



ANNUAL STATEMENT

For the Year Ended December 31, 2019
of the Condition and Affairs of the

Molina Healthcare of Puerto Rico, Inc.

NAIC Group Code..... 1531, 1531 (Current Period) (Prior Period) NAIC Company Code..... 15600 Employer's ID Number..... 66-0817946

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

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

Incorporated/Organized..... February 28, 2014 Commenced Business..... September 23, 2014

Statutory Home Office 654 Plaza, 654 Munoz Rivera Avenue, Ste 1600 .. San Juan .. PR .. US .. 00918-4123
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 654 Plaza, 654 Munoz Rivera Avenue, Ste 1600 .. San Juan .. PR .. US .. 787-200-3300
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address PO Box 366108 .. San Juan .. PR .. US .. 00936-6108
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 654 Plaza, 654 Munoz Rivera Avenue, Ste 1600 .. San Juan .. PR .. US .. 787-200-3300
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.molinahealthcare.com

Statutory Statement Contact Eduardo Rene Moscoso Fournier 888-562-5442-337010
(Name) (Area Code) (Telephone Number) (Extension)
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(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Carlos A Carrero Ramos	President	2. Eduardo Rene Moscoso Fournier #	Chief Financial Officer
3. Jeffrey Don Barlow	Secretary	4. Thomas Lacy Tran	Vice President

OTHER

DIRECTORS OR TRUSTEES

Syed Babar Saghir Carlos A Carrero Ramos Agustin Fernandez-Cabrero M.D.

State of..... Puerto Rico
County of..... San Juan

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

_____ (Signature) Carlos A Carrero Ramos	_____ (Signature) Eduardo Rene Moscoso Fournier	_____ (Signature) Jeffrey Don Barlow
1. (Printed Name) President	2. (Printed Name) Chief Financial Officer	3. (Printed Name) Secretary
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me
This _____ day of _____ 2020

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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	8,735,752		8,735,752	608,179
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....2,626,599, Schedule E-Part 1), cash equivalents (\$.....92,916,330, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	95,542,930		95,542,930	208,749,833
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	104,278,682	0	104,278,682	209,358,012
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	89,444		89,444	27,587
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	32,781,924		32,781,924	7,758,974
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			.0	
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	310,725
18.2 Net deferred tax asset.....	6,443,255	2,647,087	3,796,168	
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....	16,627		16,627	34,378
21. Furniture and equipment, including health care delivery assets (\$.....0).....	2,146,985	2,146,985	.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....			.0	
24. Health care (\$.....420,151) and other amounts receivable.....	2,637,463	2,217,312	420,151	
25. Aggregate write-ins for other-than-invested assets.....	1,559,906	1,559,906	.0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	149,954,286	8,571,290	141,382,996	217,489,676
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTAL (Lines 26 and 27).....	149,954,286	8,571,290	141,382,996	217,489,676

DETAILS OF WRITE-INS

1101.....			.0	
1102.....			.0	
1103.....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	.0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	.0	0
2501. Prepays, deposits, and other assets.....	1,559,906	1,559,906	.0	
2502.....			.0	
2503.....			.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	.0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	1,559,906	1,559,906	.0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	49,805,858		49,805,858	75,755,436
2. Accrued medical incentive pool and bonus amounts.....	10,383,857		10,383,857	13,316,960
3. Unpaid claims adjustment expenses.....	675,212		675,212	1,224,485
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	4,354,592		4,354,592	4,354,592
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserves.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....			0	
9. General expenses due or accrued.....	3,888,865		3,888,865	4,059,630
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....	2,385,942		2,385,942	5,561,235
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....	115,864		115,864	319,268
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	792,260		792,260	244,260
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....			0	
23. Aggregate write-ins for other liabilities (including \$.....1,078,098 current).....	1,078,098	0	1,078,098	6,151,526
24. Total liabilities (Lines 1 to 23).....	73,480,548	0	73,480,548	110,987,392
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	9,500,000	0
26. Common capital stock.....	XXX	XXX	100	100
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	65,200,690	125,200,690
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other-than-special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	(6,798,342)	(18,698,506)
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	67,902,448	106,502,284
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	141,382,996	217,489,676

DETAILS OF WRITE-INS

2301. Amounts due to State.....	1,078,098		1,078,098	6,151,526
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above).....	1,078,098	0	1,078,098	6,151,526
2501. 2020 health insurer fee accrual estimate.....	XXX	XXX	9,500,000	
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	XXX	XXX	9,500,000	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	.XXX	2,311,301	3,730,931
2. Net premium income (including \$.....0 non-health premium income).....	.XXX	473,536,544	715,148,551
3. Change in unearned premium reserves and reserve for rate credits.....	.XXX		(4,354,592)
4. Fee-for-service (net of \$.....0 medical expenses).....	.XXX		
5. Risk revenue.....	.XXX		
6. Aggregate write-ins for other health care related revenues.....	.XXX	.0	.0
7. Aggregate write-ins for other non-health revenues.....	.XXX	.0	.0
8. Total revenues (Lines 2 to 7).....	.XXX	473,536,544	710,793,959
Hospital and Medical:			
9. Hospital/medical benefits.....		164,751,293	278,004,069
10. Other professional services.....		10,717,805	15,972,841
11. Outside referrals.....		6,512,831	9,622,748
12. Emergency room and out-of-area.....		86,971,365	119,630,164
13. Prescription drugs.....		126,173,732	173,937,535
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....		7,609,752	17,038,010
16. Subtotal (Lines 9 to 15).....	.0	402,736,778	614,205,367
Less:			
17. Net reinsurance recoveries.....			
18. Total hospital and medical (Lines 16 minus 17).....	.0	402,736,778	614,205,367
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....18,250,335 cost containment expenses.....		18,609,631	21,743,911
21. General administrative expenses.....		27,781,859	52,197,836
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....			
23. Total underwriting deductions (Lines 18 through 22).....	.0	449,128,268	688,147,114
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	.XXX	24,408,276	22,646,845
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		3,502,908	2,309,866
26. Net realized capital gains or (losses) less capital gains tax of \$.....182,430.....		686,285	
27. Net investment gains or (losses) (Lines 25 plus 26).....	.0	4,189,193	2,309,866
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			
29. Aggregate write-ins for other income or expenses.....	.0	(1,169,186)	(114,900)
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	27,428,283	24,841,811
31. Federal and foreign income taxes incurred.....	.XXX	9,289,002	7,377,889
32. Net income (loss) (Lines 30 minus 31).....	.XXX	18,139,281	17,463,922

DETAILS OF WRITE-INS

0601. ....	.XXX		
0602. ....	.XXX		
0603. ....	.XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.XXX	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	.XXX	.0	.0
0701. ....	.XXX		
0702. ....	.XXX		
0703. ....	.XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	.XXX	.0	.0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	.XXX	.0	.0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.0	.0	.0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	.0	.0	.0
2901. Fines and penalties.....		(1,169,186)	(114,900)
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	.0	.0	.0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	.0	(1,169,186)	(114,900)

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1	2
	Current Year	Prior Year
33. Capital and surplus prior reporting period.....	106,502,284	78,918,562
34. Net income or (loss) from Line 32.....	18,139,281	17,463,922
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0.....		
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	6,443,255	
39. Change in nonadmitted assets.....	(3,182,372)	10,119,800
40. Change in unauthorized and certified reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	(60,000,000)	
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	(38,599,836)	27,583,722
49. Capital and surplus end of reporting period (Line 33 plus 48).....	67,902,448	106,502,284

DETAILS OF WRITE-INS

4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	443,440,166	737,131,014
2. Net investment income.....	3,505,845	2,281,041
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	446,946,011	739,412,055
5. Benefit and loss related payments.....	433,553,332	615,588,803
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	47,763,845	71,706,206
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$..... 182,430 tax on capital gains (losses).....	12,336,000	(3,616,517)
10. Total (Lines 5 through 9).....	493,653,177	683,678,492
11. Net cash from operations (Line 4 minus Line 10).....	(46,707,166)	55,733,563
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	45,454,179	
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	21	
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	45,454,200	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	52,777,852	
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	52,777,852	0
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(7,323,652)	0
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	(60,000,000)	
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	823,915	(1,284,545)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(59,176,085)	(1,284,545)
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).....	(113,206,903)	54,449,018
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	208,749,833	154,300,816
19.2 End of year (Line 18 plus Line 19.1).....	95,542,930	208,749,833

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical).....				.0
2. Medicare Supplement.....				.0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan.....				.0
6. Title XVIII - Medicare.....				.0
7. Title XIX - Medicaid.....	473,554,959		18,415	473,536,544
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8).....	473,554,959	.0	18,415	473,536,544
10. Life.....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11).....	473,554,959	.0	18,415	473,536,544

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	423,010,477							423,010,477		
1.2 Reinsurance assumed.....	.0									
1.3 Reinsurance ceded.....	.0									
1.4 Net.....	423,010,477	.0	.0	.0	.0	.0	.0	423,010,477	.0	.0
2. Paid medical incentive pools and bonuses.....	10,542,855							10,542,855		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	49,805,858							49,805,858		
3.2 Reinsurance assumed.....	.0									
3.3 Reinsurance ceded.....	.0									
3.4 Net.....	49,805,858	.0	.0	.0	.0	.0	.0	49,805,858	.0	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	.0									
4.2 Reinsurance assumed.....	.0									
4.3 Reinsurance ceded.....	.0									
4.4 Net.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year.....	10,383,857							10,383,857		
6. Net healthcare receivables (a).....	1,933,873							1,933,873		
7. Amounts recoverable from reinsurers December 31, current year.....	.0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	75,755,436							75,755,436		
8.2 Reinsurance assumed.....	.0									
8.3 Reinsurance ceded.....	.0									
8.4 Net.....	75,755,436	.0	.0	.0	.0	.0	.0	75,755,436	.0	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	.0									
9.2 Reinsurance assumed.....	.0									
9.3 Reinsurance ceded.....	.0									
9.4 Net.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10. Accrued medical incentive pools and bonuses, prior year.....	13,316,960							13,316,960		
11. Amounts recoverable from reinsurers December 31, prior year.....	.0									
12. Incurred benefits:										
12.1 Direct.....	395,127,026	.0	.0	.0	.0	.0	.0	395,127,026	.0	.0
12.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.4 Net.....	395,127,026	.0	.0	.0	.0	.0	.0	395,127,026	.0	.0
13. Incurred medical incentive pools and bonuses.....	7,609,752	.0	.0	.0	.0	.0	.0	7,609,752	.0	.0

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

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

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	10,298,901							10,298,901		
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	10,298,901	0	0	0	0	0	0	10,298,901	0	0
2. Incurred but unreported:										
2.1 Direct.....	39,506,957							39,506,957		
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	0									
2.4 Net.....	39,506,957	0	0	0	0	0	0	39,506,957	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.....	49,805,858	0	0	0	0	0	0	49,805,858	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	49,805,858	0	0	0	0	0	0	49,805,858	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
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.....					0	
7. Title XIX - Medicaid.....	46,078,364	376,932,113	4,086,421	45,719,438	50,164,785	75,755,436
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	46,078,364	376,932,113	4,086,421	45,719,438	50,164,785	75,755,436
10. Healthcare receivables (a).....	4,736	2,603,709			4,736	674,572
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....	3,332,983	7,209,872	3,397,543	6,986,314	6,730,526	13,316,960
13. Totals (Lines 9 - 10 + 11 + 12).....	49,406,611	381,538,276	7,483,964	52,705,752	56,890,575	88,397,824

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior.....					
2. 2015.....	456,154	501,497	501,497	501,497	501,497
3. 2016.....	XXX	630,424	687,017	687,017	687,017
4. 2017.....	XXX	XXX	559,883	605,473	605,473
5. 2018.....	XXX	XXX	XXX	559,181	605,238
6. 2019.....	XXX	XXX	XXX	XXX	376,954

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior.....					
2. 2015.....	522,555	503,487	503,487	503,487	503,487
3. 2016.....	XXX	707,594	706,185	706,185	706,185
4. 2017.....	XXX	XXX	639,969	615,559	615,559
5. 2018.....	XXX	XXX	XXX	638,168	612,722
6. 2019.....	XXX	XXX	XXX	XXX	429,660

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2015.....	556,823	501,497	13,499	2.7	514,996	92.5			514,996	92.5
2. 2016.....	746,652	687,017	17,018	2.5	704,035	94.3			704,035	94.3
3. 2017.....	731,882	605,473	18,465	3.0	623,938	85.3			623,938	85.3
4. 2018.....	711,042	605,238	21,744	3.6	626,982	88.2	7,484	.76	634,542	89.2
5. 2019.....	473,555	376,954	18,610	4.9	395,564	83.5	52,706	.600	448,870	94.8

12.GT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior.....					
2. 2015.....	.456,154	.501,497	.501,497	.501,497	.501,497
3. 2016.....	.XXX	.630,424	.687,017	.687,017	.687,017
4. 2017.....	.XXX	.XXX	.559,883	.605,473	.605,473
5. 2018.....	.XXX	.XXX	.XXX	.559,181	.605,238
6. 2019.....	.XXX	.XXX	.XXX	.XXX	.376,954

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

12.XI

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior.....					
2. 2015.....	.522,555	.503,487	.503,487	.503,487	.503,487
3. 2016.....	.XXX	.707,594	.706,185	.706,185	.706,185
4. 2017.....	.XXX	.XXX	.639,969	.615,559	.615,559
5. 2018.....	.XXX	.XXX	.XXX	.638,168	.612,722
6. 2019.....	.XXX	.XXX	.XXX	.XXX	.429,660

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2015.....	.556,823	.501,497	.13,499	.2.7	.514,996	.92.5			.514,996	.92.5
2. 2016.....	.746,652	.687,017	.17,018	.2.5	.704,035	.94.3			.704,035	.94.3
3. 2017.....	.731,882	.605,473	.18,465	.3.0	.623,938	.85.3			.623,938	.85.3
4. 2018.....	.711,042	.605,238	.21,744	.3.6	.626,982	.88.2	.7,484	.76	.634,542	.89.2
5. 2019.....	.473,555	.376,954	.18,610	.4.9	.395,564	.83.5	.52,706	.600	.448,870	.94.8

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

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior.....	NONE				
2. 2015.....					
3. 2016.....		XXX			
4. 2017.....		XXX	XXX		
5. 2018.....		XXX	XXX	XXX	
6. 2019.....		XXX	XXX	XXX	XXX

SECTION B - INCURRED HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior.....	NONE				
2. 2015.....					
3. 2016.....		XXX			
4. 2017.....		XXX	XXX		
5. 2018.....		XXX	XXX	XXX	
6. 2019.....		XXX	XXX	XXX	XXX

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 1 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2015.....		0	0	0.0	NONE	0.0			0	0.0
2. 2016.....		0	0	0.0		0.0			0	0.0
3. 2017.....		0	0	0.0		0.0			0	0.0
4. 2018.....		0	0	0.0		0.0			0	0.0
5. 2019.....		0	0	0.0		0.0			0	0.0

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	0								
2. Additional policy reserves (a).....	0								
3. Reserve for future contingent benefits.....	0								
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income).....	4,354,592							4,354,592	
5. Aggregate write-ins for other policy reserves.....	0	0	0	0	0	0	0	0	0
6. Totals (gross).....	4,354,592	0	0	0	0	0	0	4,354,592	0
7. Reinsurance ceded.....	0								
8. Totals (net) (Page 3, Line 4).....	4,354,592	0	0	0	0	0	0	4,354,592	0
9. Present value of amounts not yet due on claims.....	0								
10. Reserve for future contingent benefits.....	0								
11. Aggregate write-ins for other claim reserves.....	0	0	0	0	0	0	0	0	0
12. Totals (gross).....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded.....	0								
14. Totals (net) (Page 3, Line 7).....	0	0	0	0	0	0	0	0	0

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DETAILS OF WRITE-INS

0501.	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 \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....	1,584,796		3,027,776		4,612,572
2. Salaries, wages and other benefits.....	9,660,414	141,237	14,918,883		24,720,534
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....					0
4. Legal fees and expenses.....			255,775		255,775
5. Certifications and accreditation fees.....	7,532				7,532
6. Auditing, actuarial and other consulting services.....	1,401,044	3,399	2,340,925		3,745,368
7. Traveling expenses.....	89,192	128	99,994		189,314
8. Marketing and advertising.....	256,821		667,620		924,441
9. Postage, express and telephone.....	212,010	19	1,290,117		1,502,146
10. Printing and office supplies.....	362,085	371	1,279,784		1,642,240
11. Occupancy, depreciation and amortization.....			579,251		579,251
12. Equipment.....	158		205,774		205,932
13. Cost or depreciation of EDP equipment and software.....	28,463	1,015	232,195		261,673
14. Outsourced services including EDP, claims, and other services.....	3,867,573	202,302	417,979		4,487,854
15. Boards, bureaus and association fees.....	3,242		65,705		68,947
16. Insurance, except on real estate.....	11,624		808,067		819,691
17. Collection and bank service charges.....	47		124,516	363	124,926
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....			92,272		92,272
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.....					0
23.2 State premium taxes.....					0
23.3 Regulatory authority licenses and fees.....	6,598		3,471		10,069
23.4 Payroll taxes.....	758,460	10,826	1,071,194		1,840,480
23.5 Other (excluding federal income and real estate taxes).....			150,216		150,216
24. Investment expenses not included elsewhere.....				10,138	10,138
25. Aggregate write-ins for expenses.....	276	0	150,345	0	150,621
26. Total expenses incurred (Lines 1 to 25).....	18,250,335	359,297	27,781,859	10,501	(a).....46,401,992
27. Less expenses unpaid December 31, current year.....	533,417	141,795	3,888,865		4,564,077
28. Add expenses unpaid December 31, prior year.....		1,224,485	4,059,630		5,284,115
29. Amounts receivable relating to uninsured plans, prior year.....					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).....	17,716,918	1,441,987	27,952,624	10,501	47,122,030

DETAILS OF WRITE-INS

2501. Charitable contributions.....			12,500		12,500
2502. Borrowing costs.....			110,018		110,018
2503. Other administrative expenses.....	276		27,827		28,103
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above).....	276	0	150,345	0	150,621

(a) Includes management fees of \$.....2,888,498 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....31,837	.....36,406
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....642,335	.....696,917
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....2,777,378	.....2,780,086
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....3,451,550	.....3,513,409
11. Investment expenses.....	.....	(g).....10,501
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).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....10,501
17. Net investment income (Line 10 minus Line 16).....	.....	.....3,502,908

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 \$.....16,007 accrual of discount less \$.....80,800 amortization of premium and less \$.....218,769 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....10,501 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	13,065		13,065		
1.1 Bonds exempt from U.S. tax.....			0		
1.2 Other bonds (unaffiliated).....	855,628		855,628		
1.3 Bonds of affiliates.....			0		
2.1 Preferred stocks (unaffiliated).....			0		
2.11 Preferred stocks of affiliates.....			0		
2.2 Common stocks (unaffiliated).....			0		
2.21 Common stocks of affiliates.....			0		
3. Mortgage loans.....			0		
4. Real estate.....			0		
5. Contract loans.....			0		
6. Cash, cash equivalents and short-term investments.....	21		21		
7. Derivative instruments.....			0		
8. Other invested assets.....			0		
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	868,714	0	868,714	0	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
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	2,647,087		(2,647,087)
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....	2,146,985	2,646,102	499,117
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....	2,217,312	674,572	(1,542,740)
25. Aggregate write-ins for other-than-invested assets.....	1,559,906	2,068,244	508,338
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	8,571,290	5,388,918	(3,182,372)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	8,571,290	5,388,918	(3,182,372)

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Prepays, deposits, and other assets.....	1,559,906	2,068,244	508,338
2502.			0
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	1,559,906	2,068,244	508,338

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	252,456	207,529	200,295	186,011	175,689	2,311,301
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....						
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	252,456	207,529	200,295	186,011	175,689	2,311,301

DETAILS OF WRITE-INS

0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0

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

Molina Healthcare of Puerto Rico, Inc. (the Plan) was incorporated under the laws of the Commonwealth of Puerto Rico (the Commonwealth) on February 28, 2014. The Plan is a wholly owned subsidiary of Molina Healthcare, Inc. (Molina, or the Parent), a multi-state managed care organization that arranges for the delivery of health care services to persons eligible for Medicaid, Medicare, the Health Insurance Marketplace, and other government-sponsored health care programs for low-income families and individuals.

The Plan is a health maintenance organization (HMO), licensed in the Commonwealth, that provides comprehensive health care services to Medicaid enrollees under contracts with the Puerto Rico Health Insurance Administration (ASES by its Spanish acronym). ASES may terminate the Medicaid contract immediately or with 30 calendar day written notice depending on the reason for termination. The Plan may terminate the Medicaid contract either immediately or with either 15 or 45 calendar days' notice depending on the reason for termination. Such contracts represent the majority of the Plan's source of premium income for the years ended December 31, 2019 and 2018.

The Plan contracts with independent physician associations, hospitals and other providers to provide medical services to its members. As an HMO, the Plan is at risk for all covered outpatient and inpatient claims incurred by its beneficiaries.

The financial statements of the Plan are presented on the basis of accounting practices prescribed or permitted by the Office of the Commissioner of Insurance of the Commonwealth of Puerto Rico (OCS).

The OCS recognizes only statutory accounting practices prescribed or permitted by the Commonwealth for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Puerto Rico insurance law. The National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual* (NAIC SAP or the Manual) has been adopted as a component of prescribed or permitted practices by the Commonwealth.

The OCS has adopted certain prescribed accounting practices that differ from those found in the NAIC SAP. Specifically,

- Limitations on investments that are outside the scope of the Manual.
- Non-admits certain receivables carried by HMOs.
- Minimum reserving standards are different from the Manual.
- Requires the change in the contingency reserve to be recorded through underwriting income rather than as a direct charge/credit to surplus.

A reconciliation of the Plan's net income and capital and surplus between NAIC SAP and practices prescribed by the Department as of December 31, 2019 and 2018 is shown below:

	SSAP #	F/S Page	F/S Line #	2019	2018
NET INCOME					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 18,139,281	\$ 17,463,922
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 18,139,281	\$ 17,463,922
SURPLUS					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 67,902,448	\$ 106,502,284
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP					
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP					
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 67,902,448	\$ 106,502,284

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

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

C. Accounting Policy

The Plan applies the following accounting policies:

- (1) Basis for Short-Term Investments: The Plan did not own any short term investments as of December 31, 2019 and 2018.
- (2) Basis for Bonds and Amortization Schedule: Bonds include U.S. government and other debt securities with maturity dates of greater than one year at the time of purchase. Bonds not backed by other loans are principally stated at amortized cost using the scientific method. Bonds with NAIC designations of one or two are stated at amortized cost. Bonds with NAIC designations of three or higher are stated at the lower or amortized cost or fair value. Amortization of bond premium or accretion of discount is computed using the scientific (constant-yield) interest method. Realized capital gains and losses are determined using the specific-identification method and were not significant for the years ended December 31, 2019 and 2018. There were no significant unrealized gains or losses on investments, and the Plan recognized no losses from other-than-temporary impairments for the years ended December 31, 2019 and 2018.
- (3) Investments in common stock: None.
- (4) Investments in preferred stock: None.
- (5) Investments in mortgage loans: None.

NOTES TO FINANCIAL STATEMENTS

- (6) Basis for Loan-Backed Securities and Adjustment Methodology: Loan-backed securities are stated at amortized cost or lower of amortized cost or fair value. The Plan's investments in loan-backed securities consist of asset-backed securities and mortgage-backed securities. Prepayment assumptions using a prospective approach were obtained from broker-dealer survey values or internal estimates.
- (7) Investments in subsidiaries, controlled and affiliated entities (SCA): None.
- (8) Investments in joint ventures, partnerships and limited liability companies: None.
- (9) Investments in derivatives: None.
- (10) Anticipated Investment Income Used in Premium Deficiency Calculation: The Plan assesses the profitability of its medical care policies to identify groups of contracts where current operating results or forecasts include probable future losses. The Plan anticipates investment income as a factor in the premium deficiency calculation, in accordance with Statement of Statutory Accounting Principles (SSAP) No. 54, *Individual and Group Accident and Health Contracts*. If anticipated future variable costs exceed anticipated future premiums and investment income, a premium deficiency reserve is recognized. Refer to Note 30, "Premium Deficiency Reserves" for further information.
- (11) Management's Policies and Methodologies for Estimating Liabilities for Losses and Loss/Claim Adjustment Expenses for Accident & Health Contracts: Claims unpaid and unpaid claims adjustment expenses represent management's best estimate of the ultimate net cost of all reported and unreported claims incurred through December 31. Claims unpaid are based on actual historical experience and estimates of medical expenses incurred but not paid (IBNP). The Plan employs its own actuaries to estimate IBNP monthly based on a number of factors, including prior claims experience, health care service utilization data, cost trends, product mix, seasonality, prior authorization of medical services, and other factors. The Plan also considers uncertainties related to fluctuations in provider billing patterns, claims payment patterns, membership, and medical cost trends. The Plan continually reviews and updates the estimation methods and the resulting reserves. Any adjustments to reserves are reflected in current operations. Many of the Plan's medical contracts are complex in nature and may be subject to differing interpretations regarding amounts due for the provision of various services. Such differing interpretations may not come to light until a substantial period of time has passed following the contract implementation, leading to potential adjustment of some costs in the period in which they are first recorded. The Plan believes that its process for estimating IBNP is adequate, but all estimates are subject to uncertainties. Any deficiency in the Plan's estimates of IBNP would negatively affect its results of operations. Refer to Note 25, "Change in Incurred Losses and Loss Adjustment Expenses," for further information.
- (12) Changes in the Capitalization Policy and Predefined Thresholds from Prior Period:

The Plan's electronic data processing (EDP) equipment and software is reported at cost, less accumulated depreciation. EDP equipment and software is depreciated using the straight-line method over the lesser of its useful life or three years. Depreciation expense related to EDP equipment and operating system software totaled \$17,751 and \$635,760 for the years ended December 31, 2019 and 2018, respectively. EDP equipment and software consisted of the following at December 31:

	2019	2018
Electronic data process equipment	\$ 1,382,571	\$ 1,382,571
Software	2,848,421	2,848,421
Accumulated depreciation	(4,214,365)	(4,196,614)
Net	\$ 16,627	\$ 34,378

Furniture and equipment and leasehold improvements, which are non-admitted, are generally depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense related to furniture and equipment and leasehold improvements totaled \$499,118 in each of the year's ended December 31, 2019 and 2018.

- (13) Method Used to Estimate Pharmaceutical Rebate Receivables: None.

The Plan has also deemed the following to be significant accounting policies and/or differences between statutory practices and accounting principles generally accepted in the United States of America (GAAP):

Cash and Invested Assets

Cash and cash equivalents are defined as cash and short-term highly liquid investments that are both readily convertible into known amounts of cash and so near maturity that they represent insignificant risk of changes in value because of changes in interest rates. Cash overdraft balances are recorded as a reduction to cash, whereas under GAAP cash overdraft balances would be classified as liabilities. Only investments with original maturities of three months or less when purchased qualify under this definition with the exception of money market mutual funds registered under the Investment Company Act of 1940 (the Act) and regulated under rule 2a-7 of the Act as described in SSAP No. 2R, *Cash, Cash Equivalents, Drafts and Short-Term Investments*. Under GAAP, the corresponding caption of cash, cash equivalents, and short-term investments include cash balances and investments that will mature in one year or less from the balance sheet date.

Investments in bonds are reported at amortized cost or fair value based on their NAIC designation. Under GAAP, investments in bonds are grouped into three separate categories for accounting and reporting purposes: available-for-sale securities, held-to-maturity securities, and trading securities. Available-for-sale securities are recorded at fair value and unrealized gains and losses, if any, are recorded in stockholders' equity as other comprehensive income, net of applicable income taxes. Held-to-maturity securities are recorded at amortized cost, which approximates fair value, and unrealized holding gains or losses are not generally recognized. Realized gains and losses and unrealized losses judged to be other than temporary with respect to available-for-sale and held-to-maturity securities are included in the determination of net income. Trading securities are recorded at fair value, and holding gains and losses are recognized in net income.

Premiums Due and Unpaid

Premiums due and unpaid at December 31, 2019 and 2018, consist primarily of amounts due from ASES. Receivables are stated at net realizable value based on management's judgment of the ultimate collectability of the accounts. Collection trends are monitored and any adjustments required are reflected in current earnings. All premiums receivable balances outstanding greater than 90 days due, with the exception of premiums due from governmental agencies, are non-admitted in accordance with NAIC SAP.

Net Deferred Tax Assets or Liabilities

The Plan follows the guidance of SSAP No. 101, *Income Taxes*, for deferred income taxes. Deferred tax assets and liabilities are recorded for temporary differences between the tax basis of assets and liabilities and their amounts reported on the financial statements, using statutory rates in effect for the year in

NOTES TO FINANCIAL STATEMENTS

which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as a change in surplus in the period that includes the enactment date. SSAP No. 101 includes a valuation allowance criterion whereby only gross deferred tax assets that are more likely than not (defined as a likelihood of more than 50%) to be realized are potentially admissible, subject to certain limitations and admissibility tests. Under GAAP, a deferred tax asset is recorded for the amount of gross deferred tax assets expected to be realized in future years, and a valuation allowance is established for deferred tax assets not realizable.

Receivables from or Amounts Due to Parents and Affiliates

The Plan has various transactions with Molina and the Plan's affiliates. In the statutory basis statements of admitted assets, liabilities, capital and surplus, the Plan reports any unsettled amounts due from Molina and affiliates as "Receivables from Parent and affiliates." The Plan reports unsettled amounts owed from Molina and affiliates as "Amounts due to Parent and affiliates." Refer to Note 10, "Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties" for further information.

Net Premium Income and Change in Reserve for Rate Credits

The Plan recognizes premiums from members as income in the period for which health plan coverage relates. Premiums collected in advance of a coverage period are recorded as premiums received in advance. Premium revenue is fixed in advance of the periods covered and, except as described below and in Retrospectively Rated Contracts and Contracts Subject to Redetermination, is not generally subject to significant accounting estimates.

Quality incentive premiums: Under the Plan's contract with ASES, 2% of Medicaid premiums are withheld and paid to the Plan subject to certain performance bonus measures being met.

Profit Sharing: The Plan's Medicaid contract with ASES contains a gain-sharing provision under which the Plan refunds amounts to ASES if the Plan generates a profit in excess of 2.5%. This provision is applicable through October 31, 2018. After October 31, 2018, the gain sharing provision will be replaced by a minimum medical loss ratio requirement.

Hospital and Medical Expenses

Nearly all hospital services and the majority of the Plan's primary care and physician specialist services are paid on a fee-for-service basis. Under fee-for-service arrangements, the Plan retains the financial responsibility for medical care provided and incurs costs based on actual utilization of services. Such expenses are recorded in the period in which the related services are dispensed. Medical care costs include amounts that have been paid by the Plan through the reporting date, as well as estimated liabilities for medical care costs incurred but not paid by the Plan as of the reporting date.

The Plan has also entered into agreements to pay a fixed capitated amount per member per month with certain providers. These payments are expensed in the period the providers are obligated to provide the service.

The Plan has contracts with medical provider organizations that require incentive payments if certain provisions of the contracts are met, and it records estimates for such incentive payments.

Reinsurance

The Plan has an excess risk reinsurance agreement with a non-affiliated company to limit its risk of catastrophic losses and its exposure to large claims by individuals with chronic or high cost conditions. The Plan maintains medical claims reinsurance with a deductible of \$1,400,000 for Medicaid. The reinsurance pays 90% of losses in excess of the deductible. The annual limit for Medicaid is \$2,000,000 per member per year. Reinsurance expense is reported as a reduction of net premium income, and amounted to approximately \$18,415 and \$248,484 for the years ended December 31, 2019 and 2018, respectively. Reinsurance recoveries not received as of year-end are recorded as either amounts recoverable from reinsurers or a reduction to claims unpaid in the statutory basis statements of admitted assets, liabilities, capital and surplus.

Reinsurance contracts do not relieve the Plan from its obligations to subscribers. The Plan remains liable to its subscribers for the portion reinsured to the extent that the reinsurance company does not meet the obligations assumed under the reinsurance contract.

Concentrations

The Plan has cash and invested assets deposited in financial institutions in which the balances exceed the Federal Deposit Insurance Corporation insured limit. The Plan has not experienced any losses in such accounts and management believes it is not exposed to significant credit risk. The Plan's investments and a portion of its cash are managed by professional portfolio managers operating under documented investment guidelines.

Concentration of credit risk with respect to receivables is limited because the Plan's primary payor is the Commonwealth.

Risks and Uncertainties

The Plan's sole Medicaid customer is ASES. The loss of its contract with ASES would have a material adverse effect on the Plan's financial position, results of operations and cash flows. The Plan's ability to arrange for the provision of medical services to its members is dependent upon its ability to develop and maintain adequate provider networks. The inability to develop or maintain such networks could, in certain circumstances, have a material adverse effect on the Plan's financial position, results of operations or cash flows.

The Plan's profitability depends in large part on accurately predicting and effectively managing medical care costs. Management continually reviews the Plan's premium and benefit structure as well as its underlying claims experience and revised actuarial data. However, several factors could adversely affect medical care costs. These factors, which include changes in health care practices, inflation, new technologies, major epidemics, natural disasters and malpractice litigation, are beyond the Plan's control and could adversely affect its ability to accurately predict and effectively control medical care costs. Costs in excess of those anticipated could have a material adverse effect on the Plan's financial condition, results of operations or cash flows.

The Plan is subject to thorough and extensive regulations by multiple state and federal agencies. Its failure to comply with various regulations and requirements could limit the Plan's revenue or increase costs. In certain circumstances, a failure to comply with regulations or the cost incurred in complying with regulations could have a material adverse effect on the Plan's financial position, results of operations or cash flows.

Cash Flow

The statutory basis statements of cash flow reconcile cash, cash equivalents, and short-term investments with maturity dates of one year or less at the time of acquisition; whereas under GAAP, the statements of cash flow reconcile the corresponding captions of cash and cash equivalents with maturities of three months or less. In addition, there are classification differences within the presentation of the cash flow categories between GAAP and statutory reporting.

NOTES TO FINANCIAL STATEMENTS**Comprehensive Income**

The presentation of the statutory basis statements of admitted assets, liabilities, capital and surplus is not in conformity with U.S. GAAP with respect to the reporting of other comprehensive income.

Minimum Capital and Surplus

Title 26 Section 309 of the Laws of Puerto Rico Annotated requires that the Plan to maintain a minimum capital and surplus \$1,000,000. At December 31, 2019 and 2018, the Plan was in compliance with the minimum capital and surplus requirement.

The NAIC adopted Risk Based Capital (RBC) standards to measure the minimum amount of capital appropriate for a managed care organization to support its overall business operations. The Commonwealth has passed legislation to adopt RBC. At December 31, 2019 and 2018, the Plan was in compliance with the minimum RBC requirement.

D. **Going Concern**

The Plan is not aware of any relevant conditions or events that raise substantial doubt about its abilities to continue as a going concern.

Note 2 – Accounting Changes and Correction of Errors

There were no accounting changes or corrections of errors during the years ended December 31, 2019 and 2018, respectively.

Note 3 – Business Combinations and Goodwill

None.

Note 4 – Discontinued Operations

None.

Note 5 – Investments

The following tables summarizes the Plan's investments including gross unrealized gains and losses as of the dates indicated:

	12/31/2019			
	Cost or amortized cost	Unrealized gains	Unrealized losses	Fair value
Exempt Money Market Mutual Funds	\$ 19,578,081	\$ -	\$ -	\$ 19,578,081
U.S. Government	73,946,864	338	-	73,947,202
Industrial & Miscellaneous	8,127,138	100,927	-	8,228,065
Open Depositories	2,626,599	-	-	2,626,599
Totals	\$ 104,278,682	\$ 101,265	\$ -	\$ 104,379,947

	12/31/2018			
	Cost or amortized cost	Unrealized gains	Unrealized losses	Fair value
Open Depositories	\$ 108,748,981	\$ -	\$ -	\$ 108,748,981
U.S. Government	608,179	-	3,986	604,193
Other Money Market Mutual Fund	100,000,852	-	-	100,000,852
Totals	\$ 209,358,012	\$ -	\$ 3,986	\$ 209,354,026

The amortized cost and fair value of the Plan's investments by contractual maturities, were as follows:

	12/31/2019	
	Amortized cost	Fair value
Due in one year or less	\$ 74,160,837	\$ 74,162,662
Due after one year through five years	7,913,166	8,012,605
Totals	\$ 82,074,003	\$ 82,175,267

- 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 Agreements 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.

NOTES TO FINANCIAL STATEMENTS

J. Real Estate: None.

K. Low-Income Housing Trade Credits (LIHTC): None.

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Additional Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	\$	%	%
b. Collateral held under security lending arrangements						%	%
c. Subject to repurchase agreements						%	%
d. Subject to reverse repurchase agreements						%	%
e. Subject to dollar repurchase agreements						%	%
f. Subject to dollar reverse repurchase agreements						%	%
g. Placed under option contracts						%	%
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock						%	%
i. FHLB capital stock						%	%
j. On deposit with states	5,725,590	5,113,016	612,574	-	5,725,590	3.8%	4.0%
k. On deposit with other regulatory bodies						%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)						%	%
m. Pledged as collateral not captured in other categories	5,000,000	5,000,000	-	-	5,000,000	3.3%	3.5%
n. Other restricted assets						%	%
o. Total Restricted Assets	\$ 10,725,590	\$ 10,113,016	\$ 612,574	\$ -	\$ 10,725,590	7.2%	7.6%

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

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

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate)

	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Gross (Admitted & Nonadmitted) Restricted to Total Assets	6 Admitted Restricted to Total Admitted Assets
ACH Facility Collateral	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000	3.3%	3.5%
Total (a)	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000	3.3%	3.5%

(a) Total Line for Columns 1 through 3 should equal 5L(1)m Columns 1 through 3 respectively and Total Line for Column 4 should equal 5L(1)m Column 5.

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, such as Reinsurance and Derivatives, are Reported in the Aggregate): None.

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements: None.

M. Working Capital Finance Investments: None.

N. Offsetting and Netting of Assets and Liabilities: None.

O. 5GI Securities: None.

P. Short Sales: None.

Q. Prepayment Penalty and Acceleration Fees

(1) Number of CUSIPs	2
(2) Aggregate Amount of Investment Income	\$ 48,702

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

None.

Note 7 – Investment Income

The Plan had no investment income that was excluded in 2019 or 2018. All of the Plan's investments and the income derived from such investments meet the criteria for admitted receivables.

Note 8 – Derivative Instruments

None.

NOTES TO FINANCIAL STATEMENTS**Note 9 – Income Taxes****A. Deferred Tax Assets/(Liabilities)****1. Components of Net Deferred Tax Asset/(Liability)**

	2019			2018			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	\$ 11,975,832	\$ -	\$ 11,975,832	\$ 7,811,620	\$ -	\$ 7,811,620	\$ 4,164,212	\$ -	\$ 4,164,212
b. Statutory valuation allowance adjustment	5,000,000	-	5,000,000	7,680,382	-	7,680,382	(2,680,382)	-	(2,680,382)
c. Adjusted gross deferred tax assets (1a-1b)	\$ 6,975,832	\$ -	\$ 6,975,832	\$ 131,238	\$ -	\$ 131,238	\$ 6,844,594	\$ -	\$ 6,844,594
d. Deferred tax assets nonadmitted	2,647,087	-	2,647,087	-	-	-	2,647,087	-	2,647,087
e. Subtotal net admitted deferred tax asset (1c-1d)	\$ 4,328,745	\$ -	\$ 4,328,745	\$ 131,238	\$ -	\$ 131,238	\$ 4,197,507	\$ -	\$ 4,197,507
f. Deferred tax liabilities	532,577	-	532,577	131,238	-	131,238	401,339	-	401,339
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	\$ 3,796,168	\$ -	\$ 3,796,168	\$ -	\$ -	\$ -	\$ 3,796,168	\$ -	\$ 3,796,168

2. Admission Calculation Components SSAP No. 101

	2019			2018			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 1,670,692	\$ -	\$ 1,670,692	\$ -	\$ -	\$ -	\$ 1,670,692	\$ -	\$ 1,670,692
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	2,125,476	-	2,125,476	-	-	-	2,125,476	-	2,125,476
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	2,125,476	-	2,125,476	-	-	-	2,125,476	-	2,125,476
2. Adjusted gross deferred tax assets allowed per limitation threshold	-	-	19,226,896	-	-	31,950,685	-	-	(12,723,789)
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	532,577	-	532,577	131,238	-	131,238	401,339	-	401,339
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	\$ 4,328,745	\$ -	\$ 4,328,745	\$ 131,238	\$ -	\$ 131,238	\$ 4,197,507	\$ -	\$ 4,197,507

3. Other Admissibility Criteria

	2019	2018
a. Ratio percentage used to determine recovery period and threshold limitation amount	413.6%	463.6%
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	\$ 64,106,280	\$ 106,502,284

NOTES TO FINANCIAL STATEMENTS

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

	2019		2018		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	\$ 6,975,832	\$ -	\$ 131,238	\$ -	\$ 6,844,594	\$ -
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	\$ 4,328,745	\$ -	\$ 131,238	\$ -	\$ 4,197,507	\$ -
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

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

B. Deferred Tax Liabilities Not Recognized: None.

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 2019	2 2018	3 (Col 1-2) Change
a. Federal	\$ 10,139,235	\$ 8,403,232	\$ 1,736,003
b. Foreign	\$ 279,809	\$ 349,429	\$ (69,620)
c. Subtotal	\$ 10,419,044	\$ 8,752,661	\$ 1,666,383
d. Federal income tax on net capital gains	\$ 182,430	\$ -	\$ 182,430
e. Utilization of capital loss carry-forwards	\$ -	\$ -	\$ -
f. Other	\$ (1,130,042)	\$ (1,374,772)	\$ 244,730
g. Federal and Foreign income taxes incurred	\$ 9,471,432	\$ 7,377,889	\$ 2,093,543

2. Deferred Tax Assets

	1 2019	2 2018	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	\$ 483,063	\$ 826,823	\$ (343,760)
2. Unearned premium reserve	-	-	-
3. Policyholder reserves	-	-	-
4. Investments	-	-	-
5. Deferred acquisition costs	-	-	-
6. Policyholder dividends accrual	-	-	-
7. Fixed assets	3,378,470	3,787,446	(408,976)
8. Compensation and benefits accrual	492,652	530,897	(38,245)
9. Pension accrual	-	-	-
10. Receivables - nonadmitted	1,307,837	32,503	1,275,334
11. Net operating loss carry-forward	-	-	-
12. Tax credit carry-forward	5,000,000	1,000,000	4,000,000
13. Other (items <=5% and >5% of total ordinary tax assets)	1,313,810	1,633,951	(320,141)
Other (items listed individually >5% of total ordinary tax assets)			
Other deposits		1,143,875	(1,143,875)
99. Subtotal	\$ 11,975,832	\$ 7,811,620	\$ 4,164,212
b. Statutory valuation allowance adjustment	5,000,000	7,680,382	(2,680,382)
c. Nonadmitted	2,647,087	-	2,647,087
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	\$ 4,328,745	\$ 131,238	\$ 4,197,507
e. Capital:			
1. Investments	\$ -	\$ -	\$ -
2. Net capital loss carry-forward	-	-	-
3. Real estate	-	-	-
4. Other (items <=5% and >5% of total capital tax assets)	-	-	-
Other (items listed individually >5% of total capital tax assets)			
99. Subtotal	\$ -	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

f. Statutory valuation allowance adjustment	-	-	-
g. Nonadmitted	-	-	-
h. Admitted capital deferred tax assets (2e99-2f-2g)	-	-	-
i. Admitted deferred tax assets (2d+2h)	\$ 4,328,745	\$ 131,238	\$ 4,197,507

3. Deferred Tax Liabilities

	1 2019	2 2018	3 (Col 1-2) Change
a. Ordinary:			
1. Investments	\$ -	\$ -	\$ -
2. Fixed assets	-	-	-
3. Deferred and uncollected premium	-	-	-
4. Policyholder reserves	-	-	-
5. Other (items <=5% and >5% of total ordinary tax liabilities)	532,577	131,238	401,339
Other (items listed individually >5% of total ordinary tax liabilities)			
99. Subtotal	\$ 532,577	\$ 131,238	\$ 401,339
b. Capital:			
1. Investments	\$ -	\$ -	\$ -
2. Real estate	-	-	-
3. Other (Items <=5% and >5% of total capital tax liabilities)	-	-	-
Other (items listed individually >5% of total capital tax liabilities)			
99. Subtotal	\$ -	\$ -	\$ -
c. Deferred tax liabilities (3a99+3b99)	\$ 532,577	\$ 131,238	\$ 401,339
4. Net Deferred Tax Assets/Liabilities (2i - 3c)	\$ 3,796,168	\$ -	\$ 3,796,168

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

	12/31/2019	12/31/2018	Change
Total deferred tax assets	\$ 11,975,832	\$ 7,811,620	\$ 4,164,212
Statutory valuation allowance	(5,000,000)	(7,680,382)	2,680,382
Total deferred tax liabilities	(532,577)	(131,238)	(401,339)
Net deferred tax asset (liability)	\$ 6,443,255	\$ -	\$ 6,443,255
Tax effect of unrealized (gains)/losses			-
Change in net deferred income tax assets - increase (decrease)			\$ 6,443,255

The Plan is dually organized in both Puerto Rico and state of Nevada. The Plan files a standalone Puerto Rico income tax return which is considered its domestic or federal tax return. Additionally, the Plan is included in its parent's consolidated U.S. federal income tax return which is considered the Plan's foreign income tax return. The Plan is currently under examination by the Internal Revenue Service for tax years 2015 to 2017. With few exceptions, the Plan is no longer subject to U.S. federal and Puerto Rico tax examinations for tax years before 2015.

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

	Tax Effect	Effective Tax Rate (%)
Provision computed at statutory rate	\$ 10,354,017	37.5%
Changes in nonadmitted assets	(227,011)	-0.8%
Statutory valuation allowance	(2,680,382)	-9.7%
Foreign income (loss)	5,798,250	21.0%
Tax credits	(8,906,983)	-32.3%
Other	(1,127,284)	-4.1%
Reported tax expense	\$ 3,210,607	11.6%
Federal and foreign income taxes incurred	\$ 9,471,432	34.3%
Realized capital gains (losses) tax	182,430	0.6%
Change in net deferred income taxes	(6,443,255)	-23.3%
Total statutory income taxes	\$ 3,210,607	11.6%

E. Operating Loss Carry Forwards and Income Taxes Available for Recoupment

Commonwealth net operating loss carryovers:

2019	-
2018	-

U.S. federal tax credit carryovers:

2019	5,000,000
2018	-

NOTES TO FINANCIAL STATEMENTS

The amount of U.S. federal income taxes incurred that will be available for recoupment in the event of a future net losses is approximately:

2019	279,809
2018	772,400

The Commonwealth does not permit the carry back of net operating losses.

The Plan did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

The Plan is included in the consolidated federal income tax return with its ultimate parent, Molina. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group. Federal income taxes are paid to or refunded by Molina pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses the Plan receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of Molina.

G. Federal or Foreign Federal Income Tax Loss Contingencies:

The Plan does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

H. Repatriation Transition Tax (RTT) - RTT owed under the TCJA: None.

I. Alternative Minimum Tax Credit: None.

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

A. The Plan is a wholly owned subsidiary of Molina. Molina and its subsidiaries provide quality managed care to people receiving government assistance. Molina offers healthcare services for persons served by Medicaid, Medicare, and the Marketplace, and products to assist government agencies in their administration of the Medicaid program. Molina has wholly owned operating subsidiaries in various states as indicated in Schedule Y, Parts 1 and 1A.

B. - C. The Plan paid Molina an extraordinary distribution in cash amounting to \$60,000,000 on September 6, 2019.

The Plan neither paid dividends to, nor received contributions from Molina during the year ended December 31, 2018.

The Plan has an agreement with Molina whereby Molina provides certain management services to the Plan. Expenses incurred relating to this agreement amounted to \$2,888,498 and \$7,527,162 for the years ended December 31, 2019 and 2018, respectively.

D. As of December 31, 2019 and 2018 amounts due to Molina and affiliates totaled \$792,260 and \$244,260, respectively. Intercompany receivables and payables are generally settled on a monthly basis.

E. The Plan is not a guarantor and does not participate in any undertakings.

F. The Plan has a services agreement with Molina, as described in Note 10.C. above.

G. As indicated in Note 10.A. above, the Plan is a wholly owned subsidiary of Molina. The entities under common ownership of Molina are indicated in Schedule Y, Parts 1 and 1A.

H. Amount Deducted from the Value of Upstream Intermediate Entity or Ultimate Parent Owned: None.

I. Investments in SCA that Exceed 10% of Admitted Assets: None.

J. Investments in Impaired SCAs: None.

K. Investment in Foreign Insurance Subsidiary: None.

L. Investment in Downstream Noninsurance Holding Company: None.

M. All SCA Investments: None.

N. Investment in Insurance SCAs: None.

O. SCA or SSAP 48 Entity Loss Tracking: None.

Note 11 – Debt

A. Debt Including Capital Notes: None.

B. FHLB (Federal Home Loan Bank) Agreements: None.

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

A. - D. Defined Benefit Plan: None.

E. Defined Contribution Plans: See Note 12.G. below.

F. Multiemployer Plans: None.

G. Consolidated/Holding Company Plans: The employees of the Plan are eligible to participate in a defined contribution 401(k) plan sponsored by Molina subject to the participation eligibility set forth in the plan. Eligible employees are allowed to contribute up to the maximum allowed by law. The Plan matches up to the first 4% of compensation contributed by the employees subject to a one-year cliff vesting requirement. The Plan has no legal obligation to provide benefits

NOTES TO FINANCIAL STATEMENTS

under the plan. The Plan's expense recognized in connection with the 401(k) plan was \$727,552 and \$841,344 for the years ended December 31, 2019 and 2018, respectively.

- H. Postemployment Benefits and Compensated Absences: None.
- I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17): None.

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

- (1) The Plan has 10,000 shares of no par value common stock authorized, 100 shares issued and outstanding.
- (2) Preferred stock: None.
- (3) Dividend Restrictions: Cash dividends may not be paid to the Parent except out of that part of the Plan's available surplus funds which is derived from any realized net profits on the Plan's business.
- (4) Dividends paid by the Plan to Molina during the years 2018 and 2017, respectively, were as follows:
- The Plan paid Molina an extraordinary distribution in cash amounting to \$60,000,000 on September 6, 2019.
- The Plan neither paid dividends to, nor received contributions from Molina during the year ended December 31, 2018.
- (5) Subject to the limitations of (3) above, no restrictions have been placed on the portion of the Plan's profits that may be paid as ordinary dividends to Molina.
- (6) Restrictions placed on unassigned funds (surplus): None.
- (7) Advances to surplus not repaid: None.
- (8) Stock held for special purposes: None.
- (9) Changes in the balance of special surplus funds: In accordance with SSAP No. 106, *Affordable Care Act Assessments*, the Plan reclassifies an amount equal to the estimated health insurer fee due in the following calendar year from unassigned surplus to special surplus. The special surplus balance at December 31, 2019 represented the Plan's estimated health insurer fee for 2020. Due to the moratorium on the health insurer fee for the 2019 calendar year, the Plan did not reclassify amounts to special surplus at December 31, 2018.
- (10) The portion of unassigned surplus or deficit, excluding the apportionment of estimated Section 9010 ACA subsequent fee year assessment, net income, and dividends, represented or reduced by each item below is as follows:

	2019	2018	Change
Net deferred income taxes	\$ 6,443,255	\$ -	\$ 6,443,255
Nonadmitted assets	8,571,290	5,388,918	(3,182,372)
Total	<u>\$ 15,014,545</u>	<u>\$ 5,388,918</u>	<u>\$ 3,260,883</u>

- (11) Surplus debentures or similar obligations: None.
- (12) The impact of any restatement due to prior quasi-reorganizations: None.
- (13) The effective dates of all quasi-reorganizations in the prior 10 years: None.

Note 14 – Liabilities, Contingencies and Assessments

- A. Contingent Commitments: The Plan has no contingent commitments.
- 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: From time to time, the Plan may be involved in legal actions in the normal course of business, some of which involve a demand for both compensatory and punitive damages not covered by insurance. Currently, there are no pending or threatened actions which, to the knowledge and in the opinion of management and the Plan's counsel, would have a material adverse effect on the Plan's financial position, results of operations or cash flows.

The Plan routinely evaluates the collectability of all receivable amounts included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Impairment reserves are established for those amounts where collectability is uncertain. Based on the Plan's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Plan's financial position, results of operation or cash flows.

The Plan recognizes the financial statement benefit of a tax position after determining that the relevant tax authority would more likely than not sustain the position following an audit, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. Interest and penalties, if incurred, are recognized in the statutory basis statements of revenues and expenses as federal income tax expense. As of December 31, 2019, the Plan had a tax loss contingency liability of \$588,003. The Plan has not recognized any interest or penalties for the years ended December 31, 2019 and 2018.

There are no assets that the Plan considers to be impaired at December 31, 2019 and 2018.

Note 15 – Leases

- A. Lessee Operating Lease

NOTES TO FINANCIAL STATEMENTS

- (1) The Plan leases office facilities and equipment under noncancelable long-term operating leases. Some of the leases contain escalation clauses and renewal options. Rental expense relating to these leases totaled \$4,473,455 and \$2,980,815 for the years ended December 31, 2019 and 2018, respectively.
- (2) Leases with Initial or Remaining Noncancelable Lease Terms in Excess of One Year
- a. At January 1, 2020 the minimum aggregate rental commitments are as follows:

Year Ending December 31	Operating Leases
1. 2020	\$ 783,302
2. 2021	\$ -
3. 2022	\$ -
4. 2023	\$ -
5. 2024	\$ -
6. Total	\$ 783,302

- b. Total of Minimum Rentals to be Received in the Future under Noncancelable Subleases: None.

- (3) For Sale-Leaseback Transactions: None.

B. Lessor Leases: None.

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

None.

Note 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.

Note 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 or Similarly Structured Cost Based Reimbursement Contract: None.

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

None.

Note 20 – Fair Value Measurements

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 – Certain inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Certain inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specific (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.);
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.);
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Certain inputs are unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Bonds and short-term investments are based on quoted market prices, where available.

A. Fair Value Measurements

- (1) Fair Value Measurements at Reporting Date: The Plan's assets measured and reported at fair value on a recurring basis are listed in the table below. The Plan receives monthly statements from investment brokers that provide market pricing. There were no transfers between Level 1 and Level 2 of the fair value hierarchy.

NOTES TO FINANCIAL STATEMENTS

2019:

Description for Each Type of Asset or Liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
Assets at Fair Value					
Exempt Money Market Mutual Funds	\$ -	\$ 11,074,502	\$ -	\$ -	\$ 11,074,502
Other Money Market Mutual Funds	\$ -	\$ 8,503,578	\$ -	\$ -	\$ 8,503,578
Total	\$ -	\$ 19,578,080	\$ -	\$ -	\$ 19,578,080
Liabilities at Fair Value					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -

2018:

Description for Each Type of Asset or Liability	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Total
Assets at Fair Value					
Other Money Market Mutual Fund	\$ -	\$ 100,000,852	\$ -	\$ -	\$ 100,000,852
Total	\$ -	\$ 100,000,852	\$ -	\$ -	\$ 100,000,852
Liabilities at Fair Value					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -

- (2) Fair Value Measurements in Level 3 of the Fair Value Hierarchy: None.
- (3) Policies when Transfers Between Levels are Recognized: None.
- (4) Level 2 financial instruments include investments that are traded frequently though not necessarily daily. Fair value for these securities is determined using a market approach based on quoted prices for similar securities in active markets or quoted prices for identical securities in inactive markets.
- (5) Fair Value Disclosures: None.

B. Fair Value Reporting under SSAP 100, *Fair Value Measurements*, and Other Accounting Pronouncements: In addition to bonds (see below), the Plan's statutory basis balance sheets typically include the following financial instruments: investment income due and accrued, federal income tax recoverable (payable), receivables, and current liabilities. The Plan believes the carrying amounts of these financial instruments approximate the fair value of these financial instruments because of the relatively short period of time between the origination of the instruments and their expected realization or payment.

C. Aggregate Fair Value Hierarchy

The aggregate fair value hierarchy of all financial instruments as of December 31, 2019 and 2018 is presented in the table below:

2019:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
U.S. Government	\$ 73,947,202	\$ 73,946,865	\$ -	\$ 73,947,202	\$ -	\$ -	\$ -
Industrial & Miscellaneous	\$ 8,228,065	\$ 8,127,138	\$ -	\$ 8,228,065	\$ -	\$ -	\$ -
Exempt Money Market Mutual Funds	\$ 11,074,502	\$ 11,074,502	\$ -	\$ 11,074,502	\$ -	\$ -	\$ -
Other Money Market Mutual Funds	\$ 8,503,578	\$ 8,503,578	\$ -	\$ 8,503,578	\$ -	\$ -	\$ -
Open Depositories	\$ 2,626,599	\$ 2,626,599	\$ 2,626,599	\$ -	\$ -	\$ -	\$ -
Total Financial Instruments	\$ 104,379,946	\$ 104,278,682	\$ 2,626,599	\$ 101,753,347	\$ -	\$ -	\$ -

2018:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Open Depositories	\$ 108,748,981	\$ 108,748,981	\$ 108,748,981	\$ -	\$ -	\$ -	\$ -
Other Money Market Mutual Fund	\$ 100,000,852	\$ 100,000,852	\$ -	\$ 100,000,852	\$ -	\$ -	\$ -
U.S. Government	\$ 604,193	\$ 608,179	\$ -	\$ 604,193	\$ -	\$ -	\$ -
Total financial instruments	\$ 209,354,026	\$ 209,358,012	\$ 108,748,981	\$ 100,605,045	\$ -	\$ -	\$ -

D. Not Practicable to Estimate Fair Value: None.

E. NAV Practical Expedient Investments: None.

Note 21 – Other Items

A. Unusual or Infrequent Items: None.

B. Troubled Debt Restructuring Debtors: None.

C. Other Disclosures:

Stock Plans

Under the equity incentive plan adopted by Molina, the Plan's employees may be awarded restricted stock or other equity incentives. Restricted stock awards generally vest in equal annual installments over the periods of up to four years from the date of grant.

NOTES TO FINANCIAL STATEMENTS

Molina has an employee stock purchase plan under which the eligible employees of the Plan may purchase common shares at 85% of the lower of the fair market value of Molina's common stock on either the first or last trading day of each six-month offering period. Each participant is limited to a maximum purchase of \$25,000 (as measured by the fair value of the stock acquired) per year through payroll deductions.

- 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.
- I. The Amount that Could be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or has Otherwise Obtained Rights to Control the Policy: None.

Note 22 – Events Subsequent

Type I - Recognized Subsequent Events: None.

Type II: Nonrecognized Subsequent Events:

The Plan is subject to an annual health insurer fee under section 9010 of the Federal Affordable Care Act (ACA). This annual fee is allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. The special surplus balance at December 31, 2019 represented the Plan's estimated health insurer fee for 2020. Due to the moratorium on the health insurer fee for the 2019 calendar year, the Plan did not reclassify amounts to special surplus at December 31, 2018.

A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
			2019	2018
B.	ACA fee assessment payable for the upcoming year	\$	9,500,000	\$
C.	ACA fee assessment paid	\$		\$ 14,647,814
D.	Premium written subject to ACA 9010 assessment	\$	473,554,959	\$
E.	Total adjusted capital before surplus adjustment (Five-Year Historical Line 14)	\$	67,902,448	
F.	Total adjusted capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$	58,402,448	
G.	Authorized control level (Five-Year Historical Line 15)	\$	15,500,263	
H.	Would reporting the ACA assessment as of December 31, 2019 have triggered an RBC action level (YES/NO)?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

On March 11, 2020, the World Health Organization officially declared COVID-19, the disease caused by the novel coronavirus, a pandemic. Management is currently assessing the impact of the pandemic to the operations of Molina and its subsidiaries, and is also closely monitoring the evolution of this pandemic, including how it may affect the economy and the general population. Management has not yet determined the impact of these events to the financial condition, results of operations and cash flows of Molina and its subsidiaries.

The Plan evaluated its December 31, 2019 statutory basis financial statements for subsequent events through April 14, 2020, the date the statutory basis financial statements were available to be issued. The Plan is not aware of any other subsequent events that would require recognition or disclosure in these statutory basis financial statements.

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

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

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. **\$0**
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? Yes No

- B. Uncollectible Reinsurance: None.

NOTES TO FINANCIAL STATEMENTS

- C. Commutation of Ceded Reinsurance: None.
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation: None.

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A.- C. None.
- D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act: None.
- E. Risk-Sharing Provisions of the Affordable Care Act
- (1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions Yes [] No [X]
- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on admitted assets, liabilities and revenue for the current year: None.
- (3) Roll forward of prior year ACA Risk Sharing Provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance: None.
- (4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year: None.
- (5) ACA Risk Corridors Receivable as of Reporting Date: None.

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

- A. Change in Incurred Losses and Loss Adjustment Expenses

The change in prior year estimated claims reserves represents favorable development in claims experience as of December 31, 2019 and 2018, respectively. Original estimates are increased or decreased as additional information becomes known regarding incurred reported claims. Claims unpaid activity during 2019 and 2018 is summarized below:

	Year ended 12/31/2019	Year ended 12/31/2018
Unpaid claims liabilities, accrued medical incentives, and claims adjustment expenses, beginning of period	\$ 90,296,881	\$ 100,791,777
Add provision for claims, net of reinsurance:		
Current year	\$ 428,327,429	\$ 641,977,566
Prior years	\$ (25,590,651)	\$ (27,772,199)
Net incurred claims during the current year	<u>\$ 402,736,778</u>	<u>\$ 614,205,367</u>
Deduct paid claims, net of reinsurance		
Current year	\$ 387,496,427	\$ 561,291,163
Prior years	\$ 46,056,905	\$ 54,297,640
Net paid claims during the current year	<u>\$ 433,553,332</u>	<u>\$ 615,588,803</u>
Change in claims adjustment expenses	\$ (549,273)	\$ (314,076)
Change in health care receivables	<u>\$ 1,933,873</u>	<u>\$ (8,797,384)</u>
Unpaid claims liabilities, accrued medical incentives, and claims adjustment expenses, end of period	<u>\$ 60,864,927</u>	<u>\$ 90,296,881</u>

- B. Information about Significant Changes in Methodologies and Assumptions: The Plan did not make any significant changes in methodologies and assumptions used in the calculation of the liability for claims unpaid and unpaid claim adjustment expenses in 2019 and 2018.

Note 26 – Intercompany Pooling Arrangements

None.

Note 27 – Structured Settlements

None.

Note 28 – Health Care Receivables

- A. Pharmaceutical Rebate Receivables: None.
- B. Risk-Sharing Receivables: None.

Note 29 – Participating Policies

None.

Note 30 – Premium Deficiency Reserves

	Year ended 12/31/2019	Year ended 12/31/2018
1. Liability carried for premium deficiency reserve:	\$ -	\$ -
2. Date of most recent evaluation of this liability:	December 31, 2019	December 31, 2018

NOTES TO FINANCIAL STATEMENTS

3. Was anticipated investment income utilized in the calculation?	Yes	Yes
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Note 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 No
If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State regulating? Puerto Rico
- 1.4 Is the reporting entity publicly traded or a member of publicly traded group? Yes No
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 1179929
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____
- 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. _____
- 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). _____
- 3.4 By what department or departments?
Not applicable
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
If the answer is YES, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC
Company
Code | 3
State of
Domicile |
|---------------------|------------------------------|---------------------------|
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
- 7.21 State the percentage of foreign control _____ %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes No
- 8.4 If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1
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?
Grant Thornton LLP 90 State House Square, 10th Floor, Hartford, CT 06103
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes No
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes No
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [] No [X] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain:
The Plan is a direct wholly owned subsidiary of Molina. Molina is a publicly traded company and is subject to compliance with the Sarbanes-Oxley Act. An Audit Committee is maintained at the Corporate level (Molina).
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?
Ben Lynam, FSA, MAAA, Chief Actuary, 200 Oceangate, Suite 100, Long Beach, CA 90802. Employee of the reporting entity.
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved 0
- 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If yes, provide explanation
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

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

FINANCIAL

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 No

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

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

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

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs \$ 0

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

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

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

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

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

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

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

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

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

25.21 Subject to repurchase agreements \$ 0

25.22 Subject to reverse repurchase agreements \$ 0

25.23 Subject to dollar repurchase agreements \$ 0

25.24 Subject to reverse dollar repurchase agreements \$ 0

25.25 Placed under option agreements \$ 0

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

25.27 FHLB Capital Stock \$ 0

25.28 On deposit with states \$ 5,725,590

25.29 On deposit with other regulatory bodies \$ 0

25.30 Pledged as collateral – excluding collateral pledged to an FHLB \$ 5,000,000

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

25.32 Other \$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

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

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

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

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

26.4 If the response to 26.3 is yes, does the reporting entity utilize:

26.41 Special accounting provision of SSAP No. 108 Yes No

26.42 Permitted accounting practice Yes No

26.43 Other accounting guidance Yes No

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Citibank	55 Water St New York, NY10041
U.S. Bank, National Association	1420 Fifth Avenue, Ste 700, Seattle, WA 98101

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

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

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

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

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

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

1 Name of Firm or Individual	2 Affiliation
New England Asset Management, Inc	U

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

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

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

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
105900	New England Asset Management, Inc	KUR85E5PS4GQFZTFC130	SEC	No

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

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		\$
29.2999 TOTAL		\$

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	\$ 82,074,003	\$ 82,175,268	\$ 101,265
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 82,074,003	\$ 82,175,268	\$ 101,265

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

Fair value pricing is provided by independent service providers, NEAM our book of record, DWS JP Morgan, U.S. Bank, and Bloomberg. Effective June 1, 2019, NEAM employs a hierarchical pricing approach to determine the market price of a fixed income security. Under this model, each security's price comes from the highest-priority pricing source possible. Secondary pricing sources are used for filling gaps and for price comparisons.

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

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

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

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

32.2 If no, list exceptions:

33. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designation 5GI security:

- 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.
- Issuer or obligor is current on all contracted interest and principal payments.
- The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

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

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

Has the reporting entity self-designated PLGI securities?

Yes [] No [X]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?

Yes [] No [X]

OTHER

36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 55,730

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

1 Name	2 Amount Paid
Medicaid and Medicare Advantage Products Association of Puerto Rico, Asociacion de Industriales de PR	\$ 55,730

37.1 Amount of payments for legal expenses, if any? \$ 195,506

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

1 Name	2 Amount Paid
Morell Cartagena, Oneill & Bos LLC	\$ 195,506

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

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

1 Name	2 Amount Paid
	\$

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes []		No [X]
1.2	If yes, indicate premium earned on U.S. business only.	\$		0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$		0
1.31	Reason for excluding:			
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$		0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$		0
1.6	Individual policies:			
	Most current three years:			
1.61	Total premium earned	\$		0
1.62	Total incurred claims	\$		0
1.63	Number of covered lives			0
	All years prior to most current three years:			
1.64	Total premium earned	\$		0
1.65	Total incurred claims	\$		0
1.66	Number of covered lives			0
1.7	Group policies:			
	Most current three years:			
1.71	Total premium earned	\$		0
1.72	Total incurred claims	\$		0
1.73	Number of covered lives			0
	All years prior to most current three years:			
1.74	Total premium earned	\$		0
1.75	Total incurred claims	\$		0
1.76	Number of covered lives			0
2.	Health Test:			
			1 Current Year	2 Prior Year
2.1	Premium Numerator	\$	473,536,544	\$ 715,148,551
2.2	Premium Denominator	\$	473,536,544	\$ 715,148,551
2.3	Premium Ratio (2.1/2.2)		100.0%	100.0%
2.4	Reserve Numerator	\$	64,544,307	\$ 93,426,988
2.5	Reserve Denominator	\$	64,544,307	\$ 93,426,988
2.6	Reserve Ratio (2.4/2.5)		100.0%	100.0%
3.1	Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?			Yes [] No [X]
3.2	If yes, give particulars:			
4.1	Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?			Yes [X] No []
4.2	If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?			Yes [] No [X]
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	\$		1,467,500
5.32	Medical Only	\$		0
5.33	Medicare Supplement	\$		0
5.34	Dental and Vision	\$		0
5.35	Other Limited Benefit Plan	\$		0
5.36	Other	\$		0
6.	Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:			

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

The Plan was insured under an annual HMO excess risk reinsurance agreement effective 1/1/19-12/31/19 with Odyssey Reinsurance Company. Subscribers are also protected against the Plan's insolvency through provider agreements, evidence of coverage, and/or member handbooks.

- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes No
- 7.2 If no, give details
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 5,203
- 8.2 Number of providers at end of reporting year 6,171
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes No
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees with rate guarantees between 15-36 months \$ 0
- 9.22 Business with rate guarantees over 36 months \$ 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes No
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses 0
- 10.22 Amount actually paid for year bonuses 10,542,855
- 10.23 Maximum amount payable withholds 0
- 10.24 Amount actually paid for year withholds 0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes No
- 11.13 An Individual Practice Association (IPA), or, Yes No
- 11.14 A Mixed Model (combination of above)? Yes No
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes No
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus.
Puerto Rico
- 11.4 If yes, show the amount required. \$ 1,000,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes No
- 11.6 If the amount is calculated, show the calculation
Title 26 Section 309 of the Laws of Puerto Rico Annotated.
12. List service areas in which reporting entity is licensed to operate:
- | 1
Name of Service Area |
|---------------------------|
| All Regions |
- 13.1 Do you act as a custodian for health savings accounts? Yes No
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0
- 13.3 Do you act as an administrator for health savings accounts? Yes No
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes No N/A
- 14.2 If the answer to 14.1 is yes, please provide the following:
- | 1
Company Name | 2
NAIC Company Code | 3
Domiciliary Jurisdiction | 4
Reserve Credit | Assets Supporting Reserve Credit | | |
|-------------------|------------------------|-------------------------------|---------------------|----------------------------------|-----------------------|------------|
| | | | | 5
Letters of Credit | 6
Trust Agreements | 7
Other |
| | 0 | | \$ | \$ | \$ | \$ |
15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).
- 15.1 Direct Premium Written \$ 0
- 15.2 Total Incurred Claims \$ 0
- 15.3 Number of Covered Lives 0
- | *Ordinary Life Insurance Includes |
|---|
| Term (whether full underwriting, limited underwriting, jet issue, "short form app") |
| Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app") |
| Variable Life (with or without secondary guarantee) |
| Universal Life (with or without secondary guarantee) |
| Variable Universal Life (with or without secondary guarantee) |
16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes No

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

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 2019	2 2018	3 2017	4 2016	5 2015
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	141,382,996	217,489,676	184,421,264	158,842,829	130,595,813
2. Total liabilities (Page 3, Line 24).....	73,480,548	110,987,392	105,502,702	92,449,191	81,466,893
3. Statutory minimum capital and surplus requirement.....	1,000,000	45,941,038	48,240,286	48,804,218	43,342,692
4. Total capital and surplus (Page 3, Line 33).....	67,902,448	106,502,284	78,918,562	66,393,638	49,128,920
Income Statement (Page 4)					
5. Total revenues (Line 8).....	473,536,544	710,793,959	731,574,820	746,252,143	556,568,814
6. Total medical and hospital expenses (Line 18).....	402,736,778	614,205,367	672,398,559	677,740,447	493,944,789
7. Claims adjustment expenses (Line 20).....	18,609,631	21,743,911	18,464,813	17,017,738	13,499,446
8. Total administrative expenses (Line 21).....	27,781,859	52,197,836	48,830,051	64,544,723	55,498,236
9. Net underwriting gain (loss) (Line 24).....	24,408,276	22,646,845	(8,118,603)	(13,050,765)	(6,373,657)
10. Net investment gain (loss) (Line 27).....	4,189,193	2,309,866	741,670	296,421	47,435
11. Total other income (Lines 28 plus 29).....	(1,169,186)	(114,900)	(14,150)	1,719,835	(2,906,440)
12. Net income or (loss) (Line 32).....	18,139,281	17,463,922	(5,356,226)	(9,919,792)	(15,439,485)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	(46,707,166)	55,733,563	11,904,196	(15,346,265)	39,182,134
Risk-Based Capital Analysis					
14. Total adjusted capital.....	67,902,448	106,502,284	78,918,562	66,393,638	49,128,920
15. Authorized control level risk-based capital.....	15,500,263	22,970,519	24,120,143	24,402,109	21,671,346
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	175,689	252,456	314,263	329,509	348,007
17. Total member months (Column 6, Line 7).....	2,311,301	3,730,931	3,847,836	4,018,688	3,179,351
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 (Line 18 plus Line 19).....	85.0	86.4	91.9	90.8	88.7
20. Cost containment expenses.....	3.9	3.0	2.5	2.2	2.3
21. Other claims adjustment expenses.....	0.1	0.1	0.1	0.1	0.2
22. Total underwriting deductions (Line 23).....	94.8	96.8	101.1	101.7	101.1
23. Total underwriting gain (loss) (Line 24).....	5.2	3.2	(1.1)	(1.7)	(1.1)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5).....	56,890,575	62,772,952	86,768,583	38,460,329	
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)].....	88,397,824	89,781,260	52,250,900	48,470,783	
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.....					

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

Yes [] No []

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status (a)	Direct Business Only							9 Deposit-Type Contracts
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	
1. Alabama.....AL	.N							.0	
2. Alaska.....AK	.N							.0	
3. Arizona.....AZ	.N							.0	
4. Arkansas.....AR	.N							.0	
5. California.....CA	.N							.0	
6. Colorado.....CO	.N							.0	
7. Connecticut.....CT	.N							.0	
8. Delaware.....DE	.N							.0	
9. District of Columbia.....DC	.N							.0	
10. Florida.....FL	.N							.0	
11. Georgia.....GA	.N							.0	
12. Hawaii.....HI	.N							.0	
13. Idaho.....ID	.N							.0	
14. Illinois.....IL	.N							.0	
15. Indiana.....IN	.N							.0	
16. Iowa.....IA	.N							.0	
17. Kansas.....KS	.N							.0	
18. Kentucky.....KY	.N							.0	
19. Louisiana.....LA	.N							.0	
20. Maine.....ME	.N							.0	
21. Maryland.....MD	.N							.0	
22. Massachusetts.....MA	.N							.0	
23. Michigan.....MI	.N							.0	
24. Minnesota.....MN	.N							.0	
25. Mississippi.....MS	.N							.0	
26. Missouri.....MO	.N							.0	
27. Montana.....MT	.N							.0	
28. Nebraska.....NE	.N							.0	
29. Nevada.....NV	.N							.0	
30. New Hampshire.....NH	.N							.0	
31. New Jersey.....NJ	.N							.0	
32. New Mexico.....NM	.N							.0	
33. New York.....NY	.N							.0	
34. North Carolina.....NC	.N							.0	
35. North Dakota.....ND	.N							.0	
36. Ohio.....OH	.N							.0	
37. Oklahoma.....OK	.N							.0	
38. Oregon.....OR	.N							.0	
39. Pennsylvania.....PA	.N							.0	
40. Rhode Island.....RI	.N							.0	
41. South Carolina.....SC	.N							.0	
42. South Dakota.....SD	.N							.0	
43. Tennessee.....TN	.N							.0	
44. Texas.....TX	.N							.0	
45. Utah.....UT	.N							.0	
46. Vermont.....VT	.N							.0	
47. Virginia.....VA	.N							.0	
48. Washington.....WA	.N							.0	
49. West Virginia.....WV	.N							.0	
50. Wisconsin.....WI	.N							.0	
51. Wyoming.....WY	.N							.0	
52. American Samoa.....AS	.N							.0	
53. Guam.....GU	.N							.0	
54. Puerto Rico.....PR	.L			473,554,959				473,554,959	
55. U.S. Virgin Islands.....VI	.N							.0	
56. Northern Mariana Islands.....MP	.N							.0	
57. Canada.....CAN	.N							.0	
58. Aggregate Other alien.....OT	.XXX	.0	.0	.0	.0	.0	.0	.0	.0
59. Subtotal.....XXX		.0	.0	473,554,959	.0	.0	.0	473,554,959	.0
60. Reporting entity contributions for Employee Benefit Plans.....XXX					.0	.0	.0	.0	.0
61. Total (Direct Business).....XXX		.0	.0	473,554,959	.0	.0	.0	473,554,959	.0

DETAILS OF WRITE-INS

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

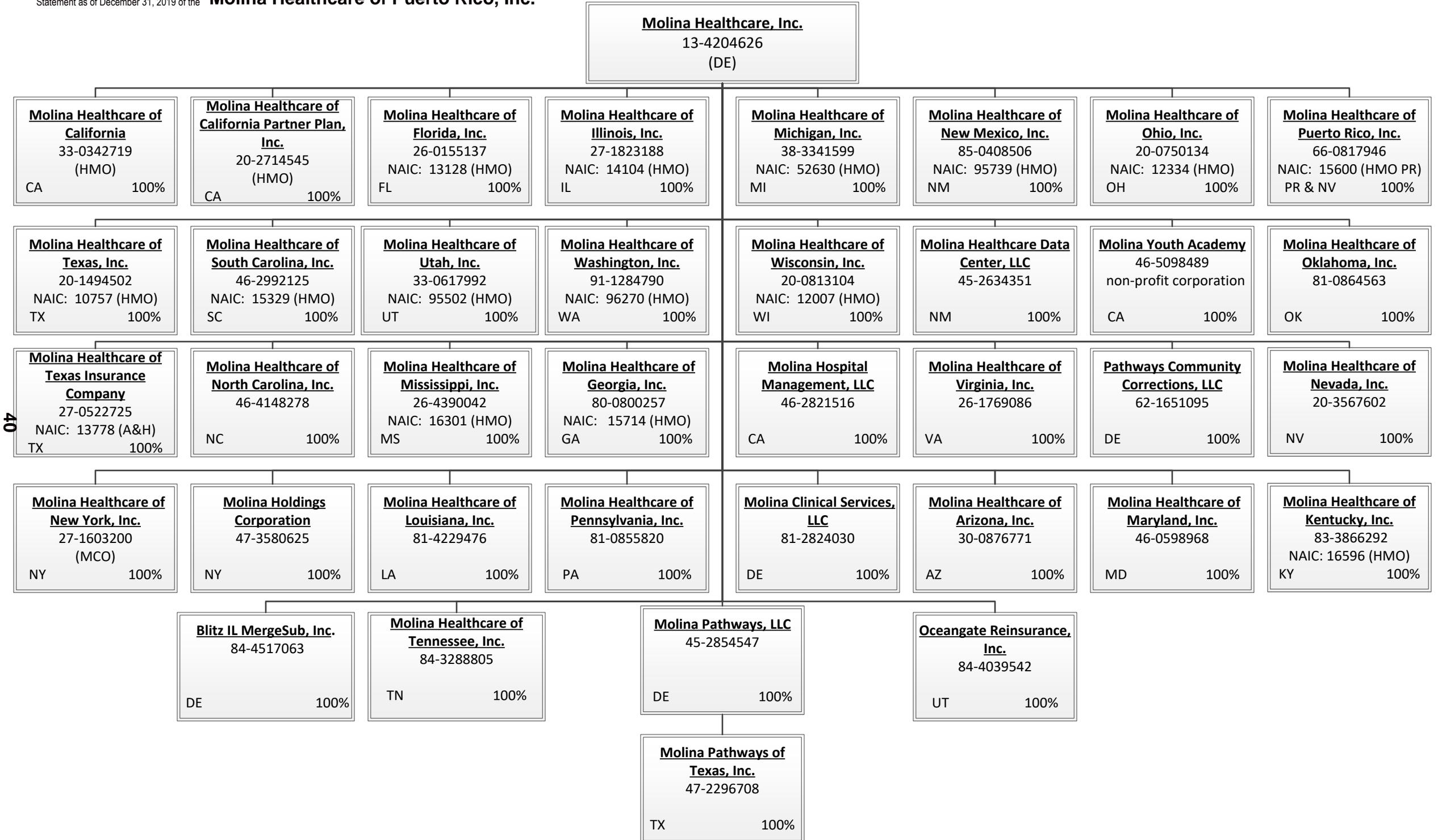
(a) Active Status Counts:

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

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

(b) Explanation of basis of allocation by states, premiums by state, etc.
All premiums written within Puerto Rico

Molina Healthcare of Puerto Rico, Inc.



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