$10,748,465 during 2021. This is approximately 7.3% of unpaid claims and claim adjustment expenses of \$146,801,581 as of December 31, 2020. The redundancy reflects the decreases in estimated claims and claims adjustment expenses as a result of claims payment during the year, and as additional information is received regarding claims incurred prior to 2021. Recent claim development trends are also taken into account in evaluating the overall adequacy of unpaid claims and unpaid claim adjustment expense.
- B. There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses. The impact from COVID-19 on healthcare utilization and medical claims submission patterns has increased estimation uncertainty on our incurred but not reported liability at December 31, 2021. Slowdowns in claims submission patterns and increases in utilization levels for COVID-19 testing and treatment during the fourth quarter of 2021 are the primary factors that lead to the increased estimation uncertainty.

NOTES TO FINANCIAL STATEMENTS

26. Intercompany Pooling Arrangements

Not applicable at December 31, 2021 and 2020.

27. Structured Settlements

Not applicable at December 31, 2021 and 2020.

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
12/31/2021	\$ 5,792,640	\$ 16,302,384	\$ 10,385,551	\$ —	
9/30/2021	5,603,115	15,392,214	14,954,931	—	
6/30/2021	6,085,875	11,185,992	10,726,978	459,014	
3/31/2021	5,998,852	15,941,144	15,518,694	422,450	
12/31/2020	6,790,234	17,905,378	17,772,397	132,981	
9/30/2020	4,892,357	15,766,992	15,468,417	298,575	
6/30/2020	6,681,633	14,688,515	14,304,260	384,255	
3/31/2020	10,587,094	10,744,674	10,131,800	612,874	
12/31/2019	17,235,073	13,662,873	608,125	—	13,021,949
9/30/2019	16,781,529	13,463,420	9,151,880	7,808	12,706,834
6/30/2019	16,800,208	13,031,895	277,580	12,672,321	30,251
3/31/2019	16,395,648	12,982,569	237,204	12,777,773	71,851

B. Risk Sharing Receivables

Not applicable at December 31, 2021 and 2020.

29. Participating Policies

Not applicable at December 31, 2021 and 2020.

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	\$	—
2. Date of the most recent evaluation of this liability	<u>December 31, 2021</u>	
3. Was anticipated investment income utilized in the calculation?	Yes	No <u>X</u>

The Company recorded premium deficiency reserves of \$17,640,697 at December 31, 2020.

31. Anticipated Salvage and Subrogation

The Company took into account estimated anticipated subrogation and other recoveries in its determination of the liability for unpaid claims and reduced the liability by \$1,526,000 and \$2,794,000 at December 31, 2021 and 2020, respectively.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State Regulating? New York
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes No
- 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. 0001156039
- 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
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2019
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2019
- 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). 10/01/2021
- 3.4 By what department or departments?
New York State Department of Financial Services
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes No
4.12 renewals? Yes No
- 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
4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
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
- 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
- 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 2021 OF THE Empire HealthChoice HMO, Inc.

GENERAL INTERROGATORIES

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

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

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the reporting entity? Yes [] No [X]
- 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? Yes [] No [X] N/A []
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 111 Monument Circle, Suite 4000, Indianapolis, IN 46204
- 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?
Reuven Lowenthal, FSA, MAA, Director & Actuary III (employee): 1408 E. 15 St., Brooklyn, NY 11230
- 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.....\$
 - 20.12 To stockholders not officers.....\$
 - 20.13 Trustees, supreme or grand (Fraternal Only).....\$
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers.....\$
 - 20.22 To stockholders not officers.....\$
 - 20.23 Trustees, supreme or grand (Fraternal Only).....\$
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others.....\$
 - 21.22 Borrowed from others.....\$
 - 21.23 Leased from others.....\$
 - 21.24 Other.....\$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [X] No []
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ 96,437
 - 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:.....\$
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? Yes [] No [X]
- 24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

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

INVESTMENT

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

GENERAL INTERROGATORIES

- 25.02 If no, give full and complete information relating thereto
.....
- 25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided) See Notes 5E and 17.
- 25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$ 15,180,624
- 25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$
- 25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A
- 25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A
- 25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes No N/A
- 25.09 For the reporting entity's securities lending program state the amount of the following as of December 31 of the current year:
- 25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 15,180,831
- 25.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 15,180,624
- 25.093 Total payable for securities lending reported on the liability page. \$ 15,180,624

- 26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). Yes No
- 26.2 If yes, state the amount thereof at December 31 of the current year:
- 26.21 Subject to repurchase agreements \$
- 26.22 Subject to reverse repurchase agreements \$
- 26.23 Subject to dollar repurchase agreements \$
- 26.24 Subject to reverse dollar repurchase agreements \$
- 26.25 Placed under option agreements \$
- 26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$
- 26.27 FHLB Capital Stock \$
- 26.28 On deposit with states \$ 55,121,503
- 26.29 On deposit with other regulatory bodies \$
- 26.30 Pledged as collateral - excluding collateral pledged to an FHLB \$
- 26.31 Pledged as collateral to FHLB - including assets backing funding agreements \$
- 26.32 Other \$

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....

- 27.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No
- 27.2 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 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

- 27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? .. Yes No
- 27.4 If the response to 27.3 is YES, does the reporting entity utilize:
- 27.41 Special accounting provision of SSAP No. 108 Yes No
- 27.42 Permitted accounting practice Yes No
- 27.43 Other accounting guidance Yes No
- 27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes No
- The reporting entity has obtained explicit approval from the domiciliary state.
 - Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
 - Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
 - Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.
- 28.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No
- 28.2 If yes, state the amount thereof at December 31 of the current year. \$
29. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?..... Yes No
- 29.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase Bank, N.A	383 Madison Ave, New York, NY 10179

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

GENERAL INTERROGATORIES

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

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

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?..... Yes [] No [X]

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

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

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

1 Name of Firm or Individual	2 Affiliation
Anthem, Inc.	I.....
Loomis, Sayles & Company, LP	U.....
MackKay Shields LLC	U.....

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
105377	Loomis, Sayles & Company, LP	J1ZPN2RX3UMNOY1D1313	Securities Exchange Commission	NO.....
107717	MackKay Shields LLC	549300Y7LLCOFU7R8H16	Securities Exchange Commission	NO.....

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

30.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
30.2999 - Total		0

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

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

GENERAL INTERROGATORIES

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds	320,250,647	331,023,457	10,772,810
31.2 Preferred stocks	0		0
31.3 Totals	320,250,647	331,023,457	10,772,810

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

Fair values were obtained from third-party pricing sources. If a security was not priced by a third-party pricing source, internal analytical systems or broker quotes were utilized.

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

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

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

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

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

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

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

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:
 a. The shares were purchased prior to January 1, 2019.
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
 c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
 d. The fund only or predominantly holds bonds in its portfolio.
 e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
 f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.
 Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:
 a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
 b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
 c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
 d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.
 Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [] No [X] N/A []

GENERAL INTERROGATORIES

OTHER

38.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$43,408

38.2 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
Blue Cross Blue Shield Association	43,408
.....

39.1 Amount of payments for legal expenses, if any?\$1,075,476

39.2 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
Nelson Mullins Rileys	304,965
Omelveny & Myers	555,564
.....

40.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$58,712

40.2 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
Hinman Straub	29,034
Pitta Bishop Del Giorno & Giblin LLC	24,433
.....

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

Lobbying expenses disclosed reflect amounts reported in the Lobbyist Disclosure Reports filed with the Secretary of State. The amount may include expenses that may have been paid by an affiliate on behalf of the Company and, as a result, may not be included in the Underwriting Gain reported on page 4 of the 2021 Annual Statement.”

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	758,667,182	949,604,393
2.2 Premium Denominator	758,667,182	949,604,393
2.3 Premium Ratio (2.1/2.2)	1.000	1.000
2.4 Reserve Numerator	118,959,928	162,707,129
2.5 Reserve Denominator	118,959,928	162,707,129
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 [X]

5.2 If no, explain:
The Company retains all risk.

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical \$ _____

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:
If the Company becomes insolvent, Anthem, Inc. has agreed to assume all contractual and financial obligations of the Company. All provider contracts contain appropriate hold harmless provisions.

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 110,802

8.2 Number of providers at end of reporting year 114,351

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 \$ _____

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes No

10.2 If yes:

10.21 Maximum amount payable bonuses	\$	26,259,533
10.22 Amount actually paid for year bonuses	\$	11,425,994
10.23 Maximum amount payable withholds	\$
10.24 Amount actually paid for year withholds	\$

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
11.13 An Individual Practice Association (IPA), or, ..	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
11.14 A Mixed Model (combination of above)?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes No

11.3 If yes, show the name of the state requiring such minimum capital and surplus. New York

11.4 If yes, show the amount required. \$ 94,833,398

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes No

11.6 If the amount is calculated, show the calculation
Please see attached Report 16A from the Company's Supplement.

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

1 Name of Service Area
Albany
Bronx
Clinton
Columbia
Delaware
Dutchess
Essex
Fulton
Greene
Kings
Montgomery
Nassau
New York
Orange
Putnam
Queens
Rensselaer
Richmond
Rockland
Saratoga
Schenectady
Schoharie
Suffolk
Sullivan
Ulster
Warren
Washington
Westchester

13.1 Do you act as a custodian for health savings accounts? Yes No

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$

13.3 Do you act as an administrator for health savings accounts? Yes No

13.4 If yes, please provide the balance of funds administered as of the reporting date. \$

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes No N/A

14.2 If the answer to 14.1 is yes, please provide the following:

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written\$
 15.2 Total Incurred Claims\$
 15.3 Number of Covered Lives

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

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [X] No []

16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [] No []

REPORT #16A

**Calculations Of The Escrow Deposit And Contingent Reserve
Health Department Regulation Part 98-1.11(e) and (f)**

I. Escrow Deposit

1. Projected 2021 Hospital and Medical Expenses (12/31/20 NY Supplement, page NY6, In. 16, col. 9).....	844,891,325
2. Escrow Deposit Requirement (5% of projected 2021 hospital and medical expenses) ^(a)	42,244,566

(a) Department of Health Regulation 10 NYCRR 98-1.11(f), amended effective 6/29/05, requires the HMO to establish an escrow account in the form of a trust account with a custodian, for which a deed of trust has been approved by the superintendent. Also, based on the added pharmacy benefits to the Medicaid, and HIV SNP benefits packages on October 1, 2011, MCO's must include 100% of the projected pharmacy expenses in the calculation of the 5% escrow requirement that must be on deposit, as of March 31, 2021. Details of the account should be reported in the NAIC Health Blank, Schedule E – Part 3, Special Deposits.

II. Contingent Reserve*

1. Direct Business (NAIC Health Blank, page 8, Underwriting & Investment Part 1 - Premiums, In. 12, col. 1).....	758,667,182
2. Approved Reinsurance Ceded (Report #16B, col. 2) ^(b)	0
3. Net Premium Income (Net of approved reinsurance) for: *	
3.i) All lines of business EXCEPT:	
Essential Plan, FIDA, Medicaid Managed Care, Medicaid Advantage, HARP, MLTC Program (MLTC-Partial, Medicaid Advantage Plus ("MAP"), PACE) and HIV SNP (pages NY7-NY9, In. 2.5, all columns EXCEPT: cols. 33, 35, 37, 41, 43, 45).....	758,667,182
3.ii) Essential Plan, HARP, Medicaid Managed Care, Medicaid Advantage and HIV SNP programs (pages NY8-NY9, In. 2.5, cols. 33, 35, 41, 43).....	0
LESS: Value Based Payment ("VBP") Supplemental Programs	0
3.iii) MLTC Program (MLTC-Partial, MAP, PACE) (page NY9, In. 2.5, col. 37).....	0
3.iv) FIDA-IDD (page NY9, In. 2.5, col. 45)	0
4. Contingent Reserve, not including the 2% Point of Service Contingent Reserve Requirement. ^(c)	94,833,398
5. 2% Point of Service Contingent Reserve Requirement. ^(d)	
6. Total Contingent Reserve (Ins. 4+5 should equal page NY3, In. 30.11, col. 3).....	94,833,398
7. Escrow Deposit, after offset of the Contingent Reserve (I.In. 2 less II.In. 4; minimum of \$0, should equal page NY3, In. 30.12, col. 3).....	0
8. Total minimum Net Worth (In. 6+7; should equal page NY3, In. 30.13, col. 3).....	94,833,398

*The Net Premium Income amount used to calculate the contingent reserve for line 3 are the amounts reported on the Statement of Revenue and Expenses by Line of Business Parts 1, 2 & 3 on pages 9 to 12 in the NY Supplement for HMO.

(b) This entry will equal Net Premium Income, Page NY4, Line 2.5 only if all reinsurance contracts have been approved by the Department of Financial Services. Reinsurance agreements not approved by the Department of Financial Services should not be included in this line.

(c) For HMO's certified prior to June 29, 2005, Line 5 equals 12½% of Line 3(i) PLUS 7¼% of Line 3(ii) PLUS 5% of Line 3(iii) PLUS 6.25% of Line 3(iv).

(d) The calculation of the Contingent Reserve must show that the HMO meets the 2% Point of Service Contingent Reserve requirement in addition to the standard contingent reserve requirement of 10 NYCRR 98-1.11(e) if the HMO writes out-of-network coverage for POS contracts aside from individual "standardized" POS contracts.

For HMO's certified after June 29, 2005:

If as of 12/31/2021, the HMO has not been certified for a full calendar year, then Line 4 equals 5% of projected premium revenue for the first full year of calendar year operations, i.e., 5% of Page NY6, Line 2.5, column 9 to which the HMO is to add back reinsurance premiums ceded pursuant to a reinsurance contract that has not been approved by the Department of Financial Services.

If as of 12/31/2021, the HMO has been certified for at least one full calendar year, then Line 4 is determined in accordance with the following schedule:

The provisions below pertain to the contingent reserve for the Essential Plan, Medicaid Managed Care, Medicaid Advantage, HARP, HIV SNP, and MLTC Partial Cap (MAP, PACE, FIDA, FIDA-IDD).

Completed Calendar Years of Operations	Line 4 should include This Percent of the amount of Premium in Line 3(i).	P L U S	For Calendar Year Ending	Line 4 should include the Percent of the amount of Premium in Line 3(ii).	P L U S	Line 4 should include the Percent of the amount of Premium in Line 3(iii)	P L U S	Line 4 should include the Percent of the amount of Premium in Line 3(iv).
1 year	5%		2021	7.25%		5.00%		6.25%
2 years	6.50%		2022	7.25%		5.00%		6.25%
3 years	7.50%		2023	8.25%		5.00%		6.25%
4 years	8.50%		2024	9.25%		5.00%		6.25%
5 years	9.50%		2025	10.25%		5.00%		6.25%
6 years	10.50%		2026	11.25%		5.00%		6.25%
7 years	11.50%		2027	12.5%		5.00%		6.25%
8 or more years	12.50%		After 2028	12.5%		5.00%		6.25%

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE Empire HealthChoice HMO, Inc.

FIVE-YEAR HISTORICAL DATA

	1 2021	2 2020	3 2019	4 2018	5 2017
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	431,037,302	425,392,401	408,659,367	434,637,489	525,218,643
2. Total liabilities (Page 3, Line 24)	285,360,692	245,190,660	251,503,597	247,626,320	321,619,879
3. Statutory minimum capital and surplus requirement	94,833,398	118,700,549	121,974,894	123,793,739	160,381,882
4. Total capital and surplus (Page 3, Line 33)	145,676,610	180,201,741	157,155,770	187,011,169	203,598,764
Income Statement (Page 4)					
5. Total revenues (Line 8)	755,212,636	952,467,973	977,590,457	992,094,189	1,284,582,226
6. Total medical and hospital expenses (Line 18)	727,470,444	841,246,491	876,447,151	903,958,825	1,237,993,483
7. Claims adjustment expenses (Line 20)	45,694,823	54,590,226	48,371,555	40,621,164	49,806,835
8. Total administrative expenses (Line 21)	55,648,901	92,710,145	72,678,660	91,968,152	95,110,160
9. Net underwriting gain (loss) (Line 24)	(55,960,836)	(2,966,786)	(61,622,947)	(23,482,197)	(84,099,467)
10. Net investment gain (loss) (Line 27)	9,028,847	11,142,065	11,326,043	9,810,633	12,355,806
11. Total other income (Lines 28 plus 29)	(519,997)	(399,049)	(817,763)	(774,037)	(955,330)
12. Net income or (loss) (Line 32)	(33,487,501)	10,156,172	(41,118,044)	(15,792,130)	(38,392,110)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(89,273,202)	20,658,329	20,522,575	(30,471,870)	(78,961,304)
Risk-Based Capital Analysis					
14. Total adjusted capital	145,676,610	180,201,741	157,155,770	187,011,169	203,598,764
15. Authorized control level risk-based capital	29,215,098	33,554,285	34,622,636	35,382,253	48,499,594
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	55,885	73,879	82,107	85,513	134,609
17. Total members months (Column 6, Line 7)	708,959	898,761	993,051	1,036,507	1,650,248
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)	96.3	88.3	89.7	91.1	96.4
20. Cost containment expenses	4.3	3.8	3.2	2.5	2.5
21. Other claims adjustment expenses	1.8	2.0	1.8	1.6	1.3
22. Total underwriting deductions (Line 23)	107.4	100.3	106.3	102.4	106.5
23. Total underwriting gain (loss) (Line 24)	(7.4)	(0.3)	(6.3)	(2.4)	(6.5)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	129,559,302	103,502,823	85,190,486	142,237,351	136,808,069
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	144,127,431	95,760,344	94,128,595	154,237,097	166,119,736
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	0	0		
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0		
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)			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:

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, etc.	1 Active Status (a)	Direct Business Only									
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums & Other Considerations	8 Property/Casualty Premiums	9 Total Columns 2 Through 8	10 Deposit-Type Contracts	
1. Alabama	AL	N								0	
2. Alaska	AK	N								0	
3. Arizona	AZ	N								0	
4. Arkansas	AR	N								0	
5. California	CA	N								0	
6. Colorado	CO	N								0	
7. Connecticut	CT	N								0	
8. Delaware	DE	N								0	
9. District of Columbia	DC	N								0	
10. Florida	FL	N								0	
11. Georgia	GA	N								0	
12. Hawaii	HI	N								0	
13. Idaho	ID	N								0	
14. Illinois	IL	N								0	
15. Indiana	IN	N								0	
16. Iowa	IA	N								0	
17. Kansas	KS	N								0	
18. Kentucky	KY	N								0	
19. Louisiana	LA	N								0	
20. Maine	ME	L	484,443							484,443	
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	N								0	
31. New Jersey	NJ	N								0	
32. New Mexico	NM	N								0	
33. New York	NY	L	17,230,584	740,952,155						758,182,739	
34. North Carolina	NC	N								0	
35. North Dakota	ND	N								0	
36. Ohio	OH	N								0	
37. Oklahoma	OK	N								0	
38. Oregon	OR	N								0	
39. Pennsylvania	PA	N								0	
40. Rhode Island	RI	N								0	
41. South Carolina	SC	N								0	
42. South Dakota	SD	N								0	
43. Tennessee	TN	N								0	
44. Texas	TX	N								0	
45. Utah	UT	N								0	
46. Vermont	VT	N								0	
47. Virginia	VA	N								0	
48. Washington	WA	N								0	
49. West Virginia	WV	N								0	
50. Wisconsin	WI	N								0	
51. Wyoming	WY	N								0	
52. American Samoa	AS	N								0	
53. Guam	GU	N								0	
54. Puerto Rico	PR	N								0	
55. U.S. Virgin Islands	VI	N								0	
56. Northern Mariana Islands	MP	N								0	
57. Canada	CAN	N								0	
58. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0	0	0
59. Subtotal	XXX	17,230,584	741,436,598	0	0	0	0	0	758,667,182	0	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX								0		0
61. Totals (Direct Business)	XXX	17,230,584	741,436,598	0	0	0	0	0	758,667,182	0	0
DETAILS OF WRITE-INS											
58001.	XXX										
58002.	XXX										
58003.	XXX										
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0	0

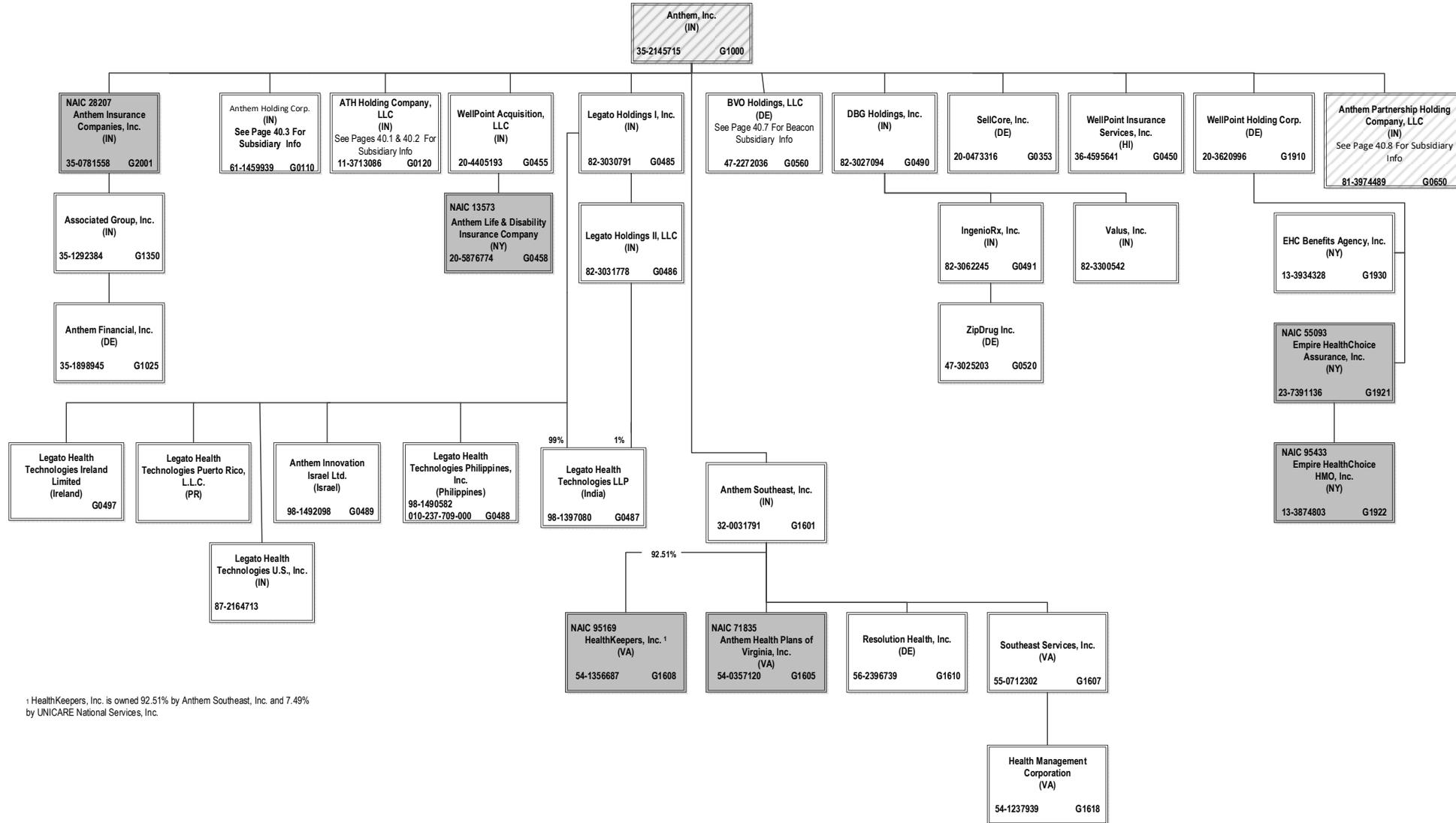
(a) Active Status Counts:
 L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 2 R - Registered - Non-domiciled RRGs..... 0
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state..... 0 Q - Qualified - Qualified or accredited reinsurer..... 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.
 Premiums are allocated based on residence of insured.

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

BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED



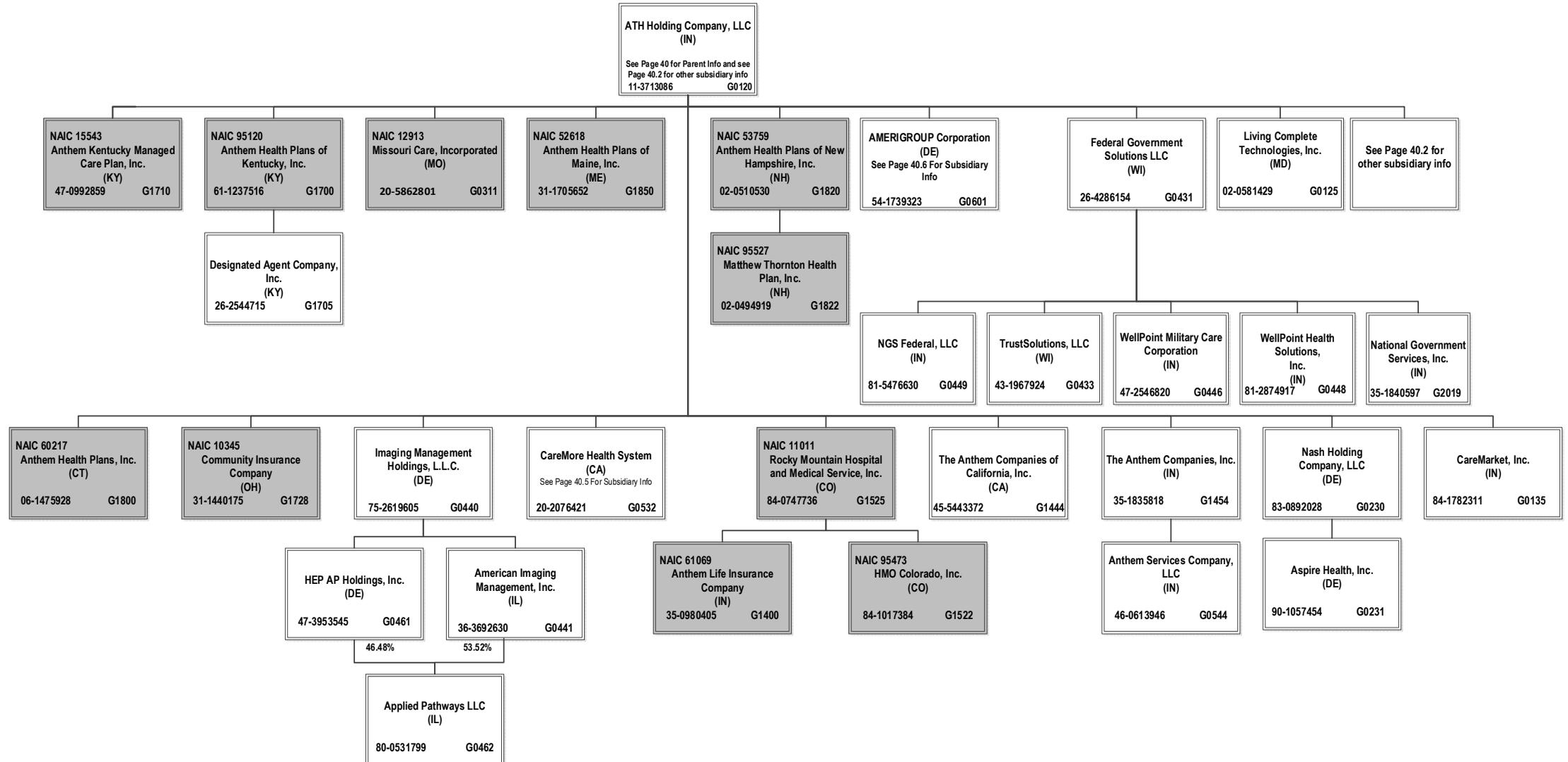
¹ HealthKeepers, Inc. is owned 92.51% by Anthem Southeast, Inc. and 7.49% by UNICARE National Services, Inc.

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

PART 1 – ORGANIZATIONAL CHART

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED

BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee

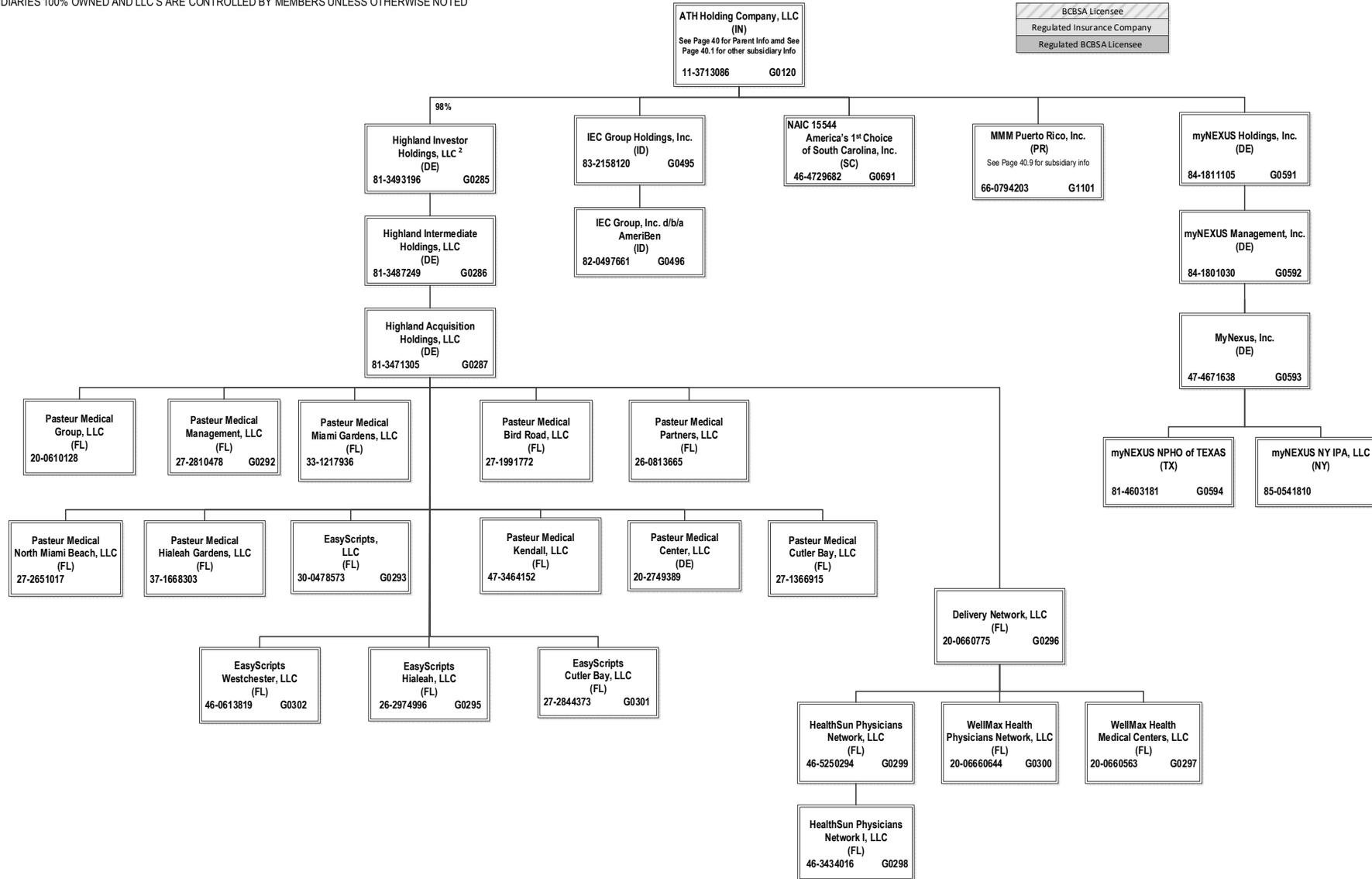


40.1

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

PART 1 – ORGANIZATIONAL CHART

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED



² ATH Holding Company, LLC holds a 98% interest in Highland Investor Holdings, LLC, and Amerigroup Corporation holds the remaining 2% interest.

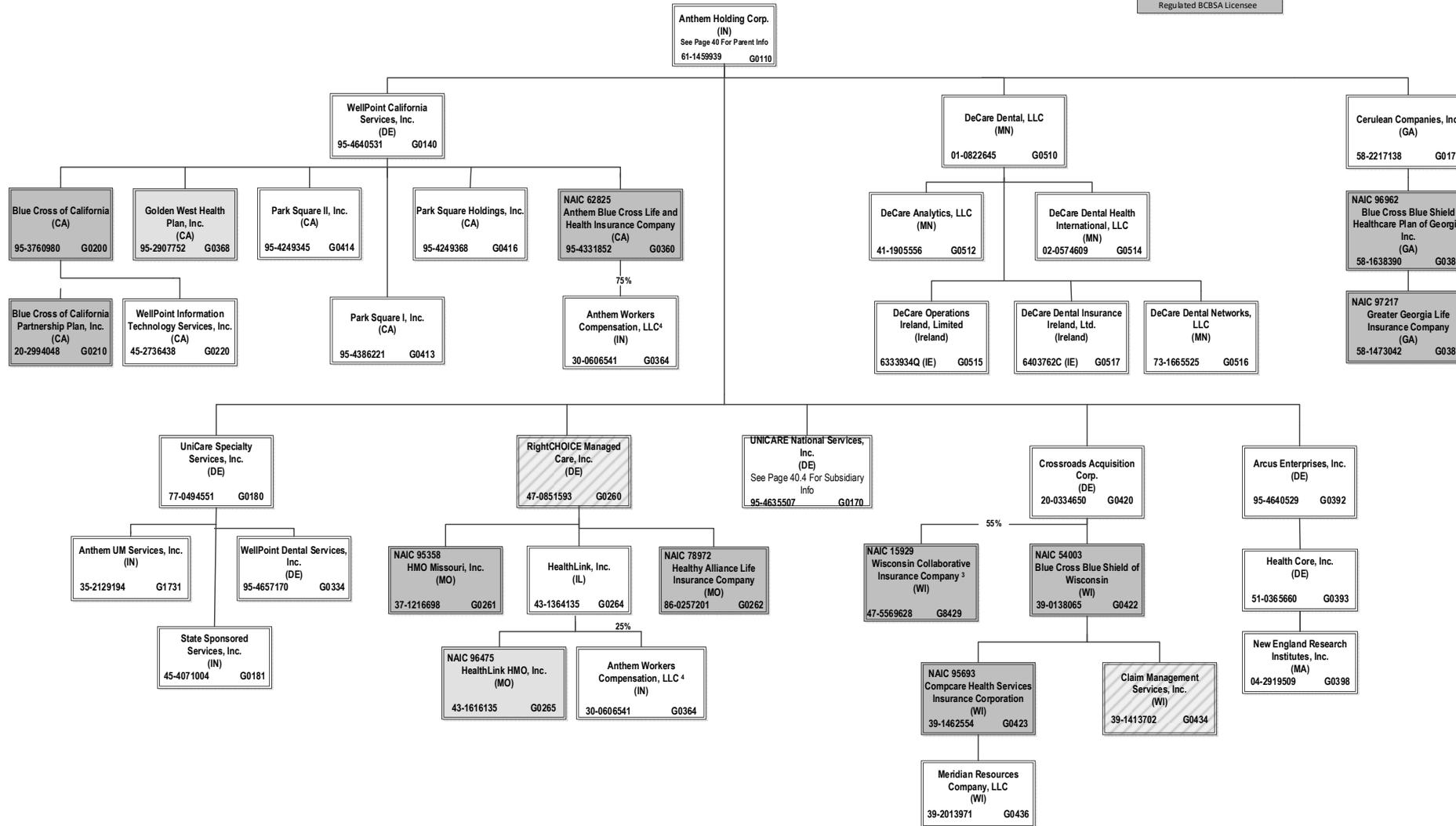
40.2

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

PART 1 – ORGANIZATIONAL CHART

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED

BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee



³ Wisconsin Collaborative Insurance Company is a joint venture 55% owned by Crossroads Acquisition Corp. and 45% owned by Aurora Health Care, Inc. (non-affiliate). Not consolidated for accounting purposes.

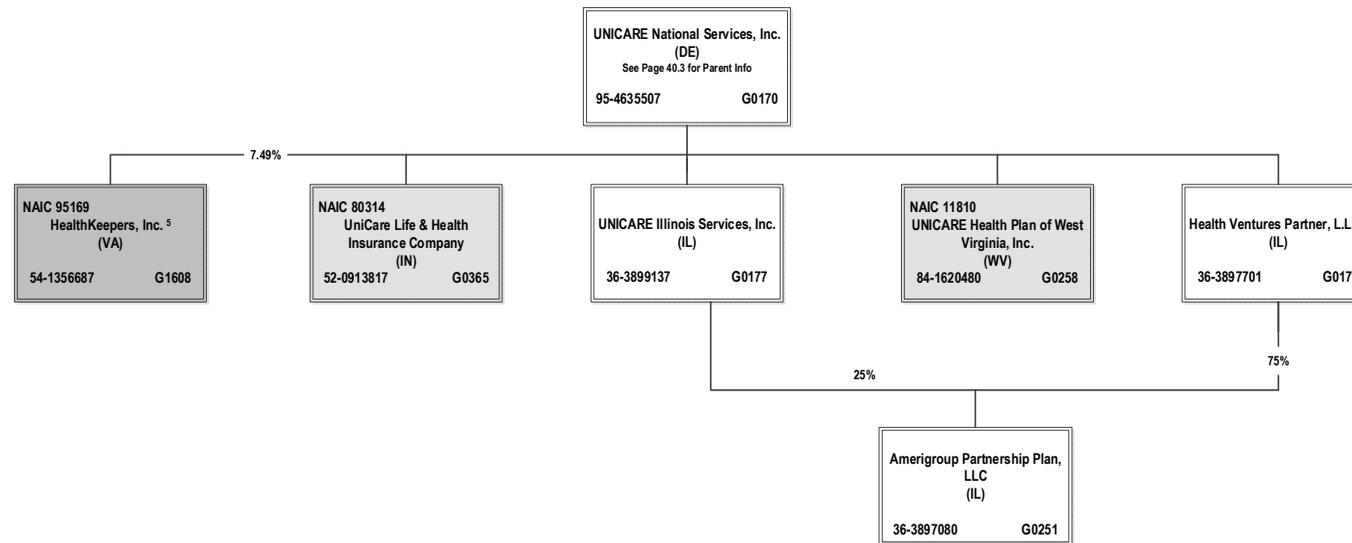
⁴ Anthem Workers' Compensation, LLC is owned 75% by Anthem Blue Cross Life and Health Insurance Company and 25% by HealthLink, Inc.

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

PART 1 – ORGANIZATIONAL CHART

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED

BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee



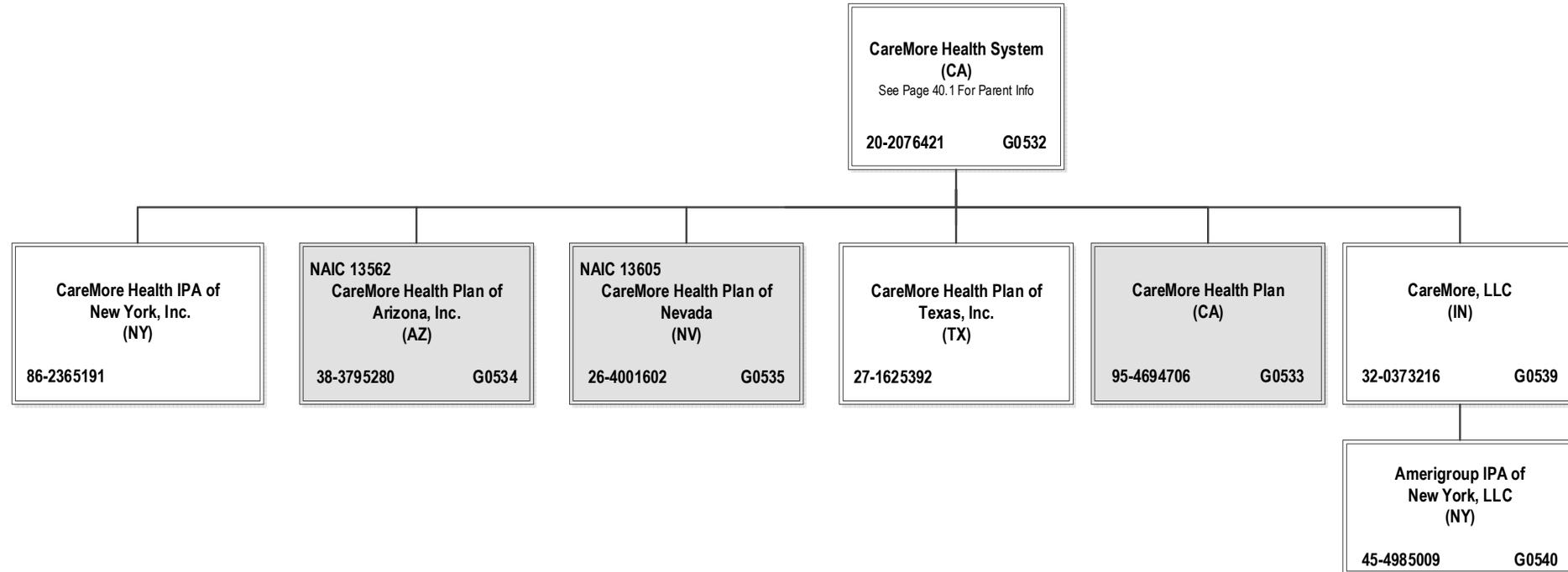
40.4

⁵ HealthKeepers, Inc. is owned 92.51% by Anthem Southeast, Inc. and 7.49% by UNICARE National Services, Inc.

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

BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee

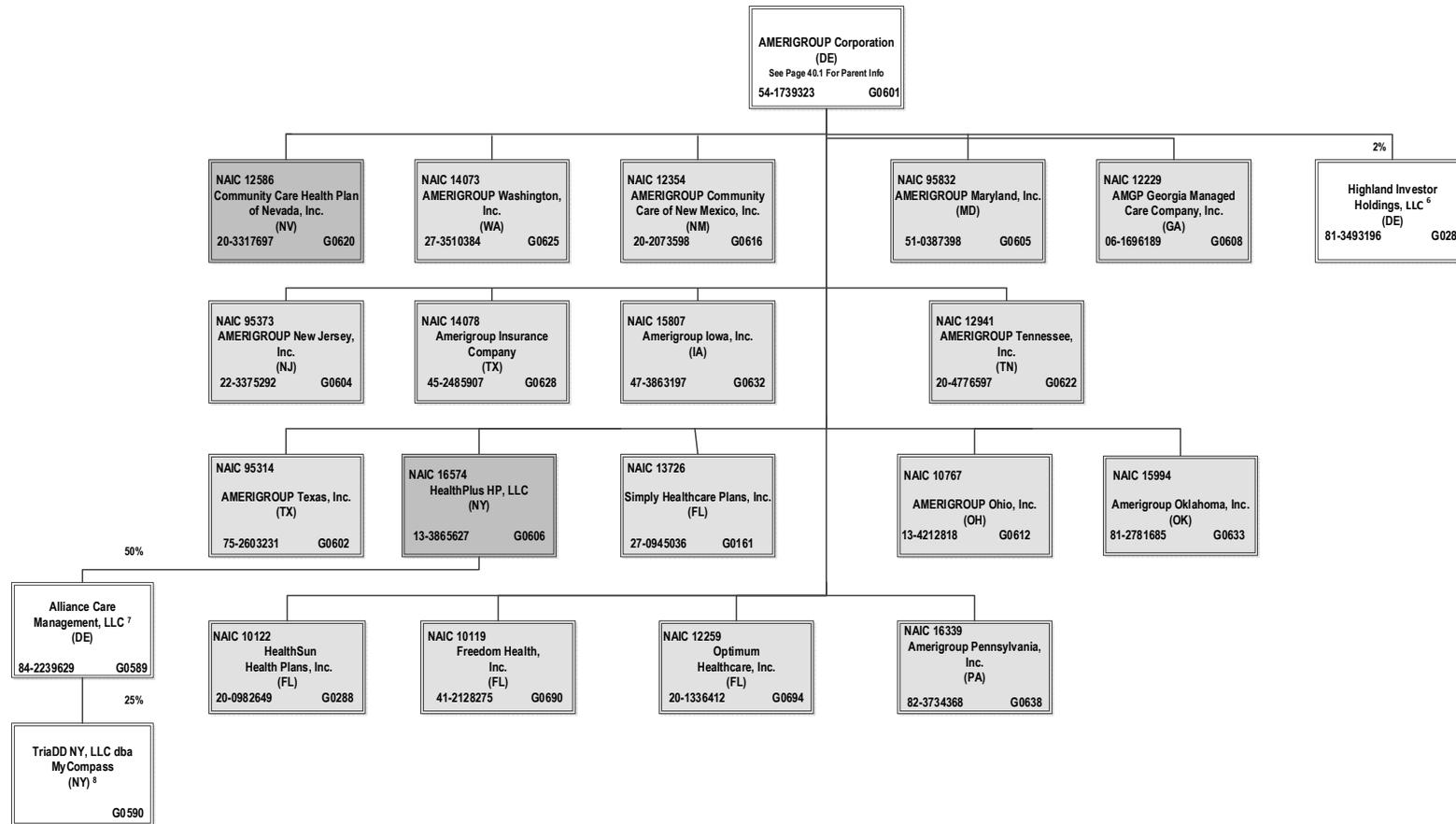
ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED



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

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED

BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee



⁶ Amerigroup Corporation holds a 2% interest in Highland Investor Holdings, LLC, and ATH Holding Company, LLC holds the remaining 98% interest.

⁷ Alliance Care Management, LLC is 50% owned by Beacon Health Options, Inc. and 50% owned by HealthPlus HP, LLC.

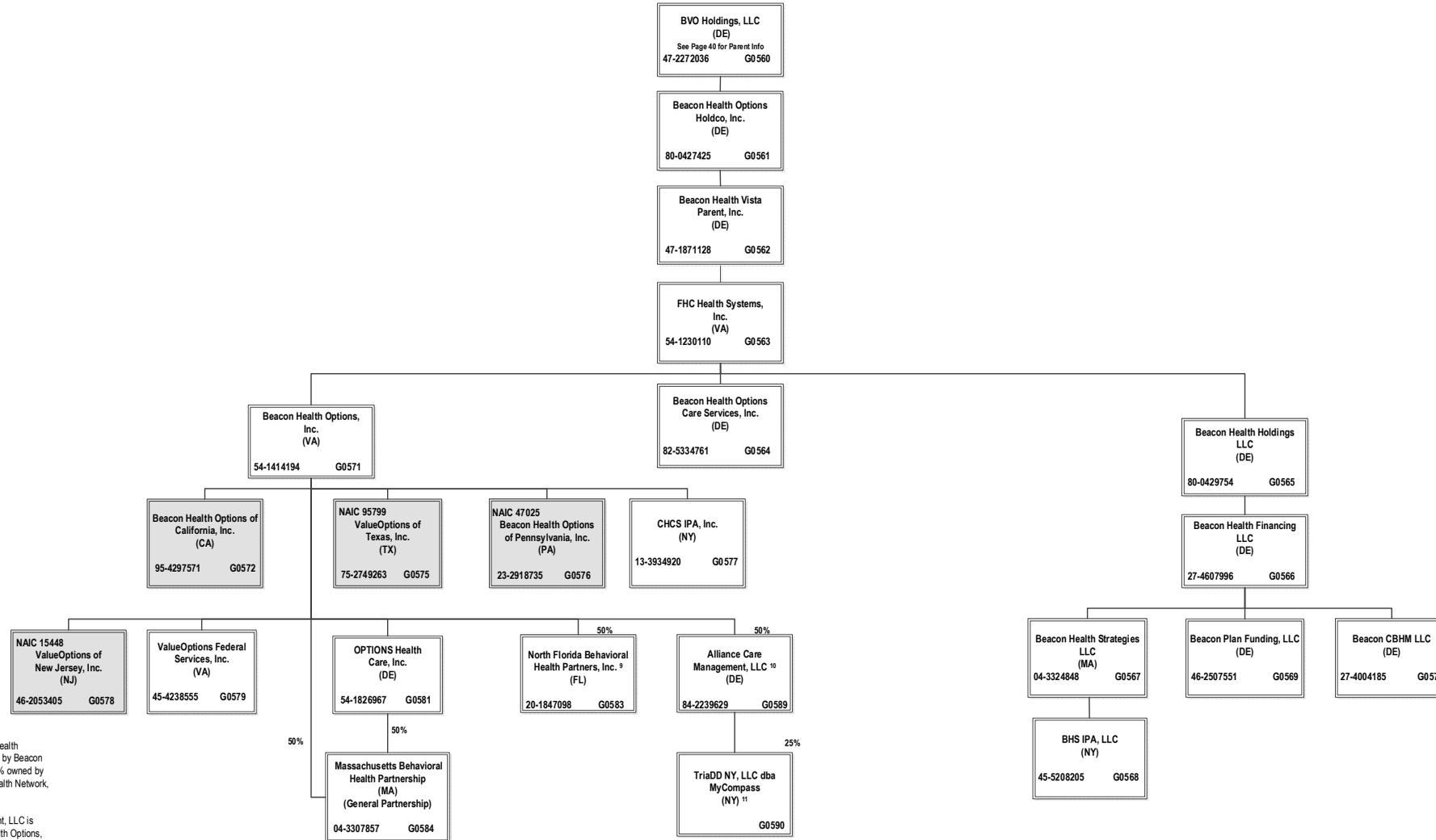
⁸ TriADD NY, LLC dba MyCompass is 25% owned by Alliance Care Management, LLC and the remaining 75% interest is owned by unaffiliated investors.

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

PART 1 – ORGANIZATIONAL CHART

BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED



⁹ North Florida Behavioral Health Partners, Inc. is 50% owned by Beacon Health Options, Inc. and 50% owned by North Florida Behavioral Health Network, Inc. (non-affiliate)

¹⁰ Alliance Care Management, LLC is 50% owned by Beacon Health Options, Inc. and 50% owned by HealthPlus HP, LLC.

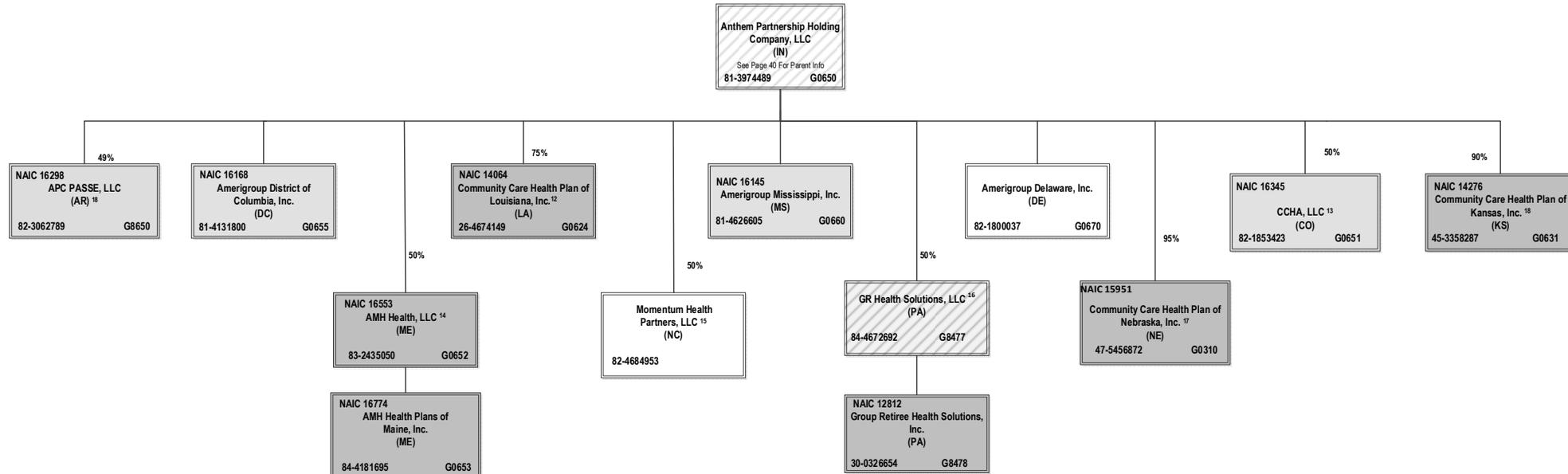
¹¹ TriADD NY, LLC dba MyCompass is 25% owned by Alliance Care Management, LLC and the remaining 75% interest is owned by unaffiliated investors.

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

PART 1 – ORGANIZATIONAL CHART

BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED



¹² Community Care Health Plan of Louisiana, Inc. is a joint venture 75% owned by Anthem Partnership Holding Company, LLC and 25% owned by Louisiana Health Service & Indemnity Company d/b/a Blue Cross and Blue Shield of Louisiana (non-affiliate)

¹³ CCHA, LLC is a joint venture 50% owned by Anthem Partnership Holding Company, LLC and 50% owned by Colorado Community Health Alliance, LLC (non-affiliate)

¹⁴ AMH Health, LLC is a joint venture 50% owned by MaineHealth (non-affiliate) and 50% owned by Anthem Partnership Holding Company, LLC

¹⁵ Momentum Health Partners, LLC is a joint venture 50% owned by Anthem Partnership Holding Company, LLC and 50% owned by Blue Cross and Blue Shield of North Carolina (non-affiliate)

¹⁶ GR Health Solutions, LLC is a joint venture 50% owned by Anthem Partnership Holding Company, LLC and 50% owned by Independence Blue Cross, LLC (non-affiliate)

¹⁷ Community Care Health Plan of Nebraska, Inc. is a joint venture 95% owned by Anthem Partnership Holding Company, LLC and 5% owned by Blue Cross and Blue Shield of Nebraska, Inc. (non-affiliate).

¹⁸ APC PASSE, LLC (regulated entity) is a joint venture 49% owned by Anthem Partnership Holding Company, LLC and 51% owned by Arkansas Provider Coalition, LLC (non-affiliate).

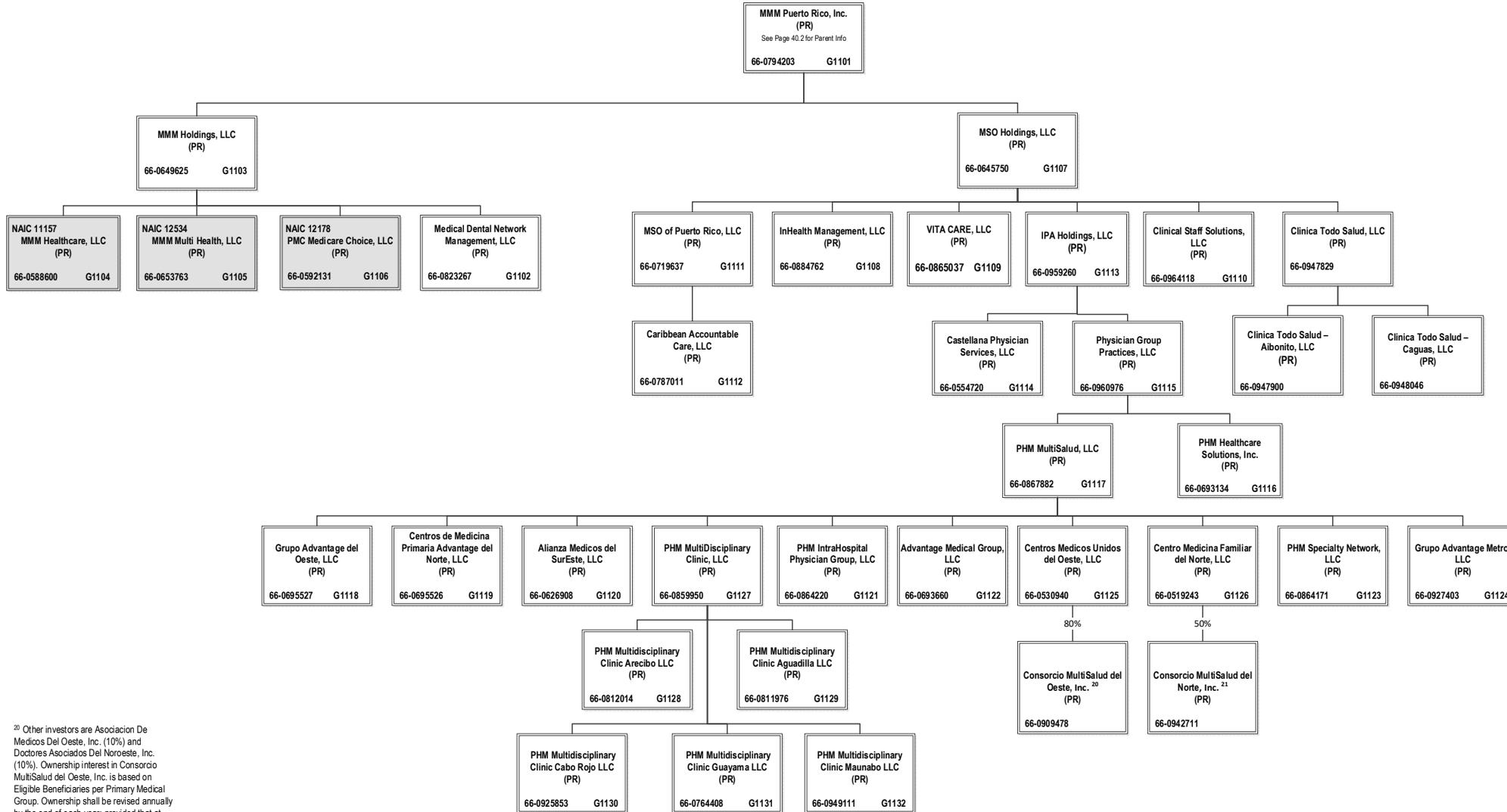
¹⁹ Community Care Health Plan of Kansas, Inc. is a joint venture 90% owned by Anthem Partnership Holding Company, LLC, 5% owned by Blue Cross and Blue Shield of Kansas (non-affiliate) and 5% owned by Blue Cross and Blue Shield of Kansas City (non-affiliate).

40.8

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

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED

BCBSA Licensee
Regulated Insurance Company
Regulated BCBSA Licensee



²⁰ Other investors are Asociacion De Medicos Del Oeste, Inc. (10%) and Doctores Asociados Del Noroeste, Inc. (10%). Ownership interest in Consortio MultiSalud del Oeste, Inc. is based on Eligible Beneficiaries per Primary Medical Group. Ownership shall be revised annually by the end of each year, provided that at least 10% shall remain with each PMG.

²¹ Other 50% owned by ACO del Norte, LLC (non-affiliate)

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. Prepaid Expenses	541,489	393,152	148,337	1,248,377
2505. State Income Tax Recoverable	337,902		337,902	0
2506. New York Assessment	277,251		277,251	3,089,575
2507. Blue Card Program Recoverable	250,938	250,938	0	116,361
2508. Miscellaneous Receivables	112,175	112,175	0	801,862
2509. Stop Loss Receivables (NY Regulation 4321, 4322 & 4327)			0	194,103
2597. Summary of remaining write-ins for Line 25 from overflow page	1,519,755	756,265	763,490	5,450,278

Additional Write-ins for Liabilities Line 23

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
2304. Out of Area Program Payable	636,325		636,325	180,000
2305. Miscellaneous Liability	115,602		115,602	261,456
2397. Summary of remaining write-ins for Line 23 from overflow page	751,927	0	751,927	441,456