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HEALTH ANNUAL STATEMENT

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

Empire HealthChoice HMO, Inc.

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

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 (Street and Number), New York, NY, US 10005 (City or Town, State, Country and Zip Code)

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

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

Primary Location of Books and Records 2 Gannett Drive (Street and Number)
South Portland, ME, US 04106 (City or Town, State, Country and Zip Code), 866-583-6182 (Area Code) (Telephone Number)

Internet Website Address www.empireblue.com

Statutory Statement Contact Dan Wolke (Name), 317-488-6245 (Area Code) (Telephone Number)
dan.wolke@anthem.com (E-mail Address), 317-488-6200 (FAX Number)

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
Mark Daniel Justus #, Valuation Actuary

DIRECTORS OR TRUSTEES

Alan James Murray
Lois Susan Freedman
Patrick James O'Keeffe
Randall Vincent Pemicone

State of Maine
County of Cumberland SS:

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

Alan James Murray President	Jay Harry Wagner Secretary	Eric (Rick) Kenneth Noble Treasurer

Subscribed and sworn to before me this 11th day of February, 2020

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

SHARON W. BERRY
Notary Public, Maine
My Commission Expires January 8, 2024

ASSETS

		Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1.	Bonds (Schedule D)	313,107,531		313,107,531	302,991,019
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 (less $ ..... encumbrances)			0	
	4.2 Properties held for the production of income (less $ ..... encumbrances)			0	
	4.3 Properties held for sale (less $ ..... encumbrances)			0	
5.	Cash ($ 8,646,481 , Schedule E - Part 1), cash equivalents ($ 0 , Schedule E - Part 2) and short-term investments ($ ..... , Schedule DA)	8,646,481		8,646,481	4,534,040
6.	Contract loans, (including $ ..... premium notes)			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)	4,274,969		4,274,969	4,647,350
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	326,028,981	0	326,028,981	312,172,409
13.	Title plants less $ ..... charged off (for Title insurers only)			0	
14.	Investment income due and accrued	3,128,426		3,128,426	3,215,451
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	14,851,103	1,868,754	12,982,349	14,787,243
	15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premiums)			0	
	15.3 Accrued retrospective premiums ($ 1,178,359) and contracts subject to redetermination ($ 18,664,873)	19,843,232		19,843,232	35,443,187
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers			0	143,487
	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	564,839	291,811	273,028	403,377
18.1	Current federal and foreign income tax recoverable and interest thereon	3,749,005		3,749,005	4,569,152
18.2	Net deferred tax asset			0	3,062,133
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.	Receivables from parent, subsidiaries and affiliates			0	
24.	Health care ($ 17,235,073) and other amounts receivable	39,441,624	22,206,551	17,235,073	15,279,650
25.	Aggregate write-ins for other than invested assets	27,082,386	1,663,113	25,419,273	45,561,400
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	434,689,596	26,030,229	408,659,367	434,637,489
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28.	Total (Lines 26 and 27)	434,689,596	26,030,229	408,659,367	434,637,489
	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.	New York Assessment	9,240,020		9,240,020	7,451,373
2502.	Medicare Receivables	8,797,422		8,797,422	2,127,111
2503.	Prepaid Expenses	4,306,476	1,663,113	2,643,363	993,301
2598.	Summary of remaining write-ins for Line 25 from overflow page	4,738,468	0	4,738,468	34,989,615
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	27,082,386	1,663,113	25,419,273	45,561,400

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1	2	3	4
		Covered	Uncovered	Total	Total
1.	Claims unpaid (less $ 0 reinsurance ceded)	88,963,406		88,963,406	84,682,053
2.	Accrued medical incentive pool and bonus amounts	6,791,641		6,791,641	9,438,717
3.	Unpaid claims adjustment expenses	2,007,118		2,007,118	2,197,102
4.	Aggregate health policy reserves, including the liability of $ 0 for medical loss ratio rebate per the Public Health Service Act	53,631,925		53,631,925	11,851,131
5.	Aggregate life policy reserves			0	
6.	Property/casualty unearned premium reserves			0	
7.	Aggregate health claim reserves	5,297		5,297	7,825
8.	Premiums received in advance	962,451		962,451	1,092,959
9.	General expenses due or accrued	3,196,323		3,196,323	33,308,156
10.1	Current federal and foreign income tax payable and interest thereon (including $ on realized capital gains (losses))			0	
10.2	Net deferred tax liability			0	
11.	Ceded reinsurance premiums payable			0	
12.	Amounts withheld or retained for the account of others	687,136		687,136	1,779,558
13.	Remittances and items not allocated	4,891,752		4,891,752	4,684,783
14.	Borrowed money (including $ current) and interest thereon $ (including $ current)			0	
15.	Amounts due to parent, subsidiaries and affiliates	77,684,077		77,684,077	73,066,070
16.	Derivatives			0	
17.	Payable for securities	438,646		438,646	
18.	Payable for securities lending	4,274,969		4,274,969	4,647,350
19.	Funds held under reinsurance treaties (with $ authorized reinsurers, $ 0 unauthorized reinsurers and $ 0 certified reinsurers)			0	
20.	Reinsurance in unauthorized and certified ($) companies			0	
21.	Net adjustments in assets and liabilities due to foreign exchange rates			0	
22.	Liability for amounts held under uninsured plans			0	
23.	Aggregate write-ins for other liabilities (including $ 7,390,688 current)	7,968,856	0	7,968,856	20,870,616
24.	Total liabilities (Lines 1 to 23)	251,503,597	0	251,503,597	247,626,320
25.	Aggregate write-ins for special surplus funds	XXX	XXX	17,985,713	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	86,999,998
29.	Surplus notes	XXX	XXX	0	
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	121,974,894	123,793,739
31.	Unassigned funds (surplus)	XXX	XXX	(84,804,837)	(23,782,570)
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	157,155,770	187,011,169
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	408,659,367	434,637,489
	DETAILS OF WRITE-INS				
2301.	Miscellaneous Medicare Liabilities	5,795,597		5,795,597	18,066,512
2302.	Escheat Liability	765,199		765,199	882,187
2303.	Accounts Payable - Miscellaneous	704,248		704,248	805,705
2398.	Summary of remaining write-ins for Line 23 from overflow page	703,812	0	703,812	1,116,212
2399.	Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	7,968,856	0	7,968,856	20,870,616
2501.	Estimated ACA Health Insurer fee	XXX	XXX	17,985,713	0
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	17,985,713	0
3001.	Required Reserves	XXX	XXX	121,974,894	123,793,739
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	121,974,894	123,793,739

STATEMENT OF REVENUE AND EXPENSES

		Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1.	Member Months	XXX	993,051	1,036,507
2.	Net premium income (including $ non-health premium income)	XXX	975,799,152	990,349,910
3.	Change in unearned premium reserves and reserve for rate credits	XXX	1,791,305	1,744,279
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	977,590,457	992,094,189
	Hospital and Medical:			
9.	Hospital/medical benefits		669,940,026	686,100,828
10.	Other professional services		43,569,277	52,787,242
11.	Outside referrals		44,070,798	33,327,542
12.	Emergency room and out-of-area		29,989,280	29,479,423
13.	Prescription drugs		81,349,222	79,682,345
14.	Aggregate write-ins for other hospital and medical	0	(1,311,589)	(2,922,332)
15.	Incentive pool, withhold adjustments and bonus amounts		8,915,656	25,503,777
16.	Subtotal (Lines 9 to 15)	0	876,522,670	903,958,825
	Less:			
17.	Net reinsurance recoveries		75,519	
18.	Total hospital and medical (Lines 16 minus 17)	0	876,447,151	903,958,825
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $ 30,990,010 cost containment expenses		48,371,555	40,621,164
21.	General administrative expenses		72,678,660	91,968,152
22.	Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)		41,716,038	(20,971,755)
23.	Total underwriting deductions (Lines 18 through 22)	0	1,039,213,404	1,015,576,386
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(61,622,947)	(23,482,197)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		10,360,261	10,772,977
26.	Net realized capital gains (losses) less capital gains tax of $ 282,724		965,782	(962,344)
27.	Net investment gains (losses) (Lines 25 plus 26)	0	11,326,043	9,810,633
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $) (amount charged off $ 209,553)]		(209,553)	(267,006)
29.	Aggregate write-ins for other income or expenses	0	(608,210)	(507,031)
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	(51,114,667)	(14,445,601)
31.	Federal and foreign income taxes incurred	XXX	(9,996,623)	1,346,529
32.	Net income (loss) (Lines 30 minus 31)	XXX	(41,118,044)	(15,792,130)
	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		(1,311,589)	(2,922,332)
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	(1,311,589)	(2,922,332)
2901.	Miscellaneous (expense) income		(608,210)	(507,031)
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	(608,210)	(507,031)

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	187,011,169	203,598,764
34.	Net income or (loss) from Line 32	(41,118,044)	(15,792,130)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of $ 12,863	48,390	39,003
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	(3,049,270)	(1,827,315)
39.	Change in nonadmitted assets	(736,475)	992,847
40	Change in unauthorized and certified reinsurance	0	
41.	Change in treasury stock	0	
42.	Change in surplus notes	0	
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
	44.1 Paid in	0	
	44.2 Transferred from surplus (Stock Dividend)	0	
	44.3 Transferred to surplus		
45.	Surplus adjustments:		
	45.1 Paid in	15,000,000	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)	(29,855,399)	(16,587,595)
49.	Capital and surplus end of reporting period (Line 33 plus 48)	157,155,770	187,011,169
	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

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	994,969,047	1,017,341,700
2.	Net investment income	13,154,618	13,957,525
3.	Miscellaneous income	0	
4.	Total (Lines 1 through 3)	1,008,123,665	1,031,299,225
5.	Benefit and loss related payments	874,671,915	959,928,154
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	123,463,221	108,250,246
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $ 282,724 tax on capital gains (losses)	(10,534,046)	(6,407,305)
10.	Total (Lines 5 through 9)	987,601,090	1,061,771,095
11.	Net cash from operations (Line 4 minus Line 10)	20,522,575	(30,471,870)
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	59,163,984	157,298,959
	12.2 Stocks	0	
	12.3 Mortgage loans	0	
	12.4 Real estate	0	
	12.5 Other invested assets	0	
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(4,977)	(2,582)
	12.7 Miscellaneous proceeds	811,027	1,911,866
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	59,970,034	159,208,243
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	70,673,095	99,813,020
	13.2 Stocks	0	
	13.3 Mortgage loans	0	
	13.4 Real estate	0	
	13.5 Other invested assets	0	
	13.6 Miscellaneous applications	0	4,714,612
	13.7 Total investments acquired (Lines 13.1 to 13.6)	70,673,095	104,527,632
14.	Net increase (decrease) in contract loans and premium notes	0	
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(10,703,061)	54,680,611
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	
	16.2 Capital and paid in surplus, less treasury stock	15,000,000	0
	16.3 Borrowed funds	0	
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	
	16.5 Dividends to stockholders	0	
	16.6 Other cash provided (applied)	(20,707,073)	(23,491,755)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(5,707,073)	(23,491,755)
	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)	4,112,441	716,987
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	4,534,040	3,817,053
	19.2 End of year (Line 18 plus Line 19.1)	8,646,481	4,534,040

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	975,799,152	105,192,721					870,312,726		293,705	
2. Change in unearned premium reserves and reserve for rate credit	1,791,305	121,915					1,669,390			
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)	977,590,457	105,314,636	0	0	0	0	871,982,116	0	293,705	0
8. Hospital/medical benefits	669,940,026	66,438,973					603,501,053			XXX
9. Other professional services	43,569,277	4,419,684					39,149,593			XXX
10. Outside referrals	44,070,798	2,281,941					41,788,857			XXX
11. Emergency room and out-of-area	29,989,280	3,720,402					26,268,878			XXX
12. Prescription drugs	81,349,222	12,838,102					68,251,573		259,547	XXX
13. Aggregate write-ins for other hospital and medical	(1,311,589)	(1,311,589)	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	8,915,656	492,968					8,422,688			XXX
15. Subtotal (Lines 8 to 14)	876,522,670	88,880,481	0	0	0	0	787,382,642	0	259,547	XXX
16. Net reinsurance recoveries	75,519	75,519								XXX
17. Total medical and hospital (Lines 15 minus 16)	876,447,151	88,804,962	0	0	0	0	787,382,642	0	259,547	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $ 30,990,010 cost containment expenses	48,371,555	2,580,707					45,788,246		2,602	
20. General administrative expenses	72,678,660	3,877,537					68,797,213		3,910	
21. Increase in reserves for accident and health contracts	41,716,038	(4,838,945)					46,554,983			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)	1,039,213,404	90,424,261	0	0	0	0	948,523,084	0	266,059	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	(61,622,947)	14,890,375	0	0	0	0	(76,540,968)	0	27,646	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 - Stoploss	(1,311,589)	(1,311,589)								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)	(1,311,589)	(1,311,589)	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (hospital and medical)	105,192,721	0	0	105,192,721
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	870,312,726	0	0	870,312,726
7.	Title XIX - Medicaid	0	0	0	0
8.	Other health	293,705	0	0	293,705
9.	Health subtotal (Lines 1 through 8)	975,799,152	0	0	975,799,152
10.	Life	0		0	0
11.	Property/casualty	0			0
12.	Totals (Lines 9 to 11)	975,799,152	0	0	975,799,152

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	865,391,064	88,014,616	0	0	0	0	777,113,851	0	262,597	0
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	219,006	219,006	0	0	0	0	0	0	0	0
1.4 Net	865,172,058	87,795,610	0	0	0	0	777,113,851	0	262,597	0
2. Paid medical incentive pools and bonuses	11,562,732	679,581	0	0	0	0	10,883,151	0	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	88,963,406	12,829,570	0	0	0	0	76,127,872	0	5,964	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	88,963,406	12,829,570	0	0	0	0	76,127,872	0	5,964	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	5,297	5,296	0	0	0	0	1	0	0	0
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	5,297	5,296	0	0	0	0	1	0	0	0
5. Accrued medical incentive pools and bonuses, current year	6,791,641	395,231	0	0	0	0	6,396,410	0	0	0
6. Net healthcare receivables (a)	2,062,875	(1,550,863)	0	0	0	0	3,613,650	0	88	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	84,682,053	14,005,172	0	0	0	0	70,667,955	0	8,926	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	84,682,053	14,005,172	0	0	0	0	70,667,955	0	8,926	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	7,825	7,660	0	0	0	0	165	0	0	0
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	7,825	7,660	0	0	0	0	165	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	9,438,717	581,844	0	0	0	0	8,856,873	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	143,487	143,487	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	867,607,014	88,387,513	0	0	0	0	778,959,954	0	259,547	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	75,519	75,519	0	0	0	0	0	0	0	0
12.4 Net	867,531,495	88,311,994	0	0	0	0	778,959,954	0	259,547	0
13. Incurred medical incentive pools and bonuses	8,915,656	492,968	0	0	0	0	8,422,688	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	31,126,323	6,046,430	0	0	0	0	25,075,307	0	4,586	
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	
1.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	
1.4 Net	31,126,323	6,046,430	0	0	0	0	25,075,307	0	4,586	0
2. Incurred but Unreported:										
2.1 Direct	57,837,083	6,783,140	0	0	0	0	51,052,565	0	1,378	
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	
2.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	
2.4 Net	57,837,083	6,783,140	0	0	0	0	51,052,565	0	1,378	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	88,963,406	12,829,570	0	0	0	0	76,127,872	0	5,964	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	88,963,406	12,829,570	0	0	0	0	76,127,872	0	5,964	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	13,264,180	83,678,059	2,983,720	9,851,146	16,247,900	14,012,832
2. Medicare Supplement	0	0	0	0	0	0
3. Dental Only	0	0	0	0	0	0
4. Vision Only	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0	0	0
6. Title XVIII - Medicare	66,606,506	738,882,952	(116,720)	76,244,593	66,489,786	70,668,120
7 Title XIX - Medicaid	0	0	0	0	0	0
8. Other health	11,669	250,927	1,511	4,453	13,180	8,926
9. Health subtotal (Lines 1 to 8)	79,882,355	822,811,938	2,868,511	86,100,192	82,750,866	84,689,878
10. Healthcare receivables (a)	9,834,322	29,607,301	0	0	9,834,322	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	7,683,305	3,879,427	4,590,637	2,201,004	12,273,942	9,438,717
13. Totals (Lines 9 - 10 + 11 + 12)	77,731,338	797,084,064	7,459,148	88,301,196	85,190,486	94,128,595

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

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

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	65,695	68,502	68,628	68,049	68,049
2. 2015	445,247	512,118	513,719	513,325	513,245
3. 2016	XXX	489,225	530,170	530,300	530,215
4. 2017	XXX	XXX	467,564	520,563	521,602
5. 2018	XXX	XXX	XXX	93,556	102,312
6. 2019	XXX	XXX	XXX	XXX	80,539

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

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	80,186	63,989	68,799	68,245	68,049
2. 2015	531,283	516,475	514,012	513,417	513,361
3. 2016	XXX	561,140	532,408	530,790	530,132
4. 2017	XXX	XXX	526,053	522,587	524,604
5. 2018	XXX	XXX	XXX	105,347	102,581
6. 2019	XXX	XXX	XXX	XXX	90,465

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	581,317	513,245	37,435	7.3	550,680	94.7	116	2	550,798	94.8
2. 2016	625,118	530,215	28,406	5.4	558,621	89.4	(82)	(2)	558,537	89.3
3. 2017	561,974	521,602	23,842	4.6	545,444	97.1	3,002	49	548,495	97.6
4. 2018	124,461	102,312	6,035	5.9	108,347	87.1	269	5	108,621	87.3
5. 2019	105,315	80,539	2,283	2.8	82,822	78.6	9,925	179	92,926	88.2

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	60,760	77,837	77,951	76,843	76,843
2. 2015	528,732	614,099	615,024	614,702	613,622
3. 2016	XXX	592,422	679,098	682,980	682,399
4. 2017	XXX	XXX	651,644	735,688	735,422
5. 2018	XXX	XXX	XXX	731,613	801,629
6. 2019	XXX	XXX	XXX	XXX	716,294

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	67,476	78,529	77,958	76,843	76,843
2. 2015	618,828	617,990	616,337	614,791	613,637
3. 2016	XXX	682,189	681,481	682,151	682,387
4. 2017	XXX	XXX	740,969	737,209	737,248
5. 2018	XXX	XXX	XXX	810,358	803,953
6. 2019	XXX	XXX	XXX	XXX	794,665

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. 2015	666,441	613,622	25,594	4.2	639,216	95.9	16	0	639,232	95.9
2. 2016	755,962	682,399	28,615	4.2	711,014	94.1	(12)	0	711,002	94.1
3. 2017	722,297	735,422	26,342	3.6	761,764	105.5	1,826	(15)	763,575	105.7
4. 2018	867,320	801,629	36,554	4.6	838,183	96.6	2,324	12	840,519	96.9
5. 2019	871,982	716,294	39,755	5.6	756,049	86.7	78,370	1,777	836,196	95.9

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	104	98	98	97	97
2. 2015	244	254	254	254	254
3. 2016	XXX	257	263	263	263
4. 2017	XXX	XXX	276	278	278
5. 2018	XXX	XXX	XXX	244	256
6. 2019	XXX	XXX	XXX	XXX	251

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 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	109	98	98	97	97
2. 2015	259	255	254	254	254
3. 2016	XXX	264	264	263	263
4. 2017	XXX	XXX	282	278	278
5. 2018	XXX	XXX	XXX	253	257
6. 2019	XXX	XXX	XXX	XXX	255

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. 2015	197	254	1	0.4	255	129.4	0	0	255	129.4
2. 2016	339	263	5	1.9	268	79.1	0	0	268	79.1
3. 2017	311	278	2	0.7	280	90.0	0	0	280	90.0
4. 2018	313	256	3	1.2	259	82.7	2	0	261	83.4
5. 2019	294	251	2	0.8	253	86.1	4	0	257	87.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	126,559	146,437	146,677	144,989	144,989
2. 2015	974,223	1,126,471	1,128,997	1,128,281	1,127,121
3. 2016	XXX	1,081,904	1,209,531	1,213,543	1,212,877
4. 2017	XXX	XXX	1,119,484	1,256,529	1,257,302
5. 2018	XXX	XXX	XXX	825,413	904,197
6. 2019	XXX	XXX	XXX	XXX	797,084

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	147,771	142,616	146,855	145,185	144,989
2. 2015	1,150,370	1,134,720	1,130,603	1,128,462	1,127,252
3. 2016	XXX	1,243,593	1,214,153	1,213,204	1,212,782
4. 2017	XXX	XXX	1,267,304	1,260,074	1,262,130
5. 2018	XXX	XXX	XXX	915,958	906,791
6. 2019	XXX	XXX	XXX	XXX	885,385

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	1,247,955	1,127,121	63,030	5.6	1,190,151	95.4	132	2	1,190,285	95.4
2. 2016	1,381,419	1,212,877	57,026	4.7	1,269,903	91.9	(94)	(2)	1,269,807	91.9
3. 2017	1,284,582	1,257,302	50,186	4.0	1,307,488	101.8	4,828	34	1,312,350	102.2
4. 2018	992,094	904,197	42,592	4.7	946,789	95.4	2,595	17	949,401	95.7
5. 2019	977,591	797,084	42,040	5.3	839,124	85.8	88,299	1,956	929,379	95.1

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	518,097	518,097							
2. Additional policy reserves (a)	50,752,800	4,197,817					46,554,983		
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $) for investment income	0								
5. Aggregate write-ins for other policy reserves	2,361,028	2,241,299	0	0	0	0	119,729	0	0
6. Totals (gross)	53,631,925	6,957,213	0	0	0	0	46,674,712	0	0
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	53,631,925	6,957,213	0	0	0	0	46,674,712	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	5,297	5,296					1		
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	5,297	5,296	0	0	0	0	1	0	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	5,297	5,296	0	0	0	0	1	0	0
DETAILS OF WRITE-INS									
0501. Risk Adjustment Redetermination	2,361,028	2,241,299					119,729		
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)	2,361,028	2,241,299	0	0	0	0	119,729	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 $ 50,752,800 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($ ..... for occupancy of own building)	493,519	361,463	167,548	148	1,022,678
2. Salary, wages and other benefits	19,219,112	8,483,315	22,143,630	19,594	49,865,651
3. Commissions (less $ ..... ceded plus $ ..... assumed)	0	0	5,697,582	0	5,697,582
4. Legal fees and expenses	2,014	46	2,403,448	2,127	2,407,635
5. Certifications and accreditation fees	0	0	0	0	0
6. Auditing, actuarial and other consulting services	1,443,032	693,180	4,895,751	4,332	7,036,295
7. Traveling expenses	148,704	47,348	903,639	800	1,100,491
8. Marketing and advertising	52,281	9,187	13,124,161	11,613	13,197,242
9. Postage, express and telephone	389,108	214,588	660,591	584	1,264,871
10. Printing and office supplies	173,667	3,402	115,312	102	292,483
11. Occupancy, depreciation and amortization	0	0	0	0	0
12. Equipment	1,702	6,115	505,480	447	513,744
13. Cost or depreciation of EDP equipment and software	650,561	56,641	423,715	375	1,131,292
14. Outsourced services including EDP, claims, and other services	7,139,392	3,755,053	20,926,443	18,517	31,839,405
15. Boards, bureaus and association fees	10,449	0	92,236	82	102,767
16. Insurance, except on real estate	0	0	256,002	227	256,229
17. Collection and bank service charges	0	101	112,728	100	112,929
18. Group service and administration fees	1,858	86,821	191,758	170	280,607
19. Reimbursements by uninsured plans	0	0	0	0	0
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	386	190	635,856	563	636,995
22. Real estate taxes	0	0	60,578	0	60,578
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0	0	(2,539,807)	0	(2,539,807)
23.2 State premium taxes	0	0	2,127,707	0	2,127,707
23.3 Regulatory authority licenses and fees	4,418	636	196,557	0	201,611
23.4 Payroll taxes	1,153,957	508,020	1,346,853	0	3,008,830
23.5 Other (excluding federal income and real estate taxes)	0	0	(1,403,403)	0	(1,403,403)
24. Investment expenses not included elsewhere	0	0	0	334,612	334,612
25. Aggregate write-ins for expenses	105,850	3,155,439	(365,705)	(324)	2,895,260
26. Total expenses incurred (Lines 1 to 25)	30,990,010	17,381,545	72,678,660	394,069	(a) 121,444,284
27. Less expenses unpaid December 31, current year		2,007,118	3,196,323		5,203,441
28. Add expenses unpaid December 31, prior year	0	2,197,102	33,308,156	0	35,505,258
29. Amounts receivable relating to uninsured plans, prior year			430,105		430,105
30. Amounts receivable relating to uninsured plans, current year			564,839		564,839
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	30,990,010	17,571,529	102,925,227	394,069	151,880,835
DETAILS OF WRITE-INS					
2501. Miscellaneous expenses	105,850	3,155,439	(365,705)	(324)	2,895,260
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)	105,850	3,155,439	(365,705)	(324)	2,895,260

(a) Includes management fees of $ 106,776,307 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) 28,350	33,012
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 9,526,926	9,435,429
1.3	Bonds of affiliates	(a) 0	0
2.1	Preferred stocks (unaffiliated)	(b) 0	0
2.11	Preferred stocks of affiliates	(b) 0	0
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) 290,337	290,337
7	Derivative instruments	(f) 0	0
8.	Other invested assets	0	0
9.	Aggregate write-ins for investment income	995,741	995,552
10.	Total gross investment income	10,841,354	10,754,330
11.	Investment expenses		(g) 394,069
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)		394,069
17.	Net investment income (Line 10 minus Line 16)		10,360,261
	DETAILS OF WRITE-INS		
0901.	Miscellaneous Income	986,868	986,868
0902.	Securities Lending	8,873	8,684
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)	995,741	995,552
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 $ 163,341 accrual of discount less $ 2,870,673 amortization of premium and less $ 105,034 paid for accrued interest on purchases.

(b) Includes $ ..... accrual of discount less $ ..... amortization of premium and less $ ..... paid for accrued dividends on purchases.

(c) Includes $ ..... accrual of discount less $ ..... amortization of premium and less $ ..... paid for accrued interest on purchases.

(d) Includes $ ..... for company's occupancy of its own buildings; and excludes $ ..... interest on encumbrances.

(e) Includes $ 4,093 accrual of discount less $ ..... amortization of premium and less $ ..... paid for accrued interest on purchases.

(f) Includes $ ..... accrual of discount less $ ..... amortization of premium.

(g) Includes $. ..... investment expenses and $ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes $ ..... interest on surplus notes and $ ..... interest on capital notes.

(i) Includes $ ..... depreciation on real estate and $ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	0	0	0	0	0
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	1,253,480	0	1,253,480	61,253	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
4.	Real estate		0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	(4,974)		(4,974)		
7.	Derivative instruments			0		
8.	Other invested assets		0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	1,248,506	0	1,248,506	61,253	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 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 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	0
15.	Premiums and considerations:			
	15.1 Uncollected premiums and agents' balances in the course of collection	1,868,754	1,908,247	39,493
	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	0
16.	Reinsurance:			
	16.1 Amounts recoverable from reinsurers		0	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	291,811	26,728	(265,083)
18.1	Current federal and foreign income tax recoverable and interest thereon		0	0
18.2	Net deferred tax asset		0	0
19.	Guaranty funds receivable or on deposit			0
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	22,206,551	22,099,099	(107,452)
25.	Aggregate write-ins for other than invested assets	1,663,113	1,259,680	(403,433)
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	26,030,229	25,293,754	(736,475)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28.	Total (Lines 26 and 27)	26,030,229	25,293,754	(736,475)
	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.	Prepaid Expenses	1,663,113	1,259,680	(403,433)
2502.				
2503.				
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,663,113	1,259,680	(403,433)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1. Health Maintenance Organizations	83,563	80,741	80,433	80,912	80,089	969,502
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service	1,950	1,961	1,946	1,961	2,018	23,549
5. Indemnity Only						
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	85,513	82,702	82,379	82,873	82,107	993,051
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:

	SSAP #	F/S Page	F/S Line #	2019	2018
Net Income					
(1) Empire HealthChoice HMO, Inc. state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	$ (41,118,044)	$ (15,792,130)
(2) State Prescribed Practices that is an increase/(decrease) from NAIC SAP:				—	—
(3) State Permitted Practices that is an increase/(decrease) from NAIC SAP:				—	—
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	$ (41,118,044)	$ (15,792,130)
Surplus					
(5) Empire HealthChoice HMO, Inc. state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	$157,155,770	$ 187,011,169
(6) State Prescribed Practices that is an increase/(decrease) from NAIC SAP:					
Pooling/Stop Loss recoverable	6	2	25	1,616,037	2,420,460
Prepaid Brokers' Commissions	29	2	25	2,643,363	993,301
Overdue local government premiums	6	2	15.1	1,276,195	640,100
(7) State Permitted Practices that is an increase/(decrease) from NAIC SAP:				—	—
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	$151,620,175	$ 182,957,308

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.

NOTES TO FINANCIAL STATEMENTS

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. 30R, *Common Stock*; and SSAP No. 32, *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 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.

NOTES TO FINANCIAL STATEMENTS

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, 2019 and 2018.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not applicable.

B. Statutory Merger

Not applicable.

C. Assumption Reinsurance

Not applicable.

D. Impairment Loss

Not applicable.

4. Discontinued Operations

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

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

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

B. Debt Restructuring

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

C. Reverse Mortgages

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

D. Loan-Backed Securities

(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, 2019 and 2018.
(3) The Company did not recognize OTTI on its loan-backed securities at December 31, 2019 and 2018.

NOTES TO FINANCIAL STATEMENTS

(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	(76,705)
		2. 12 Months or Longer	—
b.	The aggregate related fair value of securities with unrealized losses:		
		1. Less than 12 Months	6,766,446
		2. 12 Months or Longer	—

(5) The Company had no impaired loan-backed securities at December 31, 2019 and 2018.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

(1) The Company did not enter into repurchase agreements at December 31, 2019 or 2018.

(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.

(3) Collateral Received

a. Aggregate amount collateral received

		Fair Value
1.	Securities Lending	
(a)	Open	$ 3,964,805
(b)	30 days or less	—
(c)	31 to 60 days	—
(d)	61 to 90 days	—
(e)	Greater than 90 days	—
(f)	Sub-total	$ 3,964,805
(g)	Securities received	336,232
(h)	Total collateral received	$ 4,301,037

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 repledged $ 4,301,037

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.

NOTES TO FINANCIAL STATEMENTS

(5) Collateral Reinvestment

a. Aggregate amount collateral reinvested

		Amortized Cost	Fair Value
1.	Securities Lending		
(a)	Open	$ —	$ —
(b)	30 days or less	929,970	930,106
(c)	31 to 60 days	934,993	934,976
(d)	61 to 90 days	827,033	853,041
(e)	91 to 120 days	—	—
(f)	121 to 180 days	203,259	203,253
(g)	181 to 365 days	1,043,482	1,043,429
(h)	1 to 2 years	—	—
(i)	2 to 3 years	—	—
(j)	Greater than 3 years	—	—
(k)	Sub-total	$ 3,938,737	$ 3,964,805
(l)	Securities received	336,232	336,232
(m)	Total collateral reinvested	$ 4,274,969	$ 4,301,037

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, 2019 or 2018.

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, 2019 or 2018.

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, 2019 or 2018.

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, 2019 and 2018.

J. Real Estate

The Company did not have investments in real estate and did not engage in retail land sales operations during 2019 and 2018.

K. Investments in Low-Income Housing Tax Credits

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

NOTES TO FINANCIAL STATEMENTS

L. Restricted Assets

(1) Restricted assets (including pledged)

	1	2	3	4	5	6	7
Restricted Asset Category	**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	$ —	$ —	$ —	$ —	$ —	0.00%	0.00%
b. Collateral held under security lending agreements	4,274,969	4,647,350	(372,381)	—	4,274,969	0.98%	1.05%
c. Subject to repurchase agreements	—	—	—	—	—	0.00%	0.00%
d. Subject to reverse repurchase agreements	—	—	—	—	—	0.00%	0.00%
e. Subject to dollar repurchase agreements	—	—	—	—	—	0.00%	0.00%
f. Subject to dollar reverse repurchase agreements	—	—	—	—	—	0.00%	0.00%
g. Placed under option contracts	—	—	—	—	—	0.00%	0.00%
h. Letter stock or securities restricted as to sale-excluding FHLB capital stock	—	—	—	—	—	0.00%	0.00%
i. FHLB capital stock	—	—	—	—	—	0.00%	0.00%
j. On deposit with states	68,122,623	69,611,446	(1,488,823)	—	68,122,623	15.67%	16.67%
k. On deposit with other regulatory bodies	—	—	—	—	—	0.00%	0.00%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	—	—	—	—	—	0.00%	0.00%
m. Pledged as collateral not captured in other categories	—	—	—	—	—	0.00%	0.00%
n. Other restricted assets	—	—	—	—	—	0.00%	0.00%
o. Total Restricted Assets	$ 72,397,592	$ 74,258,796	$ (1,861,204)	$ —	$ 72,397,592	16.66%	17.72%

(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 Book/Adjusted Carrying Value (BACV)	2 Fair Value	3 % of BACV to Total Assets (Admitted and Nonadmitted*)	4 % 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	4,274,969	4,301,037	0.98	1.05
i.	Other	—	—	—	—
j.	Total Collateral Assets (a+b+c+d+e+f+g+h+i)	$ 4,274,969	$ 4,301,037	0.98%	1.05%

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

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

		1 Amount	2 % of Liability to Total Liabilities *
k.	Recognized Obligation to Return Collateral Asset	$ 4,274,969	1.70%

* 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, 2019 and 2018.

N. Offsetting and Netting of Assets and Liabilities

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

O. 5GI Securities

The Company has no 5GI Securities as of December 31, 2019 and 2018.

P. Short Sales

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

Q. Prepayment Penalty and Acceleration Fees

	General Account
(1) Number of CUSIPs	6
(2) Aggregate Amount of Investment Income	$ 108,625

6. Joint Ventures, Partnerships and Limited Liability Companies

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

B. Not applicable.

NOTES TO FINANCIAL STATEMENTS

7. Investment Income

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

B. At December 31, 2019 and 2018 there was no nonadmitted accrued investment income.

8. Derivative Instruments

The Company has no derivative instruments.

9. Income Taxes

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

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

		12/31/2019		
		(1) Ordinary	(2) Capital	(3) (Col 1+2) Total
(a)	Gross Deferred Tax Assets	$ 16,291,667	$ 101,828	$ 16,393,495
(b)	Statutory Valuation Allowance Adjustments	16,285,520	101,828	16,387,348
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	6,147	—	6,147
(d)	Deferred Tax Assets Nonadmitted	—	—	—
(e)	Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	6,147	—	6,147
(f)	Deferred Tax Liabilities	6,147	—	6,147
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$ —	$ —	$ —

		12/31/2018		
		(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a)	Gross Deferred Tax Assets	$ 13,759,897	$ 140,250	$ 13,900,147
(b)	Statutory Valuation Allowance Adjustments	10,732,307	99,102	10,831,409
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	3,027,590	41,148	3,068,738
(d)	Deferred Tax Assets Nonadmitted	—	—	—
(e)	Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	3,027,590	41,148	3,068,738
(f)	Deferred Tax Liabilities	6,605	—	6,605
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$ 3,020,985	$ 41,148	$ 3,062,133

		Change		
		(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a)	Gross Deferred Tax Assets	$ 2,531,770	$ (38,422)	$ 2,493,348
(b)	Statutory Valuation Allowance Adjustments	5,553,213	2,726	5,555,939
(c)	Adjusted Gross Deferred Tax Assets (1a - 1b)	(3,021,443)	(41,148)	(3,062,591)
(d)	Deferred Tax Assets Nonadmitted	—	—	—
(e)	Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	(3,021,443)	(41,148)	(3,062,591)
(f)	Deferred Tax Liabilities	(458)	—	(458)
(g)	Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$ (3,020,985)	$ (41,148)	$ (3,062,133)

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:

	12/31/2019		
	(1) Ordinary	(2) Capital	(3) (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	23,573,365
(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.	6,147	—	6,147
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ 6,147	$ —	$ 6,147

	12/31/2018		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	$ 3,020,985	$ 41,148	$ 3,062,133
(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	27,592,355
(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.	6,605	—	6,605
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ 3,027,590	$ 41,148	$ 3,068,738

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.	$ (3,020,985)	$ (41,148)	$ (3,062,133)
(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	(4,018,990)
(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.	(458)	—	(458)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$ (3,021,443)	$ (41,148)	$ (3,062,591)

NOTES TO FINANCIAL STATEMENTS

(3)

	2019	2018
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	453.91%	519.89%
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	$ 157,155,770	$ 183,949,036

(4)

	12/31/2019		12/31/2018		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)	$ 6,147	$ —	$ 3,027,590	$ 41,148	$ (3,021,443)	$ (41,148)
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)	$ 6,147	$ —	$ 3,027,590	$ 41,148	$ (3,021,443)	$ (41,148)
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, 2019 and 2018.

NOTES TO FINANCIAL STATEMENTS

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

	(1) 12/31/2019	(2) 12/31/2018	(3) (Col 1-2) Change
(1) Current Income Tax			
(a) Federal	$ (9,996,623)	$ 1,346,529	$ (11,343,152)
(b) Foreign	—	—	—
(c) Subtotal	(9,996,623)	1,346,529	(11,343,152)
(d) Federal income tax expense on net capital gains	282,724	(190,548)	473,272
(e) Utilization of capital loss carry-forwards	—	—	—
(f) Other	—	—	—
(g) Federal and foreign income taxes incurred	$ (9,713,899)	$ 1,155,981	$ (10,869,880)
(2) Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 133,874	$ 82,497	$ 51,377
(2) Unearned premium reserve	62,183	72,785	(10,602)
(3) Policyholder reserves	505,119	484,382	20,737
(4) Investments	—	—	—
(5) Deferred acquisition costs	—	—	—
(6) Policyholder dividends accrual	—	—	—
(7) Fixed assets	—	—	—
(8) Compensation and benefits accrual	—	—	—
(9) Pension accrual	—	—	—
(10) Receivables - nonadmitted	4,857,118	5,057,018	(199,900)
(11) Net operating loss carry-forward	—	—	—
(12) Tax credit carry-forward	—	—	—
(13) Other (including items <5% of total ordinary tax assets)	9	8	1
(14) Accrued future expenses	57,398	6,114,430	(6,057,032)
(15) Amortization	—	—	—
(16) Partnership income	—	—	—
(17) Premium deficiency reserves	10,658,088	1,897,720	8,760,368
(18) Prepaid expenses	17,878	51,057	(33,179)
(19) Section 467 lease expense	—	—	—
(20) Personal property tax accrual	—	—	—
(21) Deferred gain on sale of building	—	—	—
(22) State income tax liability	—	—	—
(23) Income from reinsurance contract	—	—	—
(99) Subtotal	16,291,667	13,759,897	2,531,770
(b) Statutory valuation allowance adjustment	16,285,520	10,732,307	5,553,213
(c) Nonadmitted	—	—	—
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	6,147	3,027,590	(3,021,443)
(e) Capital:			
(1) Investments	101,828	140,250	(38,422)
(2) Net capital loss carry-forward	—	—	—
(3) Real estate	—	—	—
(4) Other (including items <5% of total capital tax assets)	—	—	—
(5) Partnership investment	—	—	—
(6) State low income housing credits	—	—	—
(7) Affiliated investment write-down	—	—	—
(99) Subtotal	101,828	140,250	(38,422)
(f) Statutory valuation allowance adjustment	101,828	99,102	2,726
(g) Nonadmitted	—	—	—
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	—	41,148	(41,148)
(i) Admitted deferred tax assets (2d + 2h)	$ 6,147	$ 3,068,738	$ (3,062,591)

NOTES TO FINANCIAL STATEMENTS

	(1) 12/31/2018	(2) 12/31/2017	(3) (Col 1-2) Change
(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) Amortization	—	—	—
(7) Discount of coordination of benefits	6,147	6,605	(458)
(8) Guaranty fund assessment	—	—	—
(9) Business partnership	—	—	—
(10) Tax reserves per Tax Reform over 8 years	—	—	—
(11) Oil and gas depletion deduction	—	—	—
(12) Deferred cost - surplus note	—	—	—
(99) Subtotal	6,147	6,605	(458)
(b) Capital:			
(1) Investments	—	—	—
(2) Real estate	—	—	—
(3) Other (including items <5% of total capital tax liabilities)	—	—	—
(4) Section 166 partial worthlessness	—	—	—
(5) Investment partnership income	—	—	—
(99) Subtotal	—	—	—
(c) Deferred tax liabilities (3a99 + 3b99)	$ 6,147	$ 6,605	$ (458)
(4) Net deferred tax assets/liabilities (2i - 3c)	$ —	$ 3,062,133	$ (3,062,133)

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:

	2019	2018
Tax expense computed using federal statutory rate	$ (10,674,708)	$ (3,073,591)
ACA health insurer fee	—	4,299,744
Change in nonadmitted assets	(154,660)	208,498
Tax exempt income and dividend received deduction net of proration	(623,925)	(695,895)
Prior year true-up and adjustments	—	(1,053,328)
Tax settlements and contingencies	(768,325)	768,325
Valuation allowance	5,555,939	2,573,285
Other, net	1,050	(43,742)
Total	$ (6,664,629)	$ 2,983,296
Federal income taxes incurred	$ (9,713,899)	$ 1,155,981
Change in net deferred income taxes	3,049,270	1,827,315
Total statutory income taxes	$ (6,664,629)	$ 2,983,296

E. Operating loss carryforwards:

(1) The Company has no operating loss carryforwards and no tax credit carryforwards as of December 31, 2019 or 2018.

(2) The Company has no income taxes incurred in the current and prior year(s) available for recoupment in the event of future net losses.

(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, 2019 and 2018.

NOTES TO FINANCIAL STATEMENTS

F. The following companies will be included in the consolidated federal income tax return with their parent Anthem, Inc. ("Anthem") as of December 31, 2019 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.

American Imaging Management, Inc.
America's 1st Choice of South Carolina, Inc.
America's Health Management Services, Inc.
AMERIGROUP Community Care of New Mexico, Inc.
AMERIGROUP Corporation
Amerigroup Delaware, Inc.
AMERIGROUP District of Columbia, Inc.
Amerigroup Health Plan of Louisiana, Inc.
Amerigroup Health Plan of Oregon, Inc.
Amerigroup Insurance Company
AMERIGROUP Iowa, Inc.
Amerigroup Kansas, Inc.
AMERIGROUP Maryland, Inc.
Amerigroup Michigan, Inc.
AMERIGROUP Mississippi, Inc.
AMERIGROUP New Jersey, Inc.
AMERIGROUP Ohio, Inc.
AMERIGROUP Oklahoma, Inc.
Amerigroup Pennsylvania, Inc.
AMERIGROUP Tennessee, Inc.
AMERIGROUP Texas, Inc.
Amerigroup Utah, Inc.
AMERIGROUP Washington, Inc.
AMGP Georgia Managed Care Company, Inc.
Anthem Blue Cross Life and Health Insurance Company
Anthem Financial, Inc.
Anthem Health Plans of Kentucky, Inc.
Anthem Health Plans of Maine, Inc.
Anthem Health Plans of New Hampshire, Inc.
Anthem Health Plans of Virginia, Inc.
Anthem Health Plans, Inc.
Anthem Holding Corp.
Anthem Insurance Companies, Inc.
Anthem Kentucky Managed Care Plan, Inc.
Anthem Life & Disability Insurance Company
Anthem Southeast, Inc.
Anthem UM Services, Inc.
Anthem, Inc.
Arcus Enterprises, Inc.
Aspire Health, Inc.
Associated Group, Inc.
Blue Cross and Blue Shield of Georgia, Inc.
Blue Cross Blue Shield Healthcare Plan of Georgia, Inc.
Blue Cross Blue Shield of Wisconsin
Blue Cross of California
Blue Cross of California Partnership Plan, Inc.
DeCare Analytics, LLC
DeCare Dental Health International, LLC
DeCare Dental Networks, LLC
DeCare Dental, LLC
Designated Agent Company, Inc.
EHC Benefits Agency, Inc.
Empire HealthChoice Assurance, Inc.
Empire HealthChoice HMO, Inc.
Federal Government Solutions, LLC
Freedom Health, Inc.
Golden West Health Plan, Inc.
Greater Georgia Life Insurance Company
Health Core, Inc.
Health Management Corporation
HealthKeepers, Inc.
HealthLink HMO, Inc.
HealthLink, Inc.
HealthLink Insurance Company
HealthPlus HP, LLC
Healthy Alliance Life Insurance Company
HEP AP Holdings, Inc.
Highland Holdco, Inc.
HMO Colorado, Inc.
HMO Missouri, Inc.
Imaging Management Holdings, LLC
IngenioRx, Inc.
Legato Holdings I, Inc.
Living Complete Technologies, Inc.
Matthew Thornton Health Plan, Inc.
Nash Holding Company, LLC
National Government Services, Inc.
New England Research Institutes, Inc.
Optimum Healthcare, Inc.
Park Square Holdings, Inc.
Park Square I, Inc.
Park Square II, Inc.
Resolution Health, Inc.
RightCHOICE Managed Care, Inc.
Rocky Mountain Hospital and Medical Service, Inc.
SellCore, Inc.
Simply Healthcare Plans, Inc.
Southeast Services, Inc.
State Sponsored Services, Inc.
The Anthem Companies of California, Inc.
The Anthem Companies, Inc.
TrustSolutions, LLC

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CareMarket, Inc.
CareMore Health Plan
CareMore Health Plan of Arizona, Inc.
CareMore Health Plan of Nevada
CareMore Health Plan of Texas, Inc.
CareMore Health System
Cerulean Companies, Inc.
Claim Management Services, Inc.
Community Care Health Plan of Louisiana, Inc.
Community Care Health Plan of Nevada, Inc.
Community Insurance Company
Compcare Health Services Insurance Corporation
Crossroads Acquisition Corp
DBG Holdings, Inc. (fka Newco Holdings, Inc.)
UNICARE Health Plan of West Virginia, Inc.
UNICARE Illinois Services, Inc.
UNICARE Life & Health Insurance Company
UNICARE National Services, Inc.
UNICARE Specialty Services, Inc.
Valus, Inc.
WellPoint Behavioral Health, Inc.
WellPoint California Services, Inc.
WellPoint Dental Services, Inc.
WellPoint Health Solutions, Inc.
WellPoint Holding Corporation
WellPoint Information Technology Services, Inc.
WellPoint Insurance Services, Inc.
WellPoint Military Care Corporation

G. The Company had a tax loss contingency related to the 2017 consolidated tax return recorded in 2018 and released in 2019. For the years ended December 31, 2018 and 2019, we recognized net interest expense of $7,490 and ($7,490), respectively that is netted with current federal income tax. We had accrued $7,490 and $0 for the payment of interest at December 31, 2018 and 2019.

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

The following significant transactions took place between the Company and its affiliates:

The Company received a capital contribution of $15,000,000 from EHCA on December 30, 2019. The Company's capital and surplus level exceeds requirements of the Department, NAIC and BCBSA as of December 31, 2019.

C. Intercompany Management and Service Arrangements

The Company amended the administrative agreement discussed in Note 10F. There were no other amendments as of December 31, 2019.

D. Amounts Due to or from Related Parties

At December 31, 2019 and 2018, the Company reported no amounts due from affiliates. At December 31, 2019 and 2018, the Company reported $77,684,077 and $73,066,070 due to affiliates, respectively. The receivable and payable balances represent intercompany

NOTES TO FINANCIAL STATEMENTS

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:

	2019	2018
The Anthem Companies, Inc.		
Medical Management	$ 17,664,585	$ 12,858,451
MIS-IT	3,620,661	3,129,866
Sales	11,466,244	10,283,412
Customer Service	5,584,198	5,561,885
Claims	1,473,551	1,921,554
Provider Network	2,193,961	3,033,978
Enrollment and Billing	1,207,608	1,507,809
Operations Support	1,981,973	2,462,903
Finance	825,667	1,077,028
Decision Support	654,287	579,071
Underwriting	46,949	60,653
Legal and Compliance	993,022	1,181,445
Human Resources	383,183	558,732
Marketing	1,465,719	1,496,505
General Management	236,540	243,720
Product Development and Management	413,417	407,559
Planning	101,381	115,092
General Administration	309,811	394,628
Other	1,516,432	2,859,379
Total	$ 52,139,189	$ 49,733,670
Anthem, Inc.		
MIS-IT	$ 5,541,171	$ 2,411,062
Medical Management	6,657,970	3,688,227
General Management	1,266,076	1,225,000
Print Mail	447,091	729,546
Customer Service	1,607,403	2,362,272
Marketing	9,130,165	8,756,760
Legal and Compliance	2,425,004	1,243,751
Provider Network	527,924	586,087
Sales	18,379,806	5,392,155
Claims	575,558	83,182
Enrollment and Billing	508,268	705,783
General Administration	200,096	699,258
Finance	188,850	315,125
Product Development & Management	48,282	69,924
Operations Support	7,276,600	5,019,356
External Affairs	168,373	180,671
Decision Support	131,868	129,052
Other	493,082	4,583,126
Total	$ 55,573,587	$ 38,180,337
WellPoint Information Technology Services, Inc.		
MIS-IT	$ 1,714,104	$ 1,622,189
Other	92,894	143,627
Total	$ 1,806,998	$ 1,765,816
WellPoint Holding Corporation		
Claims	$ 6,770	$ 166,590
Medical Management	122,772	196,116
Other	49,734	45,338
Total	$ 179,276	$ 408,044
Anthem Insurance Companies, Inc.		
MIS - IT	$ 89	$ 446
Legal and Compliance	6,802	5,719
Other	(519,146)	(559,308)
Total	$ (512,255)	$ (553,143)
BCBS of California		
Operations Support	$ 18,735	$ 33,641

Marketing	25,722	(6,397)
MIS - IT	(2,110)	1,095
Sales	35,681	13,457
Medical Management	(583,323)	(402,550)
Other	(141,411)	57,276
Total	$ (646,706)	$ (303,478)
Costs allocated from other Anthem, Inc. affiliates not listed above		
Medical Management	$ (2,610,063)	$ (3,025,570)
General Administration	(40,743)	(189,155)
Provider Network	5,596	3,081
MIS-IT	24,853	49,866
Finance	99,987	86,807
External Affairs	865	2,509
Product Development and Management	1,324	1,666
Claims	105,976	70,080
General Management	4,771	3,266
Underwriting	5	17
Decision Support	259	430
Credentialing	821	1,172
Marketing	12,356	912
Customer Service	(48)	739
Print Mail	5,918	5,431
Legal and Compliance	683	2,659
Clinical Health Policy	1,499	(424)
Human Resources	1,886	1,922
Sales	287,164	249,367
Planning	385	370
Actuarial Valuation	304	2,151
Operations Support	309,511	261,923
Other	22,909	23,655
Total	$ (1,763,782)	$ (2,447,126)
Net Costs Allocated to the Company	$ 106,776,307	$ 86,784,120
Federal Tax Payments to Anthem, Inc.	(10,533,861)	(35,248,613)
ACA Fee Assessment	—	20,474,971
Total Schedule Y, Part 2, Column 8	$ 96,242,446	$ 72,010,478

E. 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.

F. 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.

The Company amended its agreement and added IngenioRx, Inc. to the list of primary entities that provide services.

NOTES TO FINANCIAL STATEMENTS

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, 2019 and 2018, 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.

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, 2019 and 2018.

B. FHLB (Federal Home Loan Bank) Agreements

The Company had no FHLB agreements outstanding at December 31, 2019 and 2018.

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.

NOTES TO FINANCIAL STATEMENTS

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 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.

During 2019 and 2018, the Company was allocated the following costs or (credits) for these retirement benefits:

	2019	2018
Defined benefit pension plan	**$ (327,250)**	$ (266,532)
Postretirement medical benefit plan	**(41,353)**	(43,198)
Deferred compensation plan	**30,121**	30,657
Defined contribution plan	**1,208,427**	1,066,500

H. Post Employment Benefits and Compensated Absences

Not applicable.

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

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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

(1) Outstanding Shares

As of December 31, 2019, the Company has 200 shares of $.01 par value common stock authorized, issued and outstanding.

(2) Preferred Stock

The Company has no preferred stock outstanding.

(3) 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.

(4) Dividends Paid

See Footnote 10B.

(5) Maximum Ordinary Dividend During 2020

Within the limitations of (3) above, the Company may not pay dividends during 2020 without prior approval.

(6) Unassigned Surplus Restrictions

Unassigned surplus funds are not restricted at December 31, 2019.

(7) Mutual Surplus Advances

Not applicable.

(8) Company Stock Held for Special Purpose

There are no shares of stock held for special purposes at December 31, 2019.

(9) Changes in Special Surplus Funds

The change in balances of special surplus funds from the prior year are due to changes in the amounts segregated for the estimated Affordable Care Act ("ACA") health insurer fee to be paid in the subsequent year. The annual fee under section 9010 of the ACA was suspended for 2019, therefore no surplus was segregated as of December 31, 2018.

(10) Changes in Unassigned Funds

The portion of unassigned funds represented by cumulative unrealized gains and losses was $(41,987) at December 31, 2019.

(11) Surplus Notes

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

NOTES TO FINANCIAL STATEMENTS

(12) Restatement due to Prior Quasi-reorganizations

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

(13) Quasi-reorganizations over Prior 10 Years

The Company has not been involved in a quasi-reorganization during the past 10 years.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments

The Company had no contingent commitments at December 31, 2019 or 2018.

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 an 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 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, 2019 or 2018.

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 is a defendant in multiple lawsuits that were initially filed in 2012 against the BCBSA and Blue Cross and/or Blue Shield licensees, or Blue plans, across the country. The cases 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, or 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 programs and other arrangements in violation of the Sherman Antitrust Act, or Sherman Act, and related state laws. The cases were brought by two putative nationwide classes of plaintiffs, health plan subscribers and providers, and actions filed in twenty-eight states have been consolidated into the multi-district proceeding.

NOTES TO FINANCIAL STATEMENTS

In response to cross motions for partial summary judgment by plaintiffs and defendants, the Court issued an order in April 2018 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. No dates have been set for either the final pretrial conferences or trials in these actions. In March 2019, the Court issued a Fourth Amended Scheduling Order requiring that briefing on motions for class certification and related expert reports, merits and damages expert reports, and certain dispositive motions occur in 2019. In April 2019, plaintiffs' filed their motions to exclude plaintiffs' experts, as well as their opposition to plaintiffs' motions for class certification, in July 2019. The case has been stayed until further notice from the Court. Anthem intends to vigorously defend these suits; however, their ultimate outcome cannot be presently determined.

Express Scripts, Inc. Pharmacy Benefit Management Litigation

In March 2016, Anthem filed a lawsuit against Express Scripts, Inc., or Express Scripts, its vendor for pharmacy benefit management, or 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, or the ESI PBM Agreement, over $158,000,000 in damages related to operational breaches, as well as various declarations under the ESI PBM Agreement between the parties, 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 us 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 the 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 Anthem entered into the ESI PBM Agreement. In March 2017, the court granted the 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. Fact discovery has been completed. Anthem intends to vigorously pursue the claims and defend against any counterclaims, which Anthem believes are without merit; however, the ultimate outcome cannot be presently determined.

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 its 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 PBM Agreement and (ii) by placing Anthem's own pecuniary interest above the best interests

NOTES TO FINANCIAL STATEMENTS

of Anthem's insureds by allegedly agreeing to higher pricing in the ESI PBM Agreement in exchange for the purchase price for its 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 Anthem, 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, which was heard in October 2018 but has not yet been decided. Anthem intends to vigorously defend this suit; however, its ultimate outcome cannot be presently determined.

Cigna Corporation Merger Litigation

In July 2015, Anthem and Cigna Corporation, or Cigna, announced that Anthem entered into the Agreement and Plan of Merger, or Cigna Merger Agreement, pursuant to which Anthem would acquire all outstanding shares of Cigna. In July 2016, the U.S. Department of Justice, or DOJ, along with certain state attorneys general, filed a civil antitrust lawsuit in the U.S.District Court for the District of Columbia, or District Court, seeking to block the merger. In February 2017, Cigna purported to terminate the Cigna Merger Agreement and commenced litigation against Anthem in the Delaware Court of Chancery, or Delaware Court, seeking damages, including the $1,850,000,000 termination fee pursuant to the terms of the Cigna Merger Agreement, and a declaratory judgment that its purported termination of the Cigna Merger Agreement was lawful, among other claims, which is captioned *Cigna Corp. v. Anthem Inc.*

Also in February 2017, Anthem initiated their own litigation against Cigna in the Delaware Court seeking a temporary restraining order to enjoin Cigna from terminating the Cigna Merger Agreement, specific performance compelling Cigna to comply with the Cigna Merger Agreement and damages, which is captioned Anthem Inc. v. Cigna Corp. In April 2017, the U.S. Circuit Court of Appeals for the District of Columbia affirmed the ruling of the District Court, which blocked the merger. In May 2017, after the Delaware Court denied Anthem's motion to enjoin Cigna from terminating the Cigna Merger Agreement, Anthem delivered to Cigna a notice terminating the Cigna Merger Agreement.

In the Delaware Court litigation, trial commenced in late February 2019 and concluded in March 2019. The Delaware Court held closing argument on November 25, 2019 and took the matter under consideration. In February 2020, the Court requested supplemental briefing. The parties have been instructed to negotiate a schedule for the supplemental submissions. Anthem believes Cigna's allegations are without merit and they intend to vigorously pursue their claims and defend against Cigna's allegations; however, the ultimate outcome of Anthem's litigation with Cigna cannot be presently determined.

In October 2018, a shareholder filed a derivative lawsuit in Marion County Superior Court, captioned *Henry Bittmann, Derivatively, et al. v. Joseph R Swedish, et al.*, on behalf of Anthem and its shareholders against certain current and former directors and executives alleging breaches of fiduciary duties, unjust enrichment and corporate waste associated with the Cigna Merger Agreement. Anthem intends to vigorously defend this lawsuit; however, its ultimate outcome cannot be presently determined.

Cyber Attack Regulatory Proceedings and Litigation

In February 2015, Anthem reported that it was the target of a sophisticated external cyber attack, during which the attackers gained unauthorized access to certain of its information technology systems and obtained personal information related to many individuals and employees. To date, there is no evidence that credit card or medical information was accessed or obtained.

NOTES TO FINANCIAL STATEMENTS

Upon discovery of the cyber attack, Anthem took immediate action to remediate the security vulnerability and have continued to implement security enhancements since this incident.

Federal and state agencies are investigating, or have investigated, events related to the cyber attack, including how it occurred, its consequences and its responses. The investigations have all been resolved with the exception of an ongoing investigation by a multi-state group of attorneys general, which remains outstanding. Although Anthem is cooperating in this investigation, Anthem may be subject to additional fines or other obligations. Anthem intends to vigorously defend the remaining regulatory investigation; however, its ultimate outcome cannot be presently determined.

Anthem has contingency plans and insurance coverage for certain expenses and potential liabilities of this nature and will pursue coverage for all applicable losses; however, the ultimate outcome of our pursuit of insurance coverage 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 Company, like HMOs and health insurers generally, excludes 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.

The Company is involved in pending and threatened litigation of the character incidental to the business transacted, arising out of its operations and is from time to time involved as a party in various governmental investigations, audits, reviews and administrative proceedings. These investigations, audits and reviews and administrative proceedings include routine and special investigations 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. The Company believes that 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.

Provisions for uncollectible amounts

At December 31, 2019 and 2018, the Company reported admitted assets of $13,255,377 and $15,190,620, respectively, in premium receivables and receivables due from uninsured plans. Based upon Company experience, any uncollectible receivables are not expected to exceed $2,160,565 that was nonadmitted at December 31, 2019; therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

15. Leases

A. Lessee Operating Lease

The Company has no lessee leasing arrangements.

B. Lessor Leases

The Company has not entered into any operating leases.

NOTES TO FINANCIAL STATEMENTS

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, 2019, there were no significant concentrations.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

Not applicable at December 31, 2019 and 2018.

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, 2019 the fair value of securities loaned was $4,182,626 and the carrying value of securities loaned was $3,909,742.

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

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

A. Administrative Services Only ("ASO") Plans

Not applicable at December 31, 2019.

B. Administrative Services Contract ("ASC") Plans

Not applicable at December 31, 2019.

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	2019	2018
Centers for Medicare and Medicaid Services	Cost share and reinsurance components of administered Medicare products	$ 8,797,422	$ 2,127,111
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, 2019 and 2018.

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					
U.S. special revenues	$ —	$ 823,064	$ —	$ —	$ 823,064
Industrial and misc	—	630,233	—	—	630,233
Total bonds	$ —	$ 1,453,297	$ —	$ —	$ 1,453,297
Total assets at fair value/NAV	$ —	$ 1,453,297	$ —	$ —	$ 1,453,297

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

There are no investments in Level 3 as of December 31, 2019 and 2018.

(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 I or Level II inputs, for the determination of fair value to facilitate fair value measurements and disclosures. Level II 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 periodically reviews the pricing services' pricing methodologies, data sources and pricing inputs to ensure the fair values obtained are reasonable.

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, 2019 and 2018.

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	$ 324,707,991	$ 313,107,531	$ —	$ 324,707,991	$ —	$ —	$ —
Securities lending collateral asset	4,301,037	4,274,969	—	4,301,037	—	—	—

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

Not applicable at December 31, 2019 and 2018.

B. Troubled Debt Restructuring: Debtors

Not applicable at December 31, 2019 and 2018.

C. Other Disclosures

Assets in the amount of $68,122,623 and $69,611,446 at December 31, 2019 and 2018, 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, 2019 and 2018.

E. State Transferable and Non-Transferable Tax Credits

The Company did not have state transferable or non-transferable tax credits at December 31, 2019 and 2018.

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, 2019 or 2018.

(3) The Company did not have subprime mortgage-related risk exposure at December 31, 2019 or 2018.

(4) The Company did not underwrite Mortgage Guaranty or Financial Guaranty insurance coverage at December 31, 2019 or 2018.

G. Retained Assets

The Company does not have retained assets at December 31, 2019 and 2018.

H. Insurance-Linked Securities Contracts

Not applicable.

22. Events Subsequent

The Company is subject to an annual fee under section 9010 of the ACA. A health insurance company's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. The annual fee under section 9010 of the ACA was suspended for 2019 and resumed for 2020.

		Current Year	Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	YES	
B.	ACA fee assessment payable for the upcoming year	$ 17,985,713	$ —
C.	ACA fee assessment paid	$ —	$ 20,474,971
D.	Premium written subject to ACA 9010 assessment	$ 976,563,601	$ 993,408,610
E.	Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	$ 157,155,770	
F.	Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus Line 22B above).	$ 139,170,057	
G.	Authorized Control Level (Five-Year Historical Line 15)	$ 34,622,636	
H.	Would reporting the ACA assessment as of December 31, 2019 have triggered an RBC action level (YES/NO)?	No	

Subsequent events have been considered through March 30, 2020 for the statutory statement issued on March 31, 2020. Subsequent to December 31, 2019, the spread of the COVID-19 virus caused significant financial market volatility, economic uncertainty, and interruptions to normal business activities. As of the date of issuance of this annual statement, the full impact to the Company is unknown, but management expects continued interruptions to day-to-day business activities, impacts to claim and premium activity, and decreases in the fair value of certain investments, as well as possible impacts to liquidity. As of the date of issuance, the outbreak is still evolving and thus there is significant uncertainty as to its ultimate impacts on the Company. There were no other events occurring subsequent to December 31, 2019 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.

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NOTES TO FINANCIAL STATEMENTS

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes ( ) No (X)

If yes, give full details.

B. Uncollectible Reinsurance

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

C. Commutation of Ceded Reinsurance

The Company has not commuted ceded reinsurance during 2019 and 2018.

D. Certified Reinsurer Rating Downgraded or Status Subject Revocation

The Company has no downgraded certified reinsurer ratings or status subject to revocations during 2019 and 2018.

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, 2019 and 2018 that were subject to retrospective rating features was $975,505,447 and $990,036,558, respectively, which represented 99.9% 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)?	Yes
(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)	$ 1,011,253
	Liabilities	
	2. Risk adjustment user fees payable for ACA Risk Adjustment	$ 2,391
	3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool premiums)	$ 2,241,299
	Operations (Revenue & Expense)	
	4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	$ (2,476,435)
	5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	$ 1,609
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	$ 75,520
	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			Unsettled Balances as of the Reporting Date	
					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)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high risk pool payments)	$ 3,260,013	$ —	$ 3,580,121	$ —	$ (320,108)	$ —	$ 917,492	$ —	A	$ 597,384	$ —
2. Premium adjustments (payable) (including high risk pool premiums)	$ —	$1,318,959	$ —	$2,825,521	$ —	$(1,506,562)	$ —	$1,506,562	B	$ —	$ —
3. Subtotal ACA Permanent Risk Adjustment Program	$ 3,260,013	$1,318,959	$ 3,580,121	$2,825,521	$ (320,108)	$(1,506,562)	$ 917,492	$1,506,562		$ 597,384	$ —
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	$ 143,487	$ —	$ 143,487	$ —	$ —	$ —	$ —	$ —	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	$ 143,487	$ —	$ 143,487	$ —	$ —	$ —	$ —	$ —		$ —	$ —
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	$ 3,403,500	$1,318,959	$ 3,723,608	$2,825,521	$ (320,108)	$(1,506,562)	$ 917,492	$1,506,562		$ 597,384	$ —

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 2018 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 2018 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	
					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)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
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	$ 8,305,585	$ —	—	—	—
d. Total (a + b + c)	$ 8,305,585	$ 8,305,585	$ —	$ —	$ —	$ —

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 $4,562,744 during 2019. This is approximately 4.7% of unpaid claims and claim adjustment expenses of $96,325,697 as of December 31, 2018. 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 2019. 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.

26. Intercompany Pooling Arrangements

Not applicable at December 31, 2019 and 2018.

27. Structured Settlements

Not applicable at December 31, 2019 and 2018.

NOTES TO FINANCIAL STATEMENTS

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

During 2019, the Company sold $51,113,440 of pharmaceutical rebate receivables without recourse to Blue Cross of California, an affiliated entity. The cash proceeds received by the Company represented the expected pharmaceutical rebates recoverable in 90 days or more at the end of each quarter, less a $255,567 discount fee.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2019	$ 17,235,073	$ 8,426,846	$ —	$ —	$ —
9/30/2019	16,781,529	13,214,041	8,598,693	—	—
6/30/2019	16,800,208	13,029,007	276,070	12,671,948	—
3/31/2019	16,395,647	12,982,422	237,191	12,777,773	—
12/31/2018	15,279,650	12,464,619	214,038	12,278,619	—
9/30/2018	15,672,133	12,127,138	8,118,517	4,094,821	29
6/30/2018	15,363,986	12,169,921	176,177	12,063,354	59,634
3/31/2018	14,764,935	11,169,682	145,096	11,097,121	(59,698)
12/31/2017	7,873,383	13,648,638	3,890,039	5,067,433	42,936
9/30/2017	11,338,996	12,613,839	12,419,120	269,866	36,934
6/30/2017	11,646,463	12,551,347	84,608	12,490,720	197,649
3/31/2017	10,111,274	11,353,065	51,830	10,819,474	736,668

B. Risk Sharing Receivables

Not applicable at December 31, 2019 and 2018.

29. Participating Policies

Not applicable at December 31, 2019 and 2018.

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	$ 50,752,800		
2. Date of the most recent evaluation of this liability	December 31, 2019		
3. Was anticipated investment income utilized in the calculation?	Yes ____	No	X

The Company recorded premium deficiency reserves of $9,036,762 at December 31, 2018.

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 $2,104,000 and $1,924,000 at December 31, 2019 and 2018, 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 [X] No [ ]
If yes, complete Schedule Y, Parts 1, 1A and 2

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [X] 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 [X] 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 [X]

2.2 If yes, date of change: .....

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2016

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. 12/31/2016

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). 10/16/2018

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 [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? ..... Yes [ ] No [X]
4.12 renewals? ..... Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? ..... Yes [ ] No [X]
4.22 renewals? ..... Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]
If yes, complete and file the merger history data file with the NAIC.

5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [X]

6.2 If yes, give full information:
.....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [X]

7.2 If yes,
7.21 State the percentage of foreign control; ..... %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
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?
Mark Justus, FSA, MAAA, Director & Actuary III (officer and employee): 3350 Peachtree Road, Atlanta, GA 30326

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 $ (535,408)
- 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: $ 0

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No [ ]

24.02 If no, give full and complete information relating thereto

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
See Notes 5E and 17.

24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [X] No [ ] N/A [ ]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 4,274,969

24.06 If answer to 24.04 is no, report amount of collateral for other programs. $

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [ ] N/A [ ]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [ ] N/A [ ]

24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [X] No [ ] N/A [ ]

GENERAL INTERROGATORIES

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

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 4,301,037
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 4,274,969
24.103 Total payable for securities lending reported on the liability page. $ 4,274,969

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

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

25.21 Subject to repurchase agreements $
25.22 Subject to reverse repurchase agreements $
25.23 Subject to dollar repurchase agreements $
25.24 Subject to reverse dollar repurchase agreements $
25.25 Placed under option agreements $
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock $
25.27 FHLB Capital Stock $
25.28 On deposit with states $ 68,122,623
25.29 On deposit with other regulatory bodies $
25.30 Pledged as collateral - excluding collateral pledged to an FHLB $
25.31 Pledged as collateral to FHLB - including assets backing funding agreements $
25.32 Other $

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

26.4 If the response to 26.3 is YES, does the reporting entity utilize:
26.41 Special accounting provision of SSAP No. 108 Yes [ ] No [ ]
26.42 Permitted accounting practice Yes [ ] No [ ]
26.43 Other accounting guidance Yes [ ] No [ ]

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

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

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

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

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

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
107717	MacKay Shields LLC	549300Y7LLCOFU7R8H16	Securities Exchange Commission	NO
105377	Loomis, Sayles & Company, LP	JIZPN2RX3UMNOYIDI313	Securities Exchange Commission	NO

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

29.2 If yes, complete the following schedule:

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

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

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

GENERAL INTERROGATORIES

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	313,107,531	324,707,991	11,600,460
30.2 Preferred stocks	0		0
30.3 Totals	313,107,531	324,707,991	11,600,460

30.4 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.

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

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

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

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

32.2 If no, list exceptions:

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

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

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

OTHER

36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 59,216

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

1 Name	2 Amount Paid
Blue Cross Blue Shield Association	59,216

GENERAL INTERROGATORIES

37.1 Amount of payments for legal expenses, if any? $ 2,521,334

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

1 Name	2 Amount Paid
Omelveny & Myers	1,434,150

38.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 108,339

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

1 Name	2 Amount Paid
Hinman Straub	77,663
Pitta Bishop	30,676

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 2019 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	975,799,152	990,349,910
2.2	Premium Denominator	975,799,152	990,349,910
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	149,392,269	105,979,726
2.5	Reserve Denominator	149,392,269	105,979,726
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 $ 0

5.32 Medical Only $ 0

5.33 Medicare Supplement $ 0

5.34 Dental & Vision $ 0

5.35 Other Limited Benefit Plan $ 0

5.36 Other $ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
If the company becomes insolvent, Anthem, Inc. has agreed to the full extent of its assets, 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 89,941

8.2 Number of providers at end of reporting year 98,503

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

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months $ 0

9.22 Business with rate guarantees over 36 months $ 0

GENERAL INTERROGATORIES

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

10.2 If yes:

10.21 Maximum amount payable bonuses $ 6,791,641
10.22 Amount actually paid for year bonuses $ 11,562,732
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 [ ] No [X]
11.13 An Individual Practice Association (IPA), or, Yes [ ] No [X]
11.14 A Mixed Model (combination of above)? Yes [ ] No [X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No [ ]
11.3 If yes, show the name of the state requiring such minimum capital and surplus. New York
11.4 If yes, show the amount required. $ 121,974,894
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [X] 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
Renssalaer
Richmond
Rockland
Saratoga
Schnectady
Schoharie
Suffolk
Sullivan
Ulster
Warren
Washington
Westchester

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

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 [X]

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

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

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

15.1 Direct Premium Written .....$ 0
15.2 Total Incurred Claims .....$ 0
15.3 Number of Covered Lives 0

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

NEW YORK SUPPLEMENT FOR THE YEAR 2019 OF THE Empire HealthChoice HMO, Inc.

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 2019 Hospital and Medical Expenses (12/31/18 NY Supplement, page NY6, ln. 16, col. 9)	889,590,409
2.	Escrow Deposit Requirement (5% of projected 2019 hospital and medical expenses) [a]	44,479,520

(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, 2019. 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, ln. 12, col. 1)		975,799,152
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, ln. 2.5, all columns EXCEPT: cols. 29, 35, 37, 39, 43, 45)		0
	3.ii) Essential Plan, HARP, Medicaid Managed Care, Medicaid Advantage and HIV SNP programs (pages NY8-NY9, ln. 2.5, cols. 29, 35, 37, 43)	0	
	LESS: Value Based Payment ("VBP") Supplemental Programs and Minimum Wage Payments		0
	3.iii) MLTC Program (MLTC-Partial, MAP, PACE) (page NY9, ln. 2.5, col. 39)	0	
	LESS: Quality Incentive Vital Access Provider Pool & Minimum Wage Payments		0
	3.iv) FIDA (page NY9, ln. 2.5, col. 45)		0
	LESS: Quality Incentive Vital Access Provider Pool & Minimum Wage Payments		
4.	Contingent Reserve, not including the 2% Point of Service Contingent Reserve Requirement.[c]		121,974,894
5.	2% Point of Service Contingent Reserve Requirement.[d]		
6.	Total Contingent Reserve (lns. 4+5 should equal page NY3, ln. 30.11, col. 3).		121,974,894
7.	Escrow Deposit, after offset of the Contingent Reserve (ln. 1 less ln. 4; minimum of $0, should equal page NY3, ln. 30.12, col. 3)		0
8.	Total minimum Net Worth (ln. 6+7; should equal page NY3, ln. 30.13, col. 3)		121,974,894

***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.

(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 12/31/2019, 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 12/31/2019, 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, FIDA, Medicaid Managed Care, Medicaid Advantage, HARP, HIV SNP, and MLTC.

Completed Calendar Years of Operations	Line 4 should include This Percent of the amount of Premium in Line 3(i).	PLUS	For Calendar Year Ending	Line 4 should include the Percent of the amount of Premium in Line 3(ii).	PLUS	Line 4 should include the Percent of the amount of Premium in Line 3(iii)	PLUS	Line 4 should include the Percent of the amount of Premium in Line 3(iv).
1 year	5%		2019	7.25%		5.00%		6.25%
2 years	6.50%		2020	7.25%		5.00%		6.25%
3 years	7.50%		2021	8.25%		5.00%		6.25%
4 years	8.50%		2022	9.25%		5.00%		6.25%
5 years	9.50%		2023	10.25%		5.00%		6.25%
6 years	10.50%		2024	11.25%		5.00%		6.25%
7 years	11.50%		2025	12.5%		5.00%		6.25%
8 or more years	12.50%		After 2025	12.5%		5.00%		6.25%

FIVE-YEAR HISTORICAL DATA

		1 2019	2 2018	3 2017	4 2016	5 2015
	Balance Sheet (Pages 2 and 3)					
1.	Total admitted assets (Page 2, Line 28)	408,659,367	434,637,489	525,218,643	616,060,104	615,529,920
2.	Total liabilities (Page 3, Line 24)	251,503,597	247,626,320	321,619,879	392,128,262	373,776,962
3.	Statutory minimum capital and surplus requirement	121,974,894	123,793,739	160,381,882	172,139,658	156,947,971
4.	Total capital and surplus (Page 3, Line 33)	157,155,770	187,011,169	203,598,764	223,931,842	241,752,958
	Income Statement (Page 4)					
5.	Total revenues (Line 8)	977,590,457	992,094,189	1,284,582,226	1,381,418,784	1,247,954,551
6.	Total medical and hospital expenses (Line 18)	876,447,151	903,958,825	1,237,993,483	1,222,790,408	1,095,010,209
7.	Claims adjustment expenses (Line 20)	48,371,555	40,621,164	49,806,835	57,068,382	66,841,447
8.	Total administrative expenses (Line 21)	72,678,660	91,968,152	95,110,160	110,394,842	127,254,539
9.	Net underwriting gain (loss) (Line 24)	(61,622,947)	(23,482,197)	(84,099,467)	(15,378,939)	(59,996,781)
10.	Net investment gain (loss) (Line 27)	11,326,043	9,810,633	12,355,806	14,862,555	14,118,297
11.	Total other income (Lines 28 plus 29)	(817,763)	(774,037)	(955,330)	(2,241,985)	(838,492)
12.	Net income or (loss) (Line 32)	(41,118,044)	(15,792,130)	(38,392,110)	(7,981,910)	(36,587,529)
	Cash Flow (Page 6)					
13.	Net cash from operations (Line 11)	20,522,575	(30,471,870)	(78,961,304)	(66,368,367)	(11,274,454)
	Risk-Based Capital Analysis					
14.	Total adjusted capital	157,155,770	187,011,169	203,598,764	223,931,842	241,752,958
15.	Authorized control level risk-based capital	34,622,636	35,382,253	48,499,594	49,134,097	44,124,549
	Enrollment (Exhibit 1)					
16.	Total members at end of period (Column 5, Line 7)	82,107	85,513	134,609	141,662	164,037
17.	Total members months (Column 6, Line 7)	993,051	1,036,507	1,650,248	1,820,544	1,989,807
	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)	89.7	91.1	96.4	88.5	87.7
20.	Cost containment expenses	3.2	2.5	2.5	2.6	3.2
21.	Other claims adjustment expenses	1.8	1.6	1.3	1.5	2.2
22.	Total underwriting deductions (Line 23)	106.3	102.4	106.5	101.1	104.8
23.	Total underwriting gain (loss) (Line 24)	(6.3)	(2.4)	(6.5)	(1.1)	(4.8)
	Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24.	Total claims incurred for prior years (Line 13, Col. 5)	85,190,486	142,237,351	136,808,069	176,554,929	147,770,070
25.	Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	94,128,595	154,237,097	166,119,736	197,357,341	203,129,132
	Investments In Parent, Subsidiaries and Affiliates					
26.	Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27.	Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0				
28.	Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0				
29.	Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)		0	0	0	0
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

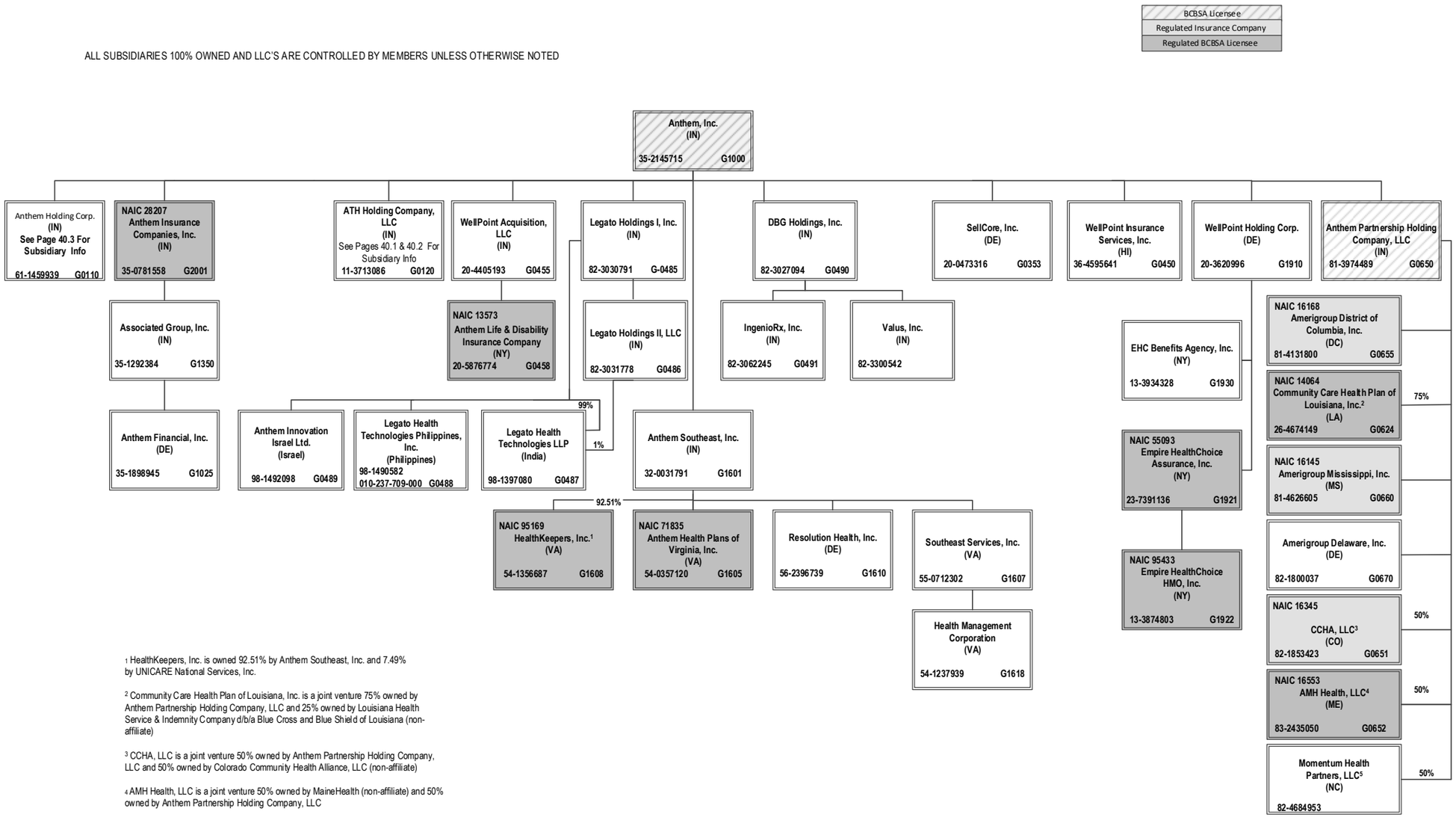
	1	Direct Business Only							
		2	3	4	5	6	7	8	9
States, etc.	Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type 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		72,640,051					72,640,051	
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	105,486,426	797,672,675					903,159,101	
34. North Carolina NC	N							0	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	105,486,426	870,312,726	0	0	0	0	975,799,152	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	XXX	105,486,426	870,312,726	0	0	0	0	975,799,152	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Active Status Counts:

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

(b) Explanation of basis of allocation by states, premiums by state, etc.
Premium amounts are allocated based on residence of insured.

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



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

[2] 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)

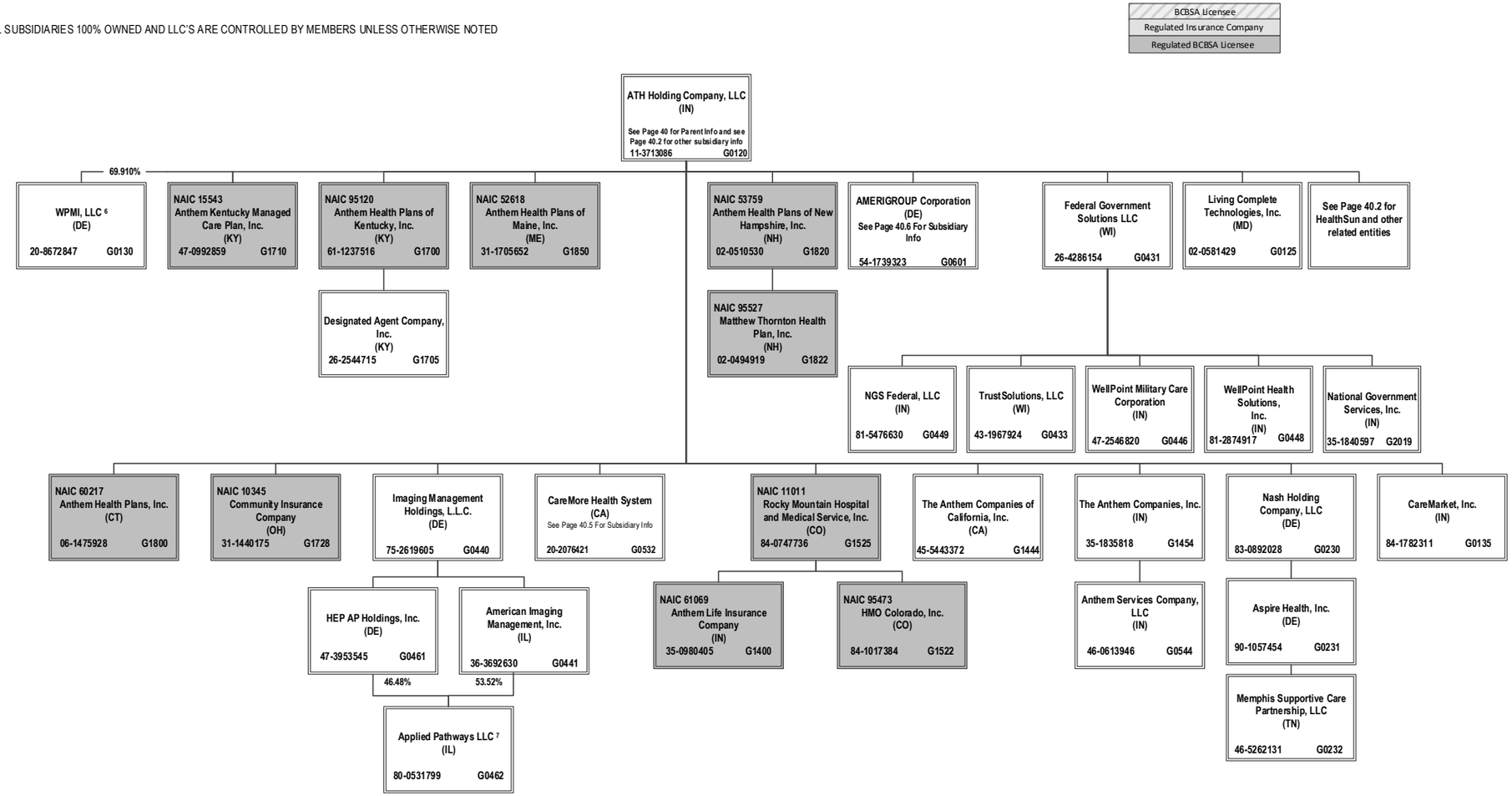
[3] CCHA, LLC is a joint venture 50% owned by Anthem Partnership Holding Company, LLC and 50% owned by Colorado Community Health Alliance, LLC (non-affiliate)

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

[5] 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)

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

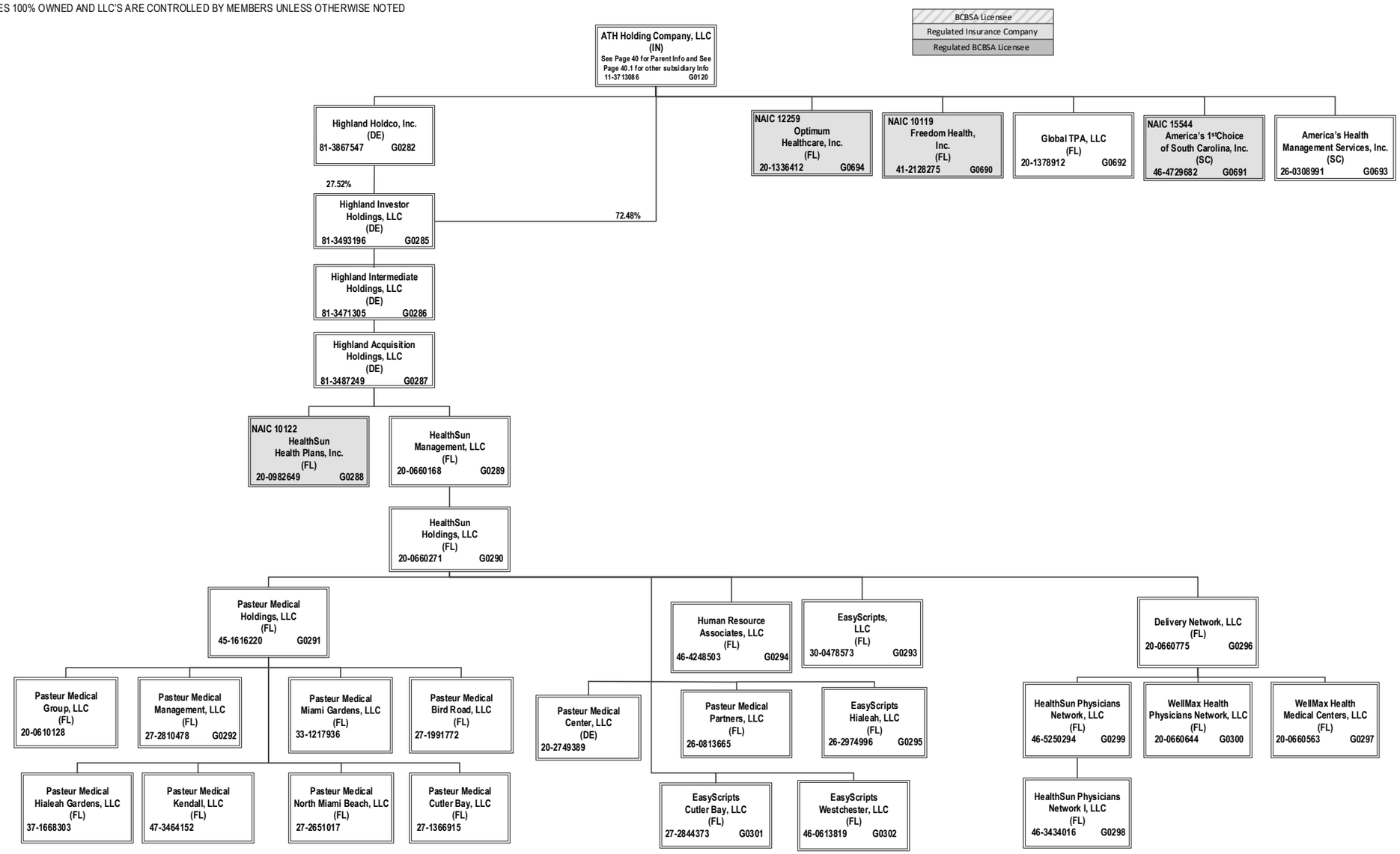


[6] 30.09% of WPMI, LLC is owned by unaffiliated investors

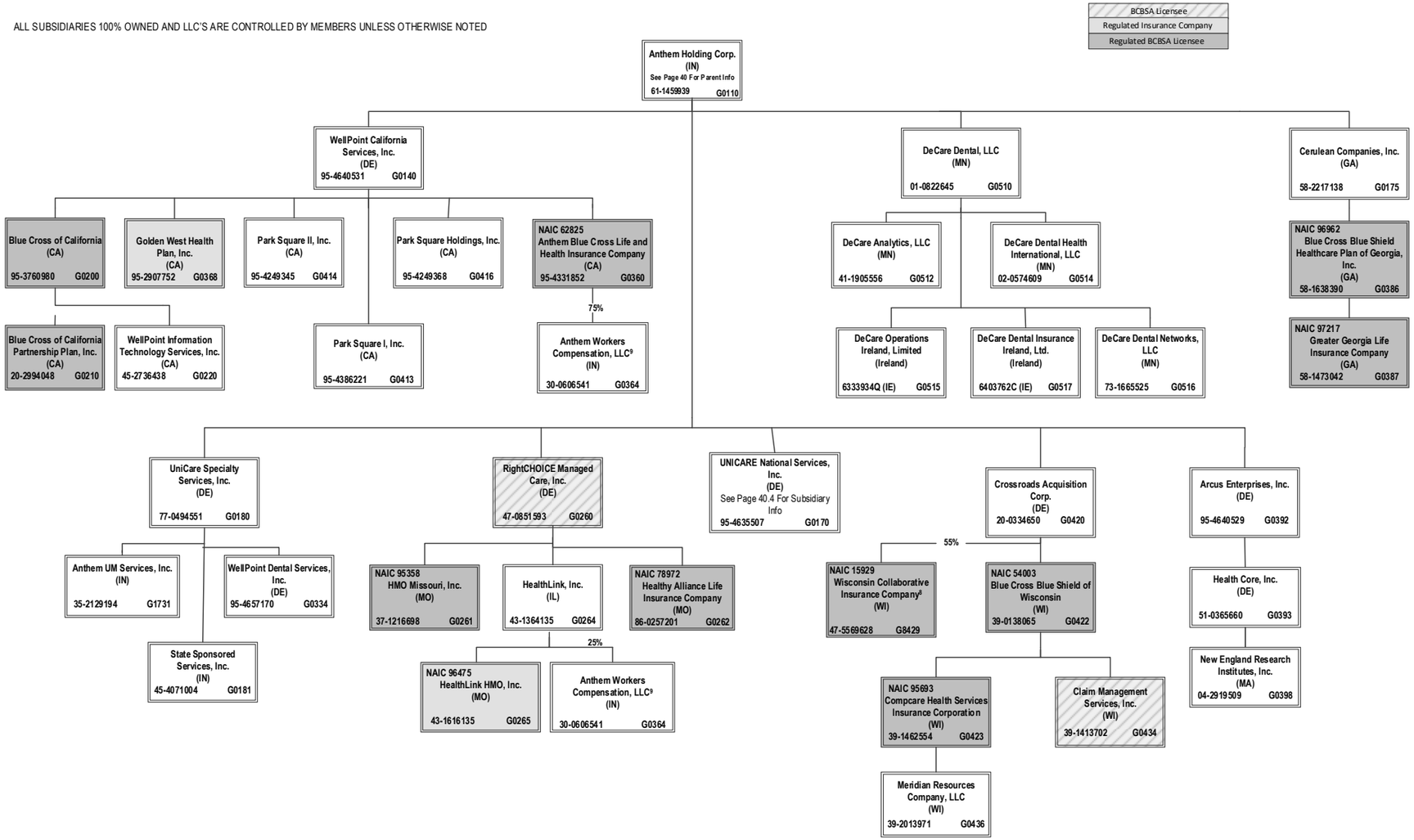
[7] Applied Pathways LLC is owned 53.52% by AIM and 46.48% by HEP AP Holdings, Inc.

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



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

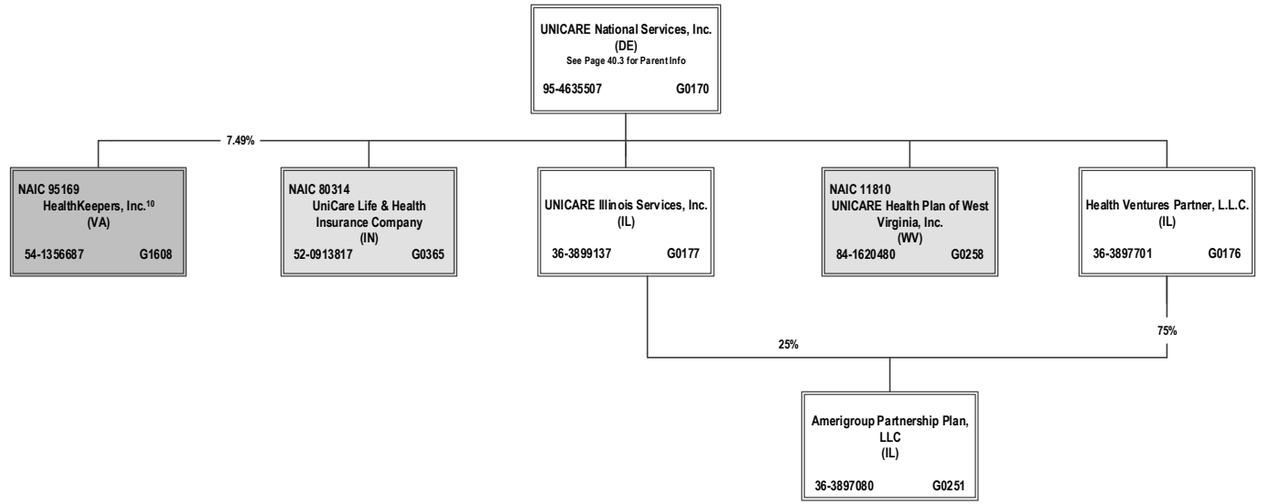


[8] 45% of WCIC is owned by Aurora Health Care, Inc. (non-affiliate). Not consolidated for accounting purposes.

[9] 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

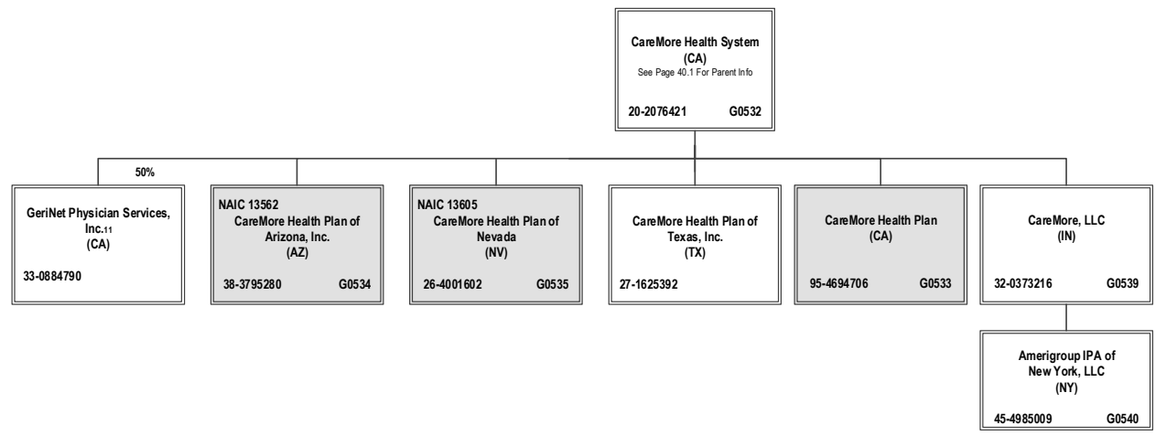


[10] HealthKeepers, Inc. is owned 92.51% by Anthem Southeast, Inc. and 7.49% by UNICARE National Services, Inc.

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

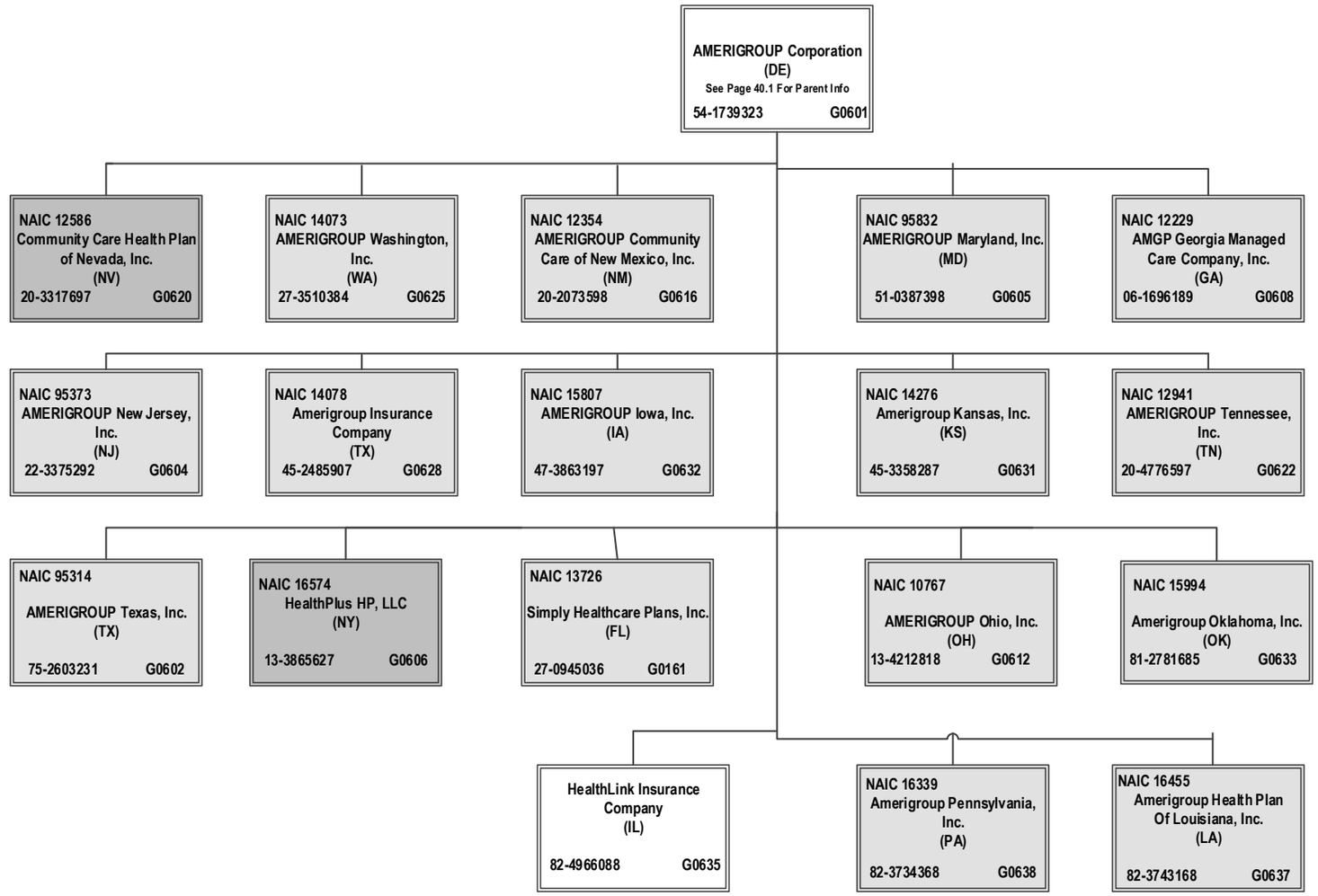


[11] GeriNet Physician Services, Inc. is owned 50% by CareMore Health System and 50% by Health Essentials Acquisition Corporation (non-affiliate)

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



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.	Premium Tax Recoverable	2,367,110		2,367,110	3,026,247
2505.	Stop Loss Receivables (NY Regulation 4321, 4322 & 4327)	1,616,037		1,616,037	2,420,460
2506.	City Income Tax Recoverable	510,375		510,375	29,533,865
2507.	State Income Tax Recoverable	235,938		235,938	0
2508.	Blue Card Receivables	9,008		9,008	9,043
2597.	Summary of remaining write-ins for Line 25 from overflow page	4,738,468	0	4,738,468	34,989,615

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	383,056		383,056	229,201
2305.	Other premium liability	320,756		320,756	887,011
2397.	Summary of remaining write-ins for Line 23 from overflow page	703,812	0	703,812	1,116,212

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