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ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2018

OF THE CONDITION AND AFFAIRS OF THE

Harmony Health Plan, Inc.

(Name)

NAIC Group Code 01199 (Current Period), 01199 (Prior Period) NAIC Company Code 11229 Employer's ID Number 36-4050495

Organized under the Laws of Illinois, State of Domicile or Port of Entry Illinois

Country of Domicile United States

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ]
Dental Service Corporation [ ] Vision Service Corporation [ ] Health Maintenance Organization [X]
Other [ ] Is HMO, Federally Qualified? Yes [ ] No [X]

Incorporated/Organized 08/18/1995 Commenced Business 07/01/1996

Statutory Home Office 29 North Wacker Drive, Suite 300 (Street and Number), Chicago, IL, US 60606 (City or Town, State, Country and Zip Code)

Main Administrative Office 8735 Henderson Road (Street and Number)

Tampa, FL, US 33634 (City or Town, State, Country and Zip Code) 813-206-6200 (Area Code) (Telephone Number)

Mail Address P.O. Box 31391 (Street and Number or P.O. Box), Tampa, FL, US 33631-3391 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 8735 Henderson Road (Street and Number)

Tampa, FL, US 33634 (City or Town, State, Country and Zip Code), 813-206-6200 (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.wellcare.com

Statutory Statement Contact Mike Wasik (Name), 813-206-2725 (Area Code) (Telephone Number) (Extension)

michael.wasik@wellcare.com (E-Mail Address) 813-675-2899 (Fax Number)

OFFICERS

Name	Title	Name	Title
Frederic Joseph McGrath #	President	Michael Troy Meyer	Assistant Treasurer, VP and Corporate Controller
Richard Charles Fisher	CFO and Vice President	Tammy Lynn Meyer	Assistant Secretary and Vice President

OTHER OFFICERS

Goran Jankovic	Treasurer and Vice President	Michael Warren Haber	Secretary and Vice President

DIRECTORS OR TRUSTEES

Michael Troy Meyer	Paul Hubert Frank	Andrew Lynn Asher	Patrick Albert Burke
Olumide Adetokunbo Idowu			

State of ....

County of .... ss

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

Frederic Joseph McGrath President	Michael Troy Meyer Assistant Treasurer, VP and Corporate Controller	Richard Charles Fisher CFO and Vice President

Subscribed and sworn to before me this
_____ day of _____ ,

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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	5,694,640		5,694,640	3,654,253
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ .... encumbrances)			0	0
4.2 Properties held for the production of income (less $ .... encumbrances)			0	0
4.3 Properties held for sale (less $ .... encumbrances)			0	0
5. Cash ($ 101,554,244 , Schedule E-Part 1), cash equivalents ($ 283,028,169 , Schedule E-Part 2) and short-term investments ($ 311,360 , Schedule DA)	384,893,773		384,893,773	284,302,954
6. Contract loans (including $ .... premium notes)			0	0
7. Derivatives (Schedule DB)	0		0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	390,588,412	0	390,588,412	287,957,206
13. Title plants less $ .... charged off (for Title insurers only)			0	0
14. Investment income due and accrued	723,474		723,474	259,730
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	165,256,816		165,256,816	125,513,481
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums ($ ....) and contracts subject to redetermination ($ ....)	112,756		112,756	5,316,483
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans	1,381,740		1,381,740	1,143,665
18.1 Current federal and foreign income tax recoverable and interest thereon			0	12,576,440
18.2 Net deferred tax asset	3,197,621		3,197,621	11,522,044
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets ($ ....)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	854,207		854,207	0
24. Health care ($ 25,236,226) and other amounts receivable	34,578,281	1,507,384	33,070,897	22,163,422
25. Aggregate write-ins for other-than-invested assets	567,919	567,919	0	2,135,256
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	597,261,226	2,075,303	595,185,923	468,587,727
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	597,261,226	2,075,303	595,185,923	468,587,727
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	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. State and other tax recoverable			0	2,135,256
2502. Other non-admitted assets (prepaids)	567,919	567,919	0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	567,919	567,919	0	2,135,256

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $ .... reinsurance ceded)	288,736,174		288,736,174	196,012,171
2. Accrued medical incentive pool and bonus amounts	11,743,220		11,743,220	433,848
3. Unpaid claims adjustment expenses	2,288,422		2,288,422	1,296,230
4. Aggregate health policy reserves, including the liability of $ .... for medical loss ratio rebate per the Public Health Service Act	36,333,811		36,333,811	63,112,356
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	17,135,428		17,135,428	29,031,213
10.1 Current federal and foreign income tax payable and interest thereon (including $ .... on realized capital gains (losses))	1,662,785		1,662,785	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including $ .... current) and interest thereon $ .... (including $ .... current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	205		205	1,886,312
16. Derivatives		0	0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with $ .... authorized reinsurers, $ .... unauthorized reinsurers and $ .... certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified ($ ....) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	33,050,361		33,050,361	41,558,802
23. Aggregate write-ins for other liabilities (including $ .... current)	1,062,539	0	1,062,539	1,427,973
24. Total liabilities (Lines 1 to 23)	392,012,945	0	392,012,945	334,758,905
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	23,321,000
26. Common capital stock	XXX	XXX	600,000	600,000
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	167,560,710	127,560,710
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	35,012,268	(17,652,888)
32. Less treasury stock, at cost:				
32.1 .... shares common (value included in Line 26 $ ....)	XXX	XXX		0
32.2 .... shares preferred (value included in Line 27 $ ....)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	203,172,978	133,828,822
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	595,185,923	468,587,727
DETAILS OF WRITE-INS				
2301. Unclaimed property payable	1,062,539		1,062,539	1,427,973
2302.	0		0	0
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	1,062,539	0	1,062,539	1,427,973
2501. Estimated ACA Industry Fee (following year)	XXX	XXX		23,321,000
2502.	XXX	XXX		0
2503.	XXX	XXX		0
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	23,321,000
3001.	XXX	XXX		0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
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	3,652,216	2,674,578
2. Net premium income (including $ 0 non-health premium income)	XXX	1,670,966,214	1,209,274,612
3. Change in unearned premium reserves and reserve for rate credits	XXX	(18,426,484)	290,434
4. Fee-for-service (net of $ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	1,562,999	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	1,654,102,729	1,209,565,046
Hospital and Medical:			
9. Hospital/medical benefits		1,067,186,466	872,946,279
10. Other professional services		26,415,466	17,867,301
11. Outside referrals			0
12. Emergency room and out-of-area		84,005,147	56,953,201
13. Prescription drugs		151,228,518	101,196,640
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		20,826,292	123,849
16. Subtotal (Lines 9 to 15)	0	1,349,661,889	1,049,087,270
Less:			
17. Net reinsurance recoveries			0
18. Total hospital and medical (Lines 16 minus 17)	0	1,349,661,889	1,049,087,270
19. Non-health claims (net)			0
20. Claims adjustment expenses, including $ 9,110,217 cost containment expenses		22,249,367	15,051,250
21. General administrative expenses		228,243,043	163,691,958
22. Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)		(45,579,968)	45,579,968
23. Total underwriting deductions (Lines 18 through 22)	0	1,554,574,331	1,273,410,446
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	99,528,398	(63,845,400)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		7,184,605	1,798,146
26. Net realized capital gains (losses) less capital gains tax of $			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	7,184,605	1,798,146
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $) (amount charged off $)]		0	0
29. Aggregate write-ins for other income or expenses	0	(100,000)	(282,597)
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	106,613,003	(62,329,851)
31. Federal and foreign income taxes incurred	XXX	17,814,402	(5,152,170)
32. Net income (loss) (Lines 30 minus 31)	XXX	88,798,601	(57,177,681)
DETAILS OF WRITE-INS			
0601. Other Income	XXX	1,562,999	0
0602.	XXX		0
0603.	XXX		0
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	1,562,999	0
0701.	XXX		0
0702.	XXX		0
0703.	XXX		0
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.			0
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. Fines and penalties		(100,000)	(282,597)
2902.			0
2903.			0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	(100,000)	(282,597)

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL & SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	133,828,822	151,660,518
34.	Net income or (loss) from Line 32	88,798,601	(57,177,681)
35.	Change in valuation basis of aggregate policy and claim reserves		0
36.	Change in net unrealized capital gains (losses) less capital gains tax of $	(1,709)	0
37.	Change in net unrealized foreign exchange capital gain or (loss)		0
38.	Change in net deferred income tax	(8,324,422)	8,659,745
39.	Change in nonadmitted assets	(1,128,314)	686,240
40.	Change in unauthorized and certified reinsurance	0	0
41.	Change in treasury stock	0	0
42.	Change in surplus notes	0	0
43.	Cumulative effect of changes in accounting principles		0
44.	Capital Changes:		
	44.1 Paid in	0	0
	44.2 Transferred from surplus (Stock Dividend)		0
	44.3 Transferred to surplus		0
45.	Surplus adjustments:		
	45.1 Paid in	40,000,000	30,000,000
	45.2 Transferred to capital (Stock Dividend)	0	0
	45.3 Transferred from capital		0
46.	Dividends to stockholders	(50,000,000)	0
47.	Aggregate write-ins for gains or (losses) in surplus	0	0
48.	Net change in capital and surplus (Lines 34 to 47)	69,344,156	(17,831,696)
49.	Capital and surplus end of reporting year (Line 33 plus 48)	203,172,978	133,828,822
DETAILS OF WRITE-INS			
4701.			0
4702.			0
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

Cash from Operations	1 Current Year	2 Prior Year
1. Premiums collected net of reinsurance	1,591,221,578	1,211,853,838
2. Net investment income	6,713,175	1,793,748
3. Miscellaneous income	1,562,999	0
4. Total (Lines 1 through 3)	1,599,497,752	1,213,647,586
5. Benefit and loss related payments	1,257,591,413	992,629,555
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0
7. Commissions, expenses paid and aggregate write-ins for deductions	222,527,293	167,873,881
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	3,575,178	7,925,612
10. Total (Lines 5 through 9)	1,483,693,884	1,168,429,048
11. Net cash from operations (Line 4 minus Line 10)	115,803,868	45,218,538
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,425,000	9,305,000
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,425,000	9,305,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds	3,459,409	2,232,071
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	3,459,409	2,232,071
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(2,034,409)	7,072,929
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	40,000,000	30,000,000
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	50,000,000	0
16.6 Other cash provided (applied)	(3,178,640)	670,495
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(13,178,640)	30,670,495
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	100,590,819	82,961,962
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	284,302,954	201,340,992
19.2 End of year (Line 18 plus Line 19.1)	384,893,773	284,302,954

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	1,670,966,214	0	0	0	0	0	977,611,846	693,155,055	199,313	0
2. Change in unearned premium reserves and reserve for rate credit	(18,426,485)						(18,721,015)	294,530		
3. Fee-for-service (net of $ .... medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	1,562,999	0	0	0	0	0	0	1,562,999	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	1,654,102,728	0	0	0	0	0	958,890,831	695,012,584	199,313	0
8. Hospital/medical benefits	1,067,186,465						638,866,345	428,320,120		XXX
9. Other professional services	26,415,466						7,959,020	18,456,446		XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	84,005,148						38,407,541	45,597,607		XXX
12. Prescription drugs	151,228,518						47,269,596	103,543,848	415,074	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	20,826,292						18,489,961	2,336,331		XXX
15. Subtotal (Lines 8 to 14)	1,349,661,889	0	0	0	0	0	750,992,463	598,254,352	415,074	XXX
16. Net reinsurance recoveries	0									XXX
17. Total hospital and medical (Lines 15 minus 16)	1,349,661,889	0	0	0	0	0	750,992,463	598,254,352	415,074	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including $ 9,110,217 cost containment expenses	22,249,366						11,994,119	10,248,710	6,537	
20. General administrative expenses	228,243,044						117,940,886	110,318,049	(15,891)	
21. Increase in reserves for accident and health contracts	(45,579,968)							(45,579,968)		XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	1,554,574,331	0	0	0	0	0	880,927,468	673,241,143	405,720	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	99,528,397	0	0	0	0	0	77,963,363	21,771,441	(206,407)	0
DETAILS OF WRITE-INS										
0501. Other Income	1,562,999							1,562,999		XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	1,562,999	0	0	0	0	0	0	1,562,999	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)				0
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan				0
6. Title XVIII - Medicare	977,662,829		50,983	977,611,846
7. Title XIX - Medicaid	693,286,545		131,490	693,155,055
8. Other health	199,313			199,313
9. Health subtotal (Lines 1 through 8)	1,671,148,687	0	182,473	1,670,966,214
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	1,671,148,687	0	182,473	1,670,966,214

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	1,245,010,369						740,053,790	504,816,319	140,260	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	1,245,010,369	0	0	0	0	0	740,053,790	504,816,319	140,260	0
2. Paid medical incentive pools and bonuses	9,516,920						9,476,155	40,765		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	288,736,174	0	0	0	0	0	109,459,027	178,842,036	435,111	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	288,736,174	0	0	0	0	0	109,459,027	178,842,036	435,111	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	0	0	0	0	0	0	0	0	
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	11,743,220						9,447,655	2,295,565		
6. Net healthcare receivables (a)	8,898,776						8,495,346	403,430		
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	196,012,171	0	0	0	0	0	108,514,973	87,336,901	160,297	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	196,012,171	0	0	0	0	0	108,514,973	87,336,901	160,297	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	433,848	0	0	0	0	0	433,848	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	1,328,835,596	0	0	0	0	0	732,502,498	595,918,024	415,074	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	1,328,835,596	0	0	0	0	0	732,502,498	595,918,024	415,074	0
13. Incurred medical incentive pools and bonuses	20,826,292	0	0	0	0	0	18,489,962	2,336,330	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	108,726,636						32,344,386	75,947,139	435,111	
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	108,726,636	0	0	0	0	0	32,344,386	75,947,139	435,111	0
2. Incurred but Unreported:										
2.1. Direct	180,009,538						77,114,641	102,894,897		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	180,009,538	0	0	0	0	0	77,114,641	102,894,897	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	288,736,174	0	0	0	0	0	109,459,027	178,842,036	435,111	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4. Net	288,736,174	0	0	0	0	0	109,459,027	178,842,036	435,111	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	71,987,185	685,319,967	5,646,420	103,812,610	77,633,605	108,514,973
7. Title XIX - Medicaid	48,688,454	456,719,337	30,549,374	148,292,659	79,237,828	87,336,901
8. Other health	(188,954)	329,214	349,251	85,860	160,297	160,297
9. Health subtotal (Lines 1 to 8)	120,486,685	1,142,368,518	36,545,045	252,191,129	157,031,730	196,012,171
10. Healthcare receivables (a)	860,701	25,882,909			860,701	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	(4,872,448)	14,389,368	3,062,616	8,680,604	(1,809,832)	433,848
13. Totals (Lines 9-10+11+12)	114,753,536	1,130,874,977	39,607,661	260,871,733	154,361,197	196,446,019

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Medicare

	Cumulative Net Amounts Paid				
Year in Which Losses Were Incurred	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	2,835,356	2,835,525	2,835,525	2,835,525	2,835,525
2. 2014	420,955	473,334	473,334	473,334	473,334
3. 2015	XXX	433,446	486,115	486,115	486,115
4. 2016	XXX	XXX	460,538	512,419	512,419
5. 2017	XXX	XXX	XXX	608,396	676,198
6. 2018	XXX	XXX	XXX	XXX	672,799

Section B - Incurred Health Claims - Medicare

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
Year in Which Losses Were Incurred	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	2,836,899	2,835,525	2,835,525	2,835,525	2,835,525
2. 2014	495,469	476,699	473,334	473,334	473,334
3. 2015	XXX	493,641	488,799	486,115	486,115
4. 2016	XXX	XXX	532,553	517,625	512,419
5. 2017	XXX	XXX	XXX	711,705	683,829
6. 2018	XXX	XXX	XXX	XXX	783,642

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2014	585,102	473,334		0.0	473,334	80.9			473,334	80.9
2. 2015	588,584	486,115		0.0	486,115	82.6			486,115	82.6
3. 2016	669,489	512,419		0.0	512,419	76.5			512,419	76.5
4. 2017	864,179	676,198		0.0	676,198	78.2	8,064		684,262	79.2
5. 2018	977,612	672,799	11,828	1.8	684,627	70.0	110,843	877	796,347	81.5

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	901,178	901,178	901,178	901,178	901,178
2. 2014	147,883	175,622	175,622	175,622	175,622
3. 2015	XXX	256,267	309,249	309,249	309,249
4. 2016	XXX	XXX	275,022	338,233	338,233
5. 2017	XXX	XXX	XXX	276,509	323,649
6. 2018	XXX	XXX	XXX	XXX	457,747

Section B – Incurred Health Claims - Title XIX Medicaid

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	906,861	901,178	901,178	901,178	901,178
2. 2014	189,245	181,785	175,622	175,622	175,622
3. 2015	XXX	317,941	319,638	309,249	309,249
4. 2016	XXX	XXX	334,417	355,172	338,233
5. 2017	XXX	XXX	XXX	346,907	354,844
6. 2018	XXX	XXX	XXX	XXX	607,690

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2014	225,802	175,622		0.0	175,622	77.8			175,622	77.8
2. 2015	358,091	309,249		0.0	309,249	86.4			309,249	86.4
3. 2016	372,095	338,233		0.0	338,233	90.9			338,233	90.9
4. 2017	346,237	323,649		0.0	323,649	93.5	31,195		354,844	102.5
5. 2018	693,155	457,747	9,423	2.1	467,170	67.4	149,943	1,411	618,524	89.2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	1,606,332	1,606,332	1,606,332	1,606,332	1,606,332
2. 2014	49,878	55,307	55,307	55,307	55,307
3. 2015	XXX	21,779	22,343	22,343	22,343
4. 2016	XXX	XXX	18,744	20,373	20,373
5. 2017	XXX	XXX	XXX	(2,370)	(2,559)
6. 2018	XXX	XXX	XXX	XXX	329

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	1,606,332	1,606,332	1,606,332	1,606,332	1,606,332
2. 2014	62,265	55,307	55,307	55,307	55,307
3. 2015	XXX	22,438	22,343	22,343	22,343
4. 2016	XXX	XXX	20,397	20,373	20,373
5. 2017	XXX	XXX	XXX	(2,210)	(2,210)
6. 2018	XXX	XXX	XXX	XXX	415

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2014	66,402	55,307		0.0	55,307	83.3			55,307	83.3
2. 2015	21,571	22,343		0.0	22,343	103.6			22,343	103.6
3. 2016	28,147	20,373		0.0	20,373	72.4			20,373	72.4
4. 2017	(1,010)	(2,559)		0.0	(2,559)	253.4	349		(2,210)	218.8
5. 2018	199	329	7	2.1	336	168.8	86	0	422	212.1

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	5,342,866	5,343,035	5,343,035	5,343,035	5,343,035
2. 2014	618,716	704,263	704,263	704,263	704,263
3. 2015	XXX	711,492	817,707	817,707	817,707
4. 2016	XXX	XXX	754,304	871,025	871,025
5. 2017	XXX	XXX	XXX	882,535	997,288
6. 2018	XXX	XXX	XXX	XXX	1,130,875

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	5,350,092	5,343,035	5,343,035	5,343,035	5,343,035
2. 2014	746,979	713,791	704,263	704,263	704,263
3. 2015	XXX	834,020	830,779	817,707	817,707
4. 2016	XXX	XXX	887,367	893,170	871,025
5. 2017	XXX	XXX	XXX	1,056,402	1,036,463
6. 2018	XXX	XXX	XXX	XXX	1,391,747

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2014	877,306	704,263	0	0.0	704,263	80.3	0	0	704,263	80.3
2. 2015	968,246	817,707	0	0.0	817,707	84.5	0	0	817,707	84.5
3. 2016	1,069,730	871,025	0	0.0	871,025	81.4	0	0	871,025	81.4
4. 2017	1,209,406	997,288	0	0.0	997,288	82.5	39,608	0	1,036,896	85.7
5. 2018	1,670,966	1,130,875	21,258	1.9	1,152,133	69.0	260,872	2,288	1,415,293	84.7

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $ .... for investment income)	36,333,811						25,127,050	5,010,888	6,195,873
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	36,333,811	0	0	0	0	0	25,127,050	5,010,888	6,195,873
7. Reinsurance ceded	0								
8. Totals (Net) (Page 3, Line 4)	36,333,811	0	0	0	0	0	25,127,050	5,010,888	6,195,873
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.	0								
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses 1 Cost Containment Expenses	Claim Adjustment Expenses 2 Other Claim Adjustment Expenses	3 General Administrative Expenses	4 Investment Expenses	5 Total
1. Rent ($ for occupancy of own building)	205,972	297,061	4,609,860		5,112,893
2. Salaries, wages and other benefits	4,176,841	6,024,021	85,404,121		95,604,983
3. Commissions (less $ ceded plus $ assumed)			20,282,920		20,282,920
4. Legal fees and expenses	92,306	133,128	1,260,818		1,486,252
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services	32,979	47,563	564,406		644,948
7. Traveling expenses	77,487	111,756	1,807,400		1,996,643
8. Marketing and advertising	51,296	73,982	7,866,375		7,991,653
9. Postage, express and telephone	287,087	414,049	5,085,558		5,786,694
10. Printing and office supplies	399,402	576,035	7,943,093		8,918,530
11. Occupancy, depreciation and amortization	218,124	314,588	3,312,423		3,845,135
12. Equipment	12,754	18,394	199,237		230,385
13. Cost or depreciation of EDP equipment and software	813,036	1,172,596	10,812,215		12,797,847
14. Outsourced services including EDP, claims, and other services	1,946,767	2,807,711	35,771,793		40,526,271
15. Boards, bureaus and association fees	465,008	670,655	7,393,979		8,529,642
16. Insurance, except on real estate	57,193	82,487	782,719		922,399
17. Collection and bank service charges	11,626	16,768	460,704		489,098
18. Group service and administration fees					0
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			5,264,211		5,264,211
23.2 State premium taxes					0
23.3 Regulatory authority licenses and fees					0
23.4 Payroll taxes	259,919	374,866	5,692,383		6,327,168
23.5 Other (excluding federal income and real estate taxes)	2,420	3,490	23,728,828		23,734,738
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25)	9,110,217	13,139,150	228,243,043	0	(a) 250,492,410
27. Less expenses unpaid December 31, current year		2,288,422	17,135,428		19,423,850
28. Add expenses unpaid December 31, prior year	0	1,296,230	29,031,212	0	30,327,442
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	9,110,217	12,146,958	240,138,827	0	261,396,002
DETAILS OF WRITE-INS					
2501.					0
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0	0

(a) Includes management fees of $ 181,966,359 to affiliates and $ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 87,178	81,250
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a) 0	
2.1	Preferred stocks (unaffiliated)	(b) 0	
2.11	Preferred stocks of affiliates	(b) 0	
2.2	Common stocks (unaffiliated)	0	
2.21	Common stocks of affiliates	0	
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 6,625,997	7,103,355
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	6,713,175	7,184,605
11.	Investment expenses		(g)
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)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		0
17.	Net investment income (Line 10 minus Line 16)		7,184,605
	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 $ 12,556 accrual of discount less $ 6,579 amortization of premium and less $ 14,780 paid for accrued interest on purchases.
(b) Includes $ accrual of discount less $ 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 $ paid for accrued interest on purchases.
(d) Includes $ for company's occupancy of its own buildings; and excludes $ interest on encumbrances.
(e) Includes $ 217,723 accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.
(f) Includes $ accrual of discount less $ amortization of premium.
(g) Includes $ investment expenses and $ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ interest on surplus notes and $ interest on capital notes.
(i) Includes $ depreciation on real estate and $ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds			0		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)			0		
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0	(1,709)	0
7.	Derivative instruments			0		
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	0	0	0	(1,709)	0
	DETAILS OF WRITE-INS					
0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB)	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	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	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable	1,507,384	451,960	(1,055,424)
25. Aggregate write-ins for other-than-invested assets	567,919	495,029	(72,890)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,075,303	946,989	(1,128,314)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	2,075,303	946,989	(1,128,314)
DETAILS OF WRITE-INS			
1101.		0	0
1102.		0	0
1103.		0	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. Other non-admitted assets (prepaids)	567,919	495,029	(72,890)
2502.		0	0
2503.		0	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)	567,919	495,029	(72,890)

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	218,174	206,200	338,593	333,444	308,776	3,652,216
2. Provider Service Organizations	0					
3. Preferred Provider Organizations	0					
4. Point of Service	0					
5. Indemnity Only	0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	218,174	206,200	338,593	333,444	308,776	3,652,216
DETAILS OF WRITE-INS						
0601.	0					
0602.	0					
0603.	0					
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

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Harmony Health Plan, Inc. (the "Company"), domiciled in the state of Illinois, are presented on the basis of accounting practices prescribed or permitted by the Insurance Department of Illinois (the "Department").

The Department recognizes only statutory accounting practices prescribed or permitted by the state of Illinois for determining and reporting the financial condition, results of operations, and cash flows of an insurance company for determining its solvency under Illinois insurance law. The National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual, ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the state of Illinois.

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

		SSAP #	F/S Page	F/S Line #	2018	2017
	NET INCOME					
1	Company state basis (Page 4, Line 32, Columns 2&3)	xxx	xxx	xxx	88,798,601	(57,177,681)
2	State Prescribed Practices that are an increase/ (decrease) from NAIC SAP:					
	None	—	—	—	—	—
3	State Permitted Practices that are an increase/ (decrease) from NAIC SAP:					
	None	—	—	—	—	—
4	NAIC SAP (1-2-3=4)	xxx	xxx	xxx	88,798,601	16,596,839
	SURPLUS					
5	Company state basis (Page 3, Line 33, Columns 3&4)	xxx	xxx	xxx	203,172,978	133,828,822
6	State Prescribed Practices that are an increase/ (decrease) from NAIC SAP:					
	None	—	—	—	—	—
7	State Permitted Practices that are an increase/ (decrease) from NAIC SAP:					
	None	—	—	—	—	—
8	NAIC SAP (5-6-7=8)	xxx	xxx	xxx	203,172,978	133,828,822

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

The preparation of financial statements in accordance with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The primary use of estimates are related to the Company's reserve for claims unpaid. Actual results could differ significantly from those estimates.

C Accounting Policy

Net Premium Income

The Company earns net premium income through participation in Medicaid, Medicaid-related and Medicare programs, including both the Medicare Advantage ("MA") and the Medicare Part D prescription drug program ("PDP"). Medicaid contracts with state agencies generally are multi-year contracts subject to annual renewal provisions, while Medicare contracts with the Center for Medicare and Medicaid Services ("CMS") renew annually. Medicare and Medicaid contracts establish fixed, monthly premium rates per member, which are generally determined at the beginning of each new contract renewal period; however, premiums may be adjusted by CMS and state agencies throughout the terms of the contracts in certain cases. Premium rate changes are recognized in the period the change becomes effective, when the effect of the change in the rate is reasonably estimable, and collection is assured.

Medicare Risk-Adjusted Premiums

CMS provides risk-adjusted payments for MA Plans and PDPs based on the demographics and health severity of enrollees. The risk-adjusted premiums received are based on claims and encounter data submitted to CMS within prescribed deadlines. Estimates for risk-adjusted premiums are developed utilizing historical experience, or other data, and predictive models as sufficient member risk score data becomes available over the course of each CMS plan year. Periodic changes to risk-adjusted premiums are recognized as net premium income when the amounts are determinable and collection is reasonably assured, which is possible as additional diagnosis code information is reported to CMS, when the ultimate adjustment settlements are received from CMS, or we receive notification of such settlement amounts. CMS adjusts premiums on two separate occasions on a retrospective basis.

The first retrospective adjustment for a given plan year generally occurs during the third quarter of that year. This initial settlement represents the update of risk scores for the current plan year based on the severity of claims incurred in the prior plan year. CMS then issues a final retrospective risk adjusted premium settlement for that plan year in the following year. Historically, there have not been significant differences between estimates and amounts ultimately received. The data provided to CMS to determine members' risk scores is subject to audit by CMS even after the annual settlements occur. An audit may result in the refund of premiums to CMS. While experience to date has not resulted in a material refund, future refunds could materially reduce premium net premium income in the year in which CMS determines a refund is required and could be material to our financial statements.

Risk Corridor Provisions
MA and PDP premiums are subject to risk sharing through the CMS Medicare Part D risk corridor provisions. The risk corridor calculation compares actual experience to the target amount of prescription drug costs, limited to costs under the standard coverage as defined by CMS, less rebates included in the submitted plan year bid. The Company receives additional premium from CMS if actual experience is more than 5% above the target amount. The Company refunds premiums to CMS if actual experience is more than 5% below the target amount. Based on the risk corridor provision and PDP activity-to-date, an estimated risk-sharing receivable or payable is recorded as an adjustment to net premium income. After the close of the annual plan year, CMS performs the risk corridor calculation and any differences are settled between CMS and the Company. Historically, there have not been material differences between recorded estimates and the subsequent CMS settlement amounts.

Medicare Part D Settlements
The Company receives certain Part D prospective subsidy payments from CMS for MA and PDP members as a fixed monthly per member amount, based on the estimated costs of providing prescription drug benefits over the plan year, as reflected in bids. Approximately nine to ten months subsequent to the end of the plan year, or later in the case of the coverage gap discount subsidy, a settlement payment is made between CMS and the Company based on the difference between the prospective payments and actual claims experience. The subsidy components under Part D are described below:

Low-Income Cost Sharing Subsidy (“LICS”)-For qualifying low-income subsidy members, CMS reimburses the Company for all or a portion of the low income subsidy member's deductible, coinsurance and co-payment amounts above the out-of-pocket threshold.

Catastrophic Reinsurance Subsidy-CMS reimburses the Company for 80% of the drug costs after a member reaches his or her out-of-pocket catastrophic threshold through a catastrophic reinsurance subsidy.

Coverage Gap Discount Subsidy (“CGDS”)-CMS provides monthly prospective payments for pharmaceutical manufacturer discounts made available to members.

Catastrophic reinsurance subsidies and LICS subsidies represent cost reimbursements under the Medicare Part D program. The Company is fully reimbursed by CMS for costs incurred for these contract elements and, accordingly, there is no insurance risk to the Company. Therefore, amounts received for these subsidies are not considered net premium income, and are reported, net of the subsidy benefits paid, as deposits. Costs incurred over deposits received are recorded as a receivable for amounts paid for uninsured plans and deposits received in excess of costs incurred are recorded as liability for amounts held under uninsured plans. Historically, the settlement payments between the Company and CMS have not been materially different from our estimates.

CGDS advance payments are recorded as a receivable for amounts paid for uninsured plans. Receivables are set up for manufacturer-invoiced amounts. Manufacturer payments reduce the receivable as payments are received. After the end of the contract year, during the Medicare Part D Payment reconciliation process for the CGDS, CMS will perform a cost-based reconciliation to ensure the Medicare Part D sponsor is paid for gap discounts advanced at the point of sale, based on accepted prescription drug event data.

Medicare Minimum Loss Ratio (“MLR”)
Beginning in 2014, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the "ACA"), requires the establishment of a minimum medical loss ratio (“MLR”) for MA and PDP plans, requiring them to spend not less than 85% of premiums on medical benefits. The rules implementing the minimum MLR impose financial and other penalties for failing to achieve the minimum MLR, including requirements to refund to CMS shortfalls in amounts spent on medical benefits and termination of a plan’s MA contract for prolonged failure to achieve the minimum MLR. MLR is determined by adding a plan’s spending for clinical services, prescription drugs and other direct patient benefits, plus its total spending on quality improvement activities and dividing the total by earned premiums (after subtracting specific identified taxes and other fees)., No premium refund was due or accrued for the Calendar Year 2018 or 2017 plan periods associated with these contract provisions. At December 31, 2018 and 2017, the Company had a payable of $18,721,014 and $0 to CMS for MLR, respectively.

Medicaid Minimum Loss Ratio
The Company’s Medicaid contract with Illinois Department of Health and Family Services ("IDHFS") includes a provision whereby the Company is required to expend a minimum of 85% of the premiums received related to allowable medical benefits expense, as defined in the contract (“minimum MLR provision”). To the extent that the Company expends less than the minimum percentage of the premiums, offset by allowable taxes and assessments, on allowable medical benefits expense, including allowable quality improvement expenses, in any contract year as required by the minimum MLR provision, the Company is required to refund to IDHFS all of the difference between the minimum and our actual allowable medical benefits expense. The Company performs a calculation of the minimum MLR provision each reporting period and accrues an estimate for amounts to be refunded based on its current estimates

of ultimate loss experience for the contract period. The Company has payables of $5,010,888 and $6,156,408 due to IDHFS as of December 31, 2018 and 2017, respectively.

1. *Short-term investments* - are stated at amortized cost.
2. *Bonds* – Bonds not backed by other loans are stated at amortized cost using the scientific/constant yield method of amortization (accretion) of discounts or premiums.
3. *Common Stocks* – None
4. *Preferred Stocks* – None
5. *Mortgage Loans* – None
6. *Loan-Backed Securities* – None
7. *Investment in Subsidiaries, Controlled and Affiliated Companies* – None
8. *Investments in Joint Ventures, Partnerships and Limited Liability Companies* – None
9. *Derivatives* – None

10. *Premium Deficiency* – the Company's contracts are evaluated to determine if it is probable that a loss will be incurred. A premium deficiency reserve ("PDR") is established when it is probable that expected claims payments or incurred costs, claims adjustment expenses, and general administration expenses will exceed future premiums and reinsurance recoveries for the remainder of a contract period. For purposes of determining a PDR, investment income is excluded and contracts are grouped in a manner consistent with the method of acquiring, servicing and measuring the profitability of such contracts. A PDR is initially recorded as an aggregate health policy reserves and as an increase in reserves for life and accident and health contracts. Once established, a PDR is reduced over the contract period as an offset to actual losses. The PDR estimates are re-evaluated each reporting period and, if estimated future losses differ from those in the current PDR estimate, the liability is adjusted through increase in reserves for life and accident and health contracts, as necessary. The Company had a PDR liability of $0 and $45,579,968 within its liabilities as of December 31, 2018 and 2017, respectively.

11. *Unpaid Losses and Loss Adjustment Expenses* – The Company recognizes the cost of medical benefits in the period in which services are provided, including an estimate of the cost of medical benefits incurred but not reported ("IBNR"). Medical benefits incurred and claims adjustment expenses include claim payments, capitation payments, pharmacy costs net of rebates, allocations of certain centralized expenses, legal and administrative costs to settle claims, and various other costs incurred to provide health insurance coverage to members.

The Company also records direct medical expenses for estimated referral claims related to health care providers under contract with the Company who are financially troubled or insolvent and who may not be able to honor their obligations for the costs of medical services provided by others. In these instances, the Company may be required to honor these obligations for legal or business reasons. Based on the current assessment of providers under contract with the Company, such losses have not been and are not expected to be significant. The Company records direct medical expense for estimates of provider settlements due to clarification of contract terms, out-of-network reimbursement, claims payment differences and amounts due to contracted providers under risk-sharing arrangements.

Claims unpaid represents amounts for claims fully adjudicated but not yet paid and estimates for IBNR. The Company's estimate of IBNR is the most significant estimate included in the financial statements. The Company determines the best estimate of the base liability for IBNR utilizing consistent standard actuarial methodologies based upon key assumptions which vary by business segment. The assumptions include current payment experience, trend factors, and completion factors. Trend factors in standard actuarial methodologies include contractual requirements, historic utilization trends, the interval between the date services are rendered and the date claims are paid, denied claims activity, disputed claims activity, benefit changes, expected health care cost inflation, seasonality patterns, maturity of lines of business, changes in membership and other factors.

After determining an estimate of the base liability for IBNR, the Company makes an additional estimate, also using standard actuarial techniques, to account for adverse conditions that may cause actual claims to be higher than the estimated base reserve. This additional liability is referred to as the provision for moderately adverse conditions. The estimate of the provision for moderately adverse conditions captures the potential adverse development from factors such as:

- entry into new geographical markets;
- provision of services to new populations such as the aged, blind and disabled;
- variations in utilization of benefits and increasing medical costs, including higher drug costs;
- changes in provider reimbursement arrangements;
- variations in claims processing speed and patterns, claims payment and the severity of claims; and
- health epidemics or outbreaks of disease such as the flu or enterovirus.

The Company evaluates estimates of medical benefits payable claims unpaid as it obtains more complete claims information and medical expense trend data over time. The Company records differences between actual experience and estimates used to establish the liability, which is referred to as favorable and unfavorable prior period developments, as increases or decreases to medical benefits hospital and medical expense in the period the Company identifies the differences.

12. *Capitalization Policy* – N/A

13. *Pharmacy Rebates* - Pharmacy rebates are recorded on an accrual basis and are estimated based on invoices that have been prepared using actual prescriptions filled, historical utilization of specific pharmaceuticals and contract terms and records such amounts as a reduction of total hospital and medical cost.

D. Going Concern – None

2. Accounting Changes and Corrections of Errors
None

3. Business Combinations and Goodwill
None

4. Discontinued Operations
None

5. Investments
A. Mortgage Loans, including Mezzanine Real Estate Loans – None
B. Debt Restructuring – None
C. Reverse Mortgages – None
D. Loan-Backed Securities - None
E. Dollar Repurchase Agreements and/or Securities Lending Transactions – None
F. Repurchase Agreement Transactions Accounted for as Secured Borrowing - None
G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing - None
H. Repurchase Agreements Transactions Accounted for as a Sale - None
I. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None
J. Real Estate – None
K. Low-Income Housing Tax Credits (LIHTC) – None
L. Restricted Assets

1. Restricted Assets (Including Pledged):

	Restricted Asset Category	(1) Total Gross (Admitted & Nonadmited) Restricted from Current Year	(2) Total Gross (Admitted & Nonadmited) Restricted from Prior Year	(3) Increase/ (Decrease) (1 minus 2)	(4) Total Current Year Admitted Nonadmited Restricted	(5) Total Current Year Admitted Restricted (1 minus 4)	(6) Gross (Admitted & Nonadmited) Restricted to Total Assets (a)	(7) Admitted Restricted to Total Admitted Assets (b)
a.	Subject to contractual obligation for which liability is not shown	$ —	$ —	$ —	$ —	$ —	—%	—%
b.	Collateral held under security lending agreements	—	—	—	—	—	—	—
c.	Subject to repurchase agreements	—	—	—	—	—	—	—
d.	Subject to reverse repurchase agreements	—	—	—	—	—	—	—
e.	Subject to dollar repurchase agreements	—	—	—	—	—	—	—
f.	Subject to dollar reverse repurchase agreements	—	—	—	—	—	—	—
g.	Placed under option contracts	—	—	—	—	—	—	—
h.	Letter stock or securities FHLB capital stock	—	—	—	—	—	—	—
i.	FHLB capital stock							
j.	On deposit with states	6,333,470	6,807,944	(474,473)	—	6,333,470	1.1%	1.1%
k.	On deposit with other regulatory bodies	—	—	—	—	—	—	—
l.	Pledged as collateral to FHLB	—	—	—	—	—	—	—
m.	Pledged as collateral not captured in other categories	—	—	—	—	—	—	—
n.	Other restricted assets	—	—	—	—	—	—	—
o.	Total restricted assets	$ 6,333,470	$ 6,807,944	$ (474,473)	$ —	$ 6,333,470	1.1%	1.1%

(a) Column 1 divided by Asset Page, Column 1, Line 28
(b) Column 5 divided by Asset Page, Column 3, Line 28

2. None
3. None
4. None
M. Working Capital Finance Investments – None
N. Offsetting and Netting of Assets and Liabilities – None
O. Structured Notes – None
P. 5*GI Securities – None
Q. Short Sales - None
R. Prepayment Penalty and Acceleration Fees - None

6. Joint Ventures, Partnerships and Limited Liability Companies
None

7. Investment Income
A. All investment income due and accrued with amounts that are over 90 days past due and amounts relating to non-admitted invested assets are considered non-admitted.

B. At December 31, 2018 and 2017 there was no non-admitted accrued interest income.

8. Derivative Instruments
None

9. Income Taxes

A. Deferred Tax Assets

The components of the net deferred tax asset at December 31 are as follows:

		2018			2017		
	(1)	**Ordinary**	**Capital**	**Total**	**Ordinary**	**Capital**	**Total**
(a)	Gross Deferred Tax Assets	$ 3,538,103	$ —	$ 3,538,103	$ 12,073,806	$ —	$ 12,073,806
(b)	Statutory Valuation Allowance Adjustments	—	—	—	—	—	—
(c)	Adjusted Gross Deferred Tax Assets	3,538,103	—	3,538,103	12,073,806	—	12,073,806
(d)	Deferred Tax Assets Nonadmitted	—	—	—	—	—	—
(e)	Subtotal Net Admitted Deferred Tax Asset	3,538,103	—	3,538,103	12,073,806	—	12,073,806
(f)	Deferred Tax Liabilities	340,481	—	340,481	551,762	—	551,762
(g)	Net Admitted Deferred Tax Asset/Liability	$ 3,197,621	$ —	$ 3,197,621	$ 11,522,044	$ —	$ 11,522,044
	(2)						
	Admission Calculation Components						
(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	$ 3,538,103	$ —	$ 3,538,103	$ 12,073,806	$ —	$ 12,073,806
(b)	Adjusted Gross Deferred Tax Assets Expected to be Realized After Application of the Threshold Limitation	—	—	—	—	—	—
	1. Adjusted Gross Deferred Tax Asset Expected to be Realized Following the Balance Sheet Date	—	—	—	—	—	—
	2. Adjusted Gross Deferred Tax Asset Allowed per Limitation Threshold	—	—	32,546,679	—	—	16,652,365
(c)	Adjusted Gross Deferred Tax Assets Offset by Gross Deferred Tax Liabilities	—	—	—	—	—	—
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No 101	$ 3,538,103	$ —	$ 3,538,103	$ 12,073,806	$ —	$ 12,073,806

	(1)	Change Ordinary	Change Capital	Change Total
(a)	Gross Deferred Tax Assets	$ (8,535,703)	$ —	$ (8,535,703)
(b)	Statutory Valuation Allowance Adjustments	—	—	—
(c)	Adjusted Gross Deferred Tax Assets	(8,535,703)	—	(8,535,703)
(d)	Deferred Tax Assets Nonadmitted	—	—	—
(e)	Subtotal Net Admitted Deferred Tax Asset	(8,535,703)	—	(8,535,703)
(f)	Deferred Tax Liabilities	(211,281)	—	(211,281)
(g)	Net Admitted Deferred Tax Asset/Liability	$ (8,324,422)	$ —	$ (8,324,422)

	(2)	Ordinary	Capital	Total
	Admission Calculation Components			
(a)	Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	$ (8,535,703)	$ —	$ (8,535,703)
(b)	Adjusted Gross Deferred Tax Assets Expected to be Realized After Application of the Threshold Limitation	—	—	—
	1. Adjusted Gross Deferred Tax Asset Expected to be Realized Following the Balance Sheet Date	—	—	—
	2. Adjusted Gross Deferred Tax Asset Allowed per Limitation Threshold		—	15,894,315
(c)	Adjusted Gross Deferred Tax Assets Offset by Gross Deferred Tax Liabilities	—	—	—
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No 101	$ (8,535,703)	$ —	$ (8,535,703)

(3)	2018	2017
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation in 2(b)2 above	370%	382%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 above	$ 212,893,632	$ 123,686,615

	(4) Impact of Tax-Planning Strategies	2018 Ordinary	2018 Capital	2017 Ordinary	2017 Capital
(a)	Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character as a Percentage				
	(1) Adjusted Gross DTA Amount From Note 9A1c	3,538,103	—	12,073,806	—
	(2) Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact of Tax Planning Strategies	0%	0%	0%	0%
	(3) Net Admitted Adjusted Gross DTAs Amount From Note 9A1e	3,538,103	—	12,073,806	—
	(4) Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because of The Impact of Tax Planning Strategies	0%	0%	0%	0%

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

	(4) Impact of Tax-Planning Strategies	Change Ordinary	Change Capital
(a)	Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character as a Percentage		
	(1) Adjusted Gross DTA Amount From Note 9A1c	(8,535,703)	—
	(2) Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact of Tax Planning Strategies	0 %	0 %
	(3) Net Admitted Adjusted Gross DTAs Amount From Note 9A1e	(8,535,703)	—
	(4) Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because of The Impact of Tax Planning Strategies	0 %	0 %

B. Unrecognized Deferred Tax Liabilities – None

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

	(1) Current Income Tax	12/31/2018	12/31/2017	Change
(a)	Federal	$ 17,814,402	$ (5,152,170)	$ 22,966,572
(b)	Foreign	—	—	—
(c)	Subtotal	$ 17,814,402	$ (5,152,170)	$ 22,966,572
(d)	Federal income tax on net capital gains	—	—	—
(e)	Utilization of capital loss carry-forwards	—	—	—
(f)	Other	—	—	—
(g)	Federal and foreign income taxes incurred	$ 17,814,402	$ (5,152,170)	$ 22,966,572

	(2) Deferred Tax Assets	12/31/2018	12/31/2017	Change
(a)	Ordinary			
	(1) Discounting of unpaid losses	$ 2,119,746	$ 1,692,066	$ 427,679
	(2) Unearned premium reserve	—	—	—
	(3) Policyholder reserves	—	—	—
	(4) Investments	—	—	—
	(5) Deferred acquisition costs	—	—	—
	(6) Policyholder dividends accrual	—	—	—
	(7) Fixed assets	—	2,957	(2,957)
	(8) Compensation and benefits accrual	37,442	42,155	(4,713)
	(9) Pension accrual	—	—	—
	(10) Receivables - nonadmitted	—	—	—
	(11) Net operating loss carry-forward	—	—	—
	(12) Tax credit carry-forward	—	—	—
	(13) Other	1,380,915	10,336,628	(8,955,713)
	Subtotal	$ 3,538,103	$ 12,073,806	$ (8,535,703)
(b)	Statutory valuation allowance adjustment	—	—	—
(c)	Nonadmitted	—	—	—
(d)	Admitted ordinary deferred tax assets	$ 3,538,103	$ 12,073,806	$ (8,535,703)
(e)	Capital			
	(1) Investments	$ —	$ —	$ —
	(2) Net capital loss carry-forward	—	—	—
	(3) Real estate	—	—	—
	(4) Other	—	—	—
	Subtotal	$ —	$ —	$ —
(f)	Statutory valuation allowance adjustment	—	—	—
(g)	Nonadmitted	—	—	—
(h)	Admitted capital deferred tax assets	—	—	—
(i)	Admitted deferred tax assets	$ 3,538,103	$ 12,073,806	$ (8,535,703)

(3) Deferred Tax Liabilities:

(a)	Ordinary			
	(1) Investments	—	—	—
	(2) Fixed assets	58,194	—	58,194
	(3) Deferred and uncollected premium	—	—	—
	(4) Pollicyholder reserves	—	—	—
	(5) Other	282,288	551,762	(269,474)
	Subtotal	340,481	551,762	(211,281)
(b)	Capital			
	(1) Investments	—	—	—
	(2) Real estate	—	—	—
	(3) Other	—	—	—
	Subtotal	—	—	—
(c)	Deferred tax liabilities	$ 340,481	$ 551,762	$ (211,281)
	(4) Net deferred tax assets/liabilities	$ 3,197,621	$ 11,522,044	$ (8,324,422)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate - The sum of the income tax incurred is different from the result obtained by applying the federal statutory rate of 21% and 35% to pretax net income for 2018 and 2017, respectively, due to the enactment of the Tax Cut and Jobs Act. For both 2018 and 2017, the deferred tax asset/liability was calculated by applying the federal statutory rate of 21%. The significant items causing the difference are as follows:

		2018	% of Pre-tax Income
Provision computed at statutory rate	$	22,388,731	21.00%
Intangible tax amortization		(18,667)	-0.02%
Change in non-admitted assets		(236,946)	-0.22%
Non-deductible expenses		10,536	0.01%
Prior year true-up		(830,919)	-0.78%
ACA Insurer fee		4,826,089	4.53%
Total statutory income tax	$	26,138,824	24.52%

		2018	% of Pre-tax Income
Federal income taxes incurred	$	17,814,402	16.71%
Change in net deferred income taxes		8,324,422	7.81%
Total statutory income tax	$	26,138,824	24.52%

E. Net Operating Loss Carryforwards

1. At December 31, 2018, the Company had no federal operating loss carryforwards.

2. The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

12/31/2018 (current year)	$	19,770,263
12/31/2017 (first prior year)	$	—

3. As of December 31, 2018 there were not aggregate amounts of deposits reported as admitted assets under Section 6603 of the Internal Revenue Services (IRS) Code.

F. Consolidated Federal Income Tax Return

1. The Company and its affiliated entities (as listed on Schedule Y, Part 1) are included in the consolidated federal income tax return of WellCare Health Plans, Inc. ("WellCare").

2. Federal Income Tax Allocation - The Company is included in the consolidated federal income tax return of WellCare and its includable subsidiaries. Estimated tax payments are made quarterly, at which time intercompany tax settlements are made. In the subsequent year, additional settlements are made on the unextended due date of the return and at the time that the return is filed. The method of

allocation among affiliates of the Company is subject to a written agreement approved by the Board of Directors and based upon separate tax return calculation with current credit for net losses to the extent the losses provide a benefit in the consolidated tax return.

G. The Company has no federal or foreign income tax loss contingencies as of December 31, 2018. The Company is not expecting any increase in its income tax loss contingency within the next 12 months.

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

A, B and C. Relationship/Transactions and Amounts

Comprehensive Health Management Inc. ("CHMI")
The Company has an affiliated management agreement with CHMI to provide certain management, administrative services and claims processing services, utilization review, payroll services and the majority of the administrative functions of the Company, excluding certain sales and marketing functions and other professional consulting expenses. Additionally, CHMI is responsible for maintaining the claims related data processing equipment and software.

In 2018, the Company's agreement with CHMI was amended. The indirect cost charge for Medicaid gross premium earned was revised from 11.5% in 2017 to 11.8% in 2018 and the indirect cost charge for Medicare gross premium earned was revised from 8.7% in 2017 to 7.2% in 2018 with all charges being retroactive to January 1, 2018. The indirect cost charge for Medicare Part D gross premium was removed from the management agreement since that contract ended December 31, 2016. The agreement was approved by the Department on August 23, 2018.

The Company will also reimburse CHMI for expenses it pays which are directly allocable to the Company. Additionally, the agreement includes a true-up mechanism where the management fee charged is compared to the actual cost of services provided and any difference is settled between CHMI and the Company. The true-up will occur on an annual basis for the prior year's activity. Management believes rates charged by CHMI to be an approximation of current market rates; however, future adjustments to this rate may be necessary as changes in regulations, scopes of services and market dynamics occur.

During 2018, the Company's 2017 management fee true-up was calculated and booked. The true-up resulted in a $5,173,000 decrease in management fees charged to the Company based on actual cost of services provided during 2017. During 2017, the Company's 2016 true-up was calculated and booked. The true-up resulted in $949,507 of additional management fees charged to the Company based on actual cost of services provided during 2016.

During 2018 and 2017, the Company incurred $181,966,359 and $144,095,644, respectively, for services under the management agreement with CHMI. The total amounts due from/(to) CHMI were $854,207 and ($1,886,312) at December 31, 2018 and 2017, respectively.

Capital Contributions
On June 27, 2018 the Company received a cash capital contribution of $40,000,000 from the Parent Company, The WellCare Management Group, Inc. ("WCMG"). On December 22, 2017, the Company received a capital contribution of $30,000,000 from its Parent Company, WCMG.

Dividends
The Company paid a $50,000,000 extraordinary cash dividend to the Parent Company, WCMG, on December 13, 2018.

D. Intercompany Balances - At December 31, 2018, the Company reported a balance of $854,207 receivable from parent, subsidiaries and affiliates and a $205 payable to parent, subsidiaries and affiliates.

E. Guarantees on Undertakings for the Benefit of an Affiliate – None

F. Management/Cost Sharing Agreements - See Note 10A, B, and C above.

G. Control/Ownership - All outstanding shares of the Company are owned by the Parent Company, Harmony Health Systems, Inc, ("HHS"), is a wholly owned subsidiary of WCG Health Management Group, Inc. ("WCGHMG"), which is a wholly owned subsidiary of WCG Health Management, Inc. (WCGHM"), which in turned is owned by WellCare an insurance holding company domiciled in the State of Delaware.

H. I. J. K. and L. Controlled Entities/Investments in SCA/Foreign Insurance Subsidiary/Downstream Noninsurance Holding Company – None

M. All SCA Investments – None

N. Investment in Insurance SCAs – None

O. SCA Loss Tracking - None

11. Debt

A. Debt – None

B. Federal Home Loan Bank Agreements – None

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

None.

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

1. *Number of Shares* - The Company has 2,000,000 shares of $1 par value common stock authorized of which 600,000 shares are issued and outstanding.
2. *Preferred Stock Issues* - None
3. *Dividend Restrictions* - Without prior approval of its domiciliary commissioner or department of insurance, dividends to shareholders must be paid from earned surplus amounts and are limited to the greater of ten percent of the companies surplus or the net income for the 12 month period ending as of the prior year as set forth in the laws of the Company's state of incorporation, Illinois.
4. *Dividends Paid* - Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholder.
5. *Dividend Capacity and Required Minimum Capital* - The amount available for ordinary dividend distribution during 2019 is $35,012,268, which is net income limited to the balance of unassigned funds. The state of Tennessee requires the Company maintain no less than 300% authorized control level Risk Based Capital ("RBC"). At December 31, 2018, the Company's required minimum capital and surplus was $154,141,179 and the total actual capital and surplus was $203,172,978.
6. *Restrictions on Unassigned Funds* – None
7. *Amount of Advances to Surplus, Not Repaid* – None
8. *Stock Held of Affiliated Entities* – None
9. *Changes in Balances of Any Special Surplus Funds* – Changes in balances of special surplus funds from prior year is due to the estimated health insurance industry fee.
10. *Unrealized Gains and Losses* – None
11. *Surplus Notes* – None
12. *Quasi-Reorganizations* – None
13. *Effective Date of Quasi-Reorganization* – N/A

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments – None

B. Assessments – None

C. Gain Contingencies – None

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming From Lawsuits – None

E. Joint and Several Liabilities – None

F. All Other Contingencies – The Company's ultimate parent, WellCare, is a party to a number of legal actions and regulatory investigations. These matters do not directly involve the Company and management does not expect the matters to have an affect on the Company's financial position.

15. Leases

None

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

None

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

A. Transfers of Receivables Reported as Sales – None

B. Transfer and Servicing of Financial Assets – None

C. Wash Sales – None

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

A. ASO Plans – None

B. ASC Plans – None

C. Medicare of Similarly Structured Cost Based Reimbursement Contract

1. None
2. As of December 31, 2018 the Company had recorded receivables of $1,381,740 from CMS related to the cost share and reinsurance components of administered Medicare products. There were no recorded receivables for December 31, 2018. This represents 100% of the Company's amounts receivable from uninsured accident and health plans.
3. None
4. None

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

None

20. Fair Value Measurements

A. Assets that are measured at fair value on a recurring basis subsequent to initial recognition

1. Fair Value Measurements Reporting Date

Description of each class of asset or liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
a. Assets at fair value					
Cash Equivalents					
Exempt Money Market Funds	$ 87,575,462	$ —	$ —	$ —	$ 87,575,462
Other Money Market Funds	195,452,707	—	—	—	195,452,707
Total Cash Equivalents	$ 283,028,169	$ —	$ —	$ —	$ 283,028,169
Perpetual Preferred Stock					
Industrial & Misc	$ —	$ —	$ —	$ —	$ —
Parent, Subsidiaries and Affiliates	—	—	—	—	—
Total Perpetual Preferred Stocks	$ —	$ —	$ —	$ —	$ —
Bonds					
U.S. Government	$ —	$ —	$ —	$ —	$ —
Industrial & Misc.	—	—	—	—	—
Hybrid Securities	—	—	—	—	—
Parent, Subsidiaries and Affiliates	—	—	—	—	—
Total Bonds	$ —	$ —	$ —	$ —	$ —
Common Stock					
Industrial & Misc.	$ —	$ —	$ —	$ —	$ —
Parent, Subsidiaries and Affiliates	—	—	—	—	—
Total Common Stock	$ —	$ —	$ —	$ —	$ —
Derivatives Assets					
Interest rate contracts	$ —	$ —	$ —	$ —	$ —
Foreign exchange contracts	—	—	—	—	—
Credit contracts	—	—	—	—	—
Commodity futures contracts	—	—	—	—	—
Commodity futures contracts	—	—	—	—	—
Total Derivatives	$ —	$ —	$ —	$ —	$ —
Separate account assets	$ —	$ —	$ —	$ —	$ —
Total assets at fair value	$ 283,028,169	$ —	$ —	$ —	$ 283,028,169
b. Liabilities at fair value					
Total liabilities at fair value	$ —	$ —	$ —	$ —	$ —

B. Assets Measured on a Fair Value on a Nonrecurring Basis:

The Company's financial statements include certain financial instruments carried at amounts which approximate fair value, such as, cash, cash equivalents, short-term investments and receivables. The carrying amount approximates fair value because of the short-term nature of these items. The Company has no assets or liabilities measured or reported at fair value as of December 31, 2018 and 2017.

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

Level 1 —Quoted (unadjusted) prices for identical assets or liabilities in active markets: Investments included in Level 1 consist of money market funds, cash, and U.S. government securities. The carrying amounts of money market funds and cash approximate fair value because of the short-term nature of these instruments. Fair values of the other investments included in Level 1 are based on unadjusted quoted market prices for identical securities in active markets.

Level 2—Inputs other than quoted prices in active markets: Not applicable

Level 3 — Unobservable inputs that cannot be corroborated by observable market data: Not applicable

C. Fair Values 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	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds							
US Government	$ 5,672,467	$ 5,694,640	$ 5,672,467	$ —	$ —	$ —	$ —
U.S. States, territories & possessions	—	—	—	—	—	—	—
Political subdivision of states, territories & possessions	—	—	—	—	—	—	—
U.S. Special revenue & special assessment, non-guaranteed agencies & government	—	—	—	—	—	—	—
Industrial & miscellaneous	—	—	—	—	—	—	—
Total Bonds	5,672,467	5,694,640	5,672,467	—	—	—	—
Short Term Investments	311,210	311,360	311,210	—	—	—	—
Total Bonds and Short Term Investments	$ 5,983,677	$ 6,006,000	$ 5,983,677	$ —	$ —	$ —	$ —

D. None

21. Other Items

A. Extraordinary Items – None
B. Troubled Debt Restructuring – None
C. Other Disclosures and Unusual Items

Medicare Contract
The Company expects that its Medicare contract, which expires on December 31, 2019, will be renewed. The Company's operating results could be significantly constrained in the event that the compensation provided under its Medicare contract is adjusted or if the contract is not renewed.

Medicaid Contract
In Q3 2018, as a result of WellCare Health Plan Inc.'s acquisition of Meridian (inclusive of Meridian Health Plans of Illinois, Inc. ("Meridian IL")), management has an agreement with the IDHFS to terminate the Company's IL Medicaid contract on a date mutually agreeable and, upon termination, IDHFS will transfer these members onto the Meridian IL Medicaid contract. During the same quarter, management notified IDHFS that it intended to terminate the Company's Medicaid contract, effective December 31, 2018 at 11:59 PM EST such that the members will transfer to the Meridian IL Medicaid contract on January 1, 2019 ("integration date"). On the integration date, new blended premium capitation rates will be assigned to the Meridian IL contract. This transaction was completed as agreed upon with IDHFS and, accordingly, effective January 1, 2019, the Company no longer provides services to the Illinois Medicaid program.

D. Business Interruption Insurance Recoveries – None
E. State Transferable and Non-Transferable Tax Credits – None
F. Subprime Mortgage Related Risk Exposure – None
G. Retained Assets – None
H. Insurance-Linked Securities (ILS) Contracts – None

22. Events Subsequent

ACA Annual Fee
The Company is subject to the annual industry fee under section 9010 of ACA. The industry fee is being levied on certain health insurers that provide insurance in the assessment year, and is allocated to health insurers based on each health insurer's share of net premiums for all U.S health insurers in the year preceding the assessment. In December 2015, President Obama signed the Consolidated Appropriations Act, 2016 which, among other provisions, included a one-year moratorium on the ACA industry fee for 2017. While the ACA industry fee was assessed in 2018, the continuing resolution approved in January 2018 provides for an additional one-year moratorium for 2019 for the ACA industry fee.

The liability and expense are recognized once the Company provides health insurance for any U.S. health risk in the assessment year. The Company paid and expensed $22,981,378 and $0 in 2018 and 2017, respectively. Additionally, the estimate for the following year's fee is accrued monthly and separately segregated within surplus as an aggregate write-in in accordance with Statutory accounting guidance.

The Company has an agreement with its state Medicaid customer in Illinois which provides for them to reimburse the Company for the portion of the ACA industry fee attributable to the Medicaid program in the state, including its non-deductibility for income tax purposes. The execution of the agreement enabled the Company to recognize approximately $9,499,647 and $0 reimbursement as premium revenue for the years ending December 31, 2018 and 2017, respectively.

			Current Year		Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act?		Yes		Yes
B.	ACA fee assessment payable for the upcoming year	$	—	$	23,231,000
C.	ACA fee assessment paid	$	22,981,378	$	—
D.	Premium written subject to ACA 9010 assessment	$	—	$	1,147,938,679
E.	Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	$	203,172,978		
F.	Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	$	203,172,978		
G.	Authorized Control Level (Five-Year Historical Line 15)	$	51,380,393		
H.	Would reporting the ACA assessment as of December 31, 2018 have triggered an RBC action level?		No		

There were no additional events occurring subsequent to December 31, 2018 requiring disclosure. Subsequent events have been considered through February 22, 2019 for the Statutory statement issued on February 22, 2019.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General interrogatories

1. 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 an representative, officer, trustee, or director of the Company?

   Yes ( ) No (X) If yes, give full details.

2. Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) 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) If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

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

   Yes ( ) No (X) If yes, give full details.

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the company to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. N/A.
b. What is the total amount of reinsurance credit taken, whether as an asset or as a reduction of liability, for these agreements in this statement? $0

2. 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 that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

   Yes ( ) No (X) If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above), of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. N/A

2. Have any new agreements been executed or existing agreement 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) If yes, what is the amount of reinsurance credits, whether an asset or reduction of liability, taken for such agreements or amendments? N/A

B. Uncollectible Reinsurance – None
C. Commutation of Ceded Reinsurance – None
D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination
A. The Company estimates accrued retrospective premium adjustments for its Medicaid and Medicare business through a mathematical approach using an algorithm based upon settlement procedures defined by contracts with IDHFS and CMS.

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

C. The amount of net premiums written by the Company at December 31, 2018 that are subject to retrospective rating features was $1,670,966,214 or 100% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

D. – Not applicable
E. Risk-Sharing Provisions of the Affordable Care Act (ACA) – Not applicable

25. Change in Incurred Claims and Claim Adjustment Expenses
A. The estimated cost of claims expense attributable to insured events of the prior year decreased by $42,084,822 during 2018. This is approximately 21.4% of unpaid claims expenses of $196,446,019 as of December 31, 2017. Excluding the prior period development related to the release of the provision for moderately adverse conditions, medical benefits expense for the period ending December 31, 2018 was affected by approximately $26,254,563 of net favorable development related to prior years. Such amounts are net of the development relating to refunds due to government customers with minimum loss ratio provisions.

B. None

26. Intercompany Pooling Arrangements

None

27. Structured Settlements
None

28. Health Care Receivables
Healthcare receivables principally represent pharmacy rebates. Healthcare receivables are subject to various limits based on the nature of the receivable balance. Pharmacy rebates are recorded on an accrual basis and estimated using invoices that have been prepared using actual prescriptions filled. Pharmacy rebates receivable at December 31, 2018 total $25,751,130 of which $514,904 is aged ninety days or older and is non-admitted.

The following is a summary of pharmacy rebates by quarter:

Quarter Ending	Estimated Rebates	Rebates Invoices	Collected Within 90 days of Invoicing	Collected Within 91 to 180 days of Invoicing	Collected More than 180 days of Invoicing
12/31/2018	25,015,108	—	1,900,672	—	—
9/30/2018	24,294,206	25,131,788	21,032,016	—	—
6/30/2018	22,696,191	24,287,347	19,991,020	2,558,257	—
3/31/2018	19,334,036	21,501,382	17,612,040	2,633,225	836,325
12/31/2017	18,375,823	20,401,847	18,380,925	2,511,942	130,939
9/30/2017	17,702,914	18,839,382	17,056,668	1,574,924	124,555
6/30/2017	16,650,753	17,901,751	15,886,638	1,601,785	124,318
3/31/2017	13,666,274	15,235,980	12,469,718	2,597,161	122,884
12/31/2016	24,990,174	27,045,622	24,184,142	2,352,354	—
9/30/2016	24,466,182	27,094,559	23,485,272	3,046,182	16,696
6/30/2016	22,382,906	25,053,889	23,021,881	1,562,979	60,781
3/31/2016	18,191,094	22,179,181	21,004,902	887,855	42,591

B. Risk sharing receivables billed, received and accrued for three years – None

29. Participating Policies

None

30. Premium Deficiency Reserves

The following table summarizes the Company's premium deficiency reserves as of December 31, 2018:

1. Liability carried for premium deficiency reserves - $0
2. Date of most recent evaluation of this liability - December 31, 2018
3. Was anticipated investment income utilized in the calculation? No

31. Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

If yes, complete Schedule Y, Parts 1, 1A and 2.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? Illinois

1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [X] No [ ]

1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 0001279363

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2017

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2012

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). 06/11/2014

3.4 By what department or departments? Illinois Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

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

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

If yes, complete and file the merger history data file with the NAIC.

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

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

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

6.2 If yes, give full information

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

7.2 If yes,

7.21 State the percentage of foreign control 0.0 %

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 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

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

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

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

8.4 If response to 8.3 is yes, please provide 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, 201 N. Franklin Street, Suite 3600, Tampa FL 33602

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Larry Smart (Employee), WellCare Health Plans, Inc, 8735 Henderson Road, Tampa FL 33634

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 $

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [X] No [ ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s)
Minor revisions and clarifications of existing provisions. Adopted by the Board of Directors on October 16, 2018.

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

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

GENERAL INTERROGATORIES

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

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict 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 reported in the statement? Yes [ ] No [X]

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

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

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $
- 22.22 Amount paid as expenses $
- 22.23 Other amounts paid $

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

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

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

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

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 [ ] NA [X]

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

25.21	Subject to repurchase agreements	$
25.22	Subject to reverse repurchase agreements	$
25.23	Subject to dollar repurchase agreements	$
25.24	Subject to reverse dollar repurchase agreements	$
25.25	Placed under option agreements	$
25.26	Letter stock or securities restricted as to sale – excluding FHLB Capital Stock	$
25.27	FHLB Capital Stock	$
25.28	On deposit with states	$ 6,333,470
25.29	On deposit with other regulatory bodies	$
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	$
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	$
25.32	Other	$

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
SunTrust Bank	Nashville, TN

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

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

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

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

GENERAL INTERROGATORIES

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

1 Name of Firm or Individual	2 Affiliation

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 [X]

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 [X]

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

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

29.2 If yes, complete the following schedule:

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

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

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

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	6,006,000	5,983,677	(22,323)
30.2 Preferred Stocks	0		0
30.3 Totals	6,006,000	5,983,677	(22,323)

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

Fair market values are obtained from a third party pricing source.

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

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

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

Fair market values are obtained from a third party pricing source.

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:
    a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
    b. Issuer or obligor is current on all contracted interest and principal payments.
    c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

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

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:
    a. The security was purchased prior to January 1, 2018.
    b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
    c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
    d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

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

OTHER

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 0

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
	$
	$
	$

36.1 Amount of payments for legal expenses, if any? $ 0

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
	$
	$
	$

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

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
	$
	$
	$

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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

1.2 If yes, indicate premium earned on U.S. business only. $ 0

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

1.31 Reason for excluding

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

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $ 0

1.62 Total incurred claims $ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned $ 0

1.65 Total incurred claims $ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $ 0

1.72 Total incurred claims $ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned $ 0

1.75 Total incurred claims $ 0

1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 1,670,966,215	$ 1,209,274,612
2.2	Premium Denominator	$ 1,670,966,214	$ 1,209,274,612
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	$ 336,813,205	$ 259,558,375
2.5	Reserve Denominator	$ 336,813,205	$ 259,558,375
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000

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

3.2 If yes, give particulars:

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

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [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 $

5.32 Medical Only $ 2,750,000

5.33 Medicare Supplement $

5.34 Dental and Vision $

5.35 Other Limited Benefit Plan $

5.36 Other $

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

The Company is required by the Department of Insurance to have a restricted bank account funded for the specific event of insolvency. Additionally, all provider contracts include provisions for continuity of care to its subscribers.

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

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 67,000

8.2 Number of providers at end of reporting year 70,800

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

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

9.22 Business with rate guarantees over 36 months

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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

10.2 If yes:

10.21 Maximum amount payable bonuses $ 58,412,661

10.22 Amount actually paid for year bonuses $ 16,080,503

10.23 Maximum amount payable withholds $

10.24 Amount actually paid for year withholds $

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [ ] No [X]

11.13 An Individual Practice Association (IPA), or, Yes [X] No [ ]

11.14 A Mixed Model (combination of above) ? Yes [ ] No [X]

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

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

11.4 If yes, show the amount required. $ 154,141,179

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

11.6 If the amount is calculated, show the calculation

Minimum Net Worth = 300% of Authorized Control Level Risk Based Capital ("RBC")

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

1 Name of Service Area
Alabama - statewide
Arkansas - Ashley, Baxter, Benton, Bradley, Calhoun, Carroll, Chicot, Clark, Clay, Cleburne, Cleveland, Conway, Craighead, Crawford, Crittenden, Cross, Dallas, Desha, Fulton, Franklin, Garland, Grant, Greene, Hot Spring, Independence, Izard, Jackson, Lawrence, Lee, Lincoln,
Logan, Lonoke, Marion, Mississippi, Monroe, Montgomery, Nevada, Newton, Ouachita, Perry, Phillips, Pike, Poinsett, Prairie, Pulaski, Randolph, Saline, Scott, Searcy, Sebastian, Sharp, St. Francis, Stone, Union, Van Buren, Washington, White, Woodruff and Yell.
Ilinois - Medicare statewide, Illinois - Medicaid (statewide except for McLean and Rock Island
Idaho - statewide
Indiana - statewide
Mississippi - statewide
Missouri - statewide
Montana - statewide
Oklahoma - statewide
South Carolina - statewide
Tennessee - statewide
Virginia - statewide

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

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

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

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

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

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

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

15. Provide the following for Individual ordinary life insurance* policies (U.S. business Only) for the current year:

15.1 Direct Premium Written (prior to reinsurance ceded) $

15.2 Total incurred claims $

15.3 Number of covered lives

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary 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 [X] No [ ]

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

FIVE - YEAR HISTORICAL DATA

	1 2018	2 2017	3 2016	4 2015	5 2014
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	595,185,923	468,587,727	384,276,694	334,066,961	340,909,083
2. Total liabilities (Page 3, Line 24)	392,012,945	334,758,905	232,616,175	153,134,377	148,737,648
3. Statutory minimum capital and surplus requirement	154,141,179	115,840,485	93,633,396	90,755,772	33,003,513
4. Total capital and surplus (Page 3, Line 33)	203,172,978	133,828,822	151,660,518	180,932,584	192,171,435
Income Statement (Page 4)					
5. Total revenues (Line 8)	1,654,102,729	1,209,565,046	1,069,730,404	968,245,747	877,309,100
6. Total medical and hospital expenses (Line 18)	1,349,661,889	1,049,087,270	874,598,461	794,252,922	734,602,834
7. Claims adjustment expenses (Line 20)	22,249,367	15,051,250	11,967,895	17,775,265	24,306,307
8. Total administrative expenses (Line 21)	228,243,043	163,691,958	149,794,073	100,473,113	71,595,961
9. Net underwriting gain (loss) (Line 24)	99,528,398	(63,845,400)	33,369,975	55,744,447	46,803,998
10. Net investment gain (loss) (Line 27)	7,184,605	1,798,146	1,272,722	733,884	488,865
11. Total other income (Lines 28 plus 29)	(100,000)	(282,597)	(179,449)	0	0
12. Net income or (loss) (Line 32)	88,798,601	(57,177,681)	16,596,839	30,396,347	28,365,880
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	115,803,868	45,218,538	28,440,267	94,075,107	(1,311,469)
Risk-Based Capital Analysis					
14. Total adjusted capital	203,172,978	133,828,822	151,660,518	180,932,584	192,171,435
15. Authorized control level risk-based capital	51,380,393	38,613,495	31,211,132	30,251,924	26,237,979
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	308,776	218,174	264,043	249,335	275,454
17. Total members months (Column 6, Line 7)	3,652,216	2,674,578	3,128,903	3,021,377	3,076,376
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	81.7	86.7	81.8	82.0	85.0
20. Cost containment expenses	0.6	0.5	0.5	0.8	1.3
21. Other claims adjustment expenses	0.8	0.7	0.6	1.1	2.7
22. Total underwriting deductions (Line 23)	94.1	105.3	96.9	94.2	94.7
23. Total underwriting gain (loss) (Line 24)	6.0	(5.3)	3.1	5.8	5.3
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	154,361,197	138,990,248	119,547,205	95,313,939	106,954,658
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	196,446,019	146,614,799	132,535,915	135,321,318	119,331,811
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate		0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above					

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

If no, please explain

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
	State, Etc.	Active Status (a)	2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1.	Alabama AL	L	70,252						70,252	0
2.	Alaska AK	N							0	0
3.	Arizona AZ	N							0	0
4.	Arkansas AR	L	5,221	182,438,246					182,443,467	0
5.	California CA	N							0	0
6.	Colorado CO	N							0	0
7.	Connecticut CT	N							0	0
8.	Delaware DE	N							0	0
9.	District of Columbia DC	N							0	0
10.	Florida FL	N							0	0
11.	Georgia GA	N							0	0
12.	Hawaii HI	N							0	0
13.	Idaho ID	L							0	0
14.	Illinois IL	L		196,862,741	693,286,545				890,149,286	0
15.	Indiana IN	L							0	0
16.	Iowa IA	N							0	0
17.	Kansas KS	N							0	0
18.	Kentucky KY	N							0	0
19.	Louisiana LA	N							0	0
20.	Maine ME	N							0	0
21.	Maryland MD	N							0	0
22.	Massachusetts MA	N							0	0
23.	Michigan MI	N							0	0
24.	Minnesota MN	N							0	0
25.	Mississippi MS	L	31,031	330,376,376					330,407,407	0
26.	Missouri MO	L	2,676						2,676	0
27.	Montana MT	L							0	0
28.	Nebraska NE	N							0	0
29.	Nevada NV	N							0	0
30.	New Hampshire NH	N							0	0
31.	New Jersey NJ	N							0	0
32.	New Mexico NM	N							0	0
33.	New York NY	N							0	0
34.	North Carolina NC	N							0	0
35.	North Dakota ND	N							0	0
36.	Ohio OH	N							0	0
37.	Oklahoma OK	L							0	0
38.	Oregon OR	N							0	0
39.	Pennsylvania PA	N							0	0
40.	Rhode Island RI	N							0	0
41.	South Carolina SC	L	7,116	130,413,043					130,420,159	0
42.	South Dakota SD	N							0	0
43.	Tennessee TN	L	75,571	137,572,422					137,647,993	0
44.	Texas TX	N							0	0
45.	Utah UT	N							0	0
46.	Vermont VT	N							0	0
47.	Virginia VA	L	7,447						7,447	0
48.	Washington WA	N							0	0
49.	West Virginia WV	N							0	0
50.	Wisconsin WI	N							0	0
51.	Wyoming WY	N							0	0
52.	American Samoa AS	N							0	0
53.	Guam GU	N							0	0
54.	Puerto Rico PR	N							0	0
55.	U.S. Virgin Islands VI	N							0	0
56.	Northern Mariana Islands MP	N							0	0
57.	Canada CAN	N							0	0
58.	Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal	XXX	199,314	977,662,828	693,286,545	0	0	0	1,671,148,687	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX							0	
61.	Total (Direct Business)	XXX	199,314	977,662,828	693,286,545	0	0	0	1,671,148,687	0
DETAILS OF WRITE-INS										
58001.		XXX								
58002.		XXX								
58003.		XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Active Status Counts

L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG 12

R – Registered – Non-domiciled RRGs 0

E – Eligible – Reporting entities eligible or approved to write surplus lines in the state 0

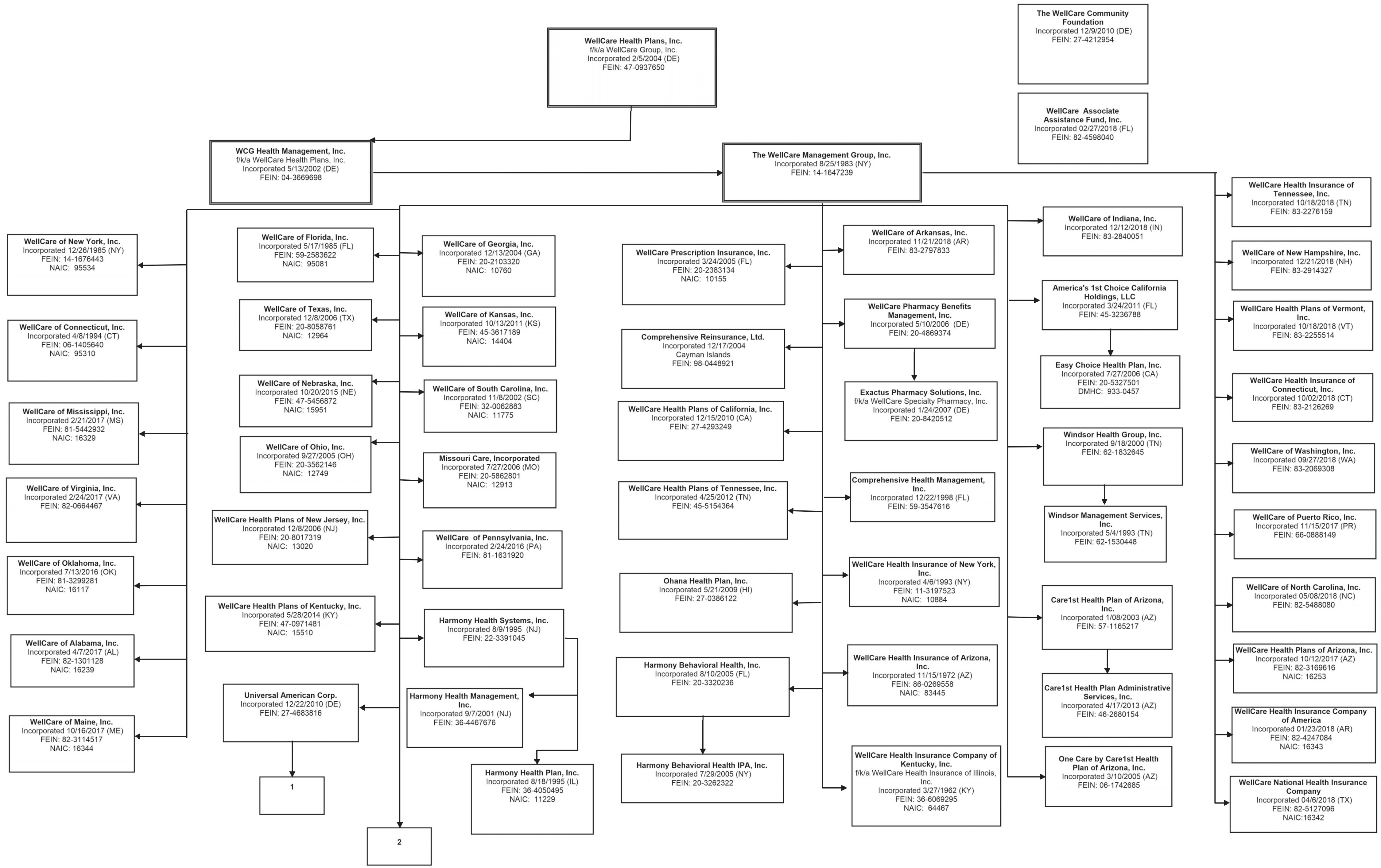
Q – Qualified – Qualified or accredited reinsurer 0

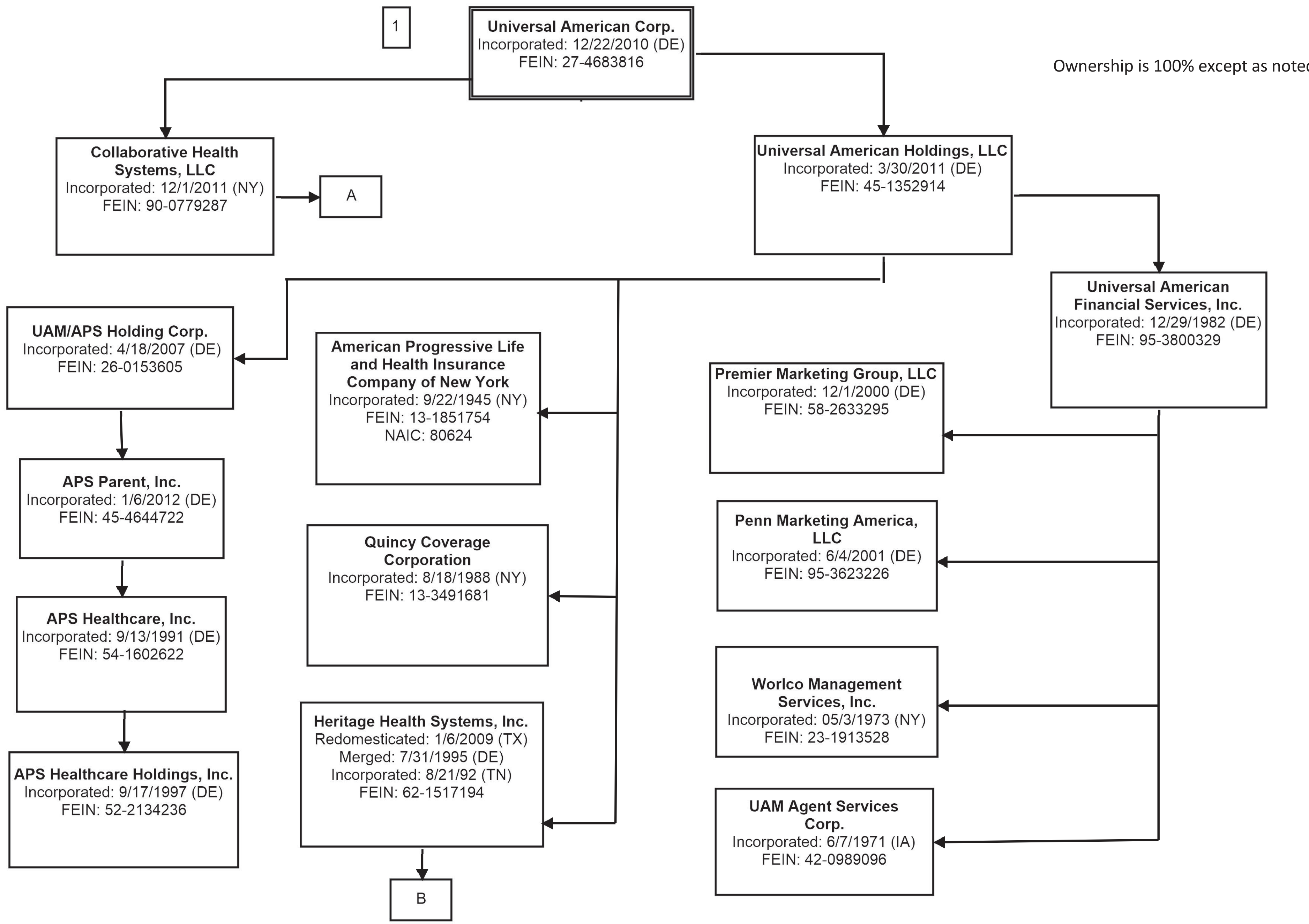
N – None of the above – Not allowed to write business in the state lines in the state 45

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

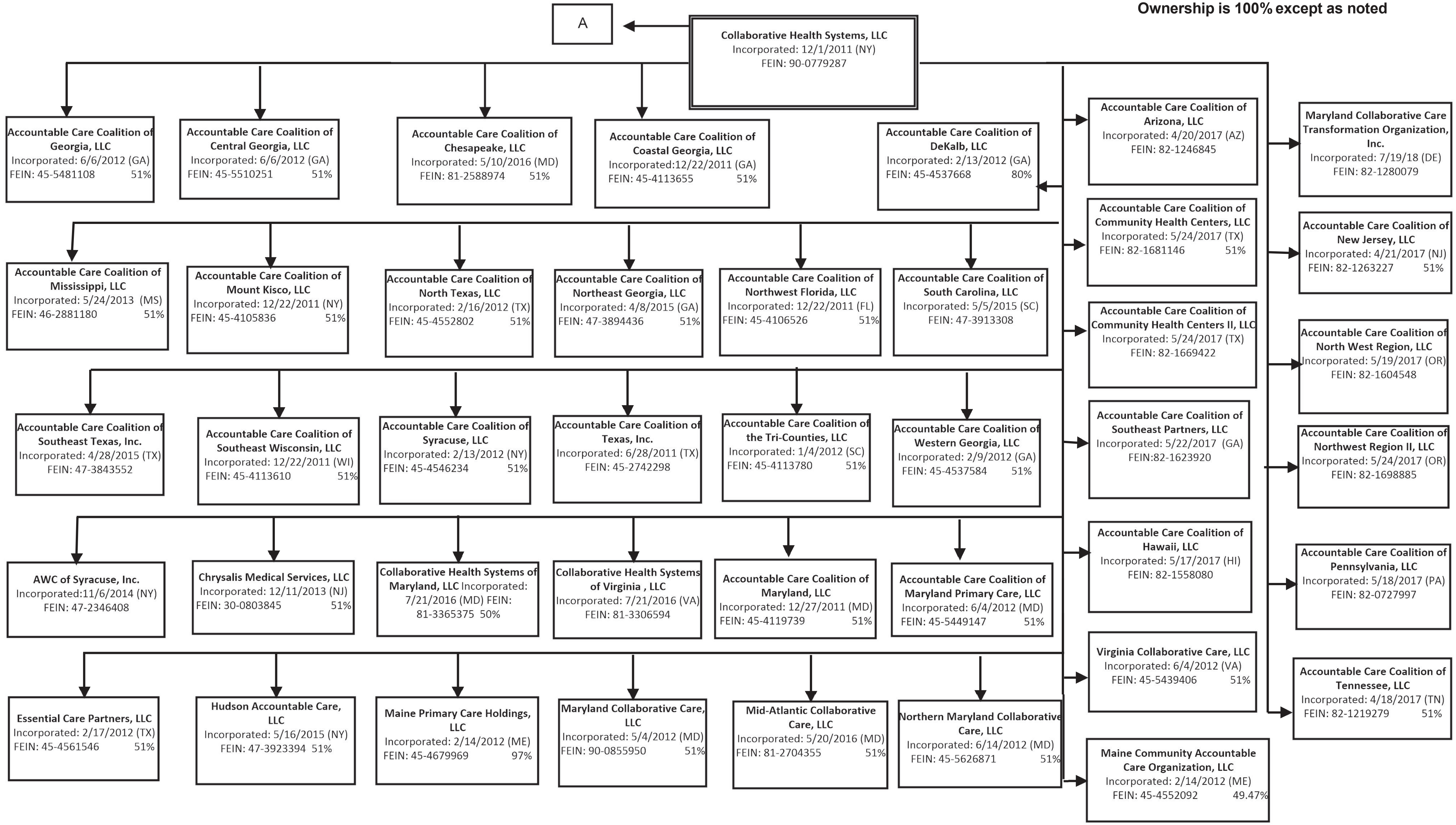
Allocated according to benefit state.

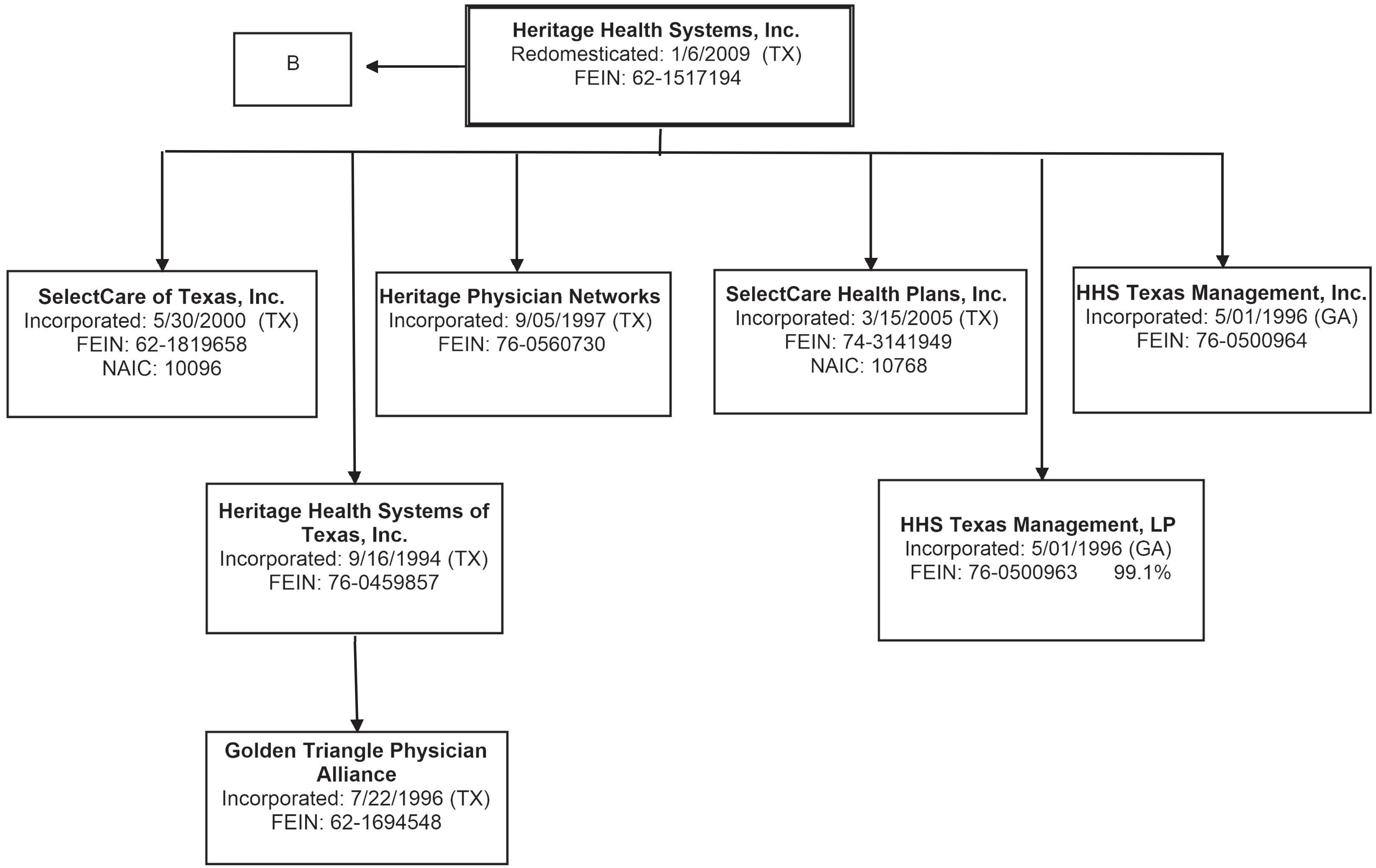
Corporate Organization Chart of The WellCare Group of Companies as of December 31, 2018

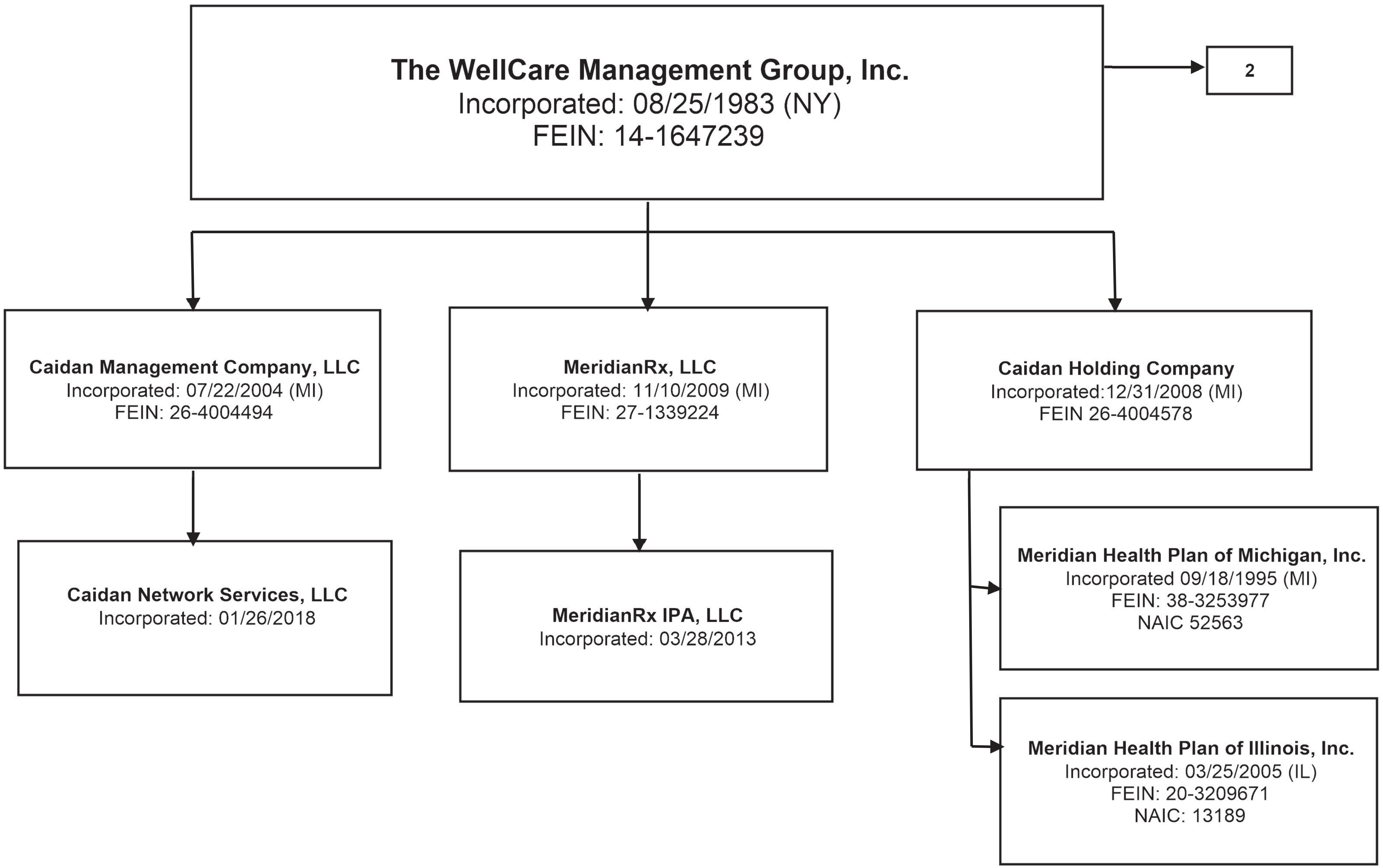



1
Universal American Corp.
Incorporated: 12/22/2010 (DE)
FEIN: 27-4683816
Ownership is 100% except as noted
Collaborative Health Systems, LLC
Incorporated: 12/1/2011 (NY)
FEIN: 90-0779287
A
Universal American Holdings, LLC
Incorporated: 3/30/2011 (DE)
FEIN: 45-1352914
Universal American Financial Services, Inc.
Incorporated: 12/29/1982 (DE)
FEIN: 95-3800329
UAM/APS Holding Corp.
Incorporated: 4/18/2007 (DE)
FEIN: 26-0153605
APS Parent, Inc.
Incorporated: 1/6/2012 (DE)
FEIN: 45-4644722
APS Healthcare, Inc.
Incorporated: 9/13/1991 (DE)
FEIN: 54-1602622
APS Healthcare Holdings, Inc.
Incorporated: 9/17/1997 (DE)
FEIN: 52-2134236
American Progressive Life and Health Insurance Company of New York
Incorporated: 9/22/1945 (NY)
FEIN: 13-1851754
NAIC: 80624
Quincy Coverage Corporation
Incorporated: 8/18/1988 (NY)
FEIN: 13-3491681
Heritage Health Systems, Inc.
Redomesticated: 1/6/2009 (TX)
Merged: 7/31/1995 (DE)
Incorporated: 8/21/92 (TN)
FEIN: 62-1517194
B
Premier Marketing Group, LLC
Incorporated: 12/1/2000 (DE)
FEIN: 58-2633295
Penn Marketing America, LLC
Incorporated: 6/4/2001 (DE)
FEIN: 95-3623226
Worlco Management Services, Inc.
Incorporated: 05/3/1973 (NY)
FEIN: 23-1913528
UAM Agent Services Corp.
Incorporated: 6/7/1971 (IA)
FEIN: 42-0989096

Ownership is 100% except as noted




Heritage Health Systems, Inc.
Redomesticated: 1/6/2009 (TX)
FEIN: 62-1517194
B
SelectCare of Texas, Inc.
Incorporated: 5/30/2000 (TX)
FEIN: 62-1819658
NAIC: 10096
Heritage Physician Networks
Incorporated: 9/05/1997 (TX)
FEIN: 76-0560730
SelectCare Health Plans, Inc.
Incorporated: 3/15/2005 (TX)
FEIN: 74-3141949
NAIC: 10768
HHS Texas Management, Inc.
Incorporated: 5/01/1996 (GA)
FEIN: 76-0500964
Heritage Health Systems of Texas, Inc.
Incorporated: 9/16/1994 (TX)
FEIN: 76-0459857
HHS Texas Management, LP
Incorporated: 5/01/1996 (GA)
FEIN: 76-0500963 99.1%
Golden Triangle Physician Alliance
Incorporated: 7/22/1996 (TX)
FEIN: 62-1694548



The WellCare Management Group, Inc.
Incorporated: 08/25/1983 (NY)
FEIN: 14-1647239
2
Caidan Management Company, LLC
Incorporated: 07/22/2004 (MI)
FEIN: 26-4004494
MeridianRx, LLC
Incorporated: 11/10/2009 (MI)
FEIN: 27-1339224
Caidan Holding Company
Incorporated:12/31/2008 (MI)
FEIN 26-4004578
Caidan Network Services, LLC
Incorporated: 01/26/2018
MeridianRx IPA, LLC
Incorporated: 03/28/2013
Meridian Health Plan of Michigan, Inc.
Incorporated 09/18/1995 (MI)
FEIN: 38-3253977
NAIC 52563
Meridian Health Plan of Illinois, Inc.
Incorporated: 03/25/2005 (IL)
FEIN: 20-3209671
NAIC: 13189

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