



# ANNUAL STATEMENT

For the Year Ended December 31, 2018  
of the Condition and Affairs of the

## Dean Health Plan, Inc.

NAIC Group Code..... 1294, 1294 (Current Period) (Prior Period) NAIC Company Code..... 96156 Employer's ID Number..... 39-1535024

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

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

Incorporated/Organized..... August 22, 1983 Commenced Business..... January 1, 1984

Statutory Home Office 1277 Deming Way .. Madison .. WI .. 53717  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1277 Deming Way .. Madison .. WI .. 53717 608-836-1400  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1277 Deming Way .. Madison .. WI .. 53717  
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1277 Deming Way .. Madison .. WI .. 53717 608-836-1400  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.deancare.com

Statutory Statement Contact Janet Marie Berger 608-830-5950  
(Name) (Area Code) (Telephone Number) (Extension)  
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(E-Mail Address) (Fax Number)

### OFFICERS

Name	Title	Name	Title
1. David Wilson Fields #	President	2. Randy John Ruplinger	Treasurer & DHP CFO
3. Dean Allan Sutton	Secretary & General Counsel	4.	

### OTHER

Randy John Ruplinger	Treasurer & DHP CFO	Julia Suzanne Wright #	Chief Medical Officer
Stephanie Jean Cook #	VP - Compliance, Audit & Public Policy	Michael Andrew Weber	VP - Sales, Client & Health Promotion Services
David Scott Docherty	VP - Chief Growth Officer	Stephen Michael Arnholt	Chief Actuary & Government Program Leader
Marcus Charles Julian	VP - Chief Operating Officer	Kathy Ann Killian #	VP - Operations
Loretta Anne Lorenzen #	VP - Network Management & Contracting		

### DIRECTORS OR TRUSTEES

Joanna Turner Bisgrove M.D.	Mark Anthony Covalesski Ph.D.	Jamie Sue Deering M.D.	Christopher Dyson Sprowl M.D.
Jason Steven Isenberg M.D.	Ralph Richard Kauten	Gregory Michael Matzke M.D.	Albert John Musa M.D.
John Michael Phelan M.D.	Wesley Norwood Sparkman	Carter Leon Dredge	Stephen John Sramek M.D.
Damond Williams Boatwright			

State of..... Wisconsin  
County of..... Dane

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) David Wilson Fields	(Signature) Randy John Ruplinger	(Signature) Dean Allan Sutton
1. (Printed Name) President	2. (Printed Name) Treasurer & DHP CFO	3. (Printed Name) Secretary & General Counsel
(Title)	(Title)	(Title)

Subscribed and sworn to before me  
This \_\_\_\_\_ day of \_\_\_\_\_ 2019

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	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	52,024,446		52,024,446	49,703,104
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	565,092		565,092	565,092
2.2 Common stocks.....	33,491,899		33,491,899	36,001,754
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).....	16,898,085		16,898,085	17,322,859
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 (\$.....158,773,443, Schedule E-Part 1), cash equivalents (\$.....1,026,307, Schedule E-Part 2) and short-term investments (\$.....543,564, Schedule DA).....	160,343,314		160,343,314	118,203,346
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	263,322,836	0	263,322,836	221,796,155
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	495,499		495,499	490,769
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	4,388,850		4,388,850	4,748,453
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 (\$.....128,350).....	128,350		128,350	122,558
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	2,505,882
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	46,800
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	4,144,712		4,144,712	3,389,568
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	16,598,072	12,189,270	4,408,802	3,643,983
21. Furniture and equipment, including health care delivery assets (\$.....0).....	2,117,384	2,117,384	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	214,683	214,683	0	
24. Health care (\$.....1,365,454) and other amounts receivable.....	1,365,454		1,365,454	10,289
25. Aggregate write-ins for other-than-invested assets.....	9,295,251	4,666,118	4,629,133	4,241,945
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	302,071,091	19,187,455	282,883,636	240,996,402
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	302,071,091	19,187,455	282,883,636	240,996,402

### 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.....	3,692,341	3,692,341	0	
2502. Government Program Receivable.....	4,569,527		4,569,527	4,206,709
2503. Other Receivables.....	1,033,383	973,777	59,606	35,236
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0		0	
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	9,295,251	4,666,118	4,629,133	4,241,945

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	12,432,483	531,524	12,964,007	16,180,075
2. Accrued medical incentive pool and bonus amounts.....	(2,983,755)		(2,983,755)	(4,154,106)
3. Unpaid claims adjustment expenses.....	265,597		265,597	188,159
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	41,456,791		41,456,791	32,619,890
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserves.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	25,484,093		25,484,093	25,828,818
9. General expenses due or accrued.....	12,545,578		12,545,578	12,527,977
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....	14,874,200		14,874,200	10,735,400
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....	2,139,232		2,139,232	2,182,362
13. Remittances and items not allocated.....	2,540,830		2,540,830	4,383,131
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	8,754,736		8,754,736	7,000,329
16. Derivatives.....			0	
17. Payable for securities.....			0	
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.....	389,597		389,597	32,497
23. Aggregate write-ins for other liabilities (including \$.....6,398,341 current).....	6,398,342	0	6,398,342	4,249,956
24. Total liabilities (Lines 1 to 23).....	124,297,724	531,524	124,829,248	111,774,488
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	29,445,300
26. Common capital stock.....	XXX	XXX	175,000	175,000
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	15,000,000	15,000,000
29. Surplus notes.....	XXX	XXX	6,662,500	6,662,500
30. Aggregate write-ins for other-than-special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	136,216,888	77,939,114
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	158,054,388	129,221,914
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	282,883,636	240,996,402

**DETAILS OF WRITE-INS**

2301. Medicare Cost Contingency.....	6,214,682		6,214,682	4,099,068
2302. Escheat Checks Payable.....	175,593		175,593	140,153
2303. Payable to CCHP.....	8,067		8,067	10,735
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).....	6,398,342	0	6,398,342	4,249,956
2501. ACA Surplus.....	XXX	XXX		29,445,300
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	29,445,300
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	3,208,785	3,247,118
2. Net premium income (including \$.....0 non-health premium income).....	XXX	1,371,680,584	1,243,297,117
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		
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	1,701,183	1,801,554
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	1,373,381,767	1,245,098,671
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits.....	28,723,300	700,568,328	651,121,941
10. Other professional services.....	5,064,268	123,518,722	113,300,694
11. Outside referrals.....	178,245	4,347,433	5,001,945
12. Emergency room and out-of-area.....	8,475,880	206,728,773	192,410,833
13. Prescription drugs.....	6,101,775	148,823,769	146,961,351
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....	(86,637)	(2,113,103)	(2,987,608)
16. Subtotal (Lines 9 to 15).....	48,456,831	1,181,873,922	1,105,809,156
<b>Less:</b>			
17. Net reinsurance recoveries.....		401,920	2,572,414
18. Total hospital and medical (Lines 16 minus 17).....	48,456,831	1,181,472,002	1,103,236,742
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....25,546,028 cost containment expenses.....		27,249,685	23,124,247
21. General administrative expenses.....		129,379,158	109,302,390
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).....	48,456,831	1,338,100,845	1,235,663,379
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	35,280,922	9,435,292
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		5,491,152	4,479,511
26. Net realized capital gains or (losses) less capital gains tax of \$.....(27,565).....		(356,121)	3,834,876
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	5,135,031	8,314,387
28. Net gain or (loss) from agents' or premium balances charged off ((amount recovered \$.....3,885) (amount charged off \$.....300,614)).....		(296,729)	(220,001)
29. Aggregate write-ins for other income or expenses.....	0	2,427,809	(60,014)
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	42,547,033	17,469,664
31. Federal and foreign income taxes incurred.....	XXX	14,735,473	8,164,299
32. Net income (loss) (Lines 30 minus 31).....	XXX	27,811,560	9,305,365

### DETAILS OF WRITE-INS

0601. Other Healthcare Related Revenue.....	XXX	1,701,183	1,801,554
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	1,701,183	1,801,554
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. Gain on Sale of Assets.....		1,394,443	(47,474)
2902. Other Expenses.....		(4,011)	(12,540)
2903. Fines & Penalties.....		(36,400)	
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	1,073,777	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	2,427,809	(60,014)

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

<b>CAPITAL AND SURPLUS ACCOUNT</b>	<b>1 Current Year</b>	<b>2 Prior Year</b>
33. Capital and surplus prior reporting period.....	129,221,914	113,066,178
34. Net income or (loss) from Line 32.....	27,811,560	9,305,365
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 \$.....(728,073).....	(2,738,943)	460,318
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	27,071	(992,873)
39. Change in nonadmitted assets.....	3,732,786	7,382,926
40. Change in unauthorized and certified reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....		
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	28,832,474	16,155,736
49. Capital and surplus end of reporting period (Line 33 plus 48).....	158,054,388	129,221,914

**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.....	1,380,794,086	1,264,021,194
2. Net investment income.....	6,286,418	5,777,240
3. Miscellaneous income.....	1,701,183	1,801,554
4. Total (Lines 1 through 3).....	1,388,781,687	1,271,599,988
5. Benefit and loss related payments.....	1,182,367,002	1,078,633,297
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	151,850,438	131,321,540
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	10,569,108	11,822,933
10. Total (Lines 5 through 9).....	1,344,786,548	1,221,777,770
11. Net cash from operations (Line 4 minus Line 10).....	43,995,139	49,822,218
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	12,794,435	47,275,213
12.2 Stocks.....	1,857,611	32,471,503
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(83)	
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	14,651,963	79,746,716
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	15,653,523	49,296,624
13.2 Stocks.....	2,647,222	36,787,534
13.3 Mortgage loans.....		
13.4 Real estate.....	393,660	64,616
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	18,694,405	86,148,774
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).....	(4,042,442)	(6,402,058)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		(0)
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).....	2,187,271	1,140,122
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	2,187,271	1,140,122
<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).....	42,139,968	44,560,282
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	118,203,346	73,643,064
19.2 End of year (Line 18 plus Line 19.1).....	160,343,314	118,203,346
<b>Note: Supplemental disclosures of cash flow information for non-cash transactions:</b>		
20.0001 .....		

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	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 Plans	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income.....	1,371,880,594	1,098,810,818	37,101,523			28,710,950	136,967,427	70,089,866		
2. Change in unearned premium reserves and reserve for rate credit.....	0	0	0	0	0	0	0	0	0	0
3. Fee-for-service (net of \$.....0 medical expenses).....	0	0	0	0	0	0	0	0	0	0
4. Risk revenue.....	1,701,183	138,562	0	0	0	3,621	0	1,559,000	0	0
5. Aggregate write-ins for other health care related revenues.....	0	0	0	0	0	0	0	0	0	0
6. Aggregate write-ins for other non-health care related revenues.....	0	0	0	0	0	0	0	0	0	0
7. Total revenues (Lines 1 to 6).....	1,373,381,767	1,098,949,380	37,101,523	0	0	28,714,571	136,967,427	71,648,866	0	0
8. Hospital/medical benefits.....	700,568,328	542,252,241	25,353,218	0	0	14,744,953	76,311,578	41,906,338	0	0
9. Other professional services.....	123,518,722	96,004,720	4,406,176	0	0	2,562,549	13,262,309	7,282,988	0	0
10. Outside referrals.....	4,347,433	4,347,433	0	0	0	0	0	0	0	0
11. Emergency room and out-of-area.....	206,728,773	160,868,112	7,376,294	0	0	4,289,913	22,202,177	12,192,277	0	0
12. Prescription drugs.....	148,823,769	138,720,288	700,963	0	0	5,168,149	4,234,399	0	0	0
13. Aggregate write-ins for other hospital and medical.....	0	0	0	0	0	0	0	0	0	0
14. Incentive pool, withhold adjustments and bonus amounts.....	(2,113,103)	(2,113,103)	0	0	0	0	0	0	0	0
15. Subtotal (Lines 8 to 14).....	1,181,873,922	939,879,661	37,836,651	0	0	26,765,564	116,010,463	61,381,583	0	0
16. Net reinsurance recoveries.....	401,920	401,920	0	0	0	0	0	0	0	0
17. Total hospital and medical (Lines 15 minus 16).....	1,181,472,002	939,477,741	37,836,651	0	0	26,765,564	116,010,463	61,381,583	0	0
18. Non-health claims (net).....	0	0	0	0	0	0	0	0	0	0
19. Claims adjustment expenses including \$.....25,546,028 cost containment expenses.....	27,249,685	21,680,141	870,817	0	0	616,015	2,670,003	1,412,709	0	0
20. General administrative expenses.....	129,379,158	101,106,679	2,988,940	0	0	2,312,986	17,324,035	5,646,518	0	0
21. Increase in reserves for accident and health contracts.....	0	0	0	0	0	0	0	0	0	0
22. Increase in reserve for life contracts.....	0	0	0	0	0	0	0	0	0	0
23. Total underwriting deductions (Lines 17 to 22).....	1,338,100,845	1,062,264,561	41,696,408	0	0	29,694,565	136,004,501	68,440,810	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23).....	35,280,922	36,684,819	(4,594,885)	0	0	(979,994)	962,926	3,208,056	0	0

**DETAILS OF WRITE-INS**

0501. Other Healthcare Related Revenue.....	1,701,183	138,562	0	0	0	3,621	0	1,559,000	0	0
0502. ....	0	0	0	0	0	0	0	0	0	0
0503. ....	0	0	0	0	0	0	0	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0	0
0599. Total (Lines 0501 through 0503 plus 0598) (Line 5 above).....	1,701,183	138,562	0	0	0	3,621	0	1,559,000	0	0
0601. ....	0	0	0	0	0	0	0	0	0	0
0602. ....	0	0	0	0	0	0	0	0	0	0
0603. ....	0	0	0	0	0	0	0	0	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0	0	0	0	0
0699. Total (Lines 0601 through 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0	0	0	0	0
1301. ....	0	0	0	0	0	0	0	0	0	0
1302. ....	0	0	0	0	0	0	0	0	0	0
1303. ....	0	0	0	0	0	0	0	0	0	0
1398. Summary of remaining write-ins for Line 13 from overflow page.....	0	0	0	0	0	0	0	0	0	0
1399. Total (Lines 1301 through 1303 plus 1398) (Line 13 above).....	0	0	0	0	0	0	0	0	0	0

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical).....	1,099,457,663		646,845	1,098,810,818
2. Medicare supplement.....	37,101,523			37,101,523
3. Dental only.....				0
4. Vision only.....				0
5. Federal employees health benefits plan.....	28,710,950			28,710,950
6. Title XVIII - Medicare.....	136,867,427			136,867,427
7. Title XIX - Medicaid.....	70,089,866			70,089,866
8. Other health.....				0
9. Health subtotal (Lines 1 through 8).....	1,372,327,429	0	646,845	1,371,680,584
10. Life.....				0
11. Property/casualty.....				0
12. Totals (Lines 9 to 11).....	1,372,327,429	0	646,845	1,371,680,584



**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.....	1,187,203,095	942,735,283	37,968,902			26,877,304	117,952,547	61,668,079		
1.2 Reinsurance assumed.....	0	2,907,802								
1.3 Reinsurance ceded.....	1,184,295,293	939,827,461	37,968,902		0	26,877,304	117,952,547	61,668,079		0
1.4 Net.....	(3,283,455)	(3,283,455)								
2. Paid medical incentive pools and bonuses.....										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	12,964,007	13,921,955	89,620			63,672	(1,241,583)	130,343		
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	12,964,007	13,921,955	89,620	0	0	63,672	(1,241,583)	130,343	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.....										
6. Net healthcare receivables (a).....	(2,983,755)	(2,983,755)								
7. Amounts recoverable from reinsurers December 31, current year.....	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	16,180,075	14,664,453	222,261			175,412	700,111	417,838		
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	0									
8.4 Net.....	16,180,075	14,664,453	222,261	0	0	175,412	700,111	417,838	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.....	(4,154,106)	(4,154,106)								
11. Amounts recoverable from reinsurers December 31, prior year.....	2,505,881	2,505,881								
12. Incurred benefits:										
12.1 Direct.....	1,183,987,027	941,992,765	37,836,261	0	0	26,765,564	116,010,953	61,381,584	0	0
12.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	401,921	401,921	0	0	0	0	0	0	0	0
12.4 Net.....	1,183,585,106	941,590,844	37,836,261	0	0	26,765,564	116,010,953	61,381,584	0	0
13. Incurred medical incentive pools and bonuses.....	(2,113,104)	(2,113,104)	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
<b>1. Reported in process of adjustment:</b>										
1.1 Direct.....	2,660,742	3,725,506	89,620			63,672	(1,348,399)	130,343		
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0	3,725,506	89,620			63,672	(1,348,399)	130,343		
1.4 Net.....	2,660,742		89,620			63,672	(1,348,399)	130,343		
<b>2. Incurred but unreported:</b>										
2.1 Direct.....	10,303,265	10,196,449					106,816			
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	0	10,196,449					106,816			
2.4 Net.....	10,303,265	10,196,449					106,816			
<b>3. Amounts withheld from paid claims and capitations:</b>										
3.1 Direct.....	0									
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	0									
<b>4. Totals:</b>										
4.1 Direct.....	12,964,007	13,921,955	89,620			63,672	(1,241,583)	130,343		
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	12,964,007	13,921,955	89,620			63,672	(1,241,583)	130,343		

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid During the Year				Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 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	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	10,419,319	931,101,652	24,548	13,897,407	24,548	13,897,407	10,443,867	12,784,121
2. Medicare supplement.....	222,261	37,746,641		90,009		90,009	222,261	222,261
3. Dental only.....							0	
4. Vision only.....							0	
5. Federal employees health benefits plan.....	175,412	26,701,892		63,672		63,672	175,412	175,412
6. Title XVIII - Medicare.....	2,899,522	117,639,847	56,718	(1,298,690)		(1,298,690)	2,956,240	2,899,521
7. Title XIX - Medicaid.....	98,759	61,152,482		130,343		130,343	98,759	98,759
8. Other health.....							0	
9. Health subtotal (Lines 1 to 8).....	13,815,273	1,174,342,514	81,266	12,892,741	81,266	12,892,741	13,886,539	16,180,074
10. Healthcare receivables (a).....		1,356,613					0	
11. Other non-health.....							0	
12. Medical incentive pools and bonus amounts.....	(3,283,455)			(2,983,755)		(2,983,755)	(3,283,455)	(4,154,105)
13. Totals (Lines 9 - 10 + 11 + 12).....	10,531,818	1,172,965,901	81,266	9,888,986	81,266	9,888,986	10,613,084	12,025,969

(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 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....	3,986	3,986	3,636	3,636	3,636
2. 2014.....	1,006,871	1,005,165	1,005,165	1,005,165	1,005,165
3. 2015.....	XXX	1,042,704	1,056,715	1,056,715	1,056,715
4. 2016.....	XXX	XXX	1,059,936	1,070,431	1,070,431
5. 2017.....	XXX	XXX	XXX	1,090,977	1,101,509
6. 2018.....	XXX	XXX	XXX	XXX	1,172,986

**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 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....	1,002,957	970,522	970,612	1,005,165	1,005,165
2. 2014.....	XXX	1,049,417	1,048,100	1,056,715	1,056,715
3. 2015.....	XXX	XXX	1,071,514	1,089,279	1,070,431
4. 2016.....	XXX	XXX	XXX	1,104,155	1,101,590
5. 2017.....	XXX	XXX	XXX	XXX	1,182,886
6. 2018.....	XXX	XXX	XXX	XXX	1,182,886

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claim Payments	Claim Adjustment Expense Payments	Percent (Col. 3/2)	Claim and Claim Adjustment Expense Payments (Col. 2+3)	Percent (Col. 5/1)	Claims Unpaid	Unpaid Claim Adjustment Expense	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	Percent (Col. 9/1)
1. 2014.....	1,141,150	1,005,165	14,886	1.5	1,020,061	89.4			1,020,061	89.4
2. 2015.....	1,219,380	1,056,715	13,220	1.3	1,069,935	87.7			1,069,935	87.7
3. 2016.....	1,249,241	1,070,431	22,407	2.1	1,092,838	87.5			1,092,838	87.5
4. 2017.....	1,243,297	1,101,509	23,124	2.1	1,124,633	90.5	81		1,124,714	90.5
5. 2018.....	1,371,681	1,172,986	27,250	2.3	1,200,236	87.5	9,899	266	1,210,401	88.2

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

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

	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....	3,309	3,309	3,309	3,309	3,309
2. 2014.....	796,595	796,595	796,595	796,595	796,595
3. 2015.....	XXX	831,794	845,698	845,698	845,698
4. 2016.....	XXX	XXX	826,640	833,968	833,968
5. 2017.....	XXX	XXX	XXX	867,876	872,952
6. 2018.....	XXX	XXX	XXX	XXX	930,186

**SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL**

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....	794,996	761,697	761,687	795,595	795,595
2. 2014.....	XXX	838,059	836,742	845,698	845,698
3. 2015.....	XXX	XXX	837,832	835,598	836,750
4. 2016.....	XXX	XXX	XXX	881,054	872,977
5. 2017.....	XXX	XXX	XXX	XXX	941,099
6. 2018.....	XXX	XXX	XXX	XXX	XXX

**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	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claim Payments	Claim Adjustment Expense Payments	Percent (Col. 3/2)	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	Percent (Col. 5/1)	Claims Unpaid	Unpaid Claim Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	Percent (Col. 9/1)
1. 2014.....	909,738	795,595	11,820	1.5	807,415	88.8	888	807,415	888	88.8
2. 2015.....	979,263	845,698	10,625	1.3	856,323	87.4	874	856,323	874	87.4
3. 2016.....	981,432	833,968	17,998	2.1	851,766	86.8	24	851,766	868	86.8
4. 2017.....	991,005	872,952	18,372	2.1	891,324	89.9	24	891,348	899	89.9
5. 2018.....	1,098,811	930,186	21,680	2.3	951,866	86.6	10,913	963,045	876	87.6

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

**SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....	.....92	.....92	.....92	.....92	.....92
2. 2014.....	28,120	28,120	30,090	30,090	30,090
3. 2015.....	XXX	30,089	30,196	30,196	30,196
4. 2016.....	XXX	XXX	38,532	38,766	38,766
5. 2017.....	XXX	XXX	XXX	32,717	32,939
6. 2018.....	XXX	XXX	XXX	XXX	37,747

**SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT**

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 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....	.....29,034	.....29,607	.....29,607	.....30,080	.....30,090
2. 2014.....	XXX	30,196	30,196	30,196	30,196
3. 2015.....	XXX	XXX	38,532	38,532	38,532
4. 2016.....	XXX	XXX	XXX	32,717	32,939
5. 2017.....	XXX	XXX	XXX	XXX	37,837
6. 2018.....	XXX	XXX	XXX	XXX	XXX

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT**

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claim Payments	Claim Adjustment Expense Payments	Percent (Col. 3/2)	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	Percent (Col. 5/1)	Claims Unpaid	Unpaid Claim Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	Percent (Col. 9/1)
1. 2014.....	33,330	30,090	478	1.6	30,568	91.7	.....	.....	30,568	91.7
2. 2015.....	34,944	30,196	370	1.2	30,566	87.5	.....	.....	30,566	87.5
3. 2016.....	34,070	38,766	742	1.9	39,508	116.0	.....	.....	39,508	116.0
4. 2017.....	32,274	32,939	697	2.1	33,636	104.2	.....	.....	33,636	104.2
5. 2018.....	37,102	37,747	871	2.3	38,618	104.1	90	.....	38,708	104.3

**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 - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM**

	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....	157	157	(203)		
2. 2014.....	42,474	42,474	42,474	42,474	42,474
3. 2015.....	XXX	32,045	32,045	32,045	32,045
4. 2016.....	XXX	XXX	27,312	27,478	27,478
5. 2017.....	XXX	XXX	XXX	25,821	25,996
6. 2018.....	XXX	XXX	XXX	XXX	26,702

**SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM**

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....	42,350	42,474	42,474	42,474	42,474
2. 2014.....	XXX	32,158	32,158	32,045	32,045
3. 2015.....	XXX	XXX	27,312	27,312	27,312
4. 2016.....	XXX	XXX	XXX	25,821	25,996
5. 2017.....	XXX	XXX	XXX	XXX	26,766
6. 2018.....	XXX	XXX	XXX	XXX	26,766

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM**

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claim Payments	Claim Adjustment Expense Payments	Percent (Col. 3/2)	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	Percent (Col. 5/1)	Claims Unpaid	Unpaid Claim Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	Percent (Col. 9/1)
1. 2014.....	41,483	42,474	612	1.4	43,086	103.8			43,086	103.8
2. 2015.....	33,831	32,045	394	1.2	32,439	95.9			32,439	95.9
3. 2016.....	30,995	27,478	564	2.1	28,042	90.5			28,042	90.5
4. 2017.....	30,664	25,996	550	2.1	26,546	86.6			26,546	86.6
5. 2018.....	28,711	26,702	616	2.3	27,318	95.1	64		27,382	95.4



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

**SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....	209	209	209	209	209
2. 2014.....	81,080	81,080	81,079	81,079	81,079
3. 2015.....	XXX	83,765	83,765	83,765	83,765
4. 2016.....	XXX	XXX	103,762	106,264	106,264
5. 2017.....	XXX	XXX	XXX	103,057	107,599
6. 2018.....	XXX	XXX	XXX	XXX	117,199

**SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE**

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 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....	80,843	81,080	81,080	81,079	81,079
2. 2014.....	XXX	83,765	83,765	83,765	83,765
3. 2015.....	XXX	XXX	103,762	103,762	103,762
4. 2016.....	XXX	XXX	XXX	103,057	107,665
5. 2017.....	XXX	XXX	XXX	XXX	115,901
6. 2018.....	XXX	XXX	XXX	XXX	XXX

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE**

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claim Payments	Claim Adjustment Expense Payments	Percent (Col. 3/2)	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	Percent (Col. 5/1)	Claims Unpaid	Unpaid Claim Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	Percent (Col. 9/1)
1. 2014.....	91,242	81,079	1,176	1.5	82,255	90.2	82,255	82,255	82,255	90.2
2. 2015.....	97,846	83,765	1,031	1.2	84,796	86.7	84,796	84,796	84,796	86.7
3. 2016.....	129,285	106,264	2,000	1.9	108,264	83.7	108,264	108,264	108,264	83.7
4. 2017.....	120,797	107,599	2,195	2.0	109,794	90.9	109,794	109,851	109,851	90.9
5. 2018.....	136,967	117,199	2,670	2.3	119,869	87.5	(1,298)	118,571	118,571	86.6

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

**SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID**

	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....	229	229	229	229	229
2. 2014.....	55,928	55,928	55,927	55,927	55,927
3. 2015.....	XXX	65,011	65,011	65,011	65,011
4. 2016.....	XXX	XXX	63,690	63,955	63,955
5. 2017.....	XXX	XXX	XXX	61,506	62,023
6. 2018.....	XXX	XXX	XXX	XXX	61,152

**SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID**

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....	55,764	55,764	55,764	55,927	55,927
2. 2014.....	XXX	65,239	65,239	65,011	65,011
3. 2015.....	XXX	XXX	64,075	64,075	64,075
4. 2016.....	XXX	XXX	XXX	61,506	62,023
5. 2017.....	XXX	XXX	XXX	XXX	61,283
6. 2018.....	XXX	XXX	XXX	XXX	61,283

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID**

	1	2	3	4	5	6	7	8	9	10
Years in Which Premiums were Eamed and Claims were Incurred	Premiums Eamed	Claim Payments	Claim Adjustment Expense Payments	Percent (Col. 3/2)	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	Percent (Col. 5/1)	Claims Unpaid	Unpaid Claim Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	Percent (Col. 9/1)
1. 2014.....	65,347	55,927	810	1.4	56,737	86.8			56,737	86.8
2. 2015.....	73,456	65,011	800	1.2	65,811	89.5			65,811	89.5
3. 2016.....	73,459	63,955	1,303	2.0	65,258	86.8			65,258	86.8
4. 2017.....	68,557	62,023	1,310	2.1	63,333	92.4			63,333	92.4
5. 2018.....	70,090	61,152	1,413	2.3	62,565	89.3	130		62,695	89.4

**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 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....	<b>NONE</b>				
2. 2014.....					
3. 2015.....	.XXX				
4. 2016.....	.XXX	.XXX			
5. 2017.....	.XXX	.XXX	.XXX		
6. 2018.....	.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 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....	<b>NONE</b>				
2. 2014.....					
3. 2015.....	.XXX				
4. 2016.....	.XXX	.XXX			
5. 2017.....	.XXX	.XXX	.XXX		
6. 2018.....	.XXX	.XXX	.XXX	.XXX	

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claim Payments	Claim Adjustment Expense Payments	Percent (Col. 3/2)	Claim and Claim Adjustment Expense Payments (Col. 5+6)	Percent (Col. 5/1)	Claims Unpaid	Unpaid Claim Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	Percent (Col. 9/1)
1. 2014.....		.0		.0	<b>NONE</b>		.0		.0	.00
2. 2015.....		.0		.0	.0	.00			.0	.00
3. 2016.....		.0		.0	.0	.00			.0	.00
4. 2017.....		.0		.0	.0	.00			.0	.00
5. 2018.....		.0		.0	.0	.00			.0	.00

**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.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
2. Additional policy reserves (e).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
3. Reserve for future contingent benefits.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5. Aggregate write-ins for other policy reserves.....	41,456,791	41,456,791	.....0	.....0	.....0	.....0	.....0	.....0	.....0
6. Totals (gross).....	41,456,791	41,456,791	.....0	.....0	.....0	.....0	.....0	.....0	.....0
7. Reinsurance ceded.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
8. Totals (net) (Page 3, Line 4).....	41,456,791	41,456,791	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9. Present value of amounts not yet due on claims.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
10. Reserve for future contingent benefits.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....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	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
14. Totals (net) (Page 3, Line 7).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

**DETAILS OF WRITE-INS**

0501. Risk adjustment.....	41,456,791	41,456,791	.....0	.....0	.....0	.....0	.....0	.....0	.....0
0502. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
0503. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....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).....	41,456,791	41,456,791	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1101. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1102. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
1103. ....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....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

(e) 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 (\$.....2,784,591 for occupancy of own building).....	1,193,959	66,289	2,532,989		3,793,237
2. Salaries, wages and other benefits.....	15,493,782	807,489	45,914,416		62,215,687
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....			12,889,566		12,889,566
4. Legal fees and expenses.....	1,541	416,414	71,783		489,738
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....	542,426		7,515,078		8,057,504
7. Traveling expenses.....	150,441	8,126	630,573		789,140
8. Marketing and advertising.....	4,316		1,906,142		1,910,458
9. Postage, express and telephone.....	386,966	7,496	1,425,195		1,819,657
10. Printing and office supplies.....	504,236	18,725	1,792,050		2,315,011
11. Occupancy, depreciation and amortization.....	628,512	34,895	1,333,391		1,996,798
12. Equipment.....	1,338,525	74,315	2,839,684		4,252,524
13. Cost or depreciation of EDP equipment and software.....	3,386,153	187,999	7,183,735		10,757,887
14. Outsourced services including EDP, claims, and other services.....	355,761		12,119,564		12,475,325
15. Boards, bureaus and association fees.....	103,136	10,437	514,891		628,464
16. Insurance, except on real estate.....			225,201		225,201
17. Collection and bank service charges.....			5,017	476,001	481,018
18. Group service and administration fees.....			24,014		24,014
19. Reimbursements by uninsured plans.....			(12,269,015)		(12,269,015)
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....				595,586	595,586
22. Real estate taxes.....				390,152	390,152
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....			6,133,200		6,133,200
23.2 State premium taxes.....					0
23.3 Regulatory authority licenses and fees.....			136,634		136,634
23.4 Payroll taxes.....	1,287,337	71,473	2,731,088		4,089,898
23.5 Other (excluding federal income and real estate taxes).....			32,344,633		32,344,633
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	168,937	0	1,379,329	0	1,548,266
26. Total expenses incurred (Lines 1 to 25).....	25,546,028	1,703,658	129,379,158	1,461,739	(a) 158,090,583
27. Less expenses unpaid December 31, current year.....	265,597		12,545,578		12,811,175
28. Add expenses unpaid December 31, prior year.....	188,159		12,527,977		12,716,136
29. Amounts receivable relating to uninsured plans, prior year.....			46,800		46,800
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	25,468,590	1,703,658	129,314,757	1,461,739	157,948,744

**DETAILS OF WRITE-INS**

2501. Other expenses.....	168,937		1,379,329		1,548,266
2502. ....					0
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).....	168,937	0	1,379,329	0	1,548,266

(a) Includes management fees of \$.....4,565,354 to affiliates and \$.....0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Eamed During Year
1. U.S. government bonds.....	(a).....265,722	.....316,871
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....1,177,634	.....1,132,497
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....29,900	.....32,243
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....827,901	.....832,225
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....3,247,323	.....3,247,323
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....1,960,674	.....1,952,715
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....7,509,154	.....7,513,874
11. Investment expenses.....	(g).....	.....1,461,739
12. Investment taxes, licenses and fees, excluding federal income taxes.....	(g).....	.....
13. Interest expense.....	(h).....	.....
14. Depreciation on real estate and other invested assets.....	(i).....	.....560,981
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....2,022,720
17. Net investment income (Line 10 minus Line 16).....	.....	.....5,491,154

**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. ....		
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).....		.....0

- (a) Includes \$.....53,745 accrual of discount less \$.....292,760 amortization of premium and less \$.....88,612 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 \$.....2,784,591 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....15,826 accrual of discount less \$.....6,578 amortization of premium and less \$.....788 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 \$.....560,981 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.....	.....(53,238)	.....	.....(53,238)	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....(245,500)	.....	.....(245,500)	.....	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....167,560	.....	.....167,560	.....(3,467,014)	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....(252,425)	.....	.....(252,425)	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....(83)	.....	.....(83)	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....(383,686)	.....0	.....(383,686)	.....(3,467,014)	.....0

**DETAILS OF WRITE-INS**

0901. ....					
0902. ....					
0903. ....					
0998. Summary of remaining write-ins for Line 9 from overflow page...	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 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.....		267,515	267,515
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.....			.0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
18.2 Net deferred tax asset.....			.0
19. Guaranty funds receivable or on deposit.....			.0
20. Electronic data processing equipment and software.....	12,189,270	16,133,925	3,944,655
21. Furniture and equipment, including health care delivery assets.....	2,117,384	2,196,606	79,222
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
23. Receivables from parent, subsidiaries and affiliates.....	214,683	237,392	22,709
24. Health care and other amounts receivable.....			.0
25. Aggregate write-ins for other-than-invested assets.....	4,666,118	4,084,803	(581,315)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	19,187,455	22,920,241	3,732,786
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
28. TOTALS (Lines 26 and 27).....	19,187,455	22,920,241	3,732,786

**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.....	3,692,341	4,084,803	392,462
2502. Receivable from Prevea.....	973,777		(973,777)
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).....	4,666,118	4,084,803	(581,315)

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

Source of Enrollment	Total Members at End of					
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	6 Current Year Member Months
1. Health maintenance organizations.....	243,184	243,882	241,241	240,883	238,978	2,901,970
2. Provider service organizations.....						
3. Preferred provider organizations.....	3,508	3,989	4,140	4,282	4,251	49,681
4. Point of service.....	19,816	21,796	21,566	21,197	20,708	257,134
5. Indemnity only.....	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	266,508	269,667	266,947	266,362	263,937	3,208,785

**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**

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Dean Health Plan, Inc. (the Company) are presented on the basis of accounting practices prescribed or permitted by the Office of the Commissioner of Insurance of the State of Wisconsin (OCI).

The OCI recognizes only statutory accounting practices prescribed or permitted by the State of Wisconsin for determining and reporting the financial condition and results of operations of an insurance company, for determining solvency under the Wisconsin Insurance Law. The National Association of Insurance Commissioners' Accounting Practices and Procedures manual (NAIC SAP), has been adopted as a component of prescribed or permitted practices by the State of Wisconsin. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically, the state has adopted a prescribed practice on affiliate receivables. Per Wisconsin Ins. 9.10, a receivable or other obligation of an affiliate to a health maintenance organization insurer or a limited service health organization insurer shall be valued at zero by the insurer for all purposes including, but not limited to, the purpose of reports or statements filed with the office, unless the commissioner specifically approves a different value. The different value shall not be more than the amount of the receivable, note or other obligation, which is fully secured by a security interest in cash or cash equivalents held in a segregated account or trust.

A reconciliation of the Company's capital and surplus between NAIC SAP and practices prescribed by the State of Wisconsin is shown below:

	SSAP #	F/S Page	F/S Line #	December 31, 2018	December 31, 2017
<b>NET INCOME</b>					
(1) The Company state basis (Page 4, Line 32, Columns 2 & 4)	XXX	XXX	XXX	\$ 27,811,560	\$ 9,305,365
(2) State prescribed practices that is an increase/(decrease) from NAIC SAP None				-	-
(3) State permitted practices that is an increase/(decrease) from NAIC SAP None				-	-
(4) NAIC SAP	XXX	XXX	XXX	\$ 27,811,560	\$ 9,305,365
<b>SURPLUS</b>					
(5) The Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 158,054,388	\$ 129,221,914
(6) State prescribed practices that is an increase/(decrease) from NAIC SAP Related Party receivables	WI Code 9.10	2	23	214,683	237,392
(7) State permitted practices that is an increase/(decrease) from NAIC SAP Related Party pharmacy rebate receivables	WI Code 9.10	2	24	-	-
(8) NAIC SAP	XXX	XXX	XXX	\$ 158,269,071	\$ 129,459,306

B. Use of Estimates

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

Health premiums are recognized as revenue over the coverage period. A liability for premiums received in advance is established for premiums received for future coverage periods.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred.

Net investment income earned consists primarily of interest, dividends and rent income less investment related expenses. Interest is recognized on an accrual basis and dividends are recognized on an ex-dividend basis. Rental income includes an imputed rent for the Company's occupancy of its own building. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed. Realized capital losses include write-downs for impairments considered to be other-than-temporary as applicable.

Real estate investments are classified in the balance sheet as properties occupied by the Company. They are carried at depreciated cost.

## NOTES TO FINANCIAL STATEMENTS

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
  2. Bonds are valued as prescribed by the NAIC. Bonds not backed by other loans are generally carried at cost, adjusted for the amortization of premiums, accretion of discounts, and any impairment. Premiums and discounts are amortized and accreted over the estimated lives of the related bonds based on the interest-yield method. The Company's bond portfolio is reviewed quarterly and as a result the carrying value of a bond may be reduced to reflect changes in valuation resulting from asset impairment. Bonds which have been assigned the NAIC category 3 thru 6 designations are written down to the appropriate NAIC carrying value
  3. Common stocks are reported at fair value
  4. Preferred stocks are reported at cost
  5. Mortgage loans are not applicable
  6. Loan-backed securities are not applicable
  7. Investments in subsidiaries controlled and affiliated entities are not applicable
  8. Investments in joint ventures and partnerships are not applicable.
  9. Derivative investments are not applicable.
  10. Premium deficiency reserves are not applicable
  11. Claims unpaid include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for adverse development on case reserves and for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
  12. The Company has a written capitalization policy for prepaid expense and purchases of items such as EDP equipment, software, furniture, other equipment and leasehold improvements. The predefined capitalization thresholds under the Company's policy have not changed from those of the prior year
  13. The Company estimates pharmaceutical rebates utilizing past experience and accumulated statistical data. These estimates are continuously reviewed and any adjustment are reflected in current operations.
  - D. After evaluating the entity's ability to continue as a going concern, management was not aware of any conditions or events which raised substantial doubts concerning the entity's ability to continue as a going concern as of the date of the filing of this statement
2. Accounting Changes and Corrections of Errors
- A. Accounting Changes as a Result of a Change in Accounting Principles and/or Corrections of Errors  
No changes in accounting principles or correction of errors were made as of December 31, 2018.
3. Business Combinations and Goodwill  
Not Applicable
4. Discontinued Operations  
Not Applicable
5. Investments
- A. Mortgage Loans, including Mezzanine Real Estate Loans  
Not Applicable
  - B. Troubled Debt Restructuring for Creditors  
Not Applicable
  - C. Reverse Mortgages  
Not Applicable
  - D. Loan-Backed Securities  
Not Applicable
  - E. Repurchase Agreements and /or Securities Lending Transaction  
Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

- 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 transaction accounted for as secured borrowing  
Not Applicable
- I. Reverse repurchase agreements transaction accounted for as a sale  
Not Applicable
- J. Real Estate  
Not Applicable
- K. Low income house tax credits  
Not Applicable
- L. Restricted Assets

Restricted Asset Category	1	2	3	4	5	6
	Total Gross Restricted From Current Year	Total Gross Restricted From Prior Year	Increase / Decrease (1 minus 2)	Total Current Year Admitted Restricted	% Gross Restricted to Total Assets	% Admitted Restricted to Total Admitted Assets
a. Subject to contractual Obligation for which is not shown	\$ -	\$ -	\$ -	\$ -	0%	0%
b. Collateral held under security lending agreements	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-
d. Subject to dollar repurchase agreements	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale - excluding FHLB capital Stock	-	-	-	-	-	-
i. FLHB capital stock	-	-	-	-	-	-
j. On Deposit with state(s)	12,423,444	12,872,904	(449,460)	12,423,444	4.1%	4.4%
k. On Deposit with other regulatory bodies	-	-	-	-	-	-
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	-	-
m. Pledged as collateral not captured in other categories	-	-	-	-	-	-
n. Other restricted assets	-	-	-	-	-	-
o. Total Restricted Assets	12,423,444	12,872,904	(449,460)	12,423,444	4.1%	4.4%

- M. Working Capital Finance Investment  
Not Applicable
- N. Offsetting and Netting Assets and Liabilities  
Not Applicable
- O. Structured Notes  
Not Applicable
- P. 5\* Securities  
Not Applicable
- Q. Short Sales  
Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

R. Prepayment Penalty and Acceleration

	<u>General Account</u>
(1) Number of CUSIPs	1
(2) Aggregate Amount of Investment Income	\$ 1,780

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Detail for Those Greater than 10% of Admitted Assets

Not Applicable

B. Write-downs for Impairments of Joint Ventures, Partnerships and LLCs

Not Applicable

7. Investment Income

A. Accrued Investment Income

The Company does not admit investment income due and accrued if amounts are over 90 days past due.

B. Amounts Nonadmitted

Not Applicable

8. Derivative Instruments

Not Applicable

9. Income Taxes

A. The components of the net Deferred Tax Asset / Deferred Tax Liabilities at December 31 are as follows:

1. Current Income Tax

Description	12/31/2018			12/31/2017			Change		
	1 Ordinary	2 Capital	3 Total	4 Ordinary	5 Capital	6 Total	7 Ordinary	8 Capital	9 Total
a. Gross Deferred Tax Assets	4,764,475	185,342	4,949,817	4,265,954	-	4,265,954	498,521	185,342	683,863
b. Statutory Valuation Allowance Adjustments	-	-	-	-	-	-	-	-	-
c. Adjusted Gross Deferred Tax Assets (1a-1b)	4,764,475	185,342	4,949,817	4,265,954	-	4,265,954	498,521	185,342	683,863
d. Deferred Tax Assets Non-admitted	-	-	-	-	-	-	-	-	-
e. Subtotal Net Admitted Deferred Tax Asset (1c-1d)	4,764,475	185,342	4,949,817	4,265,954	-	4,265,954	498,521	185,342	683,863
f. Deferred Tax Liabilities	805,105	-	805,105	333,655	542,731	876,386	471,450	(542,731)	(71,281)
g. Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e-1f)	3,959,370	185,342	4,144,712	3,932,299	(542,731)	3,389,568	27,071	728,073	755,144

**NOTES TO FINANCIAL STATEMENTS**

2. Deferred Tax Assets

Description	12/31/2018			12/31/2017			Change		
	1 Ordinary	2 Capital	3 Total	4 Ordinary	5 Capital	6 Total	7 Ordinary	8 Capital	9 Total
<b>Admission Calculation</b>									
Federal Income Taxes Paid in Prior Years Recoverable									
a. Through Loss Carrybacks Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2a Above) After Application of the Threshold Limitation (The Lesser of 2b1 and 2b2 below)	4,723,299	185,342	4,908,641	4,238,447	-	4,238,447	484,852	185,342	670,194
b. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet									
b1. Date	4,764,475	185,342	4,949,817	4,265,954	-	4,265,954	498,521	185,342	683,863
b2. Threshold	XX	XX	22,425,131	XX	XX	18,328,254	XX	XX	4,096,877
c. Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2a + 2b + 2c)	4,764,475	185,342	4,949,817	4,265,954	-	4,265,954	498,521	185,342	683,863

3. Threshold Limitation Amount and Ratio

Description	2018	2017
a. Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	568.54%	537.11%
b. Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	153,909,676	129,221,914

4. A. Tax Planning strategies did not have any impact on the company's adjusted gross DTA's this reporting period  
 B. The Company recognized the entire amount of deferred tax liabilities as December 31, 2018 and December 31, 2017.  
 C. Current income taxes incurred consist of the following components:

	12/31/2018	12/31/2017	Change
(1) Current Income Tax			
(a) Federal	\$ 14,735,473	\$ 8,164,543	\$ 6,570,930
(b) Foreign	-	-	-
(c) Subtotal	\$ 14,735,473	\$ 8,164,543	\$ 6,570,930
(d) Federal income tax on net capital gains	(27,565)	1,975,542	(2,003,107)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	\$ 14,707,908	\$ 10,140,085	\$ 4,567,823

**NOTES TO FINANCIAL STATEMENTS**

	12/31/2018	12/31/2017	Change
(2) Deferred Tax Assets			
(a) Ordinary:			
(1) Discounting of unpaid losses	42,673	24,749	17,924
(2) Unearned premium reserves	1,177,047	1,268,902	(91,855)
(3) Fixed Assets	-	-	-
(4) Compensation and benefits accrual	942,021	1,021,567	(79,546)
(5) AMT	-	-	-
(6) Receivables - nonadmitted	1,141,599	929,180	212,419
(7) Other (including items <5% of total ordinary tax assets)	156,052	160,752	(4,700)
Medicare Cost Contingency	1,305,083	860,804	444,279
(99) Subtotal	4,764,475	4,265,954	498,521
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets	4,764,475	4,265,954	498,521
(e) Capital:			
(1) Investments	185,342	-	185,342
(99) Subtotal	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets	-	-	-
(i) Admitted Deferred tax assets (2d+2h)	4,949,817	4,265,954	498,521
(3) Deferred Tax Liabilities			
(a) Ordinary			
(1) Fixed assets	772,688	327,120	445,568
(2) other (including items <5% of total ordinary tax liabilities)	32,417	6,535	25,882
(99) Subtotal	805,105	333,655	471,450
(b) Capital:			
(1) Investments	-	542,731	(542,731)
(2) Other (including items <5% of total ordinary tax liabilities)	-	-	-
Navitus Book/Tax Basis Difference	-	-	-
(99) Subtotal	-	542,731	(542,731)
(c) Deferred Tax liabilities (3a99 + 3b99)	805,105	876,386	(71,281)
(4) Net Deferred Tax Assets/Liabilities (2i-3c)	4,144,712	3,389,568	755,144
(5) Reconciliation to Surplus			
Total Deferred Tax Assets	4,949,817	4,265,954	(683,863)
Total Deferred Tax Liabilities	(805,105)	(876,386)	(71,281)
Net Deferred Tax Assets/(Liability)	4,144,712	3,389,568	(755,144)
Tax Effect of unrealized Gains/(Losses)			(728,073)
Change in Net Deferred Income Tax			(27,071)

**NOTES TO FINANCIAL STATEMENTS**

E. The significant book to tax adjustments for December 31, 2018, area as follows:

	Tax	Effective Tax Rate
Provision computed at statutory rate	8,929,088	21.00%
Permanent Differences		
Dividends Received Deduction	(65,018)	-0.15%
Meals & Entertainment Expense	31,939	0.08%
Interest Income- Municipal	(110,628)	-0.26%
Excess Compensation	-	0.00%
Lobbying Expense	24,075	0.06%
Fines & Penalties	7,644	0.02%
Change in Nonadmitted Assets	783,885	1.84%
Proration Adj (25% of Tax Exempt Interest + DRE	43,911	0.10%
ACA Sector Fee (DHP & Prevea)	5,035,262	11.84%
Other	679	0.00%
	<u>14,680,837</u>	<u>34.53%</u>
Current Federal income tax expense (benefit)	14,707,908	34.59%
Change in Gross Deferred taxes	(27,071)	-0.06%
	<u>14,680,837</u>	<u>34.53%</u>

F. Operating Loss and Tax Credit Carryover and Protective Tax Deposits

- As of December 31, 2018, the Company had no operating loss carry forward.
- The following are federal income taxes incurred in the current year and prior years that will be available for recoupment in the event of future net losses.

Year	Amount
2018	14,707,908
2017	10,184,236

The Company did not recognize any liability for tax contingencies and does not expect the tax contingency portions to change significantly over the next 12 months. The Company recognizes interest and penalties related to tax contingencies in its provisions for income taxes.

The Company files tax returns in the U.S. federal jurisdictions and several state jurisdictions. For federal purposes, all years prior to 2015 are closed for future examinations. For state purposes, all years prior to 2014 are closed.

- The aggregate amount of deposits reported as admitted asset under Section 6603 Internal Revenue Service (IRS) Code was \$0 as of December, 31, 2018.

G. Consolidated Federal Income Tax Return

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

Diversified Health Services Corporation	Dean Health Systems, Inc
Health First Physician Management Services, Inc	Dean Retail Services Inc
SSM Properties, Inc.	Navitus Holdings, LLC
SSM Health Pharmacy, LLC	Dean Health Insurance, Inc
SSM Medical Group	Dean Health Plan, Inc.

- A written tax agreement is approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled at the end of each year.

H. Federal or Foreign Federal Income Tax Loss Contingencies

The Company is not aware of any federal or foreign loss contingencies

**NOTES TO FINANCIAL STATEMENTS**

- I. On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code, including, but not limited to, (1) reducing the U.S. federal corporate tax rate from 35% to 21%; (2) eliminating the corporate alternative minimum tax (AMT) and changing how existing AMT credits can be realized; (3) bonus depreciation that will allow for full expensing of qualified property; (4) and changing rules regarding the discounting of accident and health reserves for tax return purposes.

The SEC staff issued SAB 118, which provides guidance on accounting for the tax effects of the Tax Act. SAB 118 provides a measurement period that should not extend beyond one year from the Tax Act enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Act for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the statutory-basis financial statements. If a company cannot determine a provisional estimate to be included in the statutory-basis financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the Tax Act.

The Statutory Accounting Principles (E) Working Group issued INT 18-01: Updated Tax Estimates under the Tax Cuts and Jobs Act which provided that year-end 2017 financials should reflect the income tax effects of the Act in which the accounting estimates under SSAP No. 101 are complete. Further, the financials shall recognize impacts for accounting estimates under the Act that may be considered incomplete when a reasonable estimate is determinable. Furthermore, consistent with SAB 118, for specific income tax effects of the Act for which a reasonable estimate cannot be determined, reporting entities shall not recognize provisional amounts in the 2017 statutory financial statements. Furthermore, the guidance provided for disclosure for amounts that are incomplete similar to the disclosures required in SAB 118.

Our accounting for all elements of the Tax Act is now complete, consistent with the closing of the SAB 118 measurement period on December 22, 2018. As a result of guidance released by the IRS, namely Revenue Procedures 2019-06, we have recorded the following adjustments to our accounting for the Tax Act during 2018:

Accident and health reserves: The Act changes the discount rate and payment patterns utilized to discount certain lines of business when computing the allowable tax reserve deduction. On December 19, 2018, the IRS issued Revenue Procedure 2019-06 which provided taxpayers with the applicable discount factors for use in these computations. As a result of this additional guidance, we recorded an increase to its gross deferred tax asset for loss reserve discounting of \$27,976 and reserve transition deferred tax liability of \$27,976 during 2018. The recorded adjustment had no impact on our effective tax rate.

10. Information Concerning Parent, Subsidiaries and Affiliates

A., B.

The Company is 100% owned by Dean Health Insurance, Inc. All outstanding shares of Dean Health Insurance, Inc. are owned by Dean Health Systems, Inc., who is 100% owned by FPP, Inc. FPP, Inc. is an owned subsidiary of SSM Health Care Corporation. Significant transactions are presented in Schedule Y.

C. Change in Terms of Intercompany Arrangements

Not Applicable

D. Amounts Due to or from Related Parties

As of December 31, 2018, Dean Health Plan is owed \$214,683 by Dean Health Insurance and owes \$1,320,134 to SSM Health Care Corporation, \$7,395,514 to Dean Health System, and \$39,088 to Navitus Health Solutions Inc.

E. Guarantees or Contingencies for Related Parties

Not Applicable

F. Management, Service Contracts, Cost Sharing Arrangements

Dean Health Plan, Inc. has agreed to have Navitus Health Solutions, LLC provide certain administrative services regarding insurance policies underwritten by Dean Health Plan, Inc. These services include claims processing, provider contracting, administration of benefits, and performance of appropriate business functions that are reasonable and necessary for the general conduct of the Dean Health Plan, Inc. business.

G. Nature of Relationships that Could Affect Operations

Not Applicable

H. Amount Deducted for Investment in Upstream Company

Not Applicable

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

Not Applicable

J. Write-down for Impairments of Investment in Affiliates

Not Applicable



## NOTES TO FINANCIAL STATEMENTS

- K. CARVM assumptions for adjusting foreign subsidiary annuity reserves from GAAP  
Not Applicable
  - L. Downstream Holding Company Valued using Look-Through Method  
Not Applicable
  - M. Non-Insurance subsidiary, controller and affiliated (SCA) entity valuations  
Not Applicable
  - N. Non Insurance SCA investments  
Not Applicable
  - O. SCA Loss Tracking  
Not Applicable
11. Debt  
Not Applicable
12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans
- A. Defined Benefit Plans  
Not Applicable
  - B. Description of Investment Policies  
Not Applicable
  - C. Fair Value of Plan Assets  
Not Applicable
  - D. Rate of Return Assumptions  
Not Applicable
  - E. Defined Contribution Plans  

The Dean Retirement Plan also had a 401(k) salary reduction provision which permitted eligible employees to defer 100% of their pre-tax compensation, as limited by applicable laws, and provided for DHP to match 50% of the first 3% of the employee compensation deferred. Matching contributions were \$651,966 and \$598,454 in 2018 and 2017, respectively.

In 2017, DHP contributed a range of 2% - 6% of all eligible employees' compensation for the plan year to SSM Health Basic Contribution Plan totaling \$1,835,301. This employer contribution to the contribution plan is immediately 100% vested.

In 2018, DHP contributed a range of 2% - 6% of all eligible employees' compensation for the plan year to SSM Health Basic Contribution Plan totaling \$1,895,945. This employer contribution to the contribution plan is immediately 100% vested.
  - F. Multiemployer Plans  
Not Applicable
  - G. Consolidated/Holding Company Plans  
Not Applicable
  - H. Postemployment Benefits and Compensated Absences  
Not Applicable
  - I. Impact of Medicare Modernization Act  
Not Applicable
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
- 1. Outstanding Shares  
The Company has 100 shares authorized, issued and outstanding.
  - 2. Dividend Rate of Preferred Stock  
Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

3. Dividend Restrictions

Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Wisconsin.

4. Ordinary or Extraordinary Dividends Paid

Not Applicable

5. Profits that may be Paid as Ordinary Dividends

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

6. Restrictions Placed on Surplus

Not Applicable

7. Mutual Surplus Advances

Not Applicable

8. Company Stock Held for Special Purposes

Not Applicable

9. Changes in Special Surplus Funds

Not Applicable

10. Changes in Unassigned Funds

The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses are (\$882,582).

11. Surplus Notes

(1) The Company issued the following surplus debentures or similar obligations;

	Date Issued	Interest Rate	Par Value	Carrying Value of Note	Interest And/Or Principal Paid Current Year	Total Interest And/Or Principal Paid	Unapproved Interest And/Or Principal	Date of Maturity
1.	11/19/2012	0.15%	4,996,875	4,996,875	0	0	196,501	see 11 (6) below
2.	11/19/2012	0.15%	1,665,625	1,665,625	0	0	65,500	see 11 (6) below
		Total	6,662,500	6,662,500	0	0	262,001	XXX

The surplus note in the amount of \$4,996,875, listed as item #1 in the above table, was issued to St Vincent Hospital in exchange for cash.

The surplus note in the amount of \$1,665,625, listed as item #2 in the above table, was issued to Prevea Clinic, Inc. in exchange for cash.

(2) Rule 144A under the Securities Act of 1933

Not Applicable

(3) The surplus note has the following repayment conditions and restrictions:

DHP shall not repay, discharge or retire these Surplus Notes nor pay any principal or accrued interest under these Surplus Notes (together, "Payment Obligations") unless it shall have given the Office of the Wisconsin Commissioner of Insurance ("the Commissioner") at least sixty (60) days prior written notifications of the proposed payment, repayment, discharge or retirement and said Commissioner has indicated his or her prior written approval of said payment. The Commissioner has complete discretion to approve or refuse to approve a payment, repayment, discharge or retirement. The Commissioner may consider any factors in making his or her determination including, but not limited to, the compliance of the Company with compulsory and security surplus requirements.

(4) The surplus note has the following subordination terms:

The rights of the holder hereof to payment of any Payment Obligations(s) are and shall remain subject and subordinate to all policy claims against, indebtedness of and other claims against the Company, and, in the event of any insolvency proceeding, dissolution or liquidation of the Company, no payment Obligations shall be due or payable upon this Surplus Notes until the just claims of all policy claimants, creditors and other claimants of the Company have been paid in full. The Company may establish an appropriate reserve account, out of its surplus, to provide for the orderly repayment of these Surplus Notes, but any such reserve account shall be subject to this provision for subordinations.

**NOTES TO FINANCIAL STATEMENTS**

- (5) In the event of any insolvency proceedings, dissolution or liquidation of the Company, no payment obligations shall be due or payable upon these Surplus notes until just claims of all policy claimants, creditors and other claimants of the Company have been paid in full.
- (6) The Company has an outstanding liability for borrowed money in the amount of \$4,996,875 due to St. Vincent Hospital and \$1,665,625 due to Prevea Clinic, Inc. due on or before eighteenth calendar month after the date of expiration or termination of that certain Network Organization and Administration Agreement by and among DHP and Lenders. Interest at 0.15% is required to be paid upon approval from the Office of the Commissioner of Insurance – State of Wisconsin. Interest paid during both 2018 and 2017 was \$0.

12. Quasi-Reorganizations

Not Applicable

13. Effective Date of Quasi-Reorganizations

Not Applicable

14. Contingencies

A. Contingent Commitments

Not Applicable

B. Guaranty Fund and Other Assessments

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. Other Contingencies

Dean Health Plan, Inc. (DHP) is a participant in the Medicare Cost program. As part of the program, the annual Cost reports are routinely audited by Centers for Medicare and Medicaid Services. Each audit may result in the Company being paid additional revenue for the audited periods or returning revenue for the audited period. The Company calculates and holds a contingency reserve for possible unfavorable audit results. The contingency reserve is developed using actuarial estimates and product knowledge. The contingency reserve amount is reviewed annually. The contingency reserve for the Medicare Cost product is \$6,214,681 and \$4,099,068 as of December 31, 2018 and December 31, 2017, respectively.

At December 31, 2018, the Company had admitted assets of \$4,388,850 in uncollected premiums. The Company routinely assesses the collectability of these receivables. Based upon experience, the Company estimated that \$1,300,000 may be uncollectible at December 31, 2018 and December 31, 2017. In addition, the Company non-admits any receivable balances over 90 days.

15. Leases

A. Lessee Leasing Arrangements

- 1. The Company leases office space and office equipment under various non-cancelable operating lease agreements that expire through 2023. Rental expense for 2018 and 2017 was \$1,405,382 and \$1,227,267, respectively.
- 2. At January 1, 2019, the minimum aggregate rental commitments are as follows:

Years Ending December 31,	Operating Leases
2019	\$ 1,105,188
2020	816,410
2021	765,354
2022	747,035
2023	313,990
	<u>\$ 3,746,977</u>

- 3. The Company has not entered into any sale and leaseback transactions.

B. Lessor Leasing Arrangements

Not Applicable

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

**NOTES TO FINANCIAL STATEMENTS**

Not Applicable

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

A. Transfers of Receivables Reported as Sales

Not Applicable

B. Transfer and Servicing of Financial Assets

Not Applicable

C. Wash Sales

Not Applicable

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

A. Administrative Services Only (ASO) Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans were as follows during 2018:

	(1)	(2)	(3)
	ASO Uninsured Plans	Uninsured Portion of Partially Insured Insurance Plans	Total ASO
Net reimbursement for administrative expenses (including administrative fee) in excess of actual expenses	\$ 12,269,015	\$ -	\$ 12,269,015
Total net other income or expenses (including interest paid to or received from plans)	-	-	-
c. Net gain or (loss) from operations	<u>\$ 12,269,015</u>	<u>\$ -</u>	<u>\$ 12,269,015</u>
d. Total claim payment volume	<u>\$ 300,118,066</u>	<u>\$ -</u>	<u>\$ 300,118,066</u>

B. Administrative Services Contract (ASC) Plans

Not Applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

1. Revenue from the Company's Medicare contract for the year 2018 consisted of \$136,967,427 for medical and hospital related services.
2. Not Applicable
3. In connection with the Company's Medicare contract, the Company has recorded reserves for adjustment of recorded revenues in the amount of \$6,214,681 at December 31, 2018.
4. The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

Not Applicable

20. Fair Value Measurement

A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

(1) Items Measured at Fair Value by Levels 1, 2 and 3

Description	Level 1	Level 2	Level 3	Total	Net Asset Value (NAV) Included in Level 2
a. Asset at fair value					
Common Stock					
Industrial and Misc	\$ 33,491,899	\$ -	\$ -	\$ 33,491,899	\$ -
Total Common Stock	<u>\$ 33,491,899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,491,899</u>	<u>\$ -</u>
Total Assets at fair value	<u>\$ 33,491,899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,491,899</u>	<u>\$ -</u>

**NOTES TO FINANCIAL STATEMENTS**

(2) Roll forward of Level 3 Items

Not Applicable

(3) Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfer into or out of Level 3 were required

(4) Inputs and Techniques used for Level 2 and Level 3 Fair Value.

The Company has no assets or liabilities measured at fair value in the Level 2 or 3 category

(5) Derivative Assets and Liabilities

Not Applicable

B. Other Fair value Disclosures

Not Applicable

C. Aggregate Fair Value for All Financial Instruments by Levels 1, 2 and 3

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)	Net Asset Value (NAV) Included in Level 2
Long-Term Bonds	\$ 51,280,581	\$ 52,024,446	\$ 16,371,399	\$ 34,909,182	\$ -	\$ -	\$ -
Short-Term Bonds	636,841	643,415	636,841	-	-	-	-
Common Stock	33,491,892	33,491,899	33,491,892	-	-	-	-
Redeemable Preferred Stock	498,046	565,092	498,046	-	-	-	-

D. Reasons Not Practicable to Estimate Fair Value

Not Applicable

E. NVA Practical Expedient Investments

Not Applicable

21. Other Items

A. Unusual or Infrequent Items

Not Applicable

B. Troubled Debt Restructuring for Debtors

Not Applicable

C. Other Disclosures

Declines in fair value which are determined to be other-than-temporary are recorded as realized losses. The Company determines a decline to be other-than-temporary by reviewing all investments and evaluating various subjective and objective factors. These factors, among others, include the financial condition of the issuer, the market, the length of time the security has been in a loss position, and the severity of that loss. The amount of these declines deemed other-than-temporary was \$0 as of December 31, 2018 and 2017.

The Company, as mandated by the OCI, eliminated reporting of hospital tax in the financial statement to disclosing the amount of hospital tax in this note, hospital tax legislation enacted into law in 2009 of \$15,520,293 and \$19,414,312 as of December 31, 2018 and December 31, 2017, respectively. In addition, the Company discloses the ambulatory surgical center and critical access tax legislation enacted into law in 2010 of \$605,082 and \$809,665 as of December 31, 2018 and 2017, respectively.

D. Business Interruption Insurance Recoveries

The Company maintains insurance for both property damage and business interruption relating to catastrophic events. Business interruption coverage covers lost profits and other costs incurred. Non-refundable insurance recoveries received in excess of the net book value of damaged assets, clean-up and demolition, and post-event costs are recognized as income in the period received.

In 2018, the Company accrued for \$1.5 million in insurance proceeds that was determined probable to be received in 2019 from its insurance carrier relating to the Madison flood. The amount accrued exceeded the net book value of damaged assets and post-storm costs incurred. The Company recognized \$385,000 in "Other income" in 2018.

**NOTES TO FINANCIAL STATEMENTS**

E. State Transferable and Non-transferable Tax Credits

Not Applicable

F. Subprime Mortgage Related Risk Exposure

Not Applicable

G. Retained Assets

Not Applicable

H. Insurance-linked securities

Not Applicable

22. Events Subsequent

A. Type I - Recognized Subsequent Events

Not Applicable

B. Type II - Non-recognized Subsequent Event

Subsequent events have been considered through March 1, 2019 for the statutory financial statement issued on March 1, 2019.

The SAPWG adopted this guidance to promote consistent reporting of the ACA 9010 Assessment in reporting periods 2016, 2017 and 2018. As a result of this updated guidance, the Company will not be required to accrue a monthly segregation of special surplus in 2018 for the 2018 data year to be paid in 2019. Under previous guidance in SSAP No. 106, Affordable Care Act Section 9010 Assessment, health insurers were required to segregate the fee that would be paid in the subsequent year based on premium written in the data year on a monthly basis.

	2018	2017
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	Yes
B ACA fee assessment payable for the upcoming year	\$ -	\$ 29,445,300
C ACA fee assessment paid	\$ 23,977,438	\$ -
D Premium written subject of ACA 9010 Assessment	\$ 1,336,280,244	\$ 1,212,824,549
E Total Adjusted Capital Before Surplus Adjustment (Five- year Historical line 14)	\$ 158,054,388	\$ 129,221,914
Total Adjusted Capital After Surplus Adjustment (Five- year Historical line 14 minus 22B above)	\$ 158,054,388	\$ 99,776,614
G Authorized Control Level (Five-year Historical Line 15)	\$ 27,070,954	\$ 24,058,935
Would reporting the ACA Assessment as of December 31, 2017 have triggered an RBC action level (YES/NO)	No	No

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? Yes ( ) No (X)
- Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? Yes ( ) No (X)

Section 2 – Ceded Reinsurance Report – Part A

- Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes ( ) No (X)
- Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes ( ) No (X)

Section 3 – Ceded Reinsurance Report – Part B

- What is the estimated amount of the aggregate reduction in surplus, for agreements, not reflected in Section 2 above, of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
- Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts which were in-force or which had existing reserves established by the company as of the effective date of the agreement? Yes ( ) No (X)

## NOTES TO FINANCIAL STATEMENTS

- B. Uncollectible Reinsurance  
Not Applicable
  - C. Commutation of Ceded Reinsurance  
Not Applicable
  - D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation  
Not Applicable
24. Retrospectively Rated Contracts and Contracts Subject to Redetermination
- A. The Company estimates accrued retrospective premium adjustments for its group health insurance business through a model using the Company's underwriting rules.
  - B. The Company records accrued retrospective premium as an adjustment to earned premiums.
  - C. Pursuant to the ACA, the Company's commercial business is subject to retrospectively rated features based on the actual medical loss ratios experienced on the commercial line of business. The formula is calculated pursuant to the ACA guidance. The total amount of direct premiums written for the commercial line of business subject to the retrospectively rated features was \$1,128,168,613 and \$1,022,172,322, representing 82.1% and 82.2% of total direct premiums written as of December 31, 2018 and 2017, respectively.  
  
The Company has risk-adjustment amounts from CMS which are subject to a redetermination feature related to Medicare premiums. The Company has estimated premium adjustments for changes to each member's health scores based on guidelines determined by CMS. The total amount of Medicare direct premiums written for which a portion is subject to the redetermination feature was \$5,415,875 and \$2,615,807, representing .4% and .2% of total direct premiums written for 2018 and 2017, respectively.
  - D. As of December 31, 2018 the company was not required to pay Medical Loss ratio rebates. As of December 31, 2018 the company does not anticipate paying any Medical Loss ratio rebates.
  - E. Risk-Sharing Provision 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 provision? Yes

**NOTES TO FINANCIAL STATEMENTS**

2. Impact of Risk Sharing Provision of the Affordable Care Act on admitted assets, liabilities, and revenue for the current year:	<b>12/31/2018</b>
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	\$ -
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	68,609
3. Premium adjustments payable due to ACA Risk Adjustment	41,456,791
Operations (Revenue & Expenses)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	42,487,991
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	63,677
b. Transitional ACA Reinsurance Program	
Asset	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$ -
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	-
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	-
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	-
5. Ceded reinsurance premiums payable due to ACA Reinsurance	-
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	-
Operations (Revenue & Expenses)	
7. Ceded reinsurance premiums due to ACA Reinsurance	-
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	52,949
9. ACA Reinsurance contributions - not reported as ceded premium	-
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	\$ -
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	-
Operations (Revenue & Expenses)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	610
4. Effect of ACA Risk Corridors on change in reserves for rate credits	-

The Company participated in the Federal Insurance Exchange in the State of Wisconsin for individual products during 2018. At December 31, 2018 the Company recorded the financial impact that the Affordable Care Act (ACA) market stabilization programs (Risk Adjustment, Reinsurance, Risk Corridor and Cost Share Reduction) have due to our participation. The Company holds all ACA liabilities and receivables with ultimate responsibility for these programs. Some of these stabilization programs are netted in the financial statements by transferring the financial impact to our capitated, risk assuming providers per existing Service Agreement. Accordingly, some of these stabilization programs render no net impact on operating results of the Company at December 31, 2018.



**NOTES TO FINANCIAL STATEMENTS**

3. Roll forward of prior year Affordable Care Act risk sharing provision for the following asset (gross of any non-admission) and liability balances along with the reasons for adjustment to prior year balance

	Accrued During the Prior Year on Business		Received or Paid as of the Current Year		Difference		Adjustments		Unsettled Balances as of the Reporting Date	
	Written Before December 31 of the Prior Year		on Business Written Before December 31 of the Prior Year		Prior Year Accrued	Prior Year Accrued	To Prior Year	To Prior Year	Cumulative Balance	Cumulative Balance
	1	2	3	4	Less Payment (Col 1-3) 5	Less Payment (Col 2-4) 6	Balances 7	Balances 8	9 from Prior Years (Col 1-3+7) 10	11 from Prior Years (Col 2-4+8) 11
	<u>Receivable</u>	<u>(Payable)</u>	<u>Receivable</u>	<u>(Payable)</u>	<u>Receivable</u>	<u>(Payable)</u>	<u>Receivable</u>	<u>(Payable)</u>	<u>Receivable</u>	<u>(Payable)</u>
<b>a. Permanent ACA Risk Adjustment Program</b>										
1. Premium adjustment receivable	-	-	-	-	-	-	-	-	-	-
2. Premium adjustment (payable)	-	(32,619,890)	-	(33,651,553)	-	1,031,663	-	(1,031,663)	-	-
<b>3. Subtotal ACA Permanent Risk Adjustment Program</b>	-	<b>(32,619,890)</b>	-	<b>(33,651,553)</b>	-	<b>1,031,663</b>	-	<b>(1,031,663)</b>	-	-
<b>b. Transitional ACA Reinsurance Program</b>										
1. Amounts recoverable for claims paid	1,766,985	-	1,819,934	-	(52,949)	-	52,949	-	-	-
2. Amounts recoverable for claims unpaid (Contra Liability)	-	-	-	-	-	-	-	-	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	-	-
<b>7. Subtotal ACA Transitional Reinsurance Program</b>	<b>1,766,985</b>	-	<b>1,819,934</b>	-	<b>(52,949)</b>	-	<b>52,949</b>	-	-	-
<b>c. Temporary ACA Risk Corridors Program</b>										
1. Accrued retrospective premium	122,558	-	123,168	-	(610)	-	610	-	-	-
2. Reserve for rate-credits or policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
<b>3. Subtotal ACA Risk Corridors Program</b>	<b>122,558</b>	-	<b>123,168</b>	-	<b>(610)</b>	-	<b>610</b>	-	-	-
<b>d. Total for ACA Risk-Sharing Provisions</b>	<b>1,889,543</b>	<b>(32,619,890)</b>	<b>1,943,102</b>	<b>(33,651,553)</b>	<b>(53,559)</b>	<b>1,031,663</b>	<b>53,559</b>	<b>(1,031,663)</b>	-	-

**NOTES TO FINANCIAL STATEMENTS**

4. Roll Forward of ACA Risk Corridor Asset and Liability Balances

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances	
	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	9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
a. Second Prior Year										
1. Accrued retrospective premium	\$ 122,558	\$ -	\$ 123,168	\$ -	\$ (610)	\$ -	\$ 610	\$ -	\$ -	\$ -
2. Reserve for rate credits for policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
b. Prior Year										
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	-	-
2. Reserve for rate credits for policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
c. Current Year										
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	-	-
2. Reserve for rate credits for policy experience rating refunds	-	-	-	-	-	-	-	-	-	-
d Total for Risk Corridors	\$ 122,558	\$ -	\$ 123,168	\$ -	\$ (610)	\$ -	\$ 610	\$ -	\$ -	\$ -

5. Risk Corridor Receivable

Risk Corridor Program Year	(1) Estimated Amount to be Filed or Final Amount Filed with CMS	(2) Non-Accrued Amounts for Impairment or Other Reasons	(3) Amounts received from CMS	(4) Asset Balance (gross of Nonadmission) (1-2-3)	(5) Non-admitted Amount	(6) Net Admitted Asset (4-5)
2014	\$ 14,089,113	11,852,974	2,236,139	-	-	-
2015	\$ 19,914,347	\$ 19,914,347	-	-	-	-
2016	\$ 5,406,793	5,406,793	-	-	-	-
Total	39,410,253	37,174,114	2,236,139	-	-	-

25. Changes in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2017 were \$16,180,075. As of December 31, 2018 \$13,815,273 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$81,266 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been favorable prior-year development since December 31, 2017 to December 31, 2018. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. The Company experienced \$660,138 of unfavorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

26. Intercompany Pooling Arrangements

Not Applicable

27. Structured Settlements

Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

## 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 of Billing
12/31/2018	574,067	574,067			
9/30/2018	897,636	893,276	110,730		
6/30/2018	760,907	760,918	106,178	654,740	
3/31/2018	666,163	666,121	57,607	608,680	(166)
12/31/2017	-	449,824	362,800	87,024	-
9/30/2017	-	427,188	427,188	-	
6/30/2017	12,767,648	6,975,062	2,102,758	4,872,303	
3/31/2017	10,193,184	6,660,852	759,771	5,901,081	
		-			
12/31/2016	11,337,997	6,334,713	3,134,656	3,068,714	131,344
9/30/2016	10,950,000	6,682,494	1,950,752	4,731,742	-
6/30/2016	10,950,000	6,465,515	6,444,515	21,000	-
3/31/2016	10,950,000	6,115,127	1,504,166	4,481,186	129,775

## B. Risk Sharing Receivables

Not Applicable

## 29. Participating Policies

Not Applicable

## 30. Premium Deficiency Reserves

Not Applicable

## 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? Wisconsin
- 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. 12/31/2014
- 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. 12/31/2014
- 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). 06/30/2016
- 3.4 By what department or departments?  
Wisconsin Office of the Commissioner of Insurance (OCI)
- 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?  
Deloitte & Touche LLP, 555 East Wells Street, Suite 1400, Milwaukee, WI 53202
- 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: \_\_\_\_\_
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes  No  N/A

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

- 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?  
Mathew Capps, Dean Health Plan, 1277 Deming Way, Madison, WI 53717
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved 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 [X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

### BOARD OF DIRECTORS

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

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 0
- 20.12 To stockholders not officers \$ 0
- 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ 0
- 20.22 To stockholders not officers 0
- 20.23 Trustees, supreme or grand (Fraternal only) 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement? Yes [ ] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ 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 [X] No [ ]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ 33,651,553
- 22.22 Amount paid as expenses \$ 0
- 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

#### 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 security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes  No  N/A
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes  No  N/A
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes  No  N/A
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes  No  N/A
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 0
- 24.103 Total payable for securities lending reported on the liability page: \$ 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is 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 \$ 12,423,444
- 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<br>Nature of Restriction | 2<br>Description | 3<br>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? Yes  No  N/A   
If no, attach a description with this statement.
- 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<br>Name of Custodian(s)  | 2<br>Custodian's Address                   |
|----------------------------|--|
| The Northern Trust Company | 50 South LaSalle Street, Chicago, IL 60603 |
- 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<br>Name(s) | 2<br>Location(s) | 3<br>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
- 28.04 If yes, give full and complete information relating thereto:
- | 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>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<br>Name of Firm or Individual | 2<br>Affiliation |
|---------------------------------|------------------|
| The Northern Trust Company      | U                |
| Northern Trust Securities       | U                |

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

- 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 assets? Yes  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 assets? Yes  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
	The Northern Trust Company	6PTKHDJ8HDUF78PFWH30	N	No
7927	Northern Trust Securities	3CHSO99JSPHD9HGNYJ46	Y	No

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

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
256206 10 3	Dodge & Cox International Stock Fd #1048	\$ 1,782,089
38142V 20 9	Goldman Sachs Small Cap Value FD #651	\$ 643,326
52106N 88 9	Lazard Emerging Markets	\$ 230,079
92206C 65 6	MFO Vanguard Scottsdale FDS Vanguard	\$ 4,648,437
921926 20 0	Vanguard Explorer Fund #5024	\$ 798,263
29.2999	TOTAL	\$ 8,102,214

- 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
Dodge & Cox International Stock Fd #1048	Sanofi SA	\$ 66,472	12/31/2018
Dodge & Cox International Stock Fd #1048	Roche Holding AG Dividend	\$ 56,670	12/31/2018
Dodge & Cox International Stock Fd #1048	ICICI Bank Ltd	\$ 56,136	12/31/2018
Dodge & Cox International Stock Fd #1048	Itau Unibanco Holding SA	\$ 53,106	12/31/2018
Dodge & Cox International Stock Fd #1048	Naspers Ltd	\$ 52,750	12/31/2018
Goldman Sachs Small Cap Value FD #651	ALLETE Inc	\$ 7,913	12/31/2018
Goldman Sachs Small Cap Value FD #651	Idacorp Inc	\$ 7,334	12/31/2018
Goldman Sachs Small Cap Value FD #651	Chesapeake Lodging Trust	\$ 7,012	12/31/2018
Goldman Sachs Small Cap Value FD #651	Pebblebrook Hotel Trust	\$ 6,884	12/31/2018
Goldman Sachs Small Cap Value FD #651	National Health Investors Inc	\$ 6,562	12/31/2018
Lazard Emerging Markets	China Construction Bank Corp	\$ 11,596	12/31/2018
Lazard Emerging Markets	Samsung Electronics Co Ltd	\$ 9,571	12/31/2018
Lazard Emerging Markets	China Mobile Ltd	\$ 9,226	12/31/2018
Lazard Emerging Markets	Banco do Brasil SABB Brasil	\$ 9,088	12/31/2018
Lazard Emerging Markets	Taiwan Semiconductor Manufacturing Co Ltd	\$ 7,777	12/31/2018
MFO Vanguard Scottsdale FDS Vanguard	Integrated Device Technology Inc	\$ 15,805	12/31/2018
MFO Vanguard Scottsdale FDS Vanguard	Etsy Inc	\$ 14,410	12/31/2018
MFO Vanguard Scottsdale FDS Vanguard	Five Below Inc	\$ 14,410	12/31/2018
MFO Vanguard Scottsdale FDS Vanguard	Haemonetics Corp	\$ 13,480	12/31/2018
MFO Vanguard Scottsdale FDS Vanguard	Ciena Corp	\$ 12,551	12/31/2018
Vanguard Explorer Fund #5024	Vanguard Small-Cap ETF	\$ 10,218	12/31/2018
Vanguard Explorer Fund #5024	Icon PLC	\$ 8,701	12/31/2018
Vanguard Explorer Fund #5024	Insulet Corp	\$ 8,302	12/31/2018
Vanguard Explorer Fund #5024	Fortinet Inc	\$ 7,983	12/31/2018
Vanguard Explorer Fund #5024	athenahealth Inc	\$ 6,706	12/31/2018

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	\$ 52,667,861	\$ 51,917,422	\$ (750,439)
30.2	Preferred Stocks	\$ 565,092	\$ 498,046	\$ (67,046)
30.3	Totals	\$ 53,232,953	\$ 52,415,468	\$ (817,485)

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

Fair value obtained by custodian.

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

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes  No
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 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

### OTHER

- 35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 473,782
- 35.2 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
ACHP Lobbying	\$ 231,837
Wisconsin Association of Health Plans	\$ 109,764
America's Health Insurance Plans	\$ 132,181

- 36.1 Amount of payments for legal expenses, if any? \$ 441,492
- 36.2 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
Axley Brynelson, LLP	\$ 162,070
Quarles & Brady LLP	\$ 112,959

- 37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 155,110
- 37.2 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
Wisconsin Association of Health Plans	\$ 13,218
America's Health Insurance Plans	\$ 38,198
Alliance of Community Health Plans	\$ 103,694



## GENERAL INTERROGATORIES

### PART 2 – HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [ X ]	No [ ]
1.2	If yes, indicate premium earned on U.S. business only.	\$	37,101,523
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.	\$	37,836,651
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$	1,088,148
1.62	Total incurred claims	\$	948,958
1.63	Number of covered lives		591
	All years prior to most current three years:		
1.64	Total premium earned	\$	36,013,375
1.65	Total incurred claims	\$	36,887,693
1.66	Number of covered lives		20,701
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	2
		Current Year	Prior Year
2.1	Premium Numerator	\$ 1,371,680,584	\$ 1,243,297,117
2.2	Premium Denominator	\$ 1,371,680,584	\$ 1,243,297,117
2.3	Premium Ratio (2.1/2.2)	100.0%	100.0%
2.4	Reserve Numerator	\$ 51,437,043	\$ 44,645,858
2.5	Reserve Denominator	\$ 51,437,043	\$ 44,645,858
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 [ X ] No [ ]
5.2	If no, explain:		
5.3	Maximum retained risk (see instructions)		
5.31	Comprehensive Medical	\$	600,000
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
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:		

## GENERAL INTERROGATORIES

### PART 2 – HEALTH INTERROGATORIES

All providers contracts contain hold harmless language for the protection of our members. The Company has a Parental Guaranty with SSM Health Care Corporation to provide insolvency protection

- 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 4,111
- 8.2 Number of providers at end of reporting year 4,591
- 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 (4,154,106)
- 10.22 Amount actually paid for year bonuses (3,283,455)
- 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. Wisconsin
- 11.4 If yes, show the amount required. \$ 42,853,525
- 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  
The Company is subject to a compulsory and security surplus requirement under Wisconsin Statutes.

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

1 Name of Service Area
Adams County
Barron County
Brown County
Buffalo County
Calumet County
Chippewa County
Columbia County
Crawford County
Dane County
Dodge County
Dunn County
Door County
Eau Claire County
Fond du Lac County
Grant County
Green County
Green Lake County
Green Lake County
Iowa County
Jefferson County
Juneau County
Kewaunee County
Lafayette County
Manitowoc County
Marinette County
Marquette County
Oconto County
Outagamie County
Pepin County
Richland County

## GENERAL INTERROGATORIES

### PART 2 – HEALTH INTERROGATORIES

Rock County
Sauk County
Shawano County
Sheboygan County
Vernon County
Walworth County
Washington County
Waukesha County

- 13.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0
- 13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]
- 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 [X]
- 14.2 If the answer to 14.1 is yes, please provide the following:

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

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 2018	2 2017	3 2016	4 2015	5 2014
<b>Balance Sheet Items (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28).....	282,883,637	240,996,402	212,745,756	209,020,156	178,322,873
2. Total liabilities (Page 3, Line 24).....	124,829,249	111,774,488	99,679,579	113,103,267	85,045,415
3. Statutory minimum capital and surplus requirement.....	42,853,525	39,101,450	39,008,191	39,750,142	36,249,587
4. Total capital and surplus (Page 3, Line 33).....	158,054,388	129,221,914	113,066,178	95,916,889	93,277,458
<b>Income Statement Items (Page 4)</b>					
5. Total revenues (Line 8).....	1,373,381,767	1,245,098,671	1,250,917,263	1,220,592,451	1,160,640,481
6. Total medical and hospital expenses (Line 18).....	1,181,472,002	1,103,236,742	1,071,730,468	1,048,860,927	1,002,339,411
7. Claims adjustment expenses (Line 20).....	27,249,685	23,124,247	22,245,313	18,950,596	16,520,519
8. Total administrative expenses (Line 21).....	129,379,158	109,302,390	133,822,852	136,398,100	121,252,923
9. Net underwriting gain (loss) (Line 24).....	35,280,922	9,435,292	23,118,630	16,382,828	20,527,628
10. Net investment gain (loss) (Line 27).....	5,135,031	8,314,387	4,757,409	4,417,541	4,584,855
11. Total other income (Lines 28 plus 29).....	2,131,080	(280,015)	(199,707)	(627,389)	(18,752,499)
12. Net income or (loss) (Line 32).....	27,811,560	9,305,365	15,914,655	5,290,396	183,337
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11).....	43,995,139	49,822,218	(8,756,764)	31,401,398	(11,663,981)
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital.....	158,054,388	129,221,914	113,066,178	95,916,889	93,277,458
15. Authorized control level risk-based capital.....	27,070,954	24,058,935	23,893,751	22,980,765	21,596,325
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7).....	263,937	266,508	276,182	271,627	268,766
17. Total member months (Column 6, Line 7).....	3,208,785	3,247,118	3,350,915	3,255,715	3,168,244
<b>Operating Percentage (Page 4)</b> (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	86.1	88.7	85.8	86.0	87.8
20. Cost containment expenses.....	1.9	1.1	1.0	0.9	0.6
21. Other claims adjustment expenses.....	0.1	0.8	0.7	0.6	0.8
22. Total underwriting deductions (Line 23).....	97.6	99.4	98.3	98.8	99.9
23. Total underwriting gain (loss) (Line 24).....	2.6	0.8	1.9	1.3	1.8
<b>Unpaid Claims Analysis (U&amp;I Exhibit, Part 2B)</b>					
24. Total claims incurred for prior years (Line 13, Col. 5).....	10,613,084	9,343,001	5,692,137	(3,238,109)	3,818,388
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)].....	12,025,969	10,260,445	5,475,687	(2,387,115)	4,436,352
<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	N								0
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	L	1,136,559,186	136,967,427	70,089,866	28,710,950				1,372,327,429
51. Wyoming.....WY	N								0
52. American Samoa.....AS	N								0
53. Guam.....GU	N								0
54. Puerto Rico.....PR	N								0
55. U.S. Virgin Islands.....VI	N								0
56. Northern Mariana Islands.....MP	N								0
57. Canada.....CAN	N								0
58. Aggregate Other alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal.....XXX		1,136,559,186	136,967,427	70,089,866	28,710,950	0	0	0	1,372,327,429
60. Reporting entity contributions for Employee Benefit Plans.....XXX									0
61. Total (Direct Business).....XXX		1,136,559,186	136,967,427	70,089,866	28,710,950	0	0	0	1,372,327,429

**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
58999. Total (Lines 58001 through 58003 + 58998).....		0	0	0	0	0	0	0	0

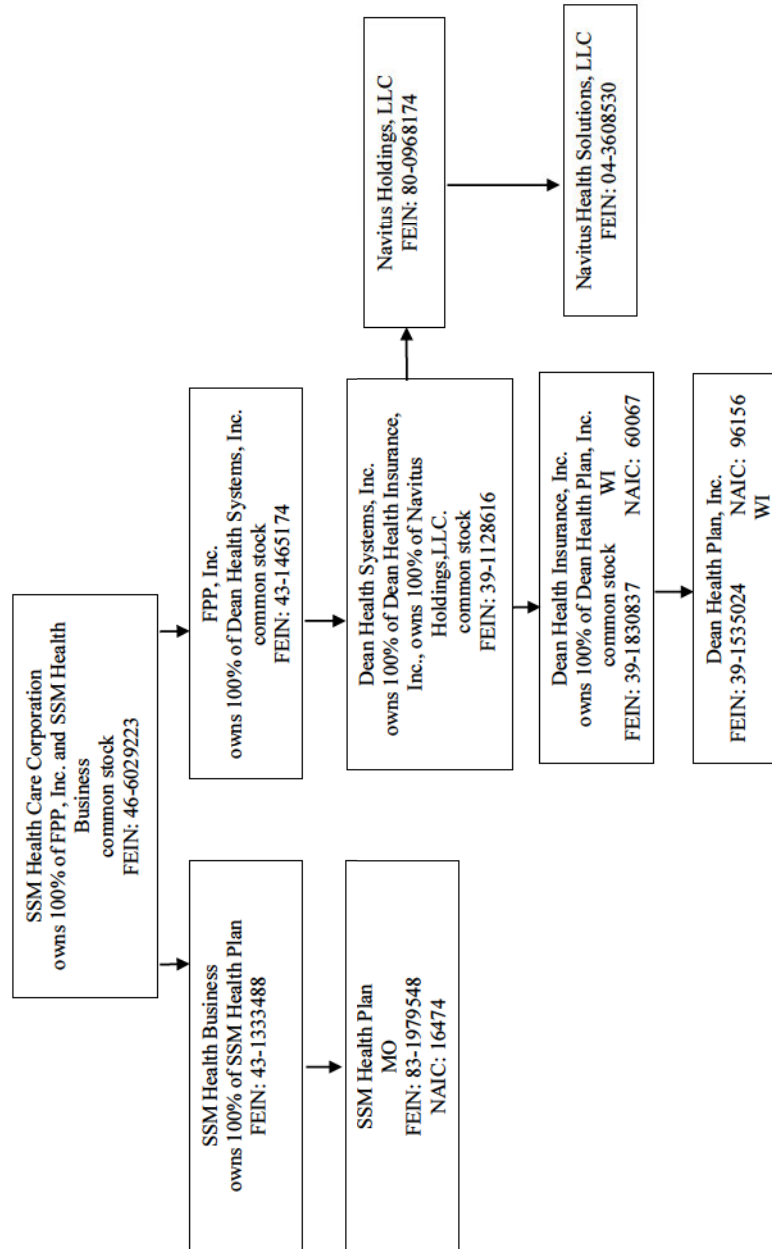
Explanation of basis of allocation by states, premiums by state, etc.

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	1
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....	0

R - Registered - Non-domiciled RRGs.....	0
Q - Qualified - Qualified or accredited reinsurer.....	0
N - None of the above - Not allowed to write business in the state.....	56

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



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