



# ANNUAL STATEMENT

For the Year Ended December 31, 2020  
of the Condition and Affairs of the

## Wellmark Health Plan of Iowa, Inc.

NAIC Group Code..... 0770, 0770 (Current Period) (Prior Period) NAIC Company Code..... 95531 Employer's ID Number..... 42-1455449

Organized under the Laws of IA State of Domicile or Port of Entry IA Country of Domicile US

Licensed as Business Type Health Maintenance Organization Is HMO Federally Qualified? Yes [ ] No [ X ]

Incorporated/Organized..... March 13, 1996 Commenced Business..... January 1, 1997

Statutory Home Office 1331 Grand Avenue .. Des Moines .. IA .. US .. 50309-2901  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1331 Grand Avenue .. Des Moines .. IA .. US .. 50309-2901 515-376-4500  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1331 Grand Avenue .. Des Moines .. IA .. US .. 50309-2901  
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1331 Grand Avenue .. Des Moines .. IA .. US .. 50309-2901 515-376-4500  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.wellmark.com

Statutory Statement Contact Christa Daneen Kuennen 515-376-4144  
(Name) (Area Code) (Telephone Number) (Extension)  
kuennencd@wellmark.com 515-376-9054  
(E-Mail Address) (Fax Number)

### OFFICERS

Name	Title	Name	Title
1. Cory Randall Harris	President, CEO & Chairman	2. Scott Andrew Sundstrom	Secretary
3. David Seth Brown	EVP, CFO & Treasurer	4.	

### OTHER

John Thomas Clendenin Laura Jean Jackson

### DIRECTORS OR TRUSTEES

Ron Joseph Corbett Cory Randall Harris-Chairman Douglas Dwight Laird

State of..... Iowa  
County of..... Polk

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

_____ (Signature) Cory Randall Harris _____ 1. (Printed Name) President, CEO & Chairman _____ (Title)	_____ (Signature) Scott Andrew Sundstrom _____ 2. (Printed Name) Secretary _____ (Title)	_____ (Signature) David Seth Brown _____ 3. (Printed Name) EVP, CFO & Treasurer _____ (Title)
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Subscribed and sworn to before me This \_\_\_\_\_ day of \_\_\_\_\_ 2021

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 \_\_\_\_\_

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	170,576,331		170,576,331	165,939,058
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	99,621,717		99,621,717	92,064,769
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 \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....(5,850), Schedule E-Part 1), cash equivalents (\$.....7,335,713, Schedule E-Part 2) and short-term investments (\$.....429,972, Schedule DA).....	7,759,835		7,759,835	3,452,723
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....	8,416,722		8,416,722	7,766,297
9. Receivables for securities.....	407,357		407,357	12,282
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	286,781,962	0	286,781,962	269,235,129
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	1,497,237		1,497,237	1,641,401
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	473,475		473,475	379,734
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....476,000).....	476,000		476,000	1,000,000
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....	61,068,168	8,340,000	52,728,168	48,027,783
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	638,000		638,000	
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).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	7,768,996		7,768,996	15,741,413
24. Health care (\$.....12,772,445) and other amounts receivable.....	17,367,740	4,588,279	12,779,461	11,411,474
25. Aggregate write-ins for other-than-invested assets.....	6,926,422	6,926,422	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	382,998,000	19,854,701	363,143,299	347,436,934
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	382,998,000	19,854,701	363,143,299	347,436,934

**DETAILS OF WRITE-INS**

1101.....			0	
1102.....			0	
1103.....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Prepaid Expenses.....	6,926,422	6,926,422	0	
2502.....			0	
2503.....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	6,926,422	6,926,422	0	0

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	41,948,750		41,948,750	42,925,500
2. Accrued medical incentive pool and bonus amounts.....	10,068,374		10,068,374	3,038,388
3. Unpaid claims adjustment expenses.....	376,916		376,916	361,453
4. Aggregate health policy reserves, including the liability of \$.....9,299,507 for medical loss ratio rebate per the Public Health Service Act.....	24,615,658		24,615,658	25,894,948
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserves.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	17,703,782		17,703,782	16,491,970
9. General expenses due or accrued.....	1,912,257		1,912,257	2,481,298
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....1,544,000 on realized capital gains (losses)).....	17,094,320		17,094,320	13,594,923
10.2 Net deferred tax liability.....			0	519,000
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	363
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....			0	
16. Derivatives.....			0	
17. Payable for securities.....	2,271,419		2,271,419	228,666
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....	33,752,889		33,752,889	31,565,010
23. Aggregate write-ins for other liabilities (including \$....496,957 current).....	1,986,957	0	1,986,957	1,290,000
24. Total liabilities (Lines 1 to 23).....	151,731,322	0	151,731,322	138,391,519
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	8,273,000
26. Common capital stock.....	XXX	XXX	24,000,000	24,000,000
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other-than-special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	187,411,977	176,772,415
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	211,411,977	209,045,415
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	363,143,299	347,436,934

**DETAILS OF WRITE-INS**

2301. Health Assessments.....	1,986,509		1,986,509	1,290,000
2302. Other.....	448		448	
2303. ....			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above).....	1,986,957	0	1,986,957	1,290,000
2501. Special Surplus for Health Insurer Fee.....	XXX	XXX		8,273,000
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 through 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	8,273,000
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	1,223,103	1,153,190
2. Net premium income (including \$.....0 non-health premium income).....	XXX	537,746,702	505,384,098
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	5,732,290	(14,833,544)
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX		
5. Risk revenue.....	XXX		
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	543,478,992	490,550,554
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits.....		229,293,802	229,233,036
10. Other professional services.....		45,133,049	41,002,717
11. Outside referrals.....		16,986,965	19,197,891
12. Emergency room and out-of-area.....		12,513,529	12,468,114
13. Prescription drugs.....		82,894,172	63,318,148
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....		16,677,359	1,520,748
16. Subtotal (Lines 9 to 15).....	.0	403,498,876	366,740,654
<b>Less:</b>			
17. Net reinsurance recoveries.....			3,742
18. Total hospital and medical (Lines 16 minus 17).....	.0	403,498,876	366,736,912
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....3,213,663 cost containment expenses.....		15,499,238	11,944,764
21. General administrative expenses.....		76,124,942	55,085,197
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....			
23. Total underwriting deductions (Lines 18 through 22).....	.0	495,123,056	433,766,873
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	48,355,936	56,783,681
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		7,189,367	7,150,764
26. Net realized capital gains or (losses) less capital gains tax of \$.....1,544,000.....		6,789,941	(939,159)
27. Net investment gains or (losses) (Lines 25 plus 26).....	.0	13,979,308	6,211,605
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			(72,487)
29. Aggregate write-ins for other income or expenses.....	.0	.0	.0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	62,335,244	62,922,799
31. Federal and foreign income taxes incurred.....	XXX	15,538,000	13,577,000
32. Net income (loss) (Lines 30 minus 31).....	XXX	46,797,244	49,345,799

**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 through 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 through 0703 plus 0798) (Line 7 above).....	XXX	.0	.0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.0	.0	.0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	.0	.0	.0
2901. ....			
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	.0	.0	.0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	.0	.0	.0

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

<b>CAPITAL AND SURPLUS ACCOUNT</b>	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	209,045,415	191,150,033
34. Net income or (loss) from Line 32.....	46,797,244	49,345,799
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$..... 1,344,000.....	3,125,894	12,738,605
37. Change in net unrealized foreign exchange capital gain or (loss).....	1,562,409	75,116
38. Change in net deferred income tax.....	2,501,000	3,170,000
39. Change in nonadmitted assets.....	(2,619,985)	(12,434,138)
40. Change in unauthorized and certified reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....		
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....	(49,000,000)	(35,000,000)
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	2,366,562	17,895,382
49. Capital and surplus end of reporting period (Line 33 plus 48).....	211,411,977	209,045,415

**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 through 4703 plus 4798) (Line 47 above).....	0	0

## CASH FLOW

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	543,841,773	509,605,155
2. Net investment income.....	9,148,467	8,909,797
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	552,990,240	518,514,952
5. Benefit and loss related payments.....	399,518,723	371,021,294
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	94,193,956	67,978,068
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....6,000 tax on capital gains (losses).....	13,582,603	11,091,371
10. Total (Lines 5 through 9).....	507,295,282	450,090,733
11. Net cash from operations (Line 4 minus Line 10).....	45,694,958	68,424,219
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	48,672,718	31,578,538
12.2 Stocks.....	37,252,726	7,638,772
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		268,826
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	251	582
12.7 Miscellaneous proceeds.....	2,042,753	8,374
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	87,968,448	39,495,092
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	54,570,264	39,871,323
13.2 Stocks.....	30,825,194	16,423,905
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....	750,000	1,500,000
13.6 Miscellaneous applications.....	443,227	299,304
13.7 Total investments acquired (Lines 13.1 to 13.6).....	86,588,685	58,094,532
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	1,379,763	(18,599,440)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(42,767,609)	(50,985,920)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(42,767,609)	(50,985,920)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	4,307,112	(1,161,141)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	3,452,723	4,613,864
19.2 End of year (Line 18 plus Line 19.1).....	7,759,835	3,452,723
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 Non-cash dividend to parent.....	49,000,000	35,000,000



## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical).....	537,746,702			537,746,702
2. Medicare Supplement.....				.0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan.....				.0
6. Title XVIII - Medicare.....				.0
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8).....	537,746,702	0	0	537,746,702
10. Life.....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11).....	537,746,702	0	0	537,746,702



**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2 - CLAIMS INCURRED DURING THE YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	389,871,350	389,871,350								
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	389,871,350	389,871,350	0	0	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses.....	9,647,373	9,647,373								
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	41,948,750	41,948,750								
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	41,948,750	41,948,750	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	10,068,374	10,068,374								
6. Net healthcare receivables (a).....	2,073,083	2,073,083								
7. Amounts recoverable from reinsurers December 31, current year.....	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	42,925,500	42,925,500								
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	0									
8.4 Net.....	42,925,500	42,925,500	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	3,038,388	3,038,388								
11. Amounts recoverable from reinsurers December 31, prior year.....	0									
12. Incurred benefits:										
12.1 Direct.....	386,821,517	386,821,517	0	0	0	0	0	0	0	0
12.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
12.4 Net.....	386,821,517	386,821,517	0	0	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses.....	16,677,359	16,677,359	0	0	0	0	0	0	0	0

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

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	23,357,675	23,357,675								
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	23,357,675	23,357,675	0	0	0	0	0	0	0	0
2. Incurred but unreported:										
2.1 Direct.....	18,591,075	18,591,075								
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	0									
2.4 Net.....	18,591,075	18,591,075	0	0	0	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	0									
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct.....	41,948,750	41,948,750	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	41,948,750	41,948,750	0	0	0	0	0	0	0	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).....	31,826,166	358,045,184	302,376	41,646,374	32,128,542	42,925,500
2. Medicare Supplement.....					0	
3. Dental only.....					0	
4. Vision only.....					0	
5. Federal Employees Health Benefits Plan.....					0	
6. Title XVIII - Medicare.....					0	
7. Title XIX - Medicaid.....					0	
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	31,826,166	358,045,184	302,376	41,646,374	32,128,542	42,925,500
10. Healthcare receivables (a).....	262,960	17,038,706		59,058	262,960	15,287,641
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....	4,567,280	5,080,093		10,068,374	4,567,280	3,038,388
13. Totals (Lines 9 - 10 + 11 + 12).....	36,130,486	346,086,571	302,376	51,655,690	36,432,862	30,676,247

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

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

#### SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	32,773	32,367	32,367	32,367	32,367
2. 2016.....	221,487	251,918	251,654	251,654	251,654
3. 2017.....	XXX	254,144	282,737	282,818	282,818
4. 2018.....	XXX	XXX	287,438	321,118	321,353
5. 2019.....	XXX	XXX	XXX	337,265	373,423
6. 2020.....	XXX	XXX	XXX	XXX	363,125

#### 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 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	33,085	32,367	32,367	32,367	32,367
2. 2016.....	255,092	252,261	251,654	251,654	251,654
3. 2017.....	XXX	290,222	282,949	282,818	282,818
4. 2018.....	XXX	XXX	327,617	321,427	321,353
5. 2019.....	XXX	XXX	XXX	382,919	373,725
6. 2020.....	XXX	XXX	XXX	XXX	414,840

#### SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	315,971	251,654	6,262	2.5	257,916	81.6			257,916	81.6
2. 2017.....	384,009	282,818	6,577	2.3	289,395	75.4			289,395	75.4
3. 2018.....	419,933	321,353	5,641	1.8	326,994	77.9			326,994	77.9
4. 2019.....	490,551	373,423	7,030	1.9	380,453	77.6	302	.2	380,757	77.6
5. 2020.....	543,479	363,125	8,257	2.3	371,382	68.3	51,715	.375	423,472	77.9

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**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**  
(\$000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	32,773	32,367	32,367	32,367	32,367
2. 2016.....	230,727	261,158	260,894	260,894	260,894
3. 2017.....	XXX	265,721	294,314	294,395	294,395
4. 2018.....	XXX	XXX	287,438	321,118	321,353
5. 2019.....	XXX	XXX	XXX	337,265	373,423
6. 2020.....	XXX	XXX	XXX	XXX	363,125

**SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND 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 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....	33,085	32,367	32,367	32,367	32,367
2. 2016.....	264,332	261,501	260,894	260,894	260,894
3. 2017.....	XXX	301,799	294,526	294,395	294,395
4. 2018.....	XXX	XXX	327,617	321,427	321,353
5. 2019.....	XXX	XXX	XXX	382,919	373,725
6. 2020.....	XXX	XXX	XXX	XXX	414,840

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL**

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....	315,971	260,894	6,262	2.4	267,156	84.6			267,156	84.6
2. 2017.....	384,009	294,395	6,577	2.2	300,972	78.4			300,972	78.4
3. 2018.....	419,933	321,353	5,641	1.8	326,994	77.9			326,994	77.9
4. 2019.....	490,551	373,423	7,030	1.9	380,453	77.6	302	2	380,757	77.6
5. 2020.....	543,479	363,125	8,257	2.3	371,382	68.3	51,715	375	423,472	77.9

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**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims  
NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims  
NONE**

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(\$000 Omitted)

#### SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....					
2. 2016.....	(9,240)	(9,240)	(9,240)	(9,240)	(9,240)
3. 2017.....	XXX	(11,577)	(11,577)	(11,577)	(11,577)
4. 2018.....	XXX	XXX			
5. 2019.....	XXX	XXX	XXX		
6. 2020.....	XXX	XXX	XXX	XXX	

#### 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 2016	2 2017	3 2018	4 2019	5 2020
1. Prior.....					
2. 2016.....	(9,240)	(9,240)	(9,240)	(9,240)	(9,240)
3. 2017.....	XXX	(11,577)	(11,577)	(11,577)	(11,577)
4. 2018.....	XXX	XXX			
5. 2019.....	XXX	XXX	XXX		
6. 2020.....	XXX	XXX	XXX	XXX	

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#### SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2016.....		(9,240)		0.0	(9,240)	0.0			(9,240)	0.0
2. 2017.....		(11,577)		0.0	(11,577)	0.0			(11,577)	0.0
3. 2018.....		0		0.0	0	0.0			0	0.0
4. 2019.....		0		0.0	0	0.0			0	0.0
5. 2020.....		0		0.0	0	0.0			0	0.0

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY**

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	175,866	175,866							
2. Additional policy reserves (a).....	0								
3. Reserve for future contingent benefits.....	0								
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income).....	9,299,507	9,299,507							
5. Aggregate write-ins for other policy reserves.....	15,140,285	15,140,285	0	0	0	0	0	0	0
6. Totals (gross).....	24,615,658	24,615,658	0	0	0	0	0	0	0
7. Reinsurance ceded.....	0								
8. Totals (net) (Page 3, Line 4).....	24,615,658	24,615,658	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims.....	0								
10. Reserve for future contingent benefits.....	0								
11. Aggregate write-ins for other claim reserves.....	0	0	0	0	0	0	0	0	0
12. Totals (gross).....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded.....	0								
14. Totals (net) (Page 3, Line 7).....	0	0	0	0	0	0	0	0	0

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**DETAILS OF WRITE-INS**

0501. ACA Risk Adjustment.....	15,140,285	15,140,285							
0502. ....	0								
0503. ....	0								
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 through 0503 plus 0598) (Line 5 above).....	15,140,285	15,140,285	0	0	0	0	0	0	0
1101. ....	0								
1102. ....	0								
1103. ....	0								
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 through 1103 plus 1198) (Line 11 above).....	0	0	0	0	0	0	0	0	0

(a) Includes \$.....0 premium deficiency reserve.



**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....	44,997	149,978	446,399	1,134	642,508
2. Salaries, wages and other benefits.....	4,852,271	9,820,388	41,301,214	143,836	56,117,709
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....			14,538,328		14,538,328
4. Legal fees and expenses.....			517,688		517,688
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....	34,386	7,708	1,387,285		1,429,379
7. Traveling expenses.....	6,034	4,267	203,896		214,197
8. Marketing and advertising.....	14,983		1,275,963		1,290,946
9. Postage, express and telephone.....	178,707	688,682	1,234,503	1,615	2,103,507
10. Printing and office supplies.....	67,379	119,144	678,214	145	864,882
11. Occupancy, depreciation and amortization.....	156,167	341,413	1,322,241	3,994	1,823,815
12. Equipment.....	830	2,372	59,289	21	62,512
13. Cost or depreciation of EDP equipment and software.....	590,733	723,383	6,836,058	5,431	8,155,605
14. Outsourced services including EDP, claims, and other services.....	2,585,172	5,239,215	20,563,877	6,452	28,394,716
15. Boards, bureaus and association fees.....	16,905	1,429	674,198	16,510	709,042
16. Insurance, except on real estate.....	36,664	79,642	436,202	607	553,115
17. Collection and bank service charges.....		2		36,923	36,925
18. Group service and administration fees.....	223,388	146,271			369,659
19. Reimbursements by uninsured plans.....	(6,547,272)	(6,144,784)	(31,531,135)		(44,223,191)
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....	11,854	28,611	98,586	303	139,354
22. Real estate taxes.....	89,522	197,376	799,625	2,543	1,089,066
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....			2,758,795		2,758,795
23.3 Regulatory authority licenses and fees.....			141,600		141,600
23.4 Payroll taxes.....	231,629	474,959	1,599,789	4,270	2,310,647
23.5 Other (excluding federal income and real estate taxes).....			10,696,227		10,696,227
24. Investment expenses not included elsewhere.....				575,936	575,936
25. Aggregate write-ins for expenses.....	619,314	405,519	86,100	0	1,110,933
26. Total expenses incurred (Lines 1 to 25).....	3,213,663	12,285,575	76,124,942	799,720	(a).....92,423,900
27. Less expenses unpaid December 31, current year.....	78,151	298,765	1,729,545	182,712	2,289,173
28. Add expenses unpaid December 31, prior year.....	93,430	268,023	2,324,009	157,289	2,842,751
29. Amounts receivable relating to uninsured plans, prior year.....			56,192,557		56,192,557
30. Amounts receivable relating to uninsured plans, current year.....			61,068,168		61,068,168
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	3,228,942	12,254,833	81,595,017	774,297	97,853,089

**DETAILS OF WRITE-INS**

2501. BC Home Access Fee.....	619,314	405,519			1,024,833
2502. Miscellaneous Expenses and Reimbursements.....			86,100		86,100
2503. ....					0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above).....	619,314	405,519	86,100	0	1,110,933

(a) Includes management fees of \$.....102,013,916 to affiliates and \$.....0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds.....	(a).....235,028	.....217,135
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....5,160,289	.....5,080,962
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....2,430,310	.....2,385,975
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....16,667	.....13,943
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....370,935	.....370,935
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....8,213,229	.....8,068,950
11. Investment expenses.....	.....	(g).....795,450
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....4,270
13. Interest expense.....	.....	(h).....39,738
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....40,125
16. Total deductions (Lines 11 through 15).....	.....	.....879,583
17. Net investment income (Line 10 minus Line 16).....	.....	.....7,189,367

**DETAILS OF WRITE-INS**

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501. Miscellaneous Investment Expense.....	.....	.....40,125
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	.....40,125

- (a) Includes \$.....371,257 accrual of discount less \$.....2,131,294 amortization of premium and less \$.....114,822 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....2,914 accrual of discount less \$.....0 amortization of premium and less \$.....1,476 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 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.....	.....359,615	.....	.....359,615	.....(132,058)	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....327,610	.....	.....327,610	.....(55,403)	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....8,329,029	.....(634,412)	.....7,694,617	.....4,727,454	.....1,562,409
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....251	.....(48,152)	.....(47,901)	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....(70,099)	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....9,016,505	.....(682,564)	.....8,333,941	.....4,469,894	.....1,562,409

**DETAILS OF WRITE-INS**

0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

**EXHIBIT OF NONADMITTED 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
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....	8,340,000	8,164,774	(175,226)
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....	4,588,279	3,876,167	(712,112)
25. Aggregate write-ins for other-than-invested assets.....	6,926,422	5,193,775	(1,732,647)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	19,854,701	17,234,716	(2,619,985)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	19,854,701	17,234,716	(2,619,985)

**DETAILS OF WRITE-INS**

1101.....			0
1102.....			0
1103.....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Prepaid Expenses.....	6,926,422	5,193,775	(1,732,647)
2502.....			0
2503.....			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	6,926,422	5,193,775	(1,732,647)

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

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	73,918	74,883	74,673	74,950	73,986	897,646
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....	24,153	26,167	26,324	28,058	28,500	325,457
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	98,071	101,050	100,997	103,008	102,486	1,223,103

**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 through 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0

**NOTES TO FINANCIAL STATEMENTS****Note 1 – Summary of Significant Accounting Policies and Going Concern****A. Accounting Practices**

The financial statements of Wellmark Health Plan of Iowa, Inc. (the Company) have been prepared in conformity with the accounting practices prescribed by the National Association of Insurance Commissioners (NAIC) and the State of Iowa.

The NAIC Accounting Practices and Procedures manual has been adopted as a component of prescribed or permitted practices by the State of Iowa. The Commissioner of Insurance has the right to permit specific practices that deviate from prescribed practices. The Company does not have any permitted practices.

	SSAP #	F/S Page	F/S Line #	2020	2019
<b>NET INCOME</b>					
(1) Wellmark Health Plan of Iowa, Inc. state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 46,797,244	\$ 49,345,799
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 46,797,244	\$ 49,345,799
<b>SURPLUS</b>					
(5) Wellmark Health Plan of Iowa, Inc. state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 211,411,977	\$ 209,045,415
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 211,411,977	\$ 209,045,415

**B. Use of Estimates in the Preparation of the Financial Statement**

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

**C. Accounting Policy**

Premiums on fully insured accident and health plans are billed in advance of their respective coverage periods. Receivables and income for such premiums are recorded at the effective date of the coverage period. Premiums received in advance and any unearned portion of premiums are recorded on the balance sheets as premiums received in advance and unearned premiums and reported as income when earned.

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Other costs, such as premium taxes and other underwriting expenses, are also charged to operations as incurred.

In addition, the Company uses the following accounting policies:

**(1) Basis for Short-Term Investments**

Short-term investments that are NAIC designation 1 or 2 are reported at cost adjusted for amortization of premiums and accretion of discounts using the effective interest method. Short-term investments that are NAIC designation 3 through 6 are stated at the lower of amortized cost or fair value.

**(2) Basis for Bonds and Amortization Schedule**

Bonds that are NAIC designation 1 or 2 are reported at cost adjusted for amortization of premiums and accretion of discounts using the effective interest method. Bonds that are NAIC designation 3 through 6 are stated at the lower of amortized cost or fair value. When a decline in the fair value of a bond has been determined to be other than temporary, the Company evaluates whether the decline is interest or credit related. For those credit-related declines in value that are considered to be other than temporary, the bond's carrying value is reduced and a loss is realized on the Statement of Revenues and Expenses. Surplus notes that are rated by an NAIC credit rating provider and have an NAIC designation of 1 are reported at cost, adjusted for amortization of premiums and accretion of discounts using the effective interest method.

The Company does not own any mandatory convertible securities or SVO-identified investments identified in SSAP No. 26R.

**(3) Basis for Common Stocks**

Common stocks are reported at fair value. When a decline in the fair value of a common stock is considered to be other than temporary, the carrying value of the stock is reduced to fair value and a loss is realized on the Statement of Revenues and Expenses.

**(4) Basis for Preferred Stocks**

Preferred stock is reported based on the underlying characteristics of the security (redeemable or perpetual) and the quality rating of the security expressed as an NAIC designation.

**(5) Basis for Mortgage Loans**

Not Applicable

**NOTES TO FINANCIAL STATEMENTS****(6) Basis for Loan-Backed Securities and Adjustment Methodology**

Loan-backed securities that are NAIC designation 1 or 2 are reported at cost adjusted for amortization of premiums and accretion of discounts using the effective interest method. For all securities except for interest only securities or securities where the yield had become negative, the amortization of premiums and accretion of discounts on loan-backed securities is adjusted quarterly using current estimated future cash flows, including any new prepayment assumptions, using the retrospective adjustment method. Interest only securities and securities where the yield had become negative are valued using the prospective method. Loan-backed securities are stated at the lower of amortized cost or fair value if they are NAIC designation 3 through 6.

**(7) Accounting Policies for Investments in Subsidiaries, Controlled and Affiliated Entities**

Not Applicable

**(8) Accounting Policies for Investments in Joint Ventures, Partnerships and Limited Liability Entities**

The Company has a minor ownership interest in a limited partnership. The Company carries this interest based on the underlying audited GAAP equity of the investee.

**(9) Accounting Policies for Derivatives**

Not Applicable

**(10) Anticipated Investment Income Used in Premium Deficiency Calculation**

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with Statement of Statutory Accounting Principles (SSAP) 54, Individual and Group Accident and Health Contracts.

**(11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses**

The Company provides a liability for unpaid and unreported benefits which represents the estimated ultimate cost of benefits incurred through the balance sheet date. The liability is estimated on the basis of past experience and accumulated statistical data. Subsequent actual benefit experience may differ from the estimated liability due to variances in estimated and actual utilization of health care services, the amount of charges and other factors. These estimates are continuously reviewed and, as adjustments become necessary, such adjustments are reflected in current operations.

**(12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period**

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

**(13) Method Used to Estimate Pharmaceutical Rebate Receivables**

The Company estimates pharmaceutical rebates utilizing past experience and accumulated statistical data. These estimates are continuously reviewed, and any adjustments are reflected in current operations.

**D. Going Concern**

Management has evaluated the Company's ability to continue as a going concern and has concluded that there are no events or circumstances that raise any doubt about the Company's ability to continue as a going concern.

**Note 2 – Accounting Changes and Corrections of Errors**

Not Applicable

**Note 3 – Business Combinations and Goodwill**

Not Applicable

**Note 4 – Discontinued Operations**

Not Applicable

**Note 5 – Investments****A. Mortgage Loans, including Mezzanine Real Estate Loans**

Not Applicable

**B. Debt Restructuring**

Not Applicable

**C. Reverse Mortgages**

Not Applicable

**D. Loan-Backed Securities****(1) Description of Sources Used to Determine Prepayment Assumptions**

For fixed-rate agency mortgage-backed securities, prepayment speeds are calculated utilizing Mortgage Industry Advisory Corporation (MIAC) Mortgage Industry Medians (MIMs). MIMs are derived from a semi-monthly dealer-consensus survey of long-term prepayment projections. For other mortgage-backed, loan-backed, and structured securities, prepayment assumptions are utilized from Moody's Analytics. Moody's applies a flat economic credit model and utilizes a vector of multiple monthly speeds as opposed to a single speed for more robust projections. In instances where Moody's projections are not available, data from Reuters is used, which utilizes the median prepayment speed from contributors' models.

**NOTES TO FINANCIAL STATEMENTS**

## (2) Other-Than-Temporary Impairments

There are no loan-backed securities with a current year recognized other-than-temporary impairment.

## (3) Recognized OTTI Securities

There are no loan-backed securities with a current year recognized other-than-temporary impairment.

## (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	\$	254,083
	2. 12 Months or Longer	\$	167,514
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$	11,112,371
	2. 12 Months or Longer	\$	4,920,564

## (5) Information Investor Considered in Reaching Conclusion that Impairments are Not Other-Than-Temporary

The unrealized losses on the Company's investments in loan-backed securities were due to temporary changes in interest rates and market conditions. The contractual cash flows of the agency mortgage-backed investments are guaranteed by an agency of the U.S. government and the non-agency mortgage-backed and asset-backed securities include collateral which reduce the risk of loss. Based on cash flow projections, the Company believes it will recover the carrying value of these investments. Because the Company does not have the intent to sell these securities, nor is it more likely than not the Company will be required to sell these securities until a recovery of carrying value, which may be maturity, the Company does not consider these investments to be other-than-temporarily impaired.

## E. Dollar Repurchase Agreements and/or Securities Lending Transactions

Not Applicable

## F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

## G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

Not Applicable

## H. Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

## I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

Not Applicable

## J. Real Estate

Not Applicable

## K. Low-Income Housing Tax Credits (LIHTC)

Not Applicable

## L. Restricted Assets

Not Applicable

## M. Working Capital Finance Investments

Not Applicable

## N. Offsetting and Netting of Assets and Liabilities

Not Applicable

## O. 5GI Securities

Not Applicable

## P. Short Sales

Not Applicable

## Q. Prepayment Penalty and Acceleration Fees

(1) Number of CUSIPs	2
(2) Aggregate Amount of Investment Income	\$ 63,611

**NOTES TO FINANCIAL STATEMENTS****Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

## A. Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of Ownership

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

## B. Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies

The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

**Note 7 – Investment Income**

The Company had no amount of due and accrued income excluded from investment income.

**Note 8 – Derivative Instruments**

Not Applicable

**Note 9 – Income Taxes**

## A. Deferred Tax Assets/(Liabilities)

## 1. Components of Net Deferred Tax Asset/(Liability)

	2020			2019			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 7,800,000	\$ 182,000	\$ 7,982,000	\$ 5,177,000	\$ 385,000	\$ 5,562,000	\$ 2,623,000	\$ (203,000)	\$ 2,420,000
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	\$ 7,800,000	\$ 182,000	\$ 7,982,000	\$ 5,177,000	\$ 385,000	\$ 5,562,000	\$ 2,623,000	\$ (203,000)	\$ 2,420,000
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 7,800,000	\$ 182,000	\$ 7,982,000	\$ 5,177,000	\$ 385,000	\$ 5,562,000	\$ 2,623,000	\$ (203,000)	\$ 2,420,000
f. Deferred tax liabilities	45,000	7,299,000	7,344,000	49,000	6,032,000	6,081,000	(4,000)	1,267,000	1,263,000
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 7,755,000	\$ (7,117,000)	\$ 638,000	\$ 5,128,000	\$ (5,647,000)	\$ (519,000)	\$ 2,627,000	\$ (1,470,000)	\$ 1,157,000



**NOTES TO FINANCIAL STATEMENTS**

## 2. Admission Calculation Components SSAP No. 101

	2020			2019			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 5,914,000	\$ 61,000	\$ 5,975,000	\$ 4,569,000	\$ 93,000	\$ 4,662,000	\$ 1,345,000	\$ (32,000)	\$ 1,313,000
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)	737,000		737,000				737,000		737,000
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	737,000		737,000				737,000		737,000
2. Adjusted gross deferred tax assets allowed per limitation threshold			31,404,000			31,357,000			47,000
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	1,149,000	121,000	1,270,000	608,000	292,000	900,000	541,000	(171,000)	370,000
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 7,800,000	\$ 182,000	\$ 7,982,000	\$ 5,177,000	\$ 385,000	\$ 5,562,000	\$ 2,623,000	\$ (203,000)	\$ 2,420,000

## 3. Other Admissibility Criteria

	2020	2019
a. Ratio percentage used to determine recovery period and threshold limitation amount	995.2%	1,080.5%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 210,773,977	\$ 209,045,415

## 4. 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.

	2020		2019		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 7,800,000	\$ 182,000	\$ 5,177,000	\$ 385,000	\$ 2,623,000	\$ (203,000)
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 7,800,000	\$ 182,000	\$ 5,177,000	\$ 385,000	\$ 2,623,000	\$ (203,000)
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

(b) Does the company's tax planning strategies include the use of reinsurance? NO

**NOTES TO FINANCIAL STATEMENTS****B. Deferred Tax Liabilities Not Recognized**

The Company does not have any deferred tax liabilities not recognized.

**C. Current and Deferred Income Taxes****1. Current Income Tax**

	1 2020	2 2019	3 (Col 1-2) Change
a. Federal	\$ 15,538,000	\$ 13,577,000	\$ 1,961,000
b. Foreign	\$	\$	\$
c. Subtotal	\$ 15,538,000	\$ 13,577,000	\$ 1,961,000
d. Federal income tax on net capital gains	\$ 1,544,000	\$ 6,000	\$ 1,538,000
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$	\$	\$
g. Federal and Foreign income taxes incurred	\$ 17,082,000	\$ 13,583,000	\$ 3,499,000

**2. Deferred Tax Assets**

	1 2020	2 2019	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 809,000	\$ 804,000	\$ 5,000
2. Unearned premium reserve	751,000	701,000	50,000
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted	2,715,000	2,529,000	186,000
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (items <=5% and >5% of total ordinary tax assets)	3,525,000	1,143,000	2,382,000
Other (items listed individually >5% of total ordinary tax assets)			
Prepaid assets - nonadmitted	1,455,000	1,091,000	364,000
Capitalized Provider Incentives	2,046,000		2,046,000
Other (including items <5% of total ordinary tax assets)	24,000	52,000	(28,000)
99. Subtotal	\$ 7,800,000	\$ 5,177,000	\$ 2,623,000
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 7,800,000	\$ 5,177,000	\$ 2,623,000
e. Capital:			
1. Investments	\$ 116,000	\$ 300,000	\$ (184,000)
2. Net capital loss carry-forward			
3. Real estate	66,000	85,000	(19,000)
4. Other (items <=5% and >5% of total capital tax assets)			
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	\$ 182,000	\$ 385,000	\$ (203,000)
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)	182,000	385,000	(203,000)
i. Admitted deferred tax assets (2d+2h)	\$ 7,982,000	\$ 5,562,000	\$ 2,420,000

**NOTES TO FINANCIAL STATEMENTS**

## 3. Deferred Tax Liabilities

	1	2	3
	2020	2019	(Col 1-2) Change
<b>a. Ordinary:</b>			
1. Investments	\$ 45,000	\$ 49,000	\$ (4,000)
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (items <=5% and >5% of total ordinary tax liabilities)			
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	\$ 45,000	\$ 49,000	\$ (4,000)
<b>b. Capital:</b>			
1. Investments	\$ 7,299,000	\$ 6,032,000	\$ 1,267,000
2. Real estate			
3. Other (Items <=5% and >5% of total capital tax liabilities)			
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	\$ 7,299,000	\$ 6,032,000	\$ 1,267,000
<b>c. Deferred tax liabilities (3a99+3b99)</b>	<b>\$ 7,344,000</b>	<b>\$ 6,081,000</b>	<b>\$ 1,263,000</b>
4. Net Deferred Tax Assets/Liabilities (2i – 3c)	\$ 638,000	\$ (519,000)	\$ 1,157,000

5. The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the change in nonadmitted assets is reported separately from the change in net deferred income taxes in unassigned surplus):

	12/31/2020			12/31/2019			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
Total deferred tax assets	\$ 7,800,000	\$ 182,000	\$7,982,000	\$5,177,000	\$ 385,000	\$5,562,000	\$2,623,000	\$ (203,000)	\$ 2,420,000
Total deferred tax liabilities	(45,000)	(7,299,000)	(7,344,000)	(49,000)	(6,032,000)	(6,081,000)	4,000	(1,267,000)	(1,263,000)
Net deferred tax asset (liability)	7,755,000	(7,117,000)	638,000	5,128,000	(5,647,000)	(519,000)	2,627,000	(1,470,000)	1,157,000
Tax effect of unrealized gains									1,344,000
Change in net deferred income tax									\$ 2,501,000

- D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate. Among the more significant book to tax adjustments were the following:

	12/31/20
Provision computed at statutory rate	\$ 13,415,000
Change in nonadmitted assets	(550,000)
Tax exempt interest deduction	(90,000)
ACA Health Insurer Fee	1,953,000
Dividends received deduction	(57,000)
Other permanent differences	15,000
Credits generated in current year	(26,000)
Adjustment of prior year's tax	(78,000)
Other	(1,000)
Totals	\$ 14,581,000
Federal and foreign income taxes incurred	15,538,000
Realized capital gains (losses) tax	1,544,000
Change in net deferred income taxes	(2,501,000)
Total statutory income taxes	\$ 14,581,000

- E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

- At December 31, 2020, the Company did not have any unused operating loss carryforwards or tax credit carryforwards available to offset against future taxable income.
- The following is income tax expense for current year and prior years that will be available for recoupment in the event of future net losses:

Year	Amounts
2020	\$17,098,000
2019	\$13,671,000
2018	
TOTAL	\$30,769,000

- The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Service Code

**NOTES TO FINANCIAL STATEMENTS**

## F. Consolidated Federal Income Tax Return

1. The Company's federal income tax return is consolidated with the following entities:

Wellmark, Inc. (Wellmark) - Parent  
 Wellmark of South Dakota, Inc.  
 First Administrators, Inc.  
 Midwest Benefit Consultants, Inc.  
 Wellmark Holdings, Inc.

2. The method of allocation between the companies is subject to a written agreement, approved by the Board of Directors and the Iowa Insurance Division. Allocation is based upon separate return calculations with current credit for net losses.

At December 31, 2020, the Company's tax related balance due to Wellmark was \$17,094,320.

## G. Federal or Foreign Federal Income Tax Loss Contingencies:

At December 31, 2020, it is not reasonably possible to determine the Company's amount of tax loss contingencies that will significantly increase or decrease within twelve month of the reporting date.

## H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA

Not Applicable

## I. Alternative Minimum Tax Credit

The Company recognized no Alternative Minimum Tax Credit as a current year recoverable or a deferred tax asset.

**Note 10 – Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

## A &amp; B. Nature of the Relationship Involved

The Company and the parent company, Wellmark, a mutual insurance company domiciled in the State of Iowa (NAIC Company #88848), have a management agreement whereby the Company agrees to pay Wellmark for costs related to services outlined in the agreement. These costs are computed on a monthly basis. For 2020 and 2019, these costs were \$102,013,916 and \$90,238,709, respectively.

The Company issued dividends to Wellmark during 2020 and 2019 in the amounts of \$49,000,000 and \$35,000,000 respectively.

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

Not Applicable

## D. Amounts Due From or To Related Parties

At December 31, 2020 and 2019, the Company reported amounts of \$7,768,996 and \$15,741,413 due from Wellmark, respectively. The terms of the agreement require that these amounts are settled within 30 days.

## E. Material Management or Service Contracts and Cost-Sharing Arrangements

The Company has a management agreement with Wellmark whereby Wellmark provides certain management and administrative services.

## F. Guarantees or Undertakings

Not Applicable

## G. Nature of the Control Relationship

All outstanding shares of the Company are owned by Wellmark.

## H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned

Not Applicable

## I. Investments in SCA that Exceed 10% of Admitted Assets

Not Applicable

## J. Investments in Impaired SCAs

Not Applicable

## K. Investment in Foreign Insurance Subsidiary

Not Applicable

## L. Investment in Downstream Noninsurance Holding Company

Not Applicable

## M. All SCA Investments

Not Applicable

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## NOTES TO FINANCIAL STATEMENTS

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N. Investment in Insurance SCAs

Not Applicable

O. SCA or SSAP 48 Entity Loss Tracking

Not Applicable

### Note 11 – Debt

Not Applicable

### Note 12 – Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Not Applicable

### Note 13 – Capital and Surplus, Shareholder’s Dividend Restrictions and Quasi-Reorganizations

A. Number of Shares and Par or Stated Value of Each Class

The Company has 100,000,000 shares authorized; 2,400,000 shares issued; and 2,400,000 shares outstanding.

B. Dividend Rate, Liquidation Value and Redemption Schedule of Preferred Stock Issues

Not Applicable

C. Dividend Restrictions

Without prior approval of its domiciliary commissioner, dividends to shareholders are limited to the greater of ten percent of surplus at December 31 of the prior year or net income for the twelve month period ending December 31 of the prior year.

D. Dates and Amounts of Dividends Paid

On November 6, 2020, the Company's board of directors approved the distribution of a dividend to Wellmark. The Company distributed a dividend in the amount of \$49,000,000 to Wellmark, which reduced the receivable due from Wellmark to the Company. The dividend is recorded as a reduction to unassigned surplus.

E. Profits that may be Paid as Ordinary Dividends to Stockholders

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

F. Restrictions Placed on Unassigned Funds (Surplus)

Not Applicable

G. Amount of Advances to Surplus not Repaid

Not Applicable

H. Amount of Stock Held for Special Purposes

Not Applicable

I. Reasons for Changes in Balance of Special Surplus Funds from Prior Period

The balance in special surplus funds for the prior year is due to the reclassification from unassigned surplus to special surplus funds, as required under SSAP 106, for the amount the Company anticipated it would pay for its 2020 health insurance provider fee. Nothing was reclassified from unassigned surplus to special surplus in the current year due to the elimination of the health insurance industry fee beginning in 2021 under H.R. 1865 legislation signed by President Trump on December 20, 2019.

J. The Portion of Unassigned Funds (Surplus) Represented or Reduced by Unrealized Gains and Losses is: \$34,755,902.

K. The Reporting Entity Issued the Following Surplus Debentures or Similar Obligations

Not Applicable

L. The impact of any restatement due to prior quasi-reorganizations is as follows

Not Applicable

M. Effective Date of Quasi-Reorganization for a Period of Ten Years Following Reorganization

Not Applicable

### Note 14 – Liabilities, Contingencies and Assessments

A. Contingent Commitments

(1) The Company, as a wholly owned subsidiary of Wellmark, is required by licensure requirements of the Blue Cross and Blue Shield Association to execute parental guarantees pursuant to which the parent guarantees to the full extent of its assets all contractual and financial obligations of the Company to its respective customers. Wellmark is also required by the Iowa Insurance Division to guarantee the obligations of the Company for services up to \$1,100,000.

**NOTES TO FINANCIAL STATEMENTS**

- (2) Detail of other contingent commitments

Not Applicable

- (3) Guarantee Obligations

Not Applicable

**B. Assessments**

- (1) Assessments Where Amount is Known or Unknown

The Company is subject to health related assessments by the Iowa Comprehensive Health Association and the Iowa Individual Health Benefit Reinsurance Association for high risk insurance pools. The Company accrued liabilities of \$1,986,509 and \$1,290,000 for estimated health related assessments at December 31, 2020 and December 31, 2019, respectively.

- (2) Assessments

Not Applicable

- (3) Guaranty Fund Liabilities and Assets Related to Assessments from Insolvencies for Long-Term Care Contracts

Not Applicable

**C. Gain Contingencies**

Not Applicable

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

Not Applicable

**E. Joint and Several Liabilities**

Not Applicable

**F. All Other Contingencies**

In the ordinary course of business, the Company is involved in and subject to claims, contractual disputes and other uncertainties. The Company plans to defend its actions vigorously. Management believes that any potential resolution of these cases will not have a material impact to the Company's financial position.

While the ultimate outcome of any other claims cannot be presently determined, in the opinion of management, adequate provision has been made for any potential losses which may result from these actions and the Company expects any liability that could result will not materially affect its financial position.

**Note 15 – Leases**

Not Applicable

**Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

Not Applicable

**Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

Not Applicable

**Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans****A. ASO Plans**

Not Applicable

**B. ASC Plans**

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2020:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 287,242,351	\$ 732,727,440	\$ 1,019,969,791
b. Gross administrative fees accrued	11,189,880	34,414,093	45,603,973
c. Other income or expenses (including interest paid to or received from plans)			
d. Gross expenses incurred (claims and administrative)	306,481,359	782,175,048	1,088,656,407
e. Total net gain or loss from operations	\$ (8,049,128)	\$ (15,033,515)	\$ (23,082,643)

**C. Medicare or Similarly Structured Cost Based Reimbursement Contract**

Not Applicable

**NOTES TO FINANCIAL STATEMENTS****Note 19 – Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

Not Applicable

**Note 20 – Fair Value Measurements**

## A. Fair Value Measurements

## (1) Fair Value Measurements at Reporting Date

Description for Each Type of Asset or Liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
Assets at Fair Value					
Cash Equivalents	\$	\$	\$	\$	\$
Exempt MM Mutual Fund	\$ 4,965,788	\$	\$	\$	\$ 4,965,788
Bonds	\$	\$	\$	\$	\$
Industrial & Misc.	\$	\$ 2,301,364	\$	\$	\$ 2,301,364
Common Stock	\$	\$	\$	\$	\$
Industrial & Misc.	\$ 78,275,430	\$	\$	\$	\$ 78,275,430
Mutual Funds	\$ 21,346,287	\$	\$	\$	\$ 21,346,287
Total	\$ 104,587,505	\$ 2,301,364	\$	\$	\$ 106,888,869

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

Not Applicable

## (3) Policies when Transfers Between Levels are Recognized

The Company recognizes transfers between fair value hierarchy levels at the end of the reporting period.

## (4) Description of Valuation Techniques and Inputs Used in Fair Value Measurement

Bonds, structured securities, and surplus notes are reported within Level 2 of the fair value hierarchy; these securities have direct or indirect price inputs that are observable in active markets. Fair values of these fixed income instruments are based on quoted market prices where available. The Company obtains at least one price from a third party pricing service or its custodian, which also uses a pricing service. In most instances, the Company obtains more than one price and evaluates between the pricing sources for any outliers or stale prices. Assuming prices are not stale and are reasonable between sources, the Company uses a pre-established hierarchy to conclude on which pricing source to utilize.

The pricing services normally derive security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the market for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, benchmark yields, credit spreads, default rates, prepayment conditions, and nonbinding broker quotes.

## (5) Fair Value Disclosures

Not Applicable

## B. Fair Value Reporting under SSAP 100 and Other Accounting Pronouncements

Statutory guidance requires the disclosure of fair values for certain other financial instruments for which it is practicable to estimate fair value, whether or not such values are recognized in the statements of assets, liabilities, capital and surplus. The carrying amounts for cash, receivable for securities, accrued investment income, premium receivables, other receivables, amounts due to/from affiliates, unearned premiums, accounts payable and accrued expenses, and certain other liabilities approximate fair value because of the short-term nature of these items.

## C. Fair Value Level

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Cash Equivalents	\$ 7,335,738	\$ 7,335,713	\$ 4,965,788	\$ 2,369,950	\$	\$	\$
Short-Term Investments	\$ 429,982	\$ 429,972	\$	\$ 429,982	\$	\$	\$
Bonds	\$ 181,014,887	\$ 170,576,331	\$	\$ 181,014,887	\$	\$	\$
Common Stock	\$ 99,621,717	\$ 99,621,717	\$ 99,621,717	\$	\$	\$	\$
Other Invested Assets	\$ 1,293,927	\$ 1,160,387	\$	\$ 1,293,927	\$	\$	\$

## D. Not Practicable to Estimate Fair Value

Not Applicable

## E. NAV Practical Expedient Investments

Not Applicable

**Note 21 – Other Items**

## A. Unusual or Infrequent Items

The Company recorded expense in the amount of \$10,288,467 within incentive pool, withhold adjustments, and bonus amounts on the Statement of Revenue and Expenses for special one-time provider incentive payments.

**NOTES TO FINANCIAL STATEMENTS****B. Troubled Debt Restructuring Debtors**

Not Applicable

**C. Other Disclosures**

Assets in the amount of \$827,244 at December 31, 2020 were committed to purchase mortgage-backed securities in 2021.

**D. Business Interruption Insurance Recoveries**

Not Applicable

**E. State Transferable and Non-Transferable Tax Credits**

Not Applicable

**F. Subprime Mortgage Related Risk Exposure****(1) Description of the Subprime-Mortgage-Related Risk Exposure and Related Risk Management Practices**

The Company's investment policy, approved by the Board of Directors, requires the use of high quality fixed income investments to cover its contractual liabilities. The investment policy requires that the Company's fixed income portfolio, excluding non-agency mortgage-backed securities, have a minimum average quality rating of BBB+ and the total of below investment grade securities, excluding non-agency mortgage-backed securities, is limited to 10% of the total portfolio. Further, no single issue, with the exception of US Government and Agency securities, can exceed 5% of an external investment manager's portfolio at time of purchase. The Company allows certain external investment managers to purchase non-agency mortgage-backed securities, and credit quality of those securities is at manager discretion with NAIC designation 1 or 2 preferred. The Company utilizes its strategic and tactical asset allocation to manage risk exposure through allocations to various external investment managers with varying mandates.

The Company's exposure to subprime mortgages at December 31, 2020 is 1.7% of its total portfolio. The Company is receiving principal and interest payments on the subprime mortgage securities and the Company does not require sale of these assets to meet future cash flow requirements. The securities have unrealized gains and losses of \$190,795 and \$45,672, respectively, at December 31, 2020. While no single definition exists for subprime, the securities are considered higher risk and carry higher than prime rates of interest. In addition to the interest rates, the Company considers FICO scores below 660, level of documentation, evidence of delinquency, foreclosure, judgments, or bankruptcy and other factors that limit a borrower's ability to service the debt when determining if a security should be classified as subprime.

**(2) Direct Exposure Through Investments in Subprime Mortgage Loans**

Not Applicable

**(3) Direct Exposure Through Other Investments**

	Actual Cost	Book/Adjusted Carrying Value (Excluding Interest)	Fair Value	Other-Than-Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	\$ 4,720,937	\$ 4,740,037	\$ 4,885,160	\$
b. Commercial mortgage-backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs*				
f. Other assets				
g. Total	\$ 4,720,937	\$ 4,740,037	\$ 4,885,160	\$

\* These investments comprise 0% of the company's invested assets.

**(4) Underwriting Exposure to Subprime Mortgage Risk Through Mortgage Guaranty or Financial Guaranty Insurance Coverage**

Not Applicable

**G. Retained Assets**

Not Applicable

**H. Insurance-Linked Securities (ILS) Contracts**

Not Applicable

**I. The Amount that Could be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or has Otherwise Obtained Rights to Control the Policy**

Not Applicable



**NOTES TO FINANCIAL STATEMENTS****Note 22 – Events Subsequent**

Type I - Recognized Subsequent Events:

Subsequent events have been considered through February 17, 2021 for the statutory statement issued on February 26, 2021.

Type II - Nonrecognized Subsequent Events:

Subsequent events have been considered through February 17, 2021 for the statutory statement issued on February 26, 2021.

In 2020, the Company was subject to an annual fee under section 9010 of the federal Affordable Care Act (ACA). This annual fee was allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that was written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provided health insurance for any U.S. health risk for the calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2019, the Company had written health insurance subject to the ACA assessment, expected to conduct health insurance business in 2020, and estimated their portion of the health insurance industry fee payable on September 30, 2020 to be \$8,273,000. This amount was reflected in special surplus in 2019. The actual amount paid in 2020 was \$9,302,635.

The H.R. 1865 legislation signed by President Trump on December 20, 2019 eliminated the health insurance industry fee beginning in calendar year 2021. The fee had also been suspended for 2019.

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

Yes [ X ] No [ ]

	2020	2019
B. ACA fee assessment payable for the upcoming year	\$	\$ 8,273,000
C. ACA fee assessment paid	\$ 9,302,635	\$
D. Premium written subject to ACA 9010 assessment	\$	\$ 499,295,384
E. Total adjusted capital before surplus adjustment (Five-Year Historical Line 14)	\$ 211,411,977	
F. Total adjusted capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 211,411,977	
G. Authorized control level (Five-Year Historical Line 15)	\$ 21,179,272	
H. Would reporting the ACA assessment as of December 31, 2020 have triggered an RBC action level (YES/NO)?		Yes [ ] No [ X ]

**Note 23 – Reinsurance**

Not Applicable

**Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination**

A. Method Used to Estimate Accrued Retrospective Premium Adjustments

The Company estimates accrued retrospective premium adjustments for individuals, small groups and large groups according to retrospective rating features pursuant to the medical loss ratio rebate requirements subject to the Public Health Service Act.

B. Retrospective Premiums Recorded Through Written Premium or Adjustment to Earned Premium

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

C. Amount and Percentage of Net Premiums Written Subject to Retrospective Rating Features

The amount of net premiums written by the Company at December 31, 2020 that are subject to retrospective rating features was \$537,746,702, which represented 100% of the total net premiums written by the Company. No other net premiums written by the Company are subject to retrospective rating features.

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act

	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Other Categories with Rebates	5 Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	\$ 15,000,000	\$	\$	\$	\$ 15,000,000
(2) Medical loss ratio rebates paid	\$	\$	\$	\$	\$
(3) Medical loss ratio rebates unpaid	\$ 15,000,000	\$	\$	\$	\$ 15,000,000
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	\$
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	\$
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 15,000,000
Current Reporting Year-to-Date					
(7) Medical loss ratio rebates incurred	\$ (38,477)	\$	\$	\$	\$ (38,477)
(8) Medical loss ratio rebates paid	\$ 5,662,016	\$	\$	\$	\$ 5,662,016
(9) Medical loss ratio rebates unpaid	\$ 9,299,507	\$	\$	\$	\$ 9,299,507
(10) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	\$
(11) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	\$
(12) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	\$ 9,299,507

## NOTES TO FINANCIAL STATEMENTS

### E. Risk-Sharing Provisions of the Affordable Care Act

- (1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions

Yes [X] No [ ]

- (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	AMOUNT
<b>Assets</b>	
1. Premium adjustments receivable due to ACA Risk Adjustment (including high-risk pool payments)	\$ 476,000
<b>Liabilities</b>	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$ 72,863
3. Premium adjustments payable due to ACA Risk Adjustment (including high-risk pool premium)	\$ 15,140,285
<b>Operations (Revenue &amp; Expenses)</b>	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ (13,879,972)
5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)	\$ 73,303

b. Transitional ACA Reinsurance Program	AMOUNT
<b>Assets</b>	
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	\$
<b>Liabilities</b>	
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	\$
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$
<b>Operations (Revenue &amp; Expenses)</b>	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$
9. ACA Reinsurance contributions – not reported as ceded premium	\$

c. Temporary ACA Risk Corridors Program	AMOUNT
<b>Assets</b>	
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	\$
<b>Operations (Revenue &amp; Expenses)</b>	
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	\$

**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 Dec. 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before Dec. 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
	1	2	3	4	Prior Year Accrued Less Payments (Col. 1-3)	Prior Year Accrued Less Payments (Col. 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col. 1-3+7)	Cumulative Balance from Prior Years (Col. 2-4+8)
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
<b>a. Permanent ACA Risk Adjustment Program</b>											
1. Premium adjustments receivable (including high-risk pool payments)	\$ 1,000,000	\$	\$ 624,412	\$	\$ 375,588	\$	\$ (375,588)	\$		A	\$
2. Premium adjustments payable (including high-risk pool premium)		(10,687,285)		(9,527,384)		(1,159,901)		1,111,616		B	(48,285)
3. Subtotal ACA Permanent Risk Adjustment Program	\$ 1,000,000	\$ (10,687,285)	\$ 624,412	\$ (9,527,384)	\$ 375,588	\$ (1,159,901)	\$ (375,588)	\$ 1,111,616			\$ (48,285)
<b>b. Transitional ACA Reinsurance Program</b>											
1. Amounts recoverable for claims paid	\$	\$	\$	\$	\$	\$	\$	\$			\$
2. Amounts recoverable for claims unpaid (contra liability)											
3. Amounts receivable relating to uninsured plans											
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium											
5. Ceded reinsurance premiums payable											
6. Liability for amounts held under uninsured plans											
7. Subtotal ACA Transitional Reinsurance Program	\$	\$	\$	\$	\$	\$	\$	\$			\$
<b>c. Temporary ACA Risk Corridors Program</b>											
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$			\$
2. Reserve for rate credits or policy experience rating refunds											
3. Subtotal ACA Risk Corridors Program	\$	\$	\$	\$	\$	\$	\$	\$			\$
<b>d. Total for ACA Risk-Sharing Provisions</b>											
	\$ 1,000,000	\$ (10,687,285)	\$ 624,412	\$ (9,527,384)	\$ 375,588	\$ (1,159,901)	\$ (375,588)	\$ 1,111,616			\$ (48,285)

**Explanations of Adjustments**

- A. Revised data received.
- B. Revised data received.

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

Not Applicable

(5) ACA Risk Corridors Receivable as of Reporting Date

Not Applicable

**Note 25 – Change in Incurred Losses and Loss Adjustment Expenses**

**A. Change in Incurred Losses and Loss Adjustment Expenses**

The Company's reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years have decreased \$10,842,641 from \$43,286,953 in 2019. Because unpaid claims are estimated based on past experience and accumulated statistical data, the Company's actual benefit payments have varied from the original estimates.

**NOTES TO FINANCIAL STATEMENTS**

## B. Information about Significant Changes in Methodologies and Assumptions

There have been no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses.

**Note 26 – Intercompany Pooling Arrangements**

Not Applicable

**Note 27 – Structured Settlements**

Not Applicable

**Note 28 – Health Care Receivables**

## A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days After Billing
12/31/2020	\$ 17,670,000	\$	\$	\$	\$
09/30/2020	\$ 20,110,000	\$ 20,110,000	\$	\$	\$
06/30/2020	\$ 19,460,000	\$ 19,460,000	\$	\$ 12,957,855	\$
03/31/2020	\$ 20,878,000	\$ 19,468,000	\$	\$ 13,574,236	\$
12/31/2019	\$ 14,950,930	\$ 14,666,476	\$	\$ 12,948,564	\$ 1,717,913
09/30/2019	\$ 15,946,130	\$ 18,013,695	\$	\$ 11,956,514	\$ 6,057,181
06/30/2019	\$ 15,409,230	\$ 17,982,013	\$	\$ 11,938,113	\$ 6,043,900
03/31/2019	\$ 14,646,490	\$ 16,915,038	\$	\$ 12,964,023	\$ 3,951,015
12/31/2018	\$ 10,574,393	\$ 12,789,478	\$	\$ 10,247,632	\$ 2,541,846
09/30/2018	\$ 8,249,140	\$ 10,731,887	\$	\$ 8,730,072	\$ 2,001,815
06/30/2018	\$ 8,033,860	\$ 9,913,004	\$	\$ 7,999,445	\$ 1,913,559
03/31/2018	\$ 8,097,070	\$ 9,958,642	\$	\$ 7,949,362	\$ 2,009,280

## B. Risk-Sharing Receivables

Not Applicable

**Note 29 – Participating Policies**

Not Applicable

**Note 30 – Premium Deficiency Reserves**

- Liability carried for premium deficiency reserve: \$0
- Date of most recent evaluation of this liability: January 26, 2021
- Was anticipated investment income utilized in the calculation? Yes [ X ] No [ ]

**Note 31 – Anticipated Salvage and Subrogation**

Not Applicable

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

**GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes  No   
If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes  No  N/A
- 1.3 State regulating? Iowa
- 1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes  No
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. \_\_\_\_\_
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes  No
- 2.2 If yes, date of change: \_\_\_\_\_
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2016
- 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). 06/29/2018
- 3.4 By what department or departments? Iowa Insurance Division
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes  No  N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes  No  N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes  No
- 4.12 renewals? Yes  No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes  No
- 4.22 renewals? Yes  No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes  No   
If the answer is YES, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---------------------|------------------------|------------------------|
|                     |                        |                        |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes  No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes  No
- 7.2 If yes,
- 7.21 State the percentage of foreign control \_\_\_\_\_ %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
|                  |                     |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes  No
- 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
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>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 801 Grand Avenue, Des Moines, IA 50309
- 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
- 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 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
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes  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?  
Dan Callahan, Senior Actuary, FSA, MAAA (employee) 1331 Grand Avenue, Des Moines, IA 50309

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes  No   
 12.11 Name of real estate holding company  
 12.12 Number of parcels involved 0  
 12.13 Total book/adjusted carrying value \$ 0

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  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

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

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes  No

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 subordinator committee thereof? Yes  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  No   
 18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes  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

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  
 20.11 To directors or other officers \$ 0  
 20.12 To stockholders not officers \$ 0  
 20.13 Trustees, supreme or grand (Fraternal only) \$ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):  
 20.21 To directors or other officers \$ 0  
 20.22 To stockholders not officers 0  
 20.23 Trustees, supreme or grand (Fraternal only) 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes  No

21.2 If yes, state the amount thereof at December 31 of the current year:  
 21.21 Rented from others \$ 0  
 21.22 Borrowed from others \$ 0  
 21.23 Leased from others \$ 0  
 21.24 Other \$ 0

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes  No

22.2 If answer is yes:  
 22.21 Amount paid as losses or risk adjustment \$ 2,815,407  
 22.22 Amount paid as expenses \$ 0  
 22.23 Other amounts paid \$ 0

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes  No

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 7,768,996

**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  No

24.02 If no, give full and complete information, relating thereto:

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

24.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$ 0

24.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$ 0

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

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

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

24.09 For the reporting entity's securities lending program, state the amount of the following as of December 31 of the current year:

24.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0

24.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0

24.093 Total payable for securities lending reported on the liability page: \$ 0

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

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

25.21 Subject to repurchase agreements \$ 0

25.22 Subject to reverse repurchase agreements \$ 0

25.23 Subject to dollar repurchase agreements \$ 0

25.24 Subject to reverse dollar repurchase agreements \$ 0

25.25 Placed under option agreements \$ 0

25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock \$ 0

25.27 FHLB Capital Stock \$ 0

25.28 On deposit with states \$ 0

25.29 On deposit with other regulatory bodies \$ 0

25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 0

25.31 Pledged as collateral to FHLB – including assets backing funding agreements \$ 0

25.32 Other \$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

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

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

**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 results of interest rate sensitivity? Yes  No

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 Guidance 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 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

27.2 If yes, state the amount thereof at December 31 of the current year: \$ 0

28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes  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
The Bank of New York Mellon	BNY Mellon Center, 500 Grant Street, Pittsburgh, PA 15258

**GENERAL INTERROGATORIES**

**PART 1 - COMMON 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
Metropolitan West Asset Management LLC	U
NISA Investment Advisors LLC	U
William Blair Investment Management, LLC.	U
Wellington Management Company LLP	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
104571	Metropolitan West Asset Management LLC	5493004MDKGXC00Y283	SEC	NO
107313	NISA Investment Advisors LLC	549300L1IG2JOW7XNY28	SEC	NO
173961	William Blair Investment Management, LLC.	549300VQX7UKO60A7X27	SEC	NO
106595	Wellington Management Company LLP	549300YHP12TEZNLXCX41	SEC	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 [ X ] No [ ]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
72201F 49 0	PIMCO Income Instl	\$ 21,346,287
29.2999	TOTAL	\$ 21,346,287

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
PIMCO Income Instl	Uniform Mortgage-Backed Security 2.500% due 09/01/2050	\$ 1,003,602	09/30/2020
PIMCO Income Instl	Uniform Mortgage-Backed Security TBA 2.000% due 12/01/2050	\$ 946,911	09/30/2020
PIMCO Income Instl	Uniform Mortgage-Backed Security 2.500% due 07/01/2050	\$ 597,969	09/30/2020
PIMCO Income Instl	PIMCO Short-Term Floating NAV Portfolio III	\$ 456,863	09/30/2020
PIMCO Income Instl	Uniform Mortgage- Backed Security 2.500% due 08/01/2050	\$ 433,938	09/30/2020

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	\$ 173,376,228	\$ 183,814,819	\$ 10,438,591
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 173,376,228	\$ 183,814,819	\$ 10,438,591

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

The Company obtains at least one price from a third party pricing service or its custodian, which also uses a pricing service. In most instances, the Company obtains more than one price and evaluates between the pricing sources for any outliers or stale prices. Assuming prices are not stale and are reasonable between sources, the Company follows a pre-established hierarchy to determine which pricing source to utilize.

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

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

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



**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes  No
- 32.2 If no, list exceptions:
33. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designation 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
34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:  
 a. The security was purchased prior to January 1, 2018.  
 b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
 c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
 d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
 Has the reporting entity self-designated PLGI securities? Yes  No
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
36. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E, Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:  
 a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.  
 b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.  
 c. If the investment is with a related party or affiliate then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.  
 d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 36.a-36.c are reported as long-term investments.  
 Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes  No

**OTHER**

37.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 703,101

37.2 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	\$ 439,370

38.1 Amount of payments for legal expenses, if any? \$ 517,688

38.2 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
Nyemaster Goode	\$ 209,879

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

39.2 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
	\$

## 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.	\$	0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	0
1.31	Reason for excluding:		
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$	0
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$	0
1.62	Total incurred claims	\$	0
1.63	Number of covered lives		0
	All years prior to most current three years:		
1.64	Total premium earned	\$	0
1.65	Total incurred claims	\$	0
1.66	Number of covered lives		0
1.7	Group policies:		
	Most current three years:		
1.71	Total premium earned	\$	0
1.72	Total incurred claims	\$	0
1.73	Number of covered lives		0
	All years prior to most current three years:		
1.74	Total premium earned	\$	0
1.75	Total incurred claims	\$	0
1.76	Number of covered lives		0
2.	Health Test:		
		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$ 537,746,702	\$ 505,384,098
2.2	Premium Denominator	\$ 537,746,702	\$ 505,384,098
2.3	Premium Ratio (2.1/2.2)	100.0%	100.0%
2.4	Reserve Numerator	\$ 76,632,782	\$ 71,858,836
2.5	Reserve Denominator	\$ 76,632,782	\$ 71,858,836
2.6	Reserve Ratio (2.4/2.5)	100.0%	100.0%
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 [X] No [ ]
5.1	Does the reporting entity have stop-loss reinsurance?		Yes [ ] No [X]
5.2	If no, explain: <u>The Company retains all risk.</u>		
5.3	Maximum retained risk (see instructions)		
5.31	Comprehensive Medical	\$	9,999,999
5.32	Medical Only	\$	0
5.33	Medicare Supplement	\$	0
5.34	Dental and Vision	\$	0
5.35	Other Limited Benefit Plan	\$	0
5.36	Other	\$	0

**GENERAL INTERROGATORIES**

**PART 2 – HEALTH INTERROGATORIES**

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: Reserves exceed all regulatory requirements and provider contracts have hold harmless provisions. The Company participates as a member of the Iowa Life & Health Insurance Guaranty Association under Iowa Code 508C.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes  No   
 7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 12,113  
 8.2 Number of providers at end of reporting year 12,645

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

9.2 If yes, direct premium earned:

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

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

10.2 If yes:

10.21 Maximum amount payable bonuses 25,064,321  
 10.22 Amount actually paid for year bonuses 9,647,373  
 10.23 Maximum amount payable withholds 0  
 10.24 Amount actually paid for year withholds 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes  No   
 11.13 An Individual Practice Association (IPA), or, Yes  No   
 11.14 A Mixed Model (combination of above)? Yes  No

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

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

11.4 If yes, show the amount required. \$ 5,000,000

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

11.6 If the amount is calculated, show the calculation

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

1 Name of Service Area
Iowa

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

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0

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

13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0

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

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

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
	0		\$	\$	\$	\$

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 guarantee)
Universal Life (with or without secondary guarantee)
Variable Universal Life (with or without secondary guarantee)

## **GENERAL INTERROGATORIES**

### **PART 2 – HEALTH INTERROGATORIES**

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [ ] No [X]
- 16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [ ] No [X]

**FIVE-YEAR HISTORICAL DATA**

	1 2020	2 2019	3 2018	4 2017	5 2016
<b>Balance Sheet (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28).....	363,143,299	347,436,934	286,098,511	283,075,726	232,749,607
2. Total liabilities (Page 3, Line 24).....	151,731,322	138,391,519	94,948,478	93,454,557	79,107,826
3. Statutory minimum capital and surplus requirement.....	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
4. Total capital and surplus (Page 3, Line 33).....	211,411,977	209,045,415	191,150,033	189,621,169	153,641,781
<b>Income Statement (Page 4)</b>					
5. Total revenues (Line 8).....	543,478,992	490,550,554	419,932,989	384,008,765	315,971,154
6. Total medical and hospital expenses (Line 18).....	403,498,876	366,736,912	319,243,120	286,991,050	249,518,601
7. Claims adjustment expenses (Line 20).....	15,499,238	11,944,764	9,633,440	13,045,683	11,433,141
8. Total administrative expenses (Line 21).....	76,124,942	55,085,197	51,415,902	47,813,931	53,882,379
9. Net underwriting gain (loss) (Line 24).....	48,355,936	56,783,681	39,640,527	36,158,101	3,737,033
10. Net investment gain (loss) (Line 27).....	13,979,308	6,211,605	6,530,069	6,204,332	6,156,081
11. Total other income (Lines 28 plus 29).....		(72,487)		(47,906)	15,931
12. Net income or (loss) (Line 32).....	46,797,244	49,345,799	35,050,161	28,139,527	5,482,045
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11).....	45,694,958	68,424,219	45,932,354	41,890,217	7,488,017
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital.....	211,411,977	209,045,415	191,150,033	189,621,169	153,641,781
15. Authorized control level risk-based capital.....	21,179,272	19,346,713	16,159,819	14,064,245	12,446,971
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7).....	102,486	98,071	89,859	81,802	74,434
17. Total member months (Column 6, Line 7).....	1,223,103	1,153,190	1,006,729	969,724	867,876
<b>Operating Percentage (Page 4)</b> <b>(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0</b>					
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 (Line 18 plus Line 19).....	74.2	74.8	76.0	74.7	79.0
20. Cost containment expenses.....	0.6	0.6	0.8	0.9	1.2
21. Other claims adjustment expenses.....	2.3	1.8	1.5	2.5	2.4
22. Total underwriting deductions (Line 23).....	91.1	88.4	90.6	90.6	98.8
23. Total underwriting gain (loss) (Line 24).....	8.9	11.6	9.4	9.4	1.2
<b>Unpaid Claims Analysis (U&amp;I Exhibit, Part 2B)</b>					
24. Total claims incurred for prior years (Line 13, Col. 5).....	36,432,862	34,030,323	28,359,703	30,127,096	32,713,269
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)].....	30,676,247	34,963,910	31,489,119	28,666,336	33,196,213
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
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

State, Etc.	1 Active Status (a)	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama.....AL	N								.0	
2. Alaska.....AK	N								.0	
3. Arizona.....AZ	N								.0	
4. Arkansas.....AR	N								.0	
5. California.....CA	N								.0	
6. Colorado.....CO	N								.0	
7. Connecticut.....CT	N								.0	
8. Delaware.....DE	N								.0	
9. District of Columbia.....DC	N								.0	
10. Florida.....FL	N								.0	
11. Georgia.....GA	N								.0	
12. Hawaii.....HI	N								.0	
13. Idaho.....ID	N								.0	
14. Illinois.....IL	N								.0	
15. Indiana.....IN	N								.0	
16. Iowa.....IA	L	537,746,702							537,746,702	
17. Kansas.....KS	N								.0	
18. Kentucky.....KY	N								.0	
19. Louisiana.....LA	N								.0	
20. Maine.....ME	N								.0	
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	N								.0	
34. North Carolina.....NC	N								.0	
35. North Dakota.....ND	N								.0	
36. Ohio.....OH	N								.0	
37. Oklahoma.....OK	N								.0	
38. Oregon.....OR	N								.0	
39. Pennsylvania.....PA	N								.0	
40. Rhode Island.....RI	N								.0	
41. South Carolina.....SC	N								.0	
42. South Dakota.....SD	N								.0	
43. Tennessee.....TN	N								.0	
44. Texas.....TX	N								.0	
45. Utah.....UT	N								.0	
46. Vermont.....VT	N								.0	
47. Virginia.....VA	N								.0	
48. Washington.....WA	N								.0	
49. West Virginia.....WV	N								.0	
50. Wisconsin.....WI	N								.0	
51. Wyoming.....WY	N								.0	
52. American Samoa.....AS	N								.0	
53. Guam.....GU	N								.0	
54. Puerto Rico.....PR	N								.0	
55. U.S. Virgin Islands.....VI	N								.0	
56. Northern Mariana Islands.....MP	N								.0	
57. Canada.....CAN	N								.0	
58. Aggregate Other alien.....OT	XXX	0	0	0	0	0	0	0	.0	.0
59. Subtotal.....XXX		537,746,702	0	0	0	0	0	0	537,746,702	.0
60. Reporting entity contributions for Employee Benefit Plans.....XXX									.0	
61. Total (Direct Business).....XXX		537,746,702	0	0	0	0	0	0	537,746,702	.0

**DETAILS OF WRITE-INS**

58001.....									.0	
58002.....									.0	
58003.....									.0	
58998. Summary of remaining write-ins for line 58.....		0	0	0	0	0	0	0	.0	.0
58999. Total (Lines 58001 through 58003 + 58998).....		0	0	0	0	0	0	0	.0	.0

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	1	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.....	56

(b) Explanation of basis of allocation by states, premiums by state, etc.

Accident and Health Premiums are allocated according to the location of the group or individual purchaser at the point of issue.

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

## PART 1 – ORGANIZATIONAL CHART

