



ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2019
OF THE CONDITION AND AFFAIRS OF THE

AmeriHealth Insurance Company of New Jersey

(Name)

NAIC Group Code 0936 (Current Period) , 0936 (Prior Period) NAIC Company Code 60061 Employer's ID Number 22-3338404

Organized under the Laws of New Jersey, State of Domicile or Port of Entry New Jersey

Country of Domicile United States

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

Incorporated/Organized 04/06/1994 Commenced Business 06/16/1995

Statutory Home Office 259 Prospect Plains Road, Building M (Street and Number), Cranbury, NJ, US 08512-3706 (City or Town, State, Country and Zip Code)

Main Administrative Office 259 Prospect Plains Road, Building M (Street and Number)

Cranbury, NJ, US 08512-3706 (City or Town, State, Country and Zip Code) 609-662-2400 (Area Code) (Telephone Number)

Mail Address 259 Prospect Plains Road, Building M (Street and Number or P.O. Box), Cranbury, NJ, US 08512-3706 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 259 Prospect Plains Road, Building M (Street and Number)

Cranbury, NJ, US 08512-3706 (City or Town, State, Country and Zip Code) 609-662-2400 (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.amerihealth.com

Statutory Statement Contact Frederick E. Felter (Name), 215-241-4397 (Area Code) (Telephone Number) (Extension)

Fred.Felter@ibx.com (E-Mail Address) 215-241-2309 (Fax Number)

OFFICERS

| Name | Title | Name | Title |
|----------------------------------|----------------------------|-------------------|----------------------------|
| Michael Walsh Sullivan | President & C.E.O. | Russell Paul Heid | Vice President & Treasurer |
| Lilton Roosevelt Taliaferro, Jr. | V.P. & Corporate Secretary | | |

OTHER OFFICERS

| | | | |
|----------------------------|--------------------------|--------------------------|-----------------------|
| Stephen Paul Fera | Senior Vice President | Daphne Klausner # | Senior Vice President |
| Kenneth Edwin Kobylowski | Senior Vice President | Michael Anthony Munoz | Senior Vice President |
| Ryan Jeffrey Petrizzi | Vice President | G. Kenneth Robinson, III | Vice President |
| Richard Lamar Snyder, M.D. | Executive Vice President | | |

DIRECTORS OR TRUSTEES

| | | | |
|------------------------|--------------|--------------------|----------------------------|
| Gregory Eugene Deavens | Brian Lobley | Regina Heffernan # | Richard Lamar Snyder, M.D. |
| Michael Walsh Sullivan | | | |

State of Pennsylvania

County of Philadelphia

ss

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

Michael Walsh Sullivan President & C.E.O. Russell Paul Heid Vice President & Treasurer Lilton Roosevelt Taliaferro, Jr. V.P. & Corporate Secretary

Subscribed and sworn to before me this 25 day of February, 2020

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

Marla Matteo, Notary Public
April 27, 2022

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)..... | 271,205,016 | | 271,205,016 | 258,144,263 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | 0 | | 0 | 0 |
| 2.2 Common stocks | 74,800 | | 74,800 | 70,600 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | | | 0 | 0 |
| 3.2 Other than first liens | | | 0 | 0 |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$ encumbrances)..... | | | 0 | 0 |
| 4.2 Properties held for the production of income (less \$ encumbrances) | | | 0 | 0 |
| 4.3 Properties held for sale (less \$ encumbrances) | | | 0 | 0 |
| 5. Cash (\$32,847,827 , Schedule E-Part 1), cash equivalents (\$71,922,542 , Schedule E-Part 2) and short-term investments (\$0 , Schedule DA)..... | 104,770,369 | | 104,770,369 | 209,377,104 |
| 6. Contract loans (including \$ premium notes)..... | | | 0 | 0 |
| 7. Derivatives (Schedule DB)..... | 0 | | 0 | 0 |
| 8. Other invested assets (Schedule BA) | 0 | | 0 | 0 |
| 9. Receivables for securities | | | 0 | 0 |
| 10. Securities lending reinvested collateral assets (Schedule DL)..... | | | 0 | 0 |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 376,050,185 | 0 | 376,050,185 | 467,591,967 |
| 13. Title plants less \$ charged off (for Title insurers only)..... | | | 0 | 0 |
| 14. Investment income due and accrued | 1,296,178 | | 1,296,178 | 1,374,540 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 11,970,639 | 7,067,389 | 4,903,250 | 6,136,258 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)..... | | | 0 | 0 |
| 15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$4,223,031) | 4,223,031 | | 4,223,031 | 1,547,705 |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | 58,906,534 | | 58,906,534 | 430,948 |
| 16.2 Funds held by or deposited with reinsured companies | 18,806,987 | | 18,806,987 | 20,706,756 |
| 16.3 Other amounts receivable under reinsurance contracts | | | 0 | 0 |
| 17. Amounts receivable relating to uninsured plans | 215 | 215 | 0 | 21,140 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | 0 | 0 |
| 18.2 Net deferred tax asset..... | 6,045,126 | 8,344 | 6,036,782 | 12,832,743 |
| 19. Guaranty funds receivable or on deposit | 2,805,928 | | 2,805,928 | 3,449,127 |
| 20. Electronic data processing equipment and software..... | | | 0 | 0 |
| 21. Furniture and equipment, including health care delivery assets (\$) | 258,568 | 258,568 | 0 | 0 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | 0 |
| 23. Receivables from parent, subsidiaries and affiliates | 20,078,449 | | 20,078,449 | 21,236,187 |
| 24. Health care (\$11,720,829) and other amounts receivable..... | 14,849,750 | 3,128,921 | 11,720,829 | 9,561,213 |
| 25. Aggregate write-ins for other-than-invested assets | 93,588,177 | 89,554,119 | 4,034,058 | 6,562,355 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)..... | 608,879,767 | 100,017,556 | 508,862,211 | 551,450,939 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | | | 0 | 0 |
| 28. Total (Lines 26 and 27) | 608,879,767 | 100,017,556 | 508,862,211 | 551,450,939 |
| DETAILS OF WRITE-INS | | | | |
| 1101. | | | | |
| 1102. | | | | |
| 1103. | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | 0 | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) | 0 | 0 | 0 | 0 |
| 2501. State and Local Taxes..... | 733,637 | | 733,637 | 6,561,613 |
| 2502. Other assets non-admitted..... | 178,795 | 178,795 | 0 | 0 |
| 2503. Health Care Reform..... | 89,376,066 | 89,375,324 | 742 | 742 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 3,299,679 | 0 | 3,299,679 | 0 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | 93,588,177 | 89,554,119 | 4,034,058 | 6,562,355 |

LIABILITIES, CAPITAL AND SURPLUS

| | Current Year | | | Prior Year |
|---|------------------|-----------------|------------------|------------------|
| | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. Claims unpaid (less \$8,885,865 reinsurance ceded) |110,943,026 |14,418,691 |125,361,717 |130,117,552 |
| 2. Accrued medical incentive pool and bonus amounts |7,440,776 | |7,440,776 |7,873,147 |
| 3. Unpaid claims adjustment expenses |2,799,249 | |2,799,249 |2,159,519 |
| 4. Aggregate health policy reserves, including the liability of \$5,700,000 for medical loss ratio rebate per the Public Health Service Act |120,452,374 | |120,452,374 |137,154,514 |
| 5. Aggregate life policy reserves | | |0 |0 |
| 6. Property/casualty unearned premium reserves | | |0 |0 |
| 7. Aggregate health claim reserves |87,148 |12,852 |100,000 |100,000 |
| 8. Premiums received in advance |34,552,176 | |34,552,176 |33,384,518 |
| 9. General expenses due or accrued |15,576,378 | |15,576,378 |14,918,515 |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))..... |674,995 | |674,995 |255,709 |
| 10.2 Net deferred tax liability | | |0 |0 |
| 11. Ceded reinsurance premiums payable | | |0 |0 |
| 12. Amounts withheld or retained for the account of others |639,715 | |639,715 |1,377,202 |
| 13. Remittances and items not allocated | | |0 |0 |
| 14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current) | | |0 |0 |
| 15. Amounts due to parent, subsidiaries and affiliates |13,175,320 | |13,175,320 |11,218,243 |
| 16. Derivatives | |0 |0 |0 |
| 17. Payable for securities | | |0 |0 |
| 18. Payable for securities lending | | |0 |0 |
| 19. Funds held under reinsurance treaties (with \$330,987 authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)..... |330,987 | |330,987 |507,307 |
| 20. Reinsurance in unauthorized and certified (\$) companies..... | | |0 |0 |
| 21. Net adjustments in assets and liabilities due to foreign exchange rates | | |0 |0 |
| 22. Liability for amounts held under uninsured plans |1,692,550 | |1,692,550 |1,189,412 |
| 23. Aggregate write-ins for other liabilities (including \$ current) |0 |0 |0 |1,550,907 |
| 24. Total liabilities (Lines 1 to 23)..... | 308,364,694 | 14,431,543 | 322,796,237 | 341,806,545 |
| 25. Aggregate write-ins for special surplus funds | XXX | XXX | 17,771,392 | 0 |
| 26. Common capital stock | XXX | XXX | 700,000 | 700,000 |
| 27. Preferred capital stock | XXX | XXX | | 0 |
| 28. Gross paid in and contributed surplus | XXX | XXX | 237,672,497 | 287,672,497 |
| 29. Surplus notes | XXX | XXX | | 0 |
| 30. Aggregate write-ins for other-than-special surplus funds | XXX | XXX | 0 | 0 |
| 31. Unassigned funds (surplus) | XXX | XXX | (70,077,915) | (78,728,103) |
| 32. Less treasury stock, at cost: 32.1 .....shares common (value included in Line 26 \$) | XXX | XXX | | 0 |
| 32.2 .....shares preferred (value included in Line 27 \$) | XXX | XXX | | 0 |
| 33. Total capital and surplus (Lines 25 to 31 minus Line 32) | XXX | XXX | 186,065,974 | 209,644,394 |
| 34. Total liabilities, capital and surplus (Lines 24 and 33) | XXX | XXX | 508,862,211 | 551,450,939 |
| DETAILS OF WRITE-INS | | | | |
| 2301. Reinsurance Payable..... | | |0 |1,550,907 |
| 2302. | | | | |
| 2303. | | | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page |0 |0 |0 |0 |
| 2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above) | 0 | 0 | 0 | 1,550,907 |
| 2501. ACA Section 9010 Data Year Assessment..... | XXX | XXX | 17,771,392 | 0 |
| 2502. | XXX | XXX | | |
| 2503. | XXX | XXX | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | XXX | XXX | 0 | 0 |
| 2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) | XXX | XXX | 17,771,392 | 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 | 2,068,366 | 1,982,673 |
| 2. Net premium income (including \$0 non-health premium income)..... | XXX | 1,107,228,226 | 1,095,404,902 |
| 3. Change in unearned premium reserves and reserve for rate credits | XXX | | 0 |
| 4. Fee-for-service (net of \$ medical expenses) | XXX | | 0 |
| 5. Risk revenue | XXX | | 0 |
| 6. Aggregate write-ins for other health care related revenues | XXX | 0 | 0 |
| 7. Aggregate write-ins for other non-health revenues | XXX | 0 | 0 |
| 8. Total revenues (Lines 2 to 7) | XXX | 1,107,228,226 | 1,095,404,902 |
| Hospital and Medical: | | | |
| 9. Hospital/medical benefits | 79,722,763 | 625,560,648 | 533,376,585 |
| 10. Other professional services | | 3,619,485 | 3,532,150 |
| 11. Outside referrals | | | 0 |
| 12. Emergency room and out-of-area | 4,247,547 | 33,049,825 | 29,127,400 |
| 13. Prescription drugs | | 169,214,694 | 148,948,327 |
| 14. Aggregate write-ins for other hospital and medical | 0 | 0 | 0 |
| 15. Incentive pool, withhold adjustments and bonus amounts..... | | 2,573,035 | 3,756,931 |
| 16. Subtotal (Lines 9 to 15) | 83,970,310 | 834,017,687 | 718,741,393 |
| Less: | | | |
| 17. Net reinsurance recoveries | (6,338,335) | (57,888,322) | (118,976,457) |
| 18. Total hospital and medical (Lines 16 minus 17) | 90,308,645 | 891,906,009 | 837,717,850 |
| 19. Non-health claims (net)..... | | | 0 |
| 20. Claims adjustment expenses, including \$15,610,051 cost containment expenses..... | | 37,080,071 | 30,441,087 |
| 21. General administrative expenses..... | | 154,869,391 | 185,524,270 |
| 22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)..... | | 0 | 0 |
| 23. Total underwriting deductions (Lines 18 through 22) | 90,308,645 | 1,083,855,471 | 1,053,683,207 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | XXX | 23,372,755 | 41,721,695 |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17)..... | | 11,295,637 | 9,310,720 |
| 26. Net realized capital gains (losses) less capital gains tax of \$ | | 286,240 | (81,627) |
| 27. Net investment gains (losses) (Lines 25 plus 26) | 0 | 11,581,877 | 9,229,093 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)] | | 0 | 0 |
| 29. Aggregate write-ins for other income or expenses | 0 | 0 | 0 |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)..... | XXX | 34,954,632 | 50,950,788 |
| 31. Federal and foreign income taxes incurred | XXX | | 0 |
| 32. Net income (loss) (Lines 30 minus 31) | XXX | 34,954,632 | 50,950,788 |
| DETAILS OF WRITE-INS | | | |
| 0601. | XXX | | 0 |
| 0602. | XXX | | |
| 0603. | XXX | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | XXX | 0 | 0 |
| 0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) | XXX | 0 | 0 |
| 0701. | XXX | | |
| 0702. | XXX | | |
| 0703. | XXX | | |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | XXX | 0 | 0 |
| 0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) | XXX | 0 | 0 |
| 1401. | | | |
| 1402. | | | |
| 1403. | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | 0 | 0 | 0 |
| 1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) | 0 | 0 | 0 |
| 2901. | | | |
| 2902. | | | |
| 2903. | | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | 0 | 0 | 0 |
| 2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) | 0 | 0 | 0 |

STATEMENT OF REVENUE AND EXPENSES (Continued)

| | 1 Current Year | 2 Prior Year |
|---|-------------------|-----------------|
| CAPITAL & SURPLUS ACCOUNT | | |
| 33. Capital and surplus prior reporting year | 209,644,394 | 168,119,324 |
| 34. Net income or (loss) from Line 32 | 34,954,632 | 50,950,788 |
| 35. Change in valuation basis of aggregate policy and claim reserves | | 0 |
| 36. Change in net unrealized capital gains (losses) less capital gains tax of \$6,052 | 22,765 | (12,602) |
| 37. Change in net unrealized foreign exchange capital gain or (loss) | | 0 |
| 38. Change in net deferred income tax | (6,810,451) | (15,489,744) |
| 39. Change in nonadmitted assets | (1,745,365) | 6,076,628 |
| 40. Change in unauthorized and certified reinsurance | 0 | 0 |
| 41. Change in treasury stock | 0 | 0 |
| 42. Change in surplus notes | 0 | 0 |
| 43. Cumulative effect of changes in accounting principles | | 0 |
| 44. Capital Changes: | | |
| 44.1 Paid in | 0 | 0 |
| 44.2 Transferred from surplus (Stock Dividend) | | 0 |
| 44.3 Transferred to surplus | | 0 |
| 45. Surplus adjustments: | | |
| 45.1 Paid in | 0 | 0 |
| 45.2 Transferred to capital (Stock Dividend) | 0 | 0 |
| 45.3 Transferred from capital | | 0 |
| 46. Dividends to stockholders | (50,000,000) | 0 |
| 47. Aggregate write-ins for gains or (losses) in surplus | 0 | 0 |
| 48. Net change in capital and surplus (Lines 34 to 47) | (23,578,419) | 41,525,070 |
| 49. Capital and surplus end of reporting year (Line 33 plus 48) | 186,065,974 | 209,644,394 |
| 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

| Cash from Operations | 1 | 2 |
|---|---------------|---------------|
| | Current Year | Prior Year |
| 1. Premiums collected net of reinsurance | 1,090,892,820 | 1,221,163,590 |
| 2. Net investment income | 11,533,269 | 9,284,921 |
| 3. Miscellaneous income | 0 | 0 |
| 4. Total (Lines 1 through 3) | 1,102,426,089 | 1,230,448,511 |
| 5. Benefit and loss related payments | 961,694,848 | 829,040,898 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | 0 |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 183,456,630 | 226,396,834 |
| 8. Dividends paid to policyholders | | 0 |
| 9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses) | (419,286) | (3,298,717) |
| 10. Total (Lines 5 through 9) | 1,144,732,192 | 1,052,139,015 |
| 11. Net cash from operations (Line 4 minus Line 10) | (42,306,103) | 178,309,496 |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 84,016,433 | 48,399,169 |
| 12.2 Stocks | 10,500 | 15,900 |
| 12.3 Mortgage loans | 0 | 0 |
| 12.4 Real estate | 0 | 0 |
| 12.5 Other invested assets | 0 | 0 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | 508 | (8,325) |
| 12.7 Miscellaneous proceeds | 0 | 0 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 84,027,441 | 48,406,744 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | 96,915,506 | 63,170,458 |
| 13.2 Stocks | 14,700 | 10,500 |
| 13.3 Mortgage loans | 0 | 0 |
| 13.4 Real estate | 0 | 0 |
| 13.5 Other invested assets | 0 | 0 |
| 13.6 Miscellaneous applications | 0 | 0 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 96,930,206 | 63,180,959 |
| 14. Net increase (decrease) in contract loans and premium notes | 0 | 0 |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | (12,902,765) | (14,774,215) |
| Cash from Financing and Miscellaneous Sources | | |
| 16. Cash provided (applied): | | |
| 16.1 Surplus notes, capital notes | 0 | 0 |
| 16.2 Capital and paid in surplus, less treasury stock | 0 | 0 |
| 16.3 Borrowed funds | 0 | 0 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | 0 |
| 16.5 Dividends to stockholders | 50,000,000 | 0 |
| 16.6 Other cash provided (applied) | 602,133 | (9,375,132) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | (49,397,867) | (9,375,132) |
| 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) | (104,606,735) | 154,160,150 |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 209,377,104 | 55,216,955 |
| 19.2 End of year (Line 18 plus Line 19.1) | 104,770,369 | 209,377,104 |

| | | |
|--|--------|---|
| Note: Supplemental disclosures of cash flow information for non-cash transactions: | | |
| 20.0001. Leasehold improvements | 25,170 | 0 |
| 20.0002. Furniture and equipment | 484 | |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---------------|---|------------------------|----------------|----------------|--|----------------------------|--------------------------|--------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefit Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Net premium income | 1,107,228,226 | 1,086,691,103 | 17,846,175 | 65,600 | 1,469,892 | 0 | 1,155,456 | 0 | 0 | 0 |
| 2. Change in unearned premium reserves and reserve for rate credit | 0 | | | | | | | | | |
| 3. Fee-for-service (net of \$ medical expenses) | 0 | | | | | | | | | XXX |
| 4. Risk revenue | 0 | | | | | | | | | XXX |
| 5. Aggregate write-ins for other health care related revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 6. Aggregate write-ins for other non-health care related revenues | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 7. Total revenues (Lines 1 to 6) | 1,107,228,226 | 1,086,691,103 | 17,846,175 | 65,600 | 1,469,892 | 0 | 1,155,456 | 0 | 0 | 0 |
| 8. Hospital/medical benefits | 625,560,648 | 610,912,216 | 13,803,498 | 844,934 | | | | | | XXX |
| 9. Other professional services | 3,619,485 | 2,943,518 | | | 675,967 | | | | | XXX |
| 10. Outside referrals | 0 | | | | | | | | | XXX |
| 11. Emergency room and out-of-area | 33,049,825 | 32,466,087 | 583,738 | | | | | | | XXX |
| 12. Prescription drugs | 169,214,694 | 169,214,694 | | | | | | | | XXX |
| 13. Aggregate write-ins for other hospital and medical | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 14. Incentive pool, withhold adjustments and bonus amounts | 2,573,035 | 2,610,347 | (37,312) | | | | | | | XXX |
| 15. Subtotal (Lines 8 to 14) | 834,017,687 | 818,146,862 | 14,349,924 | 844,934 | 675,967 | 0 | 0 | 0 | 0 | XXX |
| 16. Net reinsurance recoveries | (57,888,322) | (58,373,629) | | 793,501 | (86,715) | | (221,479) | | | XXX |
| 17. Total hospital and medical (Lines 15 minus 16) | 891,906,009 | 876,520,491 | 14,349,924 | 51,433 | 762,682 | 0 | 221,479 | 0 | 0 | XXX |
| 18. Non-health claims (net) | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 19. Claims adjustment expenses including \$15,610,051 cost containment expenses | 37,080,071 | 35,977,228 | 1,102,843 | | | | | | | |
| 20. General administrative expenses | 154,869,391 | 150,375,730 | 4,432,242 | (160,536) | 51,011 | | 26,252 | | 144,813 | (121) |
| 21. Increase in reserves for accident and health contracts | 0 | | | | | | | | | XXX |
| 22. Increase in reserves for life contracts | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 23. Total underwriting deductions (Lines 17 to 22) | 1,083,855,471 | 1,062,873,449 | 19,885,009 | (109,103) | 813,693 | 0 | 247,731 | 0 | 144,813 | (121) |
| 24. Net underwriting gain or (loss) (Line 7 minus Line 23) | 23,372,755 | 23,817,654 | (2,038,834) | 174,703 | 656,199 | 0 | 907,725 | 0 | (144,813) | 121 |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 0501. | | | | | | | | | | XXX |
| 0502. | | | | | | | | | | XXX |
| 0503. | | | | | | | | | | XXX |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 0601. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0602. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0603. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 1301. | | | | | | | | | | XXX |
| 1302. | | | | | | | | | | XXX |
| 1303. | | | | | | | | | | XXX |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

| | 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) | 924,165,460 | 162,525,643 | | 1,086,691,103 |
| 2. Medicare Supplement | 17,846,175 | | | 17,846,175 |
| 3. Dental only..... | 1,684,846 | (392,186) | 1,227,060 | 65,600 |
| 4. Vision only..... | 1,345,549 | 124,343 | | 1,469,892 |
| 5. Federal Employees Health Benefits Plan | | | | 0 |
| 6. Title XVIII - Medicare | | 1,155,456 | | 1,155,456 |
| 7. Title XIX - Medicaid..... | | | | 0 |
| 8. Other health..... | | | | 0 |
| 9. Health subtotal (Lines 1 through 8) | 945,042,030 | 163,413,256 | 1,227,060 | 1,107,228,226 |
| 10. Life | | | | 0 |
| 11. Property/casualty..... | | | | 0 |
| 12. Totals (Lines 9 to 11) | 945,042,030 | 163,413,256 | 1,227,060 | 1,107,228,226 |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|-------------|--|------------------------|----------------|----------------|---|-------------------------|-----------------------|--------------|----------------------|
| | Total | Comprehensive (Hospital & 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 | 827,361,509 | 811,696,690 | 14,143,918 | 844,934 | 675,967 | | | | | |
| 1.2 Reinsurance assumed | 127,930,762 | 127,362,708 | | 28,972 | 86,715 | | 452,367 | | | |
| 1.3 Reinsurance ceded | 59,746,817 | 58,924,344 | | 822,473 | | | | | | |
| 1.4 Net | 895,545,454 | 880,135,054 | 14,143,918 | 51,433 | 762,682 | 0 | 452,367 | 0 | 0 | 0 |
| 2. Paid medical incentive pools and bonuses | 3,266,836 | 3,263,413 | 2,448 | | | | 975 | | | |
| 3. Claim liability December 31, current year from Part 2A: | | | | | | | | | | |
| 3.1 Direct | 116,826,325 | 114,149,539 | 2,676,786 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.2 Reinsurance assumed | 17,421,255 | 16,942,685 | 0 | 0 | 0 | 0 | 478,570 | 0 | 0 | 0 |
| 3.3 Reinsurance ceded | 8,885,865 | 8,885,865 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3.4 Net | 125,361,715 | 122,206,359 | 2,676,786 | 0 | 0 | 0 | 478,570 | 0 | 0 | 0 |
| 4. Claim reserve December 31, current year from Part 2D: | | | | | | | | | | |
| 4.1 Direct | 50,000 | 50,000 | | | | | | | | |
| 4.2 Reinsurance assumed | 50,000 | 50,000 | | | | | | | | |
| 4.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.4 Net | 100,000 | 100,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Accrued medical incentive pools and bonuses, current year | 7,440,776 | 7,409,591 | 15,870 | | | | 15,315 | | | |
| 6. Net healthcare receivables (a)..... | 1,718,075 | 1,722,610 | (4,535) | | | | | | | |
| 7. Amounts recoverable from reinsurers December 31, current year | 0 | | | | | | | | | |
| 8. Claim liability December 31, prior year from Part 2A: | | | | | | | | | | |
| 8.1 Direct | 111,025,107 | 108,587,104 | 2,438,003 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8.2 Reinsurance assumed | 19,092,445 | 18,412,640 | 0 | 0 | 0 | 0 | 679,805 | 0 | 0 | 0 |
| 8.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8.4 Net | 130,117,552 | 126,999,744 | 2,438,003 | 0 | 0 | 0 | 679,805 | 0 | 0 | 0 |
| 9. Claim reserve December 31, prior year from Part 2D: | | | | | | | | | | |
| 9.1 Direct | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9.2 Reinsurance assumed | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9.4 Net | 100,000 | 100,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Accrued medical incentive pools and bonuses, prior year | 7,873,146 | 7,771,573 | 55,630 | 0 | 0 | 0 | 45,943 | 0 | 0 | 0 |
| 11. Amounts recoverable from reinsurers December 31, prior year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Incurred benefits: | | | | | | | | | | |
| 12.1 Direct | 831,444,652 | 815,536,515 | 14,387,236 | 844,934 | 675,967 | 0 | 0 | 0 | 0 | 0 |
| 12.2 Reinsurance assumed | 126,259,572 | 125,892,753 | 0 | 28,972 | 86,715 | 0 | 251,132 | 0 | 0 | 0 |
| 12.3 Reinsurance ceded | 68,632,682 | 67,810,209 | 0 | 822,473 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12.4 Net | 889,071,542 | 873,619,059 | 14,387,236 | 51,433 | 762,682 | 0 | 251,132 | 0 | 0 | 0 |
| 13. Incurred medical incentive pools and bonuses | 2,834,466 | 2,901,431 | (37,312) | 0 | 0 | 0 | (29,653) | 0 | 0 | 0 |

(a) Excludes \$ 1,107,290 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 (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. Reported in Process of Adjustment: | | | | | | | | | | |
| 1.1. Direct | 9,243,358 | 9,243,358 | | | | | | | | |
| 1.2. Reinsurance assumed | 1,482,052 | 1,481,178 | | | | | 874 | | | |
| 1.3. Reinsurance ceded | 0 | | | | | | | | | |
| 1.4. Net | 10,725,410 | 10,724,536 | 0 | 0 | 0 | 0 | 874 | 0 | 0 | 0 |
| 2. Incurred but Unreported: | | | | | | | | | | |
| 2.1. Direct | 107,582,967 | 104,906,181 | 2,676,786 | | | | | | | |
| 2.2. Reinsurance assumed | 15,939,203 | 15,461,507 | 0 | | | | 477,696 | | | |
| 2.3. Reinsurance ceded | 8,885,865 | 8,885,865 | | | | | | | | |
| 2.4. Net | 114,636,305 | 111,481,823 | 2,676,786 | 0 | 0 | 0 | 477,696 | 0 | 0 | 0 |
| 3. Amounts Withheld from Paid Claims and Capitations: | | | | | | | | | | |
| 3.1. Direct | 0 | | | | | | | | | |
| 3.2. Reinsurance assumed | 0 | | | | | | | | | |
| 3.3. Reinsurance ceded | 0 | | | | | | | | | |
| 3.4. Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. TOTALS: | | | | | | | | | | |
| 4.1. Direct | 116,826,325 | 114,149,539 | 2,676,786 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.2. Reinsurance assumed | 17,421,255 | 16,942,685 | 0 | 0 | 0 | 0 | 478,570 | 0 | 0 | 0 |
| 4.3. Reinsurance ceded | 8,885,865 | 8,885,865 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.4. Net | 125,361,715 | 122,206,359 | 2,676,786 | 0 | 0 | 0 | 478,570 | 0 | 0 | 0 |

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

| Line of Business | Claims Paid During the Year | | Claim Reserve and Claim Liability December 31 of Current Year | | 5 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) | 114,594,719 | 792,006,287 | 5,070,225 | 117,236,134 | 119,664,944 | 127,099,744 |
| 2. Medicare Supplement | 1,761,014 | 12,389,949 | 10,305 | 2,666,481 | 1,771,319 | 2,438,003 |
| 3. Dental Only..... | | 51,433 | | | 0 | 0 |
| 4. Vision Only..... | | 762,682 | | | 0 | 0 |
| 5. Federal Employees Health Benefits Plan | | | | | 0 | 0 |
| 6. Title XVIII - Medicare | 632,800 | (874) | 477,696 | 874 | 1,110,496 | 679,805 |
| 7. Title XIX - Medicaid..... | | | | | 0 | 0 |
| 8. Other health | | | | | 0 | 0 |
| 9. Health subtotal (Lines 1 to 8)..... | 116,988,533 | 805,209,477 | 5,558,226 | 119,903,489 | 122,546,759 | 130,217,552 |
| 10. Healthcare receivables (a)..... | 15,383,083 | 11,269,473 | 1,116,635 | 12,625,824 | 16,499,718 | 12,024,383 |
| 11. Other non-health..... | | | | | 0 | 0 |
| 12. Medical incentive pools and bonus amounts | 4,683,120 | (1,416,283) | 2,957,778 | 4,482,998 | 7,640,898 | 7,873,147 |
| 13. Totals (Lines 9-10+11+12) | 106,288,570 | 792,523,721 | 7,399,369 | 111,760,663 | 113,687,939 | 126,066,316 |

(a) Excludes \$ 1,107,290 loans or advances to providers not yet expensed.

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

Section A – Paid Health Claims - Hospital and Medical

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2015 | 2 2016 | 3 2017 | 4 2018 | 5 2019 |
| 1. Prior | 4,454,044 | 4,459,115 | 4,459,482 | 4,459,482 | 4,459,482 |
| 2. 2015 | 768,659 | 879,507 | 880,169 | 881,400 | 881,400 |
| 3. 2016 | XXX | 872,364 | 1,005,665 | 1,009,689 | 1,011,718 |
| 4. 2017 | XXX | XXX | 744,077 | 823,334 | 826,324 |
| 5. 2018 | XXX | XXX | XXX | 756,782 | 870,991 |
| 6. 2019 | XXX | XXX | XXX | XXX | 790,636 |

Section B – Incurred Health Claims - Hospital and Medical

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2015 | 2 2016 | 3 2017 | 4 2018 | 5 2019 |
| 1. Prior | 4,455,608 | 4,459,385 | 4,459,597 | 4,459,482 | 4,459,482 |
| 2. 2015 | 902,717 | 881,842 | 882,297 | 881,320 | 881,400 |
| 3. 2016 | XXX | 1,013,875 | 1,009,925 | 1,010,926 | 1,011,732 |
| 4. 2017 | XXX | XXX | 869,242 | 828,714 | 826,813 |
| 5. 2018 | XXX | XXX | XXX | 885,115 | 878,494 |
| 6. 2019 | XXX | XXX | XXX | XXX | 912,346 |

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|--------------------------|--------------------------|--|--------------------------------|---|--------------------------------|------------------------|--|---|---------------------------------|
| 1. 2015..... | 1,034,286 | 881,400 | 24,993 | 2.8 | 906,393 | 87.6 | | | 906,393 | 87.6 |
| 2. 2016..... | 1,132,332 | 1,011,718 | 29,643 | 2.9 | 1,041,361 | 92.0 | 14 | | 1,041,375 | 92.0 |
| 3. 2017..... | 1,053,323 | 826,324 | 18,775 | 2.3 | 845,099 | 80.2 | 489 | | 845,588 | 80.3 |
| 4. 2018..... | 1,077,021 | 870,991 | 20,908 | 2.4 | 891,899 | 82.8 | 7,502 | | 899,401 | 83.5 |
| 5. 2019 | 1,086,691 | 790,636 | 20,838 | 2.6 | 811,474 | 74.7 | 121,711 | 2,735 | 935,920 | 86.1 |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey

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

Section A – Paid Health Claims - Medicare Supplement

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2015 | 2 2016 | 3 2017 | 4 2018 | 5 2019 |
| 1. Prior | .0 | .0 | .0 | .0 | .0 |
| 2. 2015 | 2,680 | 5,326 | 5,316 | 5,318 | 5,318 |
| 3. 2016 | XXX | 8,288 | 9,826 | 9,829 | 9,825 |
| 4. 2017 | XXX | XXX | 10,928 | 12,505 | 12,548 |
| 5. 2018 | XXX | XXX | XXX | 11,469 | 13,239 |
| 6. 2019 | XXX | XXX | XXX | XXX | 12,344 |

Section B - Incurred Health Claims - Medicare Supplement

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2015 | 2 2016 | 3 2017 | 4 2018 | 5 2019 |
| 1. Prior | .0 | .0 | .0 | .0 | .0 |
| 2. 2015 | 5,989 | 5,331 | 5,316 | 5,318 | 5,318 |
| 3. 2016 | XXX | 10,501 | 9,834 | 9,829 | 9,825 |
| 4. 2017 | XXX | XXX | 13,440 | 12,514 | 12,548 |
| 5. 2018 | XXX | XXX | XXX | 13,953 | 13,257 |
| 6. 2019 | XXX | XXX | XXX | XXX | 15,019 |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|--------------------------|--------------------------|--|--------------------------------|---|--------------------------------|------------------------|--|---|---------------------------------|
| 1. 2015..... | 7,465 | 5,318 | 305 | 5.7 | 5,623 | 75.3 | | | 5,623 | 75.3 |
| 2. 2016..... | 12,730 | 9,825 | 467 | 4.8 | 10,292 | 80.8 | | | 10,292 | 80.8 |
| 3. 2017..... | 17,082 | 12,548 | 539 | 4.3 | 13,087 | 76.6 | | | 13,087 | 76.6 |
| 4. 2018..... | 17,835 | 13,239 | 586 | 4.4 | 13,825 | 77.5 | 18 | | 13,843 | 77.6 |
| 5. 2019 | 17,846 | 12,344 | 632 | 5.1 | 12,976 | 72.7 | 2,675 | 64 | 15,715 | 88.1 |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey

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

Section A – Paid Health Claims - Dental Only

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2015 | 2 2016 | 3 2017 | 4 2018 | 5 2019 |
| 1. Prior | .0 | .0 | .0 | .0 | .0 |
| 2. 2015 | .56 | .56 | .56 | .56 | .56 |
| 3. 2016 | XXX | 1,142 | 1,142 | 1,142 | 1,142 |
| 4. 2017 | XXX | XXX | 40 | 40 | 40 |
| 5. 2018 | XXX | XXX | XXX | .31 | .31 |
| 6. 2019 | XXX | XXX | XXX | XXX | 51 |

Section B – Incurred Health Claims - Dental Only

| 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 | .0 | .0 | .0 | .0 | .0 |
| 2. 2015 | .56 | .56 | .56 | .56 | .56 |
| 3. 2016 | XXX | 1,142 | 1,142 | 1,142 | 1,142 |
| 4. 2017 | XXX | XXX | 40 | 40 | 40 |
| 5. 2018 | XXX | XXX | XXX | .31 | .31 |
| 6. 2019 | XXX | XXX | XXX | XXX | 51 |

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Dental Only

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|--------------------------|--------------------------|--|--------------------------------|---|--------------------------------|------------------------|--|---|---------------------------------|
| 1. 2015..... | 71 | .56 | | .0.0 | .56 | 78.9 | | | .56 | 78.9 |
| 2. 2016..... | 3,810 | 1,142 | | .0.0 | 1,142 | 30.0 | | | 1,142 | 30.0 |
| 3. 2017..... | 26 | 40 | | .0.0 | 40 | 153.8 | | | 40 | 153.8 |
| 4. 2018..... | 26 | 31 | | .0.0 | 31 | 119.2 | | | 31 | 119.2 |
| 5. 2019 | 66 | 51 | | 0.0 | 51 | 77.3 | | | 51 | 77.3 |

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

Section A – Paid Health Claims - Vision Only

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2015 | 2 2016 | 3 2017 | 4 2018 | 5 2019 |
| 1. Prior | 482 | 482 | 482 | 482 | 482 |
| 2. 2015 | 694 | 694 | 694 | 694 | 694 |
| 3. 2016 | XXX | 916 | 916 | 916 | 916 |
| 4. 2017 | XXX | XXX | 1,530 | 1,530 | 1,530 |
| 5. 2018 | XXX | XXX | XXX | 719 | 719 |
| 6. 2019 | XXX | XXX | XXX | XXX | 763 |

Section B - Incurred Health Claims - Vision Only

| 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 | 482 | 482 | 482 | 482 | 482 |
| 2. 2015 | 694 | 694 | 694 | 694 | 694 |
| 3. 2016 | XXX | 916 | 916 | 916 | 916 |
| 4. 2017 | XXX | XXX | 1,530 | 1,530 | 1,530 |
| 5. 2018 | XXX | XXX | XXX | 719 | 719 |
| 6. 2019 | XXX | XXX | XXX | XXX | 763 |

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Vision Only

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|--------------------------|--------------------------|--|--------------------------------|---|--------------------------------|------------------------|--|---|---------------------------------|
| 1. 2015..... | 986 | 694 | | 0.0 | 694 | 70.4 | | | 694 | 70.4 |
| 2. 2016..... | 1,278 | 916 | | 0.0 | 916 | 71.7 | | | 916 | 71.7 |
| 3. 2017..... | 1,455 | 1,530 | | 0.0 | 1,530 | 105.2 | | | 1,530 | 105.2 |
| 4. 2018..... | 1,511 | 719 | | 0.0 | 719 | 47.6 | | | 719 | 47.6 |
| 5. 2019 | 1,470 | 763 | | 0.0 | 763 | 51.9 | | | 763 | 51.9 |

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

Section A - Paid Health Claims - Medicare

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2015 | 2 2016 | 3 2017 | 4 2018 | 5 2019 |
| 1. Prior | .83,612 | .83,601 | .83,529 | .83,529 | .83,529 |
| 2. 2015 | 165,317 | 187,671 | 187,671 | 187,651 | 187,651 |
| 3. 2016 | XXX | 167,662 | 185,476 | 185,422 | 185,454 |
| 4. 2017 | XXX | XXX | (1) | .2 | .603 |
| 5. 2018 | XXX | XXX | XXX | .2 | .2 |
| 6. 2019 | XXX | XXX | XXX | XXX | (1) |

Section B - Incurred Health Claims - Medicare

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2015 | 2 2016 | 3 2017 | 4 2018 | 5 2019 |
| 1. Prior | .83,729 | .83,605 | .83,529 | .83,529 | .83,529 |
| 2. 2015 | 189,303 | 187,957 | 187,891 | 187,651 | 187,651 |
| 3. 2016 | XXX | 191,940 | 187,215 | 186,147 | 185,947 |
| 4. 2017 | XXX | XXX | .0 | .2 | .603 |
| 5. 2018 | XXX | XXX | XXX | .2 | .2 |
| 6. 2019 | XXX | XXX | XXX | XXX | 0 |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|--------------------------|--------------------------|--|--------------------------------|---|--------------------------------|------------------------|--|---|---------------------------------|
| 1. 2015..... | 198,322 | 187,651 | 5,181 | 2.8 | 192,832 | 97.2 | | | 192,832 | 97.2 |
| 2. 2016..... | 205,907 | 185,454 | 3,511 | 1.9 | 188,965 | 91.8 | 493 | | 189,458 | 92.0 |
| 3. 2017..... | 351 | 603 | 155 | 25.7 | 758 | 216.0 | .0 | | 758 | 216.0 |
| 4. 2018..... | (988) | .2 | .0 | 0.0 | .2 | (0.2) | .0 | | .2 | (0.2) |
| 5. 2019 | 1,155 | (1) | 0 | 0.0 | (1) | (0.1) | 1 | | 0 | 0.0 |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey

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

Section A - Paid Health Claims - Grand Total

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2015 | 2 2016 | 3 2017 | 4 2018 | 5 2019 |
| 1. Prior | 4,538,138 | 4,543,198 | 4,543,493 | 4,543,493 | 4,543,493 |
| 2. 2015..... | 937,406 | 1,073,254 | 1,073,906 | 1,075,119 | 1,075,119 |
| 3. 2016..... | XXX | 1,050,372 | 1,203,025 | 1,206,998 | 1,209,055 |
| 4. 2017..... | XXX | XXX | 756,574 | 837,411 | 841,045 |
| 5. 2018..... | XXX | XXX | XXX | 769,003 | 884,982 |
| 6. 2019..... | XXX | XXX | XXX | XXX | 803,793 |

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 | 4,539,819 | 4,543,472 | 4,543,608 | 4,543,493 | 4,543,493 |
| 2. 2015..... | 1,098,759 | 1,075,880 | 1,076,254 | 1,075,039 | 1,075,119 |
| 3. 2016..... | XXX | 1,218,374 | 1,209,032 | 1,208,960 | 1,209,562 |
| 4. 2017..... | XXX | XXX | 884,252 | 842,800 | 841,534 |
| 5. 2018..... | XXX | XXX | XXX | 899,820 | 892,503 |
| 6. 2019..... | XXX | XXX | XXX | XXX | 928,179 |

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

| Years in which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2+3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8) | 10 (Col. 9/1) Percent |
|--|--------------------------|--------------------------|--|--------------------------------|---|--------------------------------|------------------------|--|---|---------------------------------|
| 1. 2015..... | 1,241,130 | 1,075,119 | 30,479 | 2.8 | 1,105,598 | 89.1 | .0 | .0 | 1,105,598 | 89.1 |
| 2. 2016..... | 1,356,057 | 1,209,055 | 33,621 | 2.8 | 1,242,676 | 91.6 | 507 | .0 | 1,243,183 | 91.7 |
| 3. 2017..... | 1,072,237 | 841,045 | 19,469 | 2.3 | 860,514 | 80.3 | 489 | .0 | 861,003 | 80.3 |
| 4. 2018..... | 1,095,405 | 884,982 | 21,494 | 2.4 | 906,476 | 82.8 | 7,520 | .0 | 913,996 | 83.4 |
| 5. 2019..... | 1,107,228 | 803,793 | 21,470 | 2.7 | 825,263 | 74.5 | 124,387 | 2,799 | 952,449 | 86.0 |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey

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 & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefit 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 \$ for investment income)..... | 5,700,000 | 5,700,000 | | | | | | | |
| 5. Aggregate write-ins for other policy reserves | 114,752,375 | 114,752,375 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 6. Totals (gross) | 120,452,375 | 120,452,375 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 7. Reinsurance ceded | .0 | | | | | | | | |
| 8. Totals (Net) (Page 3, Line 4) | 120,452,375 | 120,452,375 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Present value of amounts not yet due on claims | .0 | | | | | | | | |
| 10. Reserve for future contingent benefits | 100,000 | 100,000 | | | | | | | |
| 11. Aggregate write-ins for other claim reserves | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 12. Totals (gross) | 100,000 | 100,000 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 13. Reinsurance ceded | .0 | | | | | | | | |
| 14. Totals (Net) (Page 3, Line 7) | 100,000 | 100,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 0501. Permanent ACA Risk Adjustment Program..... | 114,752,375 | 114,752,375 | | | | | | | |
| 0502. | .0 | | | | | | | | |
| 0503. | | | | | | | | | |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) | 114,752,375 | 114,752,375 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1101. | | | | | | | | | |
| 1102. | | | | | | | | | |
| 1103. | | | | | | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 1199. Totals (Lines 1101 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 (\$for occupancy of own building) | 560,747 | 1,600,000 | 3,763,182 | | 5,923,929 |
| 2. Salaries, wages and other benefits | 9,799,506 | 9,073,261 | 42,334,517 | | 61,207,284 |
| 3. Commissions (less \$ceded plus \$assumed) | | | 31,895,246 | | 31,895,246 |
| 4. Legal fees and expenses | 3,935 | | 643,807 | | 647,742 |
| 5. Certifications and accreditation fees | | | | | 0 |
| 6. Auditing, actuarial and other consulting services | 802,013 | 14,550 | 3,662,853 | | 4,479,416 |
| 7. Traveling expenses | 65,514 | 19,756 | 1,170,010 | | 1,255,280 |
| 8. Marketing and advertising | 85,565 | 4,438 | 6,466,225 | | 6,556,228 |
| 9. Postage, express and telephone | 19,075 | 150,916 | 539,300 | | 709,291 |
| 10. Printing and office supplies | 54,709 | 127,747 | 609,239 | | 791,695 |
| 11. Occupancy, depreciation and amortization | 79,107 | 228,459 | 437,707 | | 745,273 |
| 12. Equipment | 1,226,061 | 62,021 | 3,144,237 | | 4,432,319 |
| 13. Cost or depreciation of EDP equipment and software | 93,942 | 86,399 | 2,187,012 | | 2,367,353 |
| 14. Outsourced services including EDP, claims, and other services | 1,154,442 | 5,309,497 | 18,118,833 | | 24,582,772 |
| 15. Boards, bureaus and association fees | 16,143 | | 248,597 | | 264,740 |
| 16. Insurance, except on real estate | | | 1,085,649 | | 1,085,649 |
| 17. Collection and bank service charges | | | 639,390 | | 639,390 |
| 18. Group service and administration fees | (13,640) | (2,439) | (585,569) | | (601,648) |
| 19. Reimbursements by uninsured plans | 11,249 | 12,669 | 120,895 | | 144,813 |
| 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 | 1,277 | 304 | 2,516,810 | | 2,518,391 |
| 23.2 State premium taxes | 123 | | 9,293,368 | | 9,293,491 |
| 23.3 Regulatory authority licenses and fees | | | | | 0 |
| 23.4 Payroll taxes | 1,650,283 | 1,400,385 | 201,960 | | 3,252,628 |
| 23.5 Other (excluding federal income and real estate taxes) | | | 20,768,522 | | 20,768,522 |
| 24. Investment expenses not included elsewhere | | | | 646,607 | 646,607 |
| 25. Aggregate write-ins for expenses | 0 | 3,382,057 | 5,607,601 | 0 | 8,989,658 |
| 26. Total expenses incurred (Lines 1 to 25) | 15,610,051 | 21,470,020 | 154,869,391 | 646,607 | (a) .....192,596,069 |
| 27. Less expenses unpaid December 31, current year | | 2,799,249 | 15,421,578 | 154,800 | 18,375,627 |
| 28. Add expenses unpaid December 31, prior year | 0 | 2,159,519 | 14,770,115 | 148,400 | 17,078,034 |
| 29. Amounts receivable relating to uninsured plans, prior year | 0 | 0 | 21,140 | 0 | 21,140 |
| 30. Amounts receivable relating to uninsured plans, current year | | | | | 0 |
| 31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) | 15,610,051 | 20,830,290 | 154,196,788 | 640,207 | 191,277,336 |
| DETAILS OF WRITE-INS | | | | | |
| 2501. Miscellaneous Expenses | | | 5,682,575 | | 5,682,575 |
| 2502. Other Claims Adjustments | | 3,382,057 | (74,974) | | 3,307,083 |
| 2503. | | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 | 0 | 0 |
| 2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above) | 0 | 3,382,057 | 5,607,601 | 0 | 8,989,658 |

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

EXHIBIT OF NET INVESTMENT INCOME

| | | 1 | 2 |
|----------------------|---|--------------------------|-----------------------|
| | | Collected During Year | Earned During Year |
| 1. | U.S. Government bonds | (a).....1,223,324 |1,179,748 |
| 1.1 | Bonds exempt from U.S. tax | (a)..... | ..... |
| 1.2 | Other bonds (unaffiliated) | (a).....8,092,437 |8,154,081 |
| 1.3 | Bonds of affiliates | (a).....0 | ..... |
| 2.1 | Preferred stocks (unaffiliated) | (b).....0 | ..... |
| 2.11 | Preferred stocks of affiliates | (b).....0 | ..... |
| 2.2 | Common stocks (unaffiliated) |3,271 |3,271 |
| 2.21 | Common stocks of affiliates |0 | ..... |
| 3. | Mortgage loans | (c)..... | ..... |
| 4. | Real estate | (d)..... | ..... |
| 5. | Contract loans ..... | ..... | ..... |
| 6. | Cash, cash equivalents and short-term investments | (e).....4,710,332 |4,619,522 |
| 7. | Derivative instruments | (f)..... | ..... |
| 8. | Other invested assets ..... | ..... | ..... |
| 9. | Aggregate write-ins for investment income |0 |3,052 |
| 10. | Total gross investment income | 14,029,365 | 13,959,674 |
| 11. | Investment expenses | | (g).....646,607 |
| 12. | Investment taxes, licenses and fees, excluding federal income taxes | | (g)..... |
| 13. | Interest expense | | (h).....2,011,852 |
| 14. | Depreciation on real estate and other invested assets | | (i)..... |
| 15. | Aggregate write-ins for deductions from investment income | |5,578 |
| 16. | Total deductions (Lines 11 through 15) | |2,664,037 |
| 17. | Net investment income (Line 10 minus Line 16) | | 11,295,637 |
| DETAILS OF WRITE-INS | | | |
| 0901. | Contra Investment Income..... | |3,052 |
| 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 | 3,052 |
| 1501. | Other Expense..... | |5,578 |
| 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) | | 5,578 |

(a) Includes \$218,687 accrual of discount less \$371,557 amortization of premium and less \$132,562 paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$0 paid for accrued dividends on purchases.
(c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$4,858 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | | 1 | 2 | 3 | 4 | 5 |
|----------------------|--|--|----------------------------------|--|--|--|
| | | Realized Gain (Loss) On Sales or Maturity | Other Realized Adjustments | Total Realized Capital Gain (Loss) (Columns 1 + 2) | Change in Unrealized Capital Gain (Loss) | Change in Unrealized Foreign Exchange Capital Gain (Loss) |
| 1. | U.S. Government bonds |178,683 | ..... | .....178,683 | ..... | ..... |
| 1.1 | Bonds exempt from U.S. tax ..... | ..... | ..... | .....0 | ..... | ..... |
| 1.2 | Other bonds (unaffiliated) |107,049 | ..... | .....107,049 |28,858 | ..... |
| 1.3 | Bonds of affiliates |0 |0 |0 |0 |0 |
| 2.1 | Preferred stocks (unaffiliated) |0 |0 |0 |0 |0 |
| 2.11 | Preferred stocks of affiliates |0 |0 |0 |0 |0 |
| 2.2 | Common stocks (unaffiliated) |0 |0 |0 |0 |0 |
| 2.21 | Common stocks of affiliates |0 |0 |0 |0 |0 |
| 3. | Mortgage loans |0 |0 |0 |0 |0 |
| 4. | Real estate |0 |0 |0 | ..... | .....0 |
| 5. | Contract loans ..... | ..... | ..... | .....0 | ..... | ..... |
| 6. | Cash, cash equivalents and short-term investments |508 | ..... | .....508 |0 |0 |
| 7. | Derivative instruments ..... | ..... | ..... | .....0 | ..... | ..... |
| 8. | Other invested assets |0 |0 |0 |0 |0 |
| 9. | Aggregate write-ins for capital gains (losses) |0 |0 |0 |(40) |0 |
| 10. | Total capital gains (losses) | 286,240 | 0 | 286,240 | 28,818 | 0 |
| DETAILS OF WRITE-INS | | | | | | |
| 0901. | Other Change in Unrealized Capital Loss | |0 |0 |(40) | |
| 0902. | ..... |  |  |  |  |  |
| 0903. | ..... |  |  |  |  |  |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page |0 |0 |0 |0 |0 |
| 0999. | Totals (Lines 0901 through 0903 plus 0998) (Line 9 above) | 0 | 0 | 0 | (40) | 0 |

EXHIBIT OF NONADMITTED ASSETS

| | 1 | 2 | 3 |
|--|--|--|--|
| | Current Year Total Nonadmitted Assets | Prior Year Total Nonadmitted Assets | Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
| 1. Bonds (Schedule D)..... | 0 | 0 | 0 |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | 0 | 0 | 0 |
| 2.2 Common stocks | 0 | 0 | 0 |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | 0 | 0 | 0 |
| 3.2 Other than first liens | 0 | 0 | 0 |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | 0 | 0 | 0 |
| 4.2 Properties held for the production of income..... | 0 | 0 | 0 |
| 4.3 Properties held for sale | 0 | 0 | 0 |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)..... | 0 | 0 | 0 |
| 6. Contract loans | 0 | 0 | 0 |
| 7. Derivatives (Schedule DB)..... | 0 | 0 | 0 |
| 8. Other invested assets (Schedule BA) | 0 | 0 | 0 |
| 9. Receivables for securities | 0 | 0 | 0 |
| 10. Securities lending reinvested collateral assets (Schedule DL)..... | 0 | 0 | 0 |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 0 | 0 | 0 |
| 13. Title plants (for Title insurers only)..... | 0 | 0 | 0 |
| 14. Investment income due and accrued | 0 | 0 | 0 |
| 15. Premiums and considerations: | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection..... | 7,067,389 | 5,761,046 | (1,306,343) |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due..... | 0 | 0 | 0 |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination | 0 | 0 | 0 |
| 16. Reinsurance: | | | |
| 16.1 Amounts recoverable from reinsurers | 0 | 0 | 0 |
| 16.2 Funds held by or deposited with reinsured companies | 0 | 0 | 0 |
| 16.3 Other amounts receivable under reinsurance contracts | 0 | 0 | 0 |
| 17. Amounts receivable relating to uninsured plans | 215 | 0 | (215) |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | 0 | 0 | 0 |
| 18.2 Net deferred tax asset..... | 8,344 | 28,886 | 20,542 |
| 19. Guaranty funds receivable or on deposit | 0 | 0 | 0 |
| 20. Electronic data processing equipment and software..... | 0 | 0 | 0 |
| 21. Furniture and equipment, including health care delivery assets | 258,568 | 258,084 | (484) |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | 0 | 0 | 0 |
| 23. Receivables from parent, subsidiaries and affiliates | 0 | 0 | 0 |
| 24. Health care and other amounts receivable..... | 3,128,921 | 2,463,170 | (665,751) |
| 25. Aggregate write-ins for other-than-invested assets | 89,554,119 | 89,761,005 | 206,886 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)..... | 100,017,556 | 98,272,191 | (1,745,365) |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts..... | 0 | 0 | 0 |
| 28. Total (Lines 26 and 27) | 100,017,556 | 98,272,191 | (1,745,365) |
| DETAILS OF WRITE-INS | | | |
| 1101. | | 0 | 0 |
| 1102. | | | |
| 1103. | | | |
| 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. Health Care Reform..... | 89,375,324 | 89,375,324 | 0 |
| 2502. Other assets non-admitted..... | 178,795 | 385,681 | 206,886 |
| 2503. | | | |
| 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) | 89,554,119 | 89,761,005 | 206,886 |

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..... | .0 | | | | | |
| 2. Provider Service Organizations..... | .0 | | | | | |
| 3. Preferred Provider Organizations..... | 140,388 | 166,488 | 159,943 | 153,620 | 148,088 | 1,859,352 |
| 4. Point of Service..... | 12,929 | 11,323 | 10,843 | 9,973 | 9,333 | 125,107 |
| 5. Indemnity Only..... | .77 | .73 | .73 | .78 | .81 | .909 |
| 6. Aggregate write-ins for other lines of business..... | 7,089 | 6,996 | 6,953 | 6,930 | 6,821 | .82,998 |
| 7. Total | 160,483 | 184,880 | 177,812 | 170,601 | 164,323 | 2,068,366 |
| DETAILS OF WRITE-INS | | | | | | |
| 0601. Medicare Supplement..... | 7,089 | 6,996 | 6,953 | 6,930 | 6,821 | .82,998 |
| 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) | 7,089 | 6,996 | 6,953 | 6,930 | 6,821 | .82,998 |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey

NOTES TO FINANCIAL STATEMENTS

These items are based on illustrations taken from the NAIC Annual Statement Instructions

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of AmeriHealth Insurance Company of New Jersey (the “Company” or “AHIC NJ”) are presented on the basis of accounting practices prescribed or permitted by the New Jersey Department of Banking and Insurance.

The Department of Banking and Insurance of the State of New Jersey (“DBISNJ”) recognizes only statutory accounting practices prescribed or permitted by the State of New Jersey for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the New Jersey Insurance Law. The National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures Manual, version as of March 2019, (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the State of New Jersey, subject to any deviations prescribed or permitted by the State of New Jersey Insurance Commissioner.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of New Jersey 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 | \$34,954,632 | \$50,950,788 |
| (2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP: | XXX..... | XXX | XXX | \$ | \$ |
| (3) State Permitted Practices that are an increase/(decrease) from NAIC SAP: | XXX..... | XXX | XXX | \$ | \$ |
| (4) NAIC SAP (1-2-3=4) | XXX..... | XXX | XXX | \$34,954,632 | \$50,950,788 |
| SURPLUS | | | | | |
| (5) Company state basis (Page 3, Line 33, Columns 3 & 4) | XXX..... | XXX | XXX | \$186,065,974 | \$209,644,394 |
| (6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP: | XXX..... | XXX | XXX | \$ | \$ |
| (7) State Permitted Practices that increase/(decrease) NAIC SAP: | XXX..... | XXX | XXX | \$ | \$ |
| (8) NAIC SAP (5-6-7=8) | XXX..... | XXX | XXX | \$186,065,974 | \$209,644,394 |

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

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 expense during the period. Actual results could differ from those estimates.

C. Accounting Policy

Asset values are generally stated as follows:

- (1) Short-term investments that are designated highest quality and high-quality (NAIC designations 1 and 2, respectively) are reported at amortized cost; while all other short-term investments (NAIC designations 3 to 6) are reported at the lower of amortized cost or fair value.
- (2) Bonds, excluding loan-backed and structured securities, that are designated highest quality and high-quality (NAIC designations 1 and 2, respectively) are reported at amortized cost; while all other bonds (NAIC designations 3 to 6) are reported at the lower of amortized cost or fair value using the Scientific amortization method.
- (3) Federal Home Loan Bank (FHLB) Common Stock is stated at par value.
- (4) Preferred Stocks are stated in accordance with the guidance provided in SSAP No. 32. – None
- (5) Mortgage loans on real estate – None
- (6) Loan-backed securities that are designated highest quality and high-quality (NAIC designations 1 and 2, respectively) are reported at amortized cost; while all other loan-backed securities (NAIC designations 3 to 6) are reported at the lower of amortized cost or fair value using the Prospective adjustment method.
- (7) Non-insurance subsidiaries - None
- (8) Joint Ventures, Partnerships, and Limited Liability Companies - None
- (9) Derivatives – None
- (10) The Company did not consider anticipated investment income when calculating its premium deficiency reserves.
- (11) Estimates of outstanding claim liabilities and claim adjustment expenses are based on analysis of prior experience. The methods are continually reviewed and adjustments to prior-period estimates are reflected in the current period. Such estimates are necessarily based on assumptions. While management believes the reported amount is adequate, the ultimate liability may be greater or less than the amount provided for.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) For the most recent completed quarter, pharmacy rebate receivables are estimated based on the prior quarter’s invoice. For all other quarters, the rebate is based on actual invoiced rebates, less amounts received.

D. Going Concern – Not applicable

2. Accounting Changes and Corrections of Errors

Material changes in accounting principle and/or correction of errors – None

3. Business Combinations and Goodwill

- A. Statutory Purchase Method – None
- B. Statutory Merger – None
- C. Assumption Reinsurance – None
- D. Impairment Loss recognized on Business Combinations and Goodwill – None

4. Discontinued Operations – None

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey

NOTES TO FINANCIAL STATEMENTS

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – None
- B. Debt Restructuring – None
- C. Reverse Mortgages – None
- D. Loan-Backed Securities

- (1) Description of sources used to determine prepayment assumptions
Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker dealer survey values or internal estimates.
- (2) All securities within the scope of this statement with a recognized other-than-temporary impairment (“OTTI”), disclosed in the aggregate, classified on the basis for the other-than-temporary impairment - None
- (3) For each security, by CUSIP, with a recognized OTTI, currently held by the reporting entity, as the present value of cash flows expected to be collected is less than the amortized cost basis of the securities - None
- (4) All impaired securities (fair value is less than cost or amortized cost) for which an OTTI has not been recognized in earnings as a realized loss (including securities with a recognized OTTI for non-interest related declines when a non-recognized interest related impairment remains):
- a. The aggregate amount of unrealized losses:

| | |
|------------------------|--------------------|
| 1. Less than 12 Months | \$ (114,679) |
| 2. 12 Months or Longer | \$ (94) |

- b. The aggregate related fair value of securities with unrealized losses:

| | |
|------------------------|---------------------|
| 1. Less than 12 Months | \$ 28,808,013 |
| 2. 12 Months or Longer | \$ 258,837 |

- (5) An OTTI is recognized if either a credit-related loss is deemed to have occurred or if the Company has the intention to sell a security that is in an unrealized loss position. Based upon the Company’s evaluation of the unrealized losses at December 31, 2019, in accordance with the Company’s impairment policy, the Company has concluded that these securities are not other-than-temporarily impaired, as the cause of the decline was primarily attributable to interest rate increases and not by long-term deterioration in the credit ratings associated with these securities.

- E. Dollar Repurchase Agreements and/or Securities Lending Transactions
 - (1) Repurchase agreements – None
 - (2) The Company has \$0 of its assets as collateral, which are classified as Securities pledged to creditors as of December 31, 2019.
- 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
- J. Real Estate – None
- K. Investments in low-income housing tax credits (“LIHTC”) - None

- L. Restricted Assets

- (1) Restricted Assets (Including Pledged)

| Restricted Asset Category | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|--|---|---|----------------------------------|---|--|---|--|
| | Total Gross (Admitted & Nonadmitted) Restricted from Current Year | Total Gross (Admitted & Nonadmitted) Restricted From Prior Year | Increase/ (Decrease) (1 minus 2) | Total Current Year Nonadmitted Restricted | Total Current Year Admitted Restricted (1 minus 4) | Gross (Admitted & Nonadmitted) Restricted to Total Assets (a) | Admitted Restricted to Total Admitted Assets (b) |
| a. Subject to contractual obligation for which liability is not shown | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0.0 % | 0.0 % |
| b. Collateral held under security lending agreements | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 |
| c. Subject to repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 |
| d. Subject to reverse repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 |
| e. Subject to dollar repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 |
| f. Subject to dollar reverse repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 |
| g. Placed under option contracts | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 |
| h. Letter stock or securities restricted as to sale – excluding FHLB capital stock | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 |
| i. FHLB capital stock | 74,800 | 70,600 | 4,200 | 0 | 74,800 | 0.0 | 0.0 |
| j. On deposit with states | 113,652 | 112,499 | 1,153 | 0 | 113,652 | 0.0 | 0.0 |
| k. On deposit with other regulatory bodies | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 |
| l. Pledged as collateral to FHLB (including assets backing funding agreements) | 35,494,158 | 54,059,308 | (18,565,150) | 0 | 35,494,158 | 5.8% | 6.9% |
| m. Pledged as collateral not captured in other categories | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 |
| n. Other restricted assets | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 |
| b. Total Restricted Assets | \$ 35,682,610 | \$ 54,242,407 | \$ (18,559,797) | \$ 0 | \$ 35,682,610 | 5.8% | 7.0% |

(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) – None
- (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) Aggregate Amount of Investment Income

| | |
|-----------------|---------|
| General Account | |
| ..... | 2 |
| ..... | 130,213 |

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

- A. All investment income due and accrued with amounts that are 90 days past due are excluded (non-admitted) from surplus.
- B. The total amount excluded from surplus in the current period was \$0.

8. Derivative Instruments – None

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey

NOTES TO FINANCIAL STATEMENTS

9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.

| 12/31/2019 | | | |
|---|---------------------|--------------------|---------------------|
| (1) | (2) | (3) | |
| Ordinary | Capital | (Col 1+2) Total | |
| (a) Gross Deferred Tax Assets | \$ 29,293,704 | \$ 8,344 | \$ 29,302,048 |
| (b) Statutory Valuation Allowance Adjustments | \$ 0 | \$ 0 | \$ 0 |
| (c) Adjusted Gross Deferred Tax Assets (1a – 1b) | \$ 29,293,704 | \$ 8,344 | \$ 29,302,048 |
| (d) Deferred Tax Assets Nonadmitted | \$ 0 | \$ 8,344 | \$ 8,344 |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c -1d) | \$ 29,293,704 | \$ 0 | \$ 29,293,704 |
| (f) Deferred Tax Liabilities | \$ 23,256,922 | \$ 0 | \$ 23,256,922 |
| (g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f) | \$ 6,036,782 | \$ 0 | \$ 6,036,782 |

| 12/31/2018 | | | |
|---|---------------------|--------------------|---------------------|
| (4) | (5) | (6) | |
| Ordinary | Capital | (Col 4+5) Total | |
| (a) Gross Deferred Tax Assets | \$ 36,323,070 | \$ 28,886 | \$ 36,351,956 |
| (b) Statutory Valuation Allowance Adjustments | \$ 0 | \$ 0 | \$ 0 |
| (c) Adjusted Gross Deferred Tax Assets (1a – 1b) | \$ 36,323,070 | \$ 28,886 | \$ 36,351,956 |
| (d) Deferred Tax Assets Nonadmitted | \$ 0 | \$ 28,886 | \$ 28,886 |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c -1d) | \$ 36,323,070 | \$ 0 | \$ 36,323,070 |
| (f) Deferred Tax Liabilities | \$ 23,490,327 | \$ 0 | \$ 23,490,327 |
| (g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f) | \$ 12,832,743 | \$ 0 | \$ 12,832,743 |

| Change | | | |
|---|----------------------|--------------------|----------------------|
| (7) | (8) | (9) | |
| (Col 1-4) Ordinary | (Col 2-5) Capital | (Col 7+8) Total | |
| (a) Gross Deferred Tax Assets | \$ (7,029,366) | \$ (20,542) | \$ (7,049,908) |
| (b) Statutory Valuation Allowance Adjustments | \$ 0 | \$ 0 | \$ 0 |
| (c) Adjusted Gross Deferred Tax Assets (1a – 1b) | \$ (7,029,366) | \$ (20,542) | \$ (7,049,908) |
| (d) Deferred Tax Assets Nonadmitted | \$ 0 | \$ (20,542) | \$ (20,542) |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c -1d) | \$ (7,029,366) | \$ 0 | \$ (7,029,366) |
| (f) Deferred Tax Liabilities | \$ (233,405) | \$ 0 | \$ (233,405) |
| (g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e – 1f) | \$ (6,795,961) | \$ 0 | \$ (6,795,961) |

2.

| 12/31/2019 | | | |
|------------|---------|--------------------|--|
| (1) | (2) | (3) | |
| Ordinary | Capital | (Col 1+2) Total | |

Admission Calculation Components SSAP No. 101

| | | | |
|---|---------------------|------------|---------------------|
| (a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks. | \$ 0 | \$ 0 | \$ 0 |
| (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) | \$ 8,977,549 | \$ 0 | \$ 8,977,549 |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date. | \$ 8,977,549 | \$ 0 | \$ 8,977,549 |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold. | XXX | XXX | \$ 27,004,379 |
| (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. | \$ 20,316,155 | \$ 0 | \$ 20,316,155 |
| (d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c)) | \$ 29,293,704 | \$ 0 | \$ 29,293,704 |

| 12/31/2018 | | | |
|---|---------------------|--------------------|---------------------|
| (4) | (5) | (6) | |
| Ordinary | Capital | (Col 4+5) Total | |
| (a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks. | \$ 0 | \$ 0 | \$ 0 |
| (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) | \$ 16,081,244 | \$ 0 | \$ 16,081,244 |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date. | \$ 16,081,244 | \$ 0 | \$ 16,081,244 |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold. | XXX | XXX | \$ 29,521,747 |
| (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. | \$ 20,241,826 | \$ 0 | \$ 20,241,826 |
| (d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c)) | \$ 36,323,070 | \$ 0 | \$ 36,323,070 |

| Change | | | |
|---|----------------------|--------------------|----------------------|
| (7) | (8) | (9) | |
| (Col 1-4) Ordinary | (Col 2-5) Capital | (Col 7+8) Total | |
| (a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks. | \$ 0 | \$ 0 | \$ 0 |
| (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) | \$ (7,103,695) | \$ 0 | \$ (7,103,695) |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date. | \$ (7,103,695) | \$ 0 | \$ (7,103,695) |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold. | XXX | XXX | \$ (2,517,368) |
| (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. | \$ 74,329 | \$ 0 | \$ 74,329 |
| (d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c)) | \$ (7,029,366) | \$ 0 | \$ (7,029,366) |

3.

| 2019 | | 2018 | |
|---|----------------------|----------------------|--|
| (a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount. | 488% | 561% | |
| (b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above. | \$ 180,029,192 | \$ 196,811,651 | |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey

NOTES TO FINANCIAL STATEMENTS

4.

| 12/31/2019 | |
|------------|---------|
| (1) | (2) |
| Ordinary | Capital |

Impact of Tax Planning Strategies

| | | | |
|-----|--|------------|-------|
| (a) | Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage. | | |
| | 1. Adjusted Gross DTAs Amount From Note 9A(c) | 29,293,704 | 8,344 |
| | 2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies | 0.0 | 0.0 |
| | 3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e) | 29,293,704 | 0 |
| | 4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies | 0.0 | 0.0 |

| 12/31/2018 | |
|------------|---------|
| (3) | (4) |
| Ordinary | Capital |

| | | | |
|-----|--|------------|--------|
| (a) | 1. Adjusted Gross DTAs Amount From Note 9A1(c) | 36,323,070 | 28,886 |
| | 2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies | 0.0 | 0.0 |
| | 3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e) | 36,323,070 | 0 |
| | 4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies | 0.0 | 0.0 |

| Change | |
|-----------------------|----------------------|
| (5) | (6) |
| (Col 1-3) Ordinary | (Col 2-4) Capital |

| | | | |
|-----|--|-------------|----------|
| (a) | 1. Adjusted Gross DTAs Amount From Note 9A1(c) | (7,029,366) | (20,542) |
| | 2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies | 0.0 | 0.0 |
| | 3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e) | (7,029,366) | 0 |
| | 4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies | 0.0 | 0.0 |

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

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

| (1) | (2) | (3) |
|------------|------------|---------------------|
| 12/31/2019 | 12/31/2018 | (Col 1-2) Change |

1. Current Income Tax

| | | | | |
|-----|--|------|------|------|
| (a) | Federal | \$ 0 | \$ 0 | \$ 0 |
| (b) | Foreign | \$ 0 | \$ 0 | \$ 0 |
| (c) | Subtotal | \$ 0 | \$ 0 | \$ 0 |
| (d) | Federal income tax on net capital gains | \$ 0 | \$ 0 | \$ 0 |
| (e) | Utilization of capital loss carry-forwards | \$ 0 | \$ 0 | \$ 0 |
| (f) | Other | \$ 0 | \$ 0 | \$ 0 |
| (g) | Federal and foreign income taxes incurred | \$ 0 | \$ 0 | \$ 0 |

2. Deferred Tax Assets:

| | | | | |
|-----|---|---------------|---------------|----------------|
| (a) | Ordinary | | | |
| | (1) Discounting of unpaid losses | \$ 514,975 | \$ 522,627 | \$ (7,652) |
| | (2) Unearned premium reserve | \$ 1,451,191 | \$ 1,386,465 | \$ 64,726 |
| | (3) Policyholder reserves | \$ 0 | \$ 0 | \$ 0 |
| | (4) Investments | \$ 0 | \$ 0 | \$ 0 |
| | (5) Deferred acquisition costs | \$ 0 | \$ 0 | \$ 0 |
| | (6) Policyholder dividends accrual | \$ 0 | \$ 0 | \$ 0 |
| | (7) Fixed assets | \$ 0 | \$ 0 | \$ 0 |
| | (8) Compensation and benefits accrual | \$ 628 | \$ 98,491 | \$ (97,863) |
| | (9) Pension accrual | \$ 0 | \$ 0 | \$ 0 |
| | (10) Receivables – nonadmitted | \$ 21,001,934 | \$ 20,631,095 | \$ 370,839 |
| | (11) Net operating loss carry-forward | \$ 5,602,539 | \$ 13,115,174 | \$ (7,512,635) |
| | (12) Tax credit carry-forward | \$ 0 | \$ 0 | \$ 0 |
| | (13) Other (including items <5% of total ordinary tax assets) | \$ 722,437 | \$ 569,218 | \$ 153,219 |
| | (99) Subtotal | \$ 29,293,704 | \$ 36,323,070 | \$ (7,029,366) |
| (b) | Statutory valuation allowance adjustment | \$ 0 | \$ 0 | \$ 0 |
| (c) | Nonadmitted | \$ 0 | \$ 0 | \$ 0 |
| (d) | Admitted ordinary deferred tax assets (2a99 – 2b – 2c) | \$ 29,293,704 | \$ 36,323,070 | \$ (7,029,366) |
| (e) | Capital: | | | |
| | (1) Investments | \$ 8,344 | \$ 14,396 | \$ (6,052) |
| | (2) Net capital loss carry-forward | \$ 0 | \$ 14,490 | \$ (14,490) |
| | (3) Real estate | \$ 0 | \$ 0 | \$ 0 |
| | (4) Other (including items <5% of total capital tax assets) | \$ 0 | \$ 0 | \$ 0 |
| | (99) Subtotal | \$ 8,344 | \$ 28,886 | \$ (20,542) |
| (f) | Statutory valuation allowance adjustment | \$ 0 | \$ 0 | \$ 0 |
| (g) | Nonadmitted | \$ 8,344 | \$ 28,886 | \$ (20,542) |
| (h) | Admitted capital deferred tax assets (2e99 – 2f – 2g) | \$ 0 | \$ 0 | \$ 0 |
| (i) | Admitted deferred tax assets (2d + 2h) | \$ 29,293,704 | \$ 36,323,070 | \$ (7,029,366) |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey

NOTES TO FINANCIAL STATEMENTS

| | | | | |
|-----|--|---------------------|---------------------|----------------------|
| 3. | Deferred Tax Liabilities: | | | |
| | (a) Ordinary | | | |
| | (1) Investments | \$ 0 | \$ 0 | \$ 0 |
| | (2) Fixed assets | \$ 0 | \$ 0 | \$ 0 |
| | (3) Deferred and uncollected premium | \$ 1,482,128 | \$ 1,204,521 | \$ 277,607 |
| | (4) Policyholder reserves | \$ 18,768,818 | \$ 18,768,818 | \$ 0 |
| | (5) Other (including items<5% of total ordinary tax liabilities) | \$ 3,005,976 | \$ 3,516,988 | \$ (511,012) |
| | (99) Subtotal | \$ 23,256,922 | \$ 23,490,327 | \$ (233,405) |
| | (b) Capital: | | | |
| | (1) Investments | \$ 0 | \$ 0 | \$ 0 |
| | (2) Real estate | \$ 0 | \$ 0 | \$ 0 |
| | (3) Other (including items <5% of total capital tax liabilities) | \$ 0 | \$ 0 | \$ 0 |
| | (99) Subtotal | \$ 0 | \$ 0 | \$ 0 |
| | (c) Deferred tax liabilities (3a99 + 3b99) | \$ 23,256,922 | \$ 23,490,327 | \$ (233,405) |
| 4. | Net deferred tax assets/liabilities (2i – 3c) | \$ 6,036,782 | \$ 12,832,743 | \$ (6,795,961) |
| D. | The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to pre-tax income. The significant items causing this difference are as follows: | | | |
| | | 12/31/2019 | 12/31/2018 | |
| | Current income tax (benefit) expense incurred | \$ 0 | \$ 0 | |
| | Change in deferred income tax (without tax on unrealized gains and losses) | 6,810,451 | 15,489,744 | |
| | Total income tax (benefit) expense reported | 6,810,451 | 15,489,744 | |
| | Income before taxes | 34,954,632 | 50,950,788 | |
| | Statutory Tax Rate | 21% | 21% | |
| | Expected income tax benefit at statutory tax rate | 7,340,473 | 10,699,665 | |
| | Increase (decrease) in actual tax reported resulting from: | | | |
| | a. Dividends from Subsidiaries | 0 | 0 | |
| | b. Dividends Received Deduction | (343) | 0 | |
| | c. Nondeductible expenses for Meals and Entertainment | 168,763 | 216,283 | |
| | d. DRD, Net of 15% | 0 | 0 | |
| | e. Change in deferred taxes on nonadmitted assets | (370,839) | (65,921) | |
| | f. Change in valuation allowance adjustment | 0 | 0 | |
| | g. Health Insurer Fee | 0 | 4,416,858 | |
| | h. Nondeductible Compensation | 116,965 | 247,537 | |
| | i. Other - rounding | (444,654) | (24,678) | |
| | j. Effect of Change in Tax Law | 0 | 0 | |
| | Total income tax (benefit) expense reported | 6,810,451 | 15,489,744 | |
| E. | Operating loss carry-forward | | | |
| | (1) As of December 31, 2019, there is a \$26,678,757 operating loss carryforward available for tax purposes | | | |
| | (2) The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are: | | | |
| | | Ordinary | Capital | |
| | 2019 | \$ 0 | \$ 0 | |
| | 2018 | \$ 0 | \$ 0 | |
| | (3) The aggregate amount of deposits admitted under Section 6603 of the Internal Revenue Code –Not Applicable | | | |
| F. | (1) As of July 1, 2014, this company is a standalone taxpayer. | | | |
| I. | Alternative Minimum Tax Credit | | | Amount |
| | (1) Gross AMT Credit Recognized as: | | | |
| | a. Current year recoverable | | | \$ 92,310 |
| | b. Deferred tax asset (DTA) | | | \$ 0 |
| | (2) Beginning Balance of AMT Credit Carryforward | | | \$ 184,621 |
| | (3) Amounts Recovered | | | \$ 92,311 |
| | (4) Adjustments | | | \$ 0 |
| | (5) Ending Balance of AMT Credit Carryforward (5=2-3-4) | | | \$ 92,310 |
| | (6) Reduction for Sequestration | | | \$ 0 |
| | (7) Nonadmitted by Reporting Entity | | | \$ 0 |
| | (8) Reporting Entity Balance (8=5-6-7) | | | \$ 92,310 |
| 10. | Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties | | | |
| | A. The Company is a wholly-owned subsidiary of AmeriHealth New Jersey, LLC (“AmeriHealth NJ LLC”). The Company is an indirect subsidiary of Independence Health Group, Inc. (“IHG”), a nonprofit, non-member corporation in the Commonwealth of Pennsylvania with a mission to enhance the health and wellness of the people and communities it serves. | | | |
| | B., C. On July 1, 2014, pursuant to a Limited Liability Company Formation and Subscription Agreement, IHG and Cooper Health System (“Cooper”), formed a new entity, AmeriHealth NJ LLC, for the purpose of engaging in the business of health care services, insurance and administration for New Jersey domiciled subscribers. | | | |
| | In exchange for an 80% interest in the future earnings of AmeriHealth NJ LLC, IHG contributed all of the issued and outstanding stock of the Company, as well as the economic benefits and costs associated with its New Jersey domiciled subscribers of AmeriHealth HMO, Inc. and AmeriHealth Administrators, Inc. to AmeriHealth NJ LLC. Cooper acquired a 20% interest in the future earnings of AmeriHealth NJ LLC in exchange for a cash contribution, which was diluted to 7.6% in 2017. | | | |
| | As of December 31, 2019, and 2018, IHG owns 100% of Members’ equity in AmeriHealth NJ LLC. The ownership in members’ equity reflects the accumulation of allocated net income (loss) and members’ contributions. | | | |
| | The Company has a reinsurance agreement with AmeriHealth HMO, Inc. which AHIC NJ will reinsure on an indemnity basis a one-hundred percent quota share of the included contracts. Per the terms of the reinsurance agreement, AmeriHealth HMO, Inc. will cede to AHIC NJ gross premiums, claims incurred, and all other expenses related with New Jersey domiciled groups and members. | | | |
| | The Company has a reinsurance agreement with QCC Insurance Company, an indirect wholly-owned subsidiary of IHG, in which the Company cedes on an indemnity basis a one-hundred percent quota share of dental benefits for which third-party administration services are provided by UCD. | | | |
| | Organizational structure and transactions between parent company and subsidiaries are reflected in Schedule Y, Parts 1 and 2. | | | |
| | D. Amounts due from/to related parties are reflected on Exhibit 5 and 6, respectively. The terms of the settlement require that these amounts are generally settled within 30 days, but in no case beyond 90 days. In addition, these amounts may include balances from an inter-company loan agreement where amounts may be borrowed and repaid within up to 365 days. | | | |
| | E. Parental Guarantees - None | | | |
| | F. The Company has a service agreement with Independence Blue Cross, LLC (“IBC LLC”) and its affiliates for performance of certain personnel related services. IBC LLC and its affiliates are compensated at actual cost. The Company also has agreements with its affiliates for the use of its and their provider networks. | | | |
| | G. All outstanding shares of the Company are owned by AmeriHealth NJ LLC. | | | |
| | H. Amounts deducted from the value of an upstream intermediate entity or ultimate parent, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity - None | | | |
| | I. Investments in a Subsidiary, Controlled or Affiliated entity that exceed 10% of admitted assets – None | | | |
| | J. Write-downs for impaired investments in Subsidiary, Controlled or Affiliated entities – None | | | |
| | K. Investment in foreign insurance subsidiary – N/A | | | |
| | L. Investment in a downstream noninsurance holding company - None | | | |
| | M. All SCA Investments | | | |
| | (1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities) – None | | | |
| | (2) NAIC Filing Response Information – N/A | | | |
| | N. Investment in Insurance SCAs – None | | | |
| | O. SCA or SSAP No. 48 Entity Loss Tracking – None | | | |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey

NOTES TO FINANCIAL STATEMENTS

11. Debt
- A. Capital Notes – None
- B. Federal Home Loan Bank ("FHLB") Agreements

(1) The Company is a member of the Federal Home Loan Bank (FHLB) of Pittsburgh. Through its membership, the Company will be conducting business activity (borrowings) with the FHLB. It is part of the Company's strategy to utilize these funds as working capital. The Company determined the Maximum Borrowing Capacity (MBC) as \$32,077,001. In accordance with the Capital Plan of FHLB of Pittsburgh, this amount was calculated by applying the Membership Asset Value Factor (MAVF) to the pledged collateral.

(2) FHLB Capital Stock

a. Aggregate Totals

| | | Total |
|---|--|------------|
| 1. Current Year | | |
| (a) Membership Stock – Class A | | 0 |
| (b) Membership Stock – Class B | | 74,800 |
| (c) Activity Stock | | 0 |
| (d) Excess Stock | | 0 |
| (e) Aggregate Total (a+b+c+d) | | 74,800 |
| (f) Actual or estimated Borrowing Capacity as Determined by the Insurer | | 32,077,001 |
| 2. Prior Year-end | | |
| (a) Membership Stock – Class A | | 0 |
| (b) Membership Stock – Class B | | 70,600 |
| (c) Activity Stock | | 0 |
| (d) Excess Stock | | 0 |
| (e) Aggregate Total (a+b+c+d) | | 70,600 |
| (f) Actual or estimated Borrowing Capacity as Determined by the Insurer | | 47,982,873 |

11B(2)a1(f) should be equal to or greater than 11B(4)a1(d)

11B(2)a2(f) should be equal to or greater than 11B(4)a2(d)

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

| Membership Stock | 1 | 2 | Eligible for Redemption | | | |
|--|-----------------------------------|-----------------------------|-------------------------|-----------------------------------|-----------------------------|-------------------|
| | Current Year Total (2+3+4+5+6) | Not Eligible for Redemption | 3 Less Than 6 Months | 4 6 months to Less Than 1 year | 5 1 to Less Than 3 Years | 6 3 to 5 Years |
| 1. Class A | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Class B | 74,800 | 74,800 | 0 | 0 | 0 | 0 |
| 11B(2)b1 Current Year Total (Column 1) should equal 11B(2)a1(a) Total (Column 1) | | | | | | |
| 11B(2)b2 Current Year Total (Column 1) should equal 11B(2)a1(b) Total (Column 1) | | | | | | |

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

| | | 1 Fair Value | 2 Carrying Value | 3 Aggregate Total Borrowing |
|--|--|-----------------|---------------------|--------------------------------|
| 1. Current Year Total Collateral Pledged | | 35,706,456 | 35,494,158 | 0 |
| 2. Prior Year-end Total Collateral Pledged | | 52,090,706 | 53,542,178 | 260,500 |
| 11B(3)a1 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b1 (Columns 1, 2 and 3 respectively) | | | | |
| 11B(3)a2 (Columns 1, 2 and 3) should be equal to or less than 11B(3)b2 (Columns 1, 2 and 3 respectively) | | | | |

b. Maximum Amount Pledged During Reporting Period

| | | 1 Fair Value | 2 Carrying Value | 3 Amount Borrowed at Time of Maximum Collateral |
|--|--|-----------------|---------------------|--|
| 1. Current Year Total Maximum Collateral Pledged | | 53,070,795 | 52,957,153 | 260,500 |
| 2. Prior Year-end Total Maximum Collateral Pledged | | 52,090,706 | 53,542,178 | 260,500 |

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

1. Current Year

| | | Total | Funding Agreements Reserves Established |
|-----------------------------|--|-------|---|
| (a) Debt | | 0 | XXX |
| (b) Funding Agreements | | 0 | 0 |
| (c) Other | | 0 | XXX |
| (d) Aggregate Total (a+b+c) | | 0 | 0 |

2. Prior Year-end

| | | Total | Funding Agreements Reserves Established |
|-----------------------------|--|-------|---|
| (a) Debt | | 0 | XXX |
| (b) Funding Agreements | | 0 | 0 |
| (c) Other | | 0 | XXX |
| (d) Aggregate Total (a+b+c) | | 0 | 0 |

b. Maximum Amount during Reporting Period (Current Year)

| | | Total |
|---|--|-------|
| 1. Debt | | 0 |
| 2. Funding Agreements | | 0 |
| 3. Other | | 0 |
| 4. Aggregate Total (Lines 1+2+3) | | 0 |
| 11B(4)b4 should be equal to or greater than 11B(4)a1(d) | | |

c. FHLB – Prepayment Obligations

| | | Does the company have prepayment obligations under the following arrangements (YES/NO)? |
|-----------------------|--|---|
| 1. Debt | | NO |
| 2. Funding Agreements | | NO |
| 3. Other | | NO |

C. All Other Debt – None

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey

NOTES TO FINANCIAL STATEMENTS

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

IHG maintains all pension and other postretirement benefit plans on behalf of the Company. IHG sponsors a noncontributory defined benefit pension plan through IBC LLC, which was designed for the benefit of substantially all IHG and certain of its subsidiaries’ employees hired prior to January 1, 2000. For those employees, pension benefits are based on a participant’s average earnings and length of service. For employees hired on or after January 1, 2000 but before January 1, 2010, benefits are calculated on a cash balance formula. Contributions are intended to provide for benefits attributed to service to date and for those expected to be earned in the future. Employees hired on or after January 1, 2010 are not eligible to participate in these defined benefit plans.

In addition to the pension benefits, IBC LLC provides retirees with certain health care and life insurance benefits through a postretirement plan maintained by IHG. Under the current program, substantially all of IHG’s employees may become eligible for these benefits if they are working for IHG when they reach age 55 and they have completed at least 10 years of service. IHG begins accruing an obligation for active participants at the later of age 45 or date of hire. IBC LLC uses a December 31 measurement date for its pension plan and post retirement plans.

The Company is allocated its pro rata share of the annual pension and postretirement expense by IBC LLC based on the value of services rendered on behalf of the employees of its parent. Benefits are based on the employee’s years of service and compensation during the years preceding retirement.

The amount of pension expense charged by IBC LLC to the Company was \$1,929,776 in 2019 and \$3,712,758 in 2018. The postretirement benefit income charged by IBC LLC was \$146,412 in 2019 and \$141,545 in 2018.

The Company’s employees also participate in a 401(k) savings plan, which is maintained by IHG through IBC LLC and is available to full-time employees. For employees hired prior to January 1, 2010, IBC LLC contributes an amount equal to 50% of the first 6% of salary deferral contributed by the employee. For all employees hired on or after January 1, 2010, who are not covered under the defined benefit plan, IBC LLC makes an automatic contribution equal to 3% of eligible earnings and an additional contribution equal to 50% of the first 8% of salary deferral contributed by the employee. The Company’s 401(k) savings plan contribution charged by IBC LLC in 2019 and 2018 was \$1,872,553 and \$1,589,070, respectively.

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

- (1) The Company has 140,000 shares authorized, 140,000 shares issued and 140,000 shares outstanding as of December 31, 2019.

(2) Preferred stock outstanding - None

(3) Under applicable state laws and regulations, the Company is required to maintain minimum capital and surplus determined in accordance with statutory accounting practices. In addition, statutory regulations limit dividend payments by the Company. The dividend restrictions are generally based on statutory income and on certain levels of surplus as determined under NAIC SSAP. These standards generally permit dividends to be paid from statutory unassigned surplus of the Company and are limited based on the regulated subsidiary’s level of statutory net income and statutory capital and surplus. These dividends are referred to as “ordinary dividends.” An “extraordinary dividend”, which requires the direct approval of regulatory authorities, is any dividend that, together with other dividends made within the preceding twelve months, exceeds the greater of 10% of the Company’s surplus as shown on its last annual statement, or the net income of the Company for the period covered by such statement. In accordance with regulatory guidance, any future payment of dividends without regulatory approval is not permitted, due to the Company’s negative balance in unassigned funds.

(4) As a result of the Company’s negative balance in unassigned funds, the Company obtained regulatory approval and declared and paid an extraordinary dividend consisting of cash totaling \$50,000,000 to AHNJ LLC on December 27, 2019. As a result of this extraordinary dividend, the balance of Gross paid in and contributed surplus was reduced by \$50,000,000 (see page 3 – Liabilities, Capital and Surplus, Line 28).

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

(6) There were no restrictions placed on the Company’s surplus, including for whom the surplus is being held.

(7) The total amount of advances to surplus not repaid is \$0.

(8) The amounts of stock held by the Company, including stock of affiliated companies, for special purposes is:

A For conversion of preferred stock: 0 shares

B For employee stock options: 0 shares

C For stock purchase warrants: 0 shares

(9) Changes in balances of special surplus funds from the prior year are due to the reclassification from unassigned funds to special surplus for the estimated 2020 assessment under Section 9010 of the ACA in accordance with SSAP No. 106 (see Note 22).

(10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$(39,734)

(11) The Company issued the following surplus debentures or similar obligations: - None

(12 & 13) Effective date and financial impact of a quasi-reorganization – None

14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments - None

B. Assessments

(1) Guaranty Fund Assessments – Under state insurance guaranty association laws, certain insurance companies can be assessed (up to prescribed limits) for certain obligations to the policyholders and claimants of insurance companies that write the same line or lines of business, and which are placed into receivership proceedings. Assessments are generally based on a formula relating to premiums in the state compared to the premiums of other assessable insurers. Assessments for a specific receivership can be done all at once or can be spread out over a period of years. Some states permit member insurers to recover assessments paid through full or partial premium tax offsets.

The Company can be assessed by the New Jersey Life and Health Insurance Guaranty Association when the applicable New Jersey law is triggered by a receivership.

In early 2009, Pennsylvania’s Insurance Commissioner obtained an order of rehabilitation against Penn Treaty and its wholly-owned subsidiary, American Network Insurance Company (together, “Penn Treaty”) in a receivership proceeding before the Commonwealth Court of Pennsylvania (the “Court”). The Insurance Commissioner subsequently petitioned the Court for an order to liquidate Penn Treaty. On March 1, 2017, the Court issued an order approving the petition to place Penn Treaty into liquidation triggering guaranty fund coverage and accrual of a liability.

As of December 31, 2019, the Company has paid \$7,640,000 for assessments received, with the remaining liability of \$860,000 included in General expenses due and accrued. Because a portion of this assessment was expected to be offset in the future by premium tax credits, the Company recorded a discounted asset of \$3,220,000 (approximately \$3,800,000 undiscounted) in Other amounts receivable which reflected a 3.5% discount rate. The premium tax asset is expected to be used as a refund over the next five years beginning in 2019. The Company will continue to monitor this assessment for changes in the estimate of insolvency.

- (2) A portion of the Penn Treaty assessment is expected to be offset in the future by premium tax credits that will be recognized in the period received, therefore the Company recorded a discounted premium tax asset. As of December 31, 2019, the Company’s total discounted asset was \$2,805,929.

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end

\$3,449,127

b. Decreases current year:

Amortization of Asset

\$ (763,917)

c. Increases current year:

Interest Accretion

\$ 120,719

d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end

\$ 2,805,929

C. Gain Contingencies – None

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

No Claims to report. Extra-Contractual is defined as awards and/or settlements for bad faith and/or punitive damages.

The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits – None

Number of claims where amounts were paid to settle claims related extra contractual obligations or bad faith claims resulting from lawsuits during the reporting period – None

- E. Joint and Several Liabilities – None

F. All Other Contingencies

Regulatory Matters – Centers for Medicare and Medicaid Services (“CMS”) conducts an annual review of all issuers participating in the commercial risk adjustment program. CMS is performing annual Risk Adjustment Data Validation (“RADV”) audits of all participating health plans to validate the accuracy of data submitted for use in transfer calculations. These audits may result in retrospective adjustments made to amounts paid by issuers with lower than average actuarial risk or amounts collected by issuers with higher than average actuarial risk. Adjustments to amounts paid and collected depend on the audit results of all carriers in a market. The Company is not able to predict whether the outcome of an audit will have a material impact on the Company’s results of operations, financial position or cash flow

15. Leases

- A. Lessee Operating Lease

(1) The Company leases facilities and certain equipment from unrelated third parties under a long-term lease. The facilities leases require the Company to pay a proportionate share of operating expenses for the leased property in addition to base rents. These leases expire on various dates through July 2021. Rental expense in 2019 and 2018 was \$814,648 and \$598,639, respectively.

(2) a. At January 1, the minimum aggregate rental commitments are as follows:

Year Ending

December 31

Operating Leases

2020

\$ 830,235

2021

\$ 481,444

2022

\$ 0

2023

\$ 0

2024

\$ 0

\$ 0

Total

\$ 1,311,679

(3) The Company is not involved in any material sales – leaseback transactions

B. Lessor Leases

(1) Operating Leases – None

(2) Leveraged Leases – None

16. Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk – None

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey
NOTES TO FINANCIAL STATEMENTS

- 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
A. Transfers of Receivables reported as Sales - None
B. Transfer and Servicing of Financial Assets - None
C. Wash Sales – None
- 18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans
A. ASO Plans – None
B. ASC Plans – None
C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract - None
- 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators – None
- 20. Fair Value Measurements
A. For assets and liabilities that are measured and reported at fair value in the statement of financial position after initial recognition
(1) Fair Value Measurements at Reporting Date

Table with 6 columns: Description for each class of asset or liability, (Level 1), (Level 2), (Level 3), Net Asset Value (NAV), Total. Rows include Assets at Fair Value (Exempt Money Market Mutual Funds, Other Money Market Mutual Funds, Total Cash Equivalents & Other Short Term Investments, Bonds - Industrial and Misc., Total Bonds) and Liabilities at Fair Value - None.

- (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy – None
- (3) Transfers in and/or out of Level 3 are recognized at the beginning of the period – None
- (4) The Company classifies bonds, NAIC rated 3 through 6, such as certain U.S. Treasury and agency obligations, mortgage backed securities, municipal and corporate bonds, asset-backed securities and preferred stocks as Level 2. Because many fixed maturities and preferred stocks do not trade daily, fair values are determined using quoted values and other data provided by a nationally recognized independent pricing service (pricing service) as inputs into its process for determining fair values of its investments. For securities that generally do not trade on a daily basis, the pricing service prepares estimates of fair value measurements using its proprietary pricing. Typical inputs and assumptions include but are not limited to benchmark yields, reported trades, broker/dealer quotes, issuer spreads, liquidity, benchmark securities, bids, offers, reference data, and industry and economic events. For mortgage and asset-backed securities, inputs and assumptions may also include characteristics of the issuer, collateral attributes, prepayment speeds, default assumptions, and credit rating.

The Company classifies certain newly issued, privately placed, complex or otherwise illiquid securities in Level 3. Fair values of securities classified as level 3 are determined using pricing models that incorporate the specific characteristics of each investment and related assumptions including the investment type and structure, credit quality, industry and maturity date in comparison to current market indices and spreads, liquidity and economic events. Recent trades in the subject security or similar securities are assessed when available, and the Company may also review published research as well as the issuer’s financial statements in its evaluation.

Table with 9 columns: Type of Financial Instrument, Aggregate Fair Value, Admitted Assets, (Level 1), (Level 2), (Level 3), Net Asset Value (NAV), Not Practicable (Carrying Value). Rows include Bonds, Cash Equivalents & Other, and Short Term Investments.

D. Not Practicable to Estimate Fair Value – Not Applicable

- 21. Other Items
A. Unusual or Infrequent Items – None
B. Troubled Debt Restructuring: Debtors - None
C. Other Disclosures
(1) The Company elected to use rounding in reporting amounts in this statement. Certain pages of this Annual Statement were prepared by a process which cannot print (+) symbols and (-) symbols, therefore, it is indicated by a bracket around the number, e.g. (45,678) and (+) symbol is intended when there is no bracket.
D. Business Interruption Insurance Recoveries – None
E. State Transferable and Non-transferable Tax Credits – None
F. Subprime-Mortgage-Related Risk Exposure
(1) The Company does not engage in subprime residential mortgage lending. Subprime residential mortgage lending is the origination of residential mortgage loans to customers with weak credit profiles including using relaxed mortgage underwriting standards which provided for affordable mortgage products. The Companies exposure to subprime residential mortgage lending is through investments in Debt and Equity securities that contain securities collateralized by mortgages that have characteristics of subprime lending. These investments are in the form of primarily asset-backed securities ("ABS") supported by subprime mortgage loans or collateralized debt securities ("CDO") that contain a subprime loan component. The Company manages its subprime risk exposure by maintaining high credit quality investments, limiting the Company holdings in these types of instruments and through performing ongoing analysis of cash flows, prepayment speeds, default rates and other stress variables.

The Company considers the risks associated with the subprime and other residential mortgages when analyzing and directing investment strategies. The Company considers risks, utilizing outside investment experts to ensure there is adequate documentation of the subprime mortgage exposure on its overall investment portfolio. The Company gathers information to segregate the risk between the direct exposure and indirect exposure. The Company considers unrealized losses due to changes in the market values of investment assets and anticipated cash flow from the future sale of investment assets. The significant impacts of investment deterioration reflect in the accounting records through impairment of investments or realizing investment losses.

- (2) Direct exposure through investments in subprime mortgage loans – None
- (3) Direct exposure through other investments.

Table with 5 columns: Description, Actual Cost, Book/Adjusted Carrying Value (excluding interest), Fair Value, Other-Than-Temporary Impairment Losses Recognized. Rows include Residential mortgage-backed securities, Commercial mortgage-backed securities, Collateralized debt obligations, Structured securities, Equity investment in SCAs *, Other assets, and Total.

* Company’s subsidiary Company has investments in subprime mortgages. These investments comprise 0.0 % of the companies invested assets.

- (4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage – 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
(1) Amount of admitted balance that could be realized that could be realized from an investment vehicle \$ 0
(2) Percentage Bonds 0.0 %
(3) Percentage Stocks 0.0 %
(4) Percentage Mortgage Loans 0.0 %
(5) Percentage Real Estate 0.0 %
(6) Percentage Cash and Short-Term Investments 0.0 %
(7) Percentage Derivatives 0.0 %
(8) Percentage Other Invested Assets 0.0 %

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NOTES TO FINANCIAL STATEMENTS

22. Events Subsequent

The Company has performed an evaluation of events that have occurred subsequent to December 31, 2019, and through the date of this filing, which is the date the financial statements were available to be issued. There have been no material subsequent events that occurred during such period that would require disclosure in the financial statements or would be required to be recognized in the financial statements as of or for the year ended December 31, 2019.

On January 1, 2020, the Company will be subject to the fee under section 9010 of the ACA. The fee will be 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 an U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2019, the Company has written health insurance subject to the ACA assessment, is conducting health insurance business in 2020, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2020 to be \$17,771,932. Reporting the ACA assessment as of December 31, 2019 would not have triggered an RBC action level.

The following table summarizes the portion of the annual health insurance industry fee payable and the impact to the risk-based capital ("RBC").

| | Current Year | Prior Year |
|--|----------------------|---------------------|
| A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)? |YES | |
| B. ACA fee assessment payable for the upcoming year | \$ 17,771,392 | \$0 |
| C. ACA fee assessment paid | \$0 | \$ 17,257,702 |
| D. Premium written subject to ACA 9010 assessment | \$ 945,042,030 | \$0 |
| E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14) | \$ 186,065,974 | |
| F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above) | \$ 168,294,582 | |
| G. Authorized Control Level (Five-Year Historical Line 15) | \$ 36,903,031 | |
| H. Would reporting the ACA assessment as of Dec. 31, 2019, have triggered an RBC action level (YES/NO)? | NO | |

23. Reinsurance

- A. Ceded Reinsurance Report
Section 1 – General Interrogatories: Not Applicable
Section 2 – Ceded Reinsurance Report – Part A: Not Applicable
Section 3 – Ceded Reinsurance Report – Part B: Not Applicable
- B. Uncollectible Reinsurance – None
- C. Commutation of Ceded Reinsurance – None
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
(1) Reporting Entity Ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation - None
(2) Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Accrued retrospective premium adjustments - None
- B. Accrued retrospective premium as an adjustment to earned premium - None
- C. The Company has no retrospectively rate contracts or contracts subject to redetermination.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act.

| | 1 Individual | 2 Small Group Employer | 3 Large Group Employer | 4 Other Categories with Rebates | 5 Total |
|---|-----------------|------------------------------|------------------------------|---------------------------------------|------------|
| Prior Reporting Year | | | | | |
| (1) Medical loss ratio rebates incurred | 5,700,000 | 5,100,000 | 0 | 0 | 10,800,000 |
| (2) Medical loss ratio rebates paid | 0 | 0 | 0 | 0 | 0 |
| (3) Medical loss ratio rebates unpaid | 5,700,000 | 5,100,000 | 0 | 0 | 10,800,000 |
| (4) Plus reinsurance assumed amounts | XXX | XXX | XXX | XXX | 0 |
| (5) Less reinsurance ceded amounts | XXX | XXX | XXX | XXX | 0 |
| (6) Rebates unpaid net of reinsurance | XXX | XXX | XXX | XXX | 10,800,000 |
| Current Reporting Year-to-Date | | | | | |
| (7) Medical loss ratio rebates incurred | 14,773,743 | 7,494,964 | 4,100,000 | 0 | 26,368,707 |
| (8) Medical loss ratio rebates paid | 20,473,743 | 10,994,964 | 0 | 0 | 31,468,707 |
| (9) Medical loss ratio rebates unpaid | 0 | 1,600,000 | 4,100,000 | 0 | 5,700,000 |
| (10) Plus reinsurance assumed amounts | XXX | XXX | XXX | XXX | 0 |
| (11) Less reinsurance ceded amounts | XXX | XXX | XXX | XXX | 0 |
| (12) Rebates unpaid net of reinsurance | XXX | XXX | XXX | XXX | 5,700,000 |

- E. Risk- Sharing Provisions of the Affordable Care Act (ACA)
 - (1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? Yes [X] No []
 - (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year
AMOUNT
 - a. Permanent ACA Risk Adjustment Program
 - Assets
 - 1. Premium adjustments receivable due to ACA Risk Adjustment (including high-risk pool payments) \$4,223,031
 - Liabilities
 - 2. Risk adjustment user fees payable for ACA Risk Adjustment \$241,240
 - 3. Premium adjustments payable due to ACA Risk Adjustment (including high-risk pool premium) \$ 114,752,375
 - Operations (Revenue & Expense)
 - 4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment \$ (79,614,832)
 - 5. Reported in expenses as ACA risk adjustment user fees (incurred/paid) \$236,787
 - b. Transitional ACA Reinsurance Program
 - Assets
 - 1. Amounts recoverable for claims paid due to ACA Reinsurance \$0
 - 2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) \$0
 - 3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance \$0
 - Liabilities
 - 4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium \$0
 - 5. Ceded reinsurance premiums payable due to ACA Reinsurance \$0
 - 6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance \$0
 - Operations (Revenue & Expense)
 - 7. Ceded reinsurance premiums due to ACA Reinsurance \$0
 - 8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments \$362,233
 - 9. ACA Reinsurance contributions – not reported as ceded premium \$0
 - c. Temporary ACA Risk Corridors Program
 - Assets
 - 1. Accrued retrospective premium due to ACA Risk Corridors \$742
 - Liabilities
 - 2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors \$0
 - Operations (Revenue & Expense)
 - 3. Effect of ACA Risk Corridors on net premium income (paid/received) \$0
 - 4. Effect of ACA Risk Corridors on change in reserves for rate credits \$0

24.E.2
On November 13, 2017, HHS issued Risk Corridors Payments for 2016 Benefit Year and confirmed 2016 benefit year risk corridor collections will be used to pay a portion of the balance on 2014 benefit year payment balances. Similar communications were received in prior years indicating that collections received would be applied to the 2014 benefit year. The accrued retrospective premium due to ACA Risk Corridors Assets reflects the admitted total based on the filed HHS payments and charges as well as communications received from HHS. As of December 31, 2019, the Company has received 16.745% of 2014 benefit year payments. Based on the correspondence from HHS, a total of 16.810% of 2014 benefit year payments are expected after all collections for 2014 through 2016 are fully received.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey

NOTES TO FINANCIAL STATEMENTS

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

| | Accrued During the Prior Year on Business Written Before Dec 31 of the Prior Year | | Received or Paid as of the Current Year on Business Written Before Dec 31 of the Prior Year | | Differences | | Adjustments | | | Unsettled Balances as of the Reporting Date | |
|--|--|------------------|--|------------------|---|---|--------------------------|---------------------------|-----|--|---|
| | | | | | | | | | | | |
| | 1 | 2 | 3 | 4 | Prior Year Accrued Less Payments (Col 1 – 3) | Prior Year Accrued Less Payments (Col 2 – 4) | To Prior Year Balance | To Prior Year Balances | | Cumulative Balance from Prior Years (Col 1 – 3 + 7) | Cumulative Balances from Prior Years (Col 2 – 4 + 8) |
| | Receivable | (Payable) | Receivable | (Payable) | 5 | 6 | 7 | 8 | Ref | 9 | 10 |
| a. Permanent ACA Risk Adjustment Program | | | | | Receivable | (Payable) | Receivable | (Payable) | | Receivable | (Payable) |
| 1. Premiums adjustments receivable (including high-risk pool payments) | \$ 1,547,705 | \$ 0 | \$ 6,131,931 | \$ 0 | \$ (4,584,226) | \$ 0 | \$ 4,584,226 | \$ 0 | A | \$ 0 | \$ 0 |
| 2. Premium adjustments (payable) (including high-risk pool premium) | \$ 0 | \$ (126,354,515) | \$ 0 | \$ (100,024,229) | \$ 0 | \$ (26,330,286) | \$ 0 | \$ 26,330,286 | B | \$ 0 | \$ 0 |
| 3. Subtotal ACA Permanent Risk Adjustment Program | \$ 1,547,705 | \$ (126,354,515) | \$ 6,131,931 | \$ (100,024,229) | \$ (4,584,226) | \$ (26,330,286) | \$ 4,584,226 | \$ 26,330,286 | | \$ 0 | \$ 0 |
| b. Transitional ACA Reinsurance Program | | | | | | | | | | | |
| 1. Amounts recoverable for claims paid | \$ 0 | \$ 0 | \$ 362,233 | \$ 0 | \$ (362,233) | \$ 0 | \$ 362,233 | \$ 0 | C | \$ 0 | \$ 0 |
| 2. Amounts recoverable for claims unpaid (contra liability) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | D | \$ 0 | \$ 0 |
| 3. Amounts receivable relating to uninsured plans | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | E | \$ 0 | \$ 0 |
| 4. Liabilities for contributions payable due to ACA Reinsurance – not reported as cede premium | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | F | \$ 0 | \$ 0 |
| 5. Ceded reinsurance premiums payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | G | \$ 0 | \$ 0 |
| 6. Liability for amounts held under uninsured plans | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | H | \$ 0 | \$ 0 |
| 7. Subtotal ACA Transitional Reinsurance Program | \$ 0 | \$ 0 | \$ 362,233 | \$ 0 | \$ (362,233) | \$ 0 | \$ 362,233 | \$ 0 | | \$ 0 | \$ 0 |
| c. Temporary ACA Risk Corridors Program | | | | | | | | | | | |
| 1. Accrued retrospective premium | \$ 89,376,066 | \$ 0 | \$ 0 | \$ 0 | \$ 89,376,066 | \$ 0 | \$ 0 | \$ 0 | I | \$ 89,376,066 | \$ 0 |
| 2. Reserve for rate credits or policy experience rating refunds | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | J | \$ 0 | \$ 0 |
| 3. Subtotal ACA Risk Corridors Program | \$ 89,376,066 | \$ 0 | \$ 0 | \$ 0 | \$ 89,376,066 | \$ 0 | \$ 0 | \$ 0 | | \$ 89,376,066 | \$ 0 |
| d. Total for ACA Risk Sharing Provisions | \$ 90,923,771 | \$ (126,354,515) | \$ 6,494,164 | \$ (100,024,229) | \$ 84,429,607 | \$ (26,330,286) | \$ 4,946,459 | \$ 26,330,286 | | \$ 89,376,066 | \$ 0 |

- Explanations of Adjustments
- A Updated for current claim information.....
- B Updated for current claim information.....
- C Updated for current claims paid and unpaid information

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

| Risk Corridors Program Year | Accrued During the Prior Year on Business Written Before December 31 of the Prior Year | | Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year | | Differences | | Adjustments | | | Unsettled Balances as of the Reporting Date | |
|---|---|-----------|---|-----------|---|---|--------------------------|---------------------------|-----|--|---|
| | | | | | | | | | | | |
| | 1 | 2 | 3 | 4 | Prior Year Accrued Less Payments (Col 1 – 3) | Prior Year Accrued Less Payments (Col 2 – 4) | To Prior Year Balance | To Prior Year Balances | | Cumulative Balance from Prior Years (Col 1 – 3 + 7) | Cumulative Balances from Prior Years (Col 2 – 4 + 8) |
| | Receivable | (Payable) | Receivable | (Payable) | 5 | 6 | 7 | 8 | Ref | 9 | 10 |
| a. 2014 | | | | | Receivable | (Payable) | Receivable | (Payable) | | Receivable | (Payable) |
| 1. Accrued retrospective premium | \$ 963,795 | \$ 0 | \$ 0 | \$ 0 | \$ 963,795 | \$ 0 | \$ 0 | \$ 0 | A | \$ 963,795 | \$ 0 |
| 2. Reserve for rate credits or policy experience rating refunds | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | B | \$ 0 | \$ 0 |
| b. 2015 | | | | | | | | | | | |
| 1. Accrued retrospective premium | \$ 14,907,923 | \$ 0 | \$ 0 | \$ 0 | \$ 14,907,923 | \$ 0 | \$ 0 | \$ 0 | C | \$ 14,907,923 | \$ 0 |
| 2. Reserve for rate credits or policy experience rating refunds | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | D | \$ 0 | \$ 0 |
| c. 2016 | | | | | | | | | | | |
| 1. Accrued retrospective premium | \$ 73,504,348 | \$ 0 | \$ 0 | \$ 0 | \$ 73,504,348 | \$ 0 | \$ 0 | \$ 0 | E | \$ 73,504,348 | \$ 0 |
| 2. Reserve for rate credits or policy experience rating refunds | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | F | \$ 0 | \$ 0 |
| d. Total for Risk Corridors | \$ 89,376,066 | \$ 0 | \$ 0 | \$ 0 | \$ 89,376,066 | \$ 0 | \$ 0 | \$ 0 | | \$ 89,376,066 | \$ 0 |

Explanations of Adjustments – N/A

24E(4)d (Columns 1 through 10) should equal 24E(3)c3 (Columns 1 through 10 respectively)

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE AmeriHealth Insurance Company of New Jersey
NOTES TO FINANCIAL STATEMENTS

(5) ACA Risk Corridors Receivable as of Reporting Date

| Risk Corridors Program Year | | 1 Estimated Amount to be Filed or Final Amount Filed with CMS | 2 Non-Accrued Amounts for Impairment or Other Reasons | 3 Amounts received from CMS | 4 Asset Balance (Gross of Non-admissions) (1-2-3) | 5 Non-admitted Amount | 6 Net Admitted Asset (4-5) |
|-----------------------------|---------------|---|---|-----------------------------------|---|-----------------------------|----------------------------------|
| a. | 2014 | \$ 1,157,648 | \$ 0 | \$ 193,853 | \$ 963,795 | \$ 963,053 | \$ 742 |
| b. | 2015 | \$ 14,907,923 | \$ 0 | \$ 0 | \$ 14,907,923 | \$ 14,907,923 | \$ 0 |
| c. | 2016 | \$ 73,504,348 | \$ 0 | \$ 0 | \$ 73,504,348 | \$ 73,504,348 | \$ 0 |
| d. | Total (a+b+c) | \$ 89,569,919 | \$ 0 | \$ 193,853 | \$ 89,376,066 | \$ 89,375,324 | \$ 742 |

24E(5)d (Column 4) should equal 24E(3)c1 (Column 9)
24E(5)d (Column 6) should equal 24E(2)c1

25. Change in Incurred Claims and Claim Adjustment Expenses
- A. Reserves as of December 31, 2018 were \$132,377,071. As of December 31, 2019, \$118,854,118 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years are now \$5,558,226 as a result of re-estimation of unpaid claims. Therefore, there has been \$7,964,727 in favorable development. The decrease is generally the result of ongoing analysis of recent loss development trends.
- B. There were no significant changes in methodologies or assumptions used in calculating the liability for losses and loss adjustment expenses
26. Intercompany Pooling Arrangements – None
27. Structured Settlements – None
28. Health Care Receivables
- A. Pharmaceutical Rebate Receivables

| Quarter | Estimated Pharmacy Rebates as Reported on Financial Statements | Pharmacy Rebates as Billed or Otherwise Confirmed | Actual Rebates Received Within 90 Days of Billing | Actual Rebates Received Within 91 to 180 Days of Billing | Actual Rebates Received More Than 180 Days After Billing |
|------------|--|---|---|--|--|
| 12/31/2019 | \$ 5,224,200 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 09/30/2019 | \$ 5,223,250 | \$ 5,317,785 | \$ 0 | \$ 0 | \$ 0 |
| 06/30/2019 | \$ 5,126,296 | \$ 5,232,519 | \$ 625,649 | \$ 4,559,227 | \$ 0 |
| 03/31/2019 | \$ 4,467,360 | \$ 4,752,522 | \$ 439,296 | \$ 4,302,160 | \$ 0 |
| | | | | | |
| 12/31/2018 | \$ 4,840,883 | \$ 5,021,107 | \$ 448,393 | \$ 4,545,193 | \$ 0 |
| 09/30/2018 | \$ 4,491,169 | \$ 4,720,331 | \$ 463,703 | \$ 4,304,094 | \$ 0 |
| 06/30/2018 | \$ 4,269,859 | \$ 4,362,568 | \$ 477,328 | \$ 3,944,160 | \$ 4,904 |
| 03/31/2018 | \$ 4,053,690 | \$ 3,931,919 | \$ 306,224 | \$ 3,684,939 | \$ 1,448 |
| | | | | | |
| 12/31/2017 | \$ 3,766,130 | \$ 3,851,947 | \$ 37,383 | \$ 3,856,810 | \$ 0 |
| 09/30/2017 | \$ 3,556,992 | \$ 3,884,641 | \$ 39,647 | \$ 3,858,235 | \$ 0 |
| 06/30/2017 | \$ 3,607,746 | \$ 3,712,177 | \$ 19,451 | \$ 3,869,437 | \$ 0 |
| 03/31/2017 | \$ 3,842,192 | \$ 3,626,387 | \$ 449,956 | \$ 3,071,191 | \$ 0 |

- B. Risk Sharing Receivables – None
29. Participating Policies – None
30. Premium Deficiency Reserves
1. Liability carried for premium deficiency reserves \$ 0
2. Date of the most recent evaluation of this liability 12/31/2019
3. Was anticipated investment income utilized in the calculation? Yes [] No [X]
31. Anticipated Salvage and Subrogation – None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [X] No []
- If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2

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

Yes [X] No [] N/A []
- 1.3

State Regulating? New Jersey.....
- 1.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes [] No [X]
- 1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]
- 2.2

If yes, date of change:
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2016
- 3.2

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

.....12/31/2016
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....05/03/2018
- 3.4

By what department or departments? New Jersey Department of Banking and Insurance.....
- 3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [] No [] N/A [X]
- 3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [] No [] N/A [X]
- 4.1

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

Yes [] No [X]
- 4.12 renewals?

Yes [] No [X]
- 4.2

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

Yes [] No [X]
- 4.22 renewals?

Yes [] No [X]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]
- If yes, complete and file the merger history data file with the NAIC.
- 5.2

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

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

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]
- 7.2

If yes,
- 7.21 State the percentage of foreign control

.....0.0 %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

| 1 Nationality | 2 Type of Entity |
|------------------|---------------------|
| | |
| | |
| | |

GENERAL INTERROGATORIES

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

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

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

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, 1700 Market Street, Philadelphia, PA 19103-3984.....

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

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

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

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

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

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Stephen Tenaglio, FSA, MAAA. Sr. Actuary, Reserves & Planning, Independence Blue Cross, 40th Floor, 1901 Market Street, Philadelphia PA 19103-1480.....

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

.....

.....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 [X] No []

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
See Attachment on page 27.6.....

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

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

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
- Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

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

FINANCIAL

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

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- Yes [] No [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- Yes [] No [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes [] No [] NA [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?
- Yes [] No [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0
- 24.103 Total payable for securities lending reported on the liability page \$.....0

GENERAL INTERROGATORIES

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

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

| | | |
|---|----|------------|
| 25.21 Subject to repurchase agreements | \$ | 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 to sale – excluding FHLB Capital Stock | \$ | 0 |
| 25.27 FHLB Capital Stock | \$ | 74,800 |
| 25.28 On deposit with states | \$ | 113,652 |
| 25.29 On deposit with other regulatory bodies | \$ | 0 |
| 25.30 Pledged as collateral – excluding collateral pledged to an FHLB | \$ | 0 |
| 25.31 Pledged as collateral to FHLB – including assets backing funding agreements | \$ | 35,494,158 |
| 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 [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]

If no, attach a description with this statement.

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

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

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

| | |
|--|----------------|
| 26.41 Special accounting provision of SSAP No. 108 | Yes [] No [] |
| 26.42 Permitted accounting practice | Yes [] No [] |
| 26.43 Other accounting guidance | Yes [] No [] |

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

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

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

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

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

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

| 1 Name of Custodian(s) | 2 Custodian's Address |
|---------------------------|--|
| US Bank..... | 50 S. 16th Street, Suite 2000, Philadelphia, PA 19102..... |

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

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

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

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

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

GENERAL INTERROGATORIES

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

| 1 Name of Firm or Individual | 2 Affiliation |
|---|------------------|
| Weaver C. Barksdale & Associates..... | U..... |
| Wells Capital Management..... | U..... |
| PIMCO (Pacific Investment Management Co)..... | U..... |
| Brown Brothers Harriman..... | U..... |

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

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

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

| 1 Central Registration Depository Number | 2 Name of Firm or Individual | 3 Legal Entity Identifier (LEI) | 4 Registered With | 5 Investment Management Agreement (IMA) Filed |
|--|---|---------------------------------------|---|---|
| 105098..... | Weaver C. Barksdale & Associates..... | N/A..... | SEC..... | NO..... |
| 104973..... | Wells Capital Management..... | 549300B3H21002L85190..... | SEC..... | NO..... |
| 104559..... | PIMCO (Pacific Investment Management Co)..... | 549300KGPYQZXGMYYN38..... | SEC..... | NO..... |
| 282732..... | Brown Brothers Harriman..... | 5493006KMX1VFTYPW14..... | Not a Registered Investment Advisor..... | NO..... |

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

29.2 If yes, complete the following schedule:

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

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

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

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..... | 275,000,827..... | 280,037,673..... | 5,036,847..... |
| 30.2 Preferred Stocks..... | 0..... | 0..... | 0..... |
| 30.3 Totals | 275,000,827..... | 280,037,673..... | 5,036,847..... |

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

Reuters Pricing Service via Clearwater Analytics.....

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

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

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

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

33.

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

Yes [] No [X]
34.

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

Yes [] No [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?

\$321,126
- 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 |
|---|------------------|
| New Jersey Association of Health Plans..... | \$.....118,000 |

- 37.1

Amount of payments for legal expenses, if any?

\$321,126
- 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 |
|---------------------------------------|------------------|
| Morgan Lewis and Bockius..... | \$.....103,778 |
| Stradley Ronon Stevens and Young..... | \$.....103,161 |

- 38.1

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

\$64,325
- 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 |
|-----------|------------------|
| | \$..... |
| | \$..... |
| | \$..... |

Interrogatory #14.21

As a result of our ongoing compliance improvement initiatives, the Code of Conduct document has been updated for 2019.

- Throughout – Throughout the entire document, the language has been adjusted to improve the readability and simplify the text.
- Equal Employment Opportunity, Harassment-Free Workplace and Non-Retaliation – The information related to what an associate can do if the person feels that she or he has been discriminated against, harassed, or retaliated against has been merged into one paragraph.
- Fraud, Waste, and Abuse – The definitions of fraud, waste, and abuse have been updated to align with CMS’ revised definitions.
- Cooperation with Internal, External, and Government Audits – This paragraph was updated to reflect that any action used to fraudulently influence, coerce, manipulate, mislead, or obstruct any auditor engaged in the performance of an audit is prohibited.

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

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

1.2 If yes, indicate premium earned on U.S. business only. \$ 17,846,175

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. \$ 14,349,924

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ 4,837,732

1.62 Total incurred claims \$ 3,939,596

1.63 Number of covered lives 2,046

All years prior to most current three years:

1.64 Total premium earned \$ 13,008,443

1.65 Total incurred claims \$ 10,410,328

1.66 Number of covered lives 4,774

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ 0

1.72 Total incurred claims \$ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned \$ 0

1.75 Total incurred claims \$ 0

1.76 Number of covered lives 0

2. Health Test:

| | 1 | 2 |
|-----------------------------|------------------|------------------|
| | Current Year | Prior Year |
| 2.1 Premium Numerator | \$ 1,107,228,226 | \$ 1,095,404,902 |
| 2.2 Premium Denominator | \$ 1,107,228,226 | \$ 1,095,404,902 |
| 2.3 Premium Ratio (2.1/2.2) | 1.000 | 1.000 |
| 2.4 Reserve Numerator | \$ 253,354,866 | \$ 275,245,213 |
| 2.5 Reserve Denominator | \$ 253,354,867 | \$ 275,245,213 |
| 2.6 Reserve Ratio (2.4/2.5) | 1.000 | 1.000 |

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

3.2 If yes, give particulars:

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

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [X] No []

5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No [X]

5.2 If no, explain:

Stop-loss reinsurance is not required and the Company (or parent company) is large enough to assume the risk

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical \$ 0

5.32 Medical Only \$ 0

5.33 Medicare Supplement \$ 0

5.34 Dental 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:

To protect members against insolvency, provider contracts contain hold harmless provisions

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

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 60,337

8.2 Number of providers at end of reporting year 67,091

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

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months 5,949,297

9.22 Business with rate guarantees over 36 months 0

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [X] No []
- 10.2 If yes:

10.21 Maximum amount payable bonuses\$.....0

10.22 Amount actually paid for year bonuses\$.....0

10.23 Maximum amount payable withholds\$.....10,033,779

10.24 Amount actually paid for year withholds\$.....1,681,394
- 11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes [] No [X]

11.13 An Individual Practice Association (IPA), or,

Yes [] No [X]

11.14 A Mixed Model (combination of above) ?

Yes [] No [X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [X] No []

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

New Jersey.....

11.4 If yes, show the amount required.

\$.....3,500,000

11.5 Is this amount included as part of a contingency reserve in stockholder’s equity?

Yes [] No [X]

11.6 If the amount is calculated, show the calculation

12. List service areas in which reporting entity is licensed to operate:
- | |
|----------------------|
| 1 |
| Name of Service Area |
| New Jersey..... |
- 13.1 Do you act as a custodian for health savings accounts?

Yes [] No [X]

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

\$.....

13.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]

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

\$.....

14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers?

Yes [] No [N/A [X]

14.2 If the answer to 14.1 is yes, please provide the following:
- | 1 | 2 | 3 | 4 | Assets Supporting Reserve Credit | | |
|--------------|-------------------|--------------------------|----------------|----------------------------------|------------------|-------|
| | | | | 5 | 6 | 7 |
| Company Name | NAIC Company Code | Domiciliary Jurisdiction | Reserve Credit | Letters of Credit | Trust Agreements | Other |
| | | | | | | |
15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).

15.1 Direct Premium Written\$.....

15.2 Total Incurred Claims\$.....

15.3 Number of Covered Lives.....
- | *Ordinary Life Insurance Includes |
|---|
| Term (whether full underwriting, limited underwriting, jet issue, "short form app") |
| Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app") |
| Variable Life (with or without secondary guarantee) |
| Universal Life (with or without secondary guarantee) |
| Variable Universal Life (with or without secondary guarantee) |
16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

Yes [] No [X]

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

Yes [] No [X]
- 28.1

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) | 508,862,211 | 551,450,939 | 396,786,007 | 421,274,623 | 492,619,798 |
| 2. Total liabilities (Page 3, Line 24) | 322,796,237 | 341,806,545 | 228,666,683 | 294,644,996 | 318,829,631 |
| 3. Statutory minimum capital and surplus requirement | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 |
| 4. Total capital and surplus (Page 3, Line 33) | 186,065,974 | 209,644,394 | 168,119,324 | 126,629,627 | 173,790,167 |
| Income Statement (Page 4) | | | | | |
| 5. Total revenues (Line 8) | 1,107,228,226 | 1,095,404,902 | 1,072,237,949 | 1,356,056,832 | 1,241,275,916 |
| 6. Total medical and hospital expenses (Line 18) | 891,906,009 | 837,717,850 | 864,829,718 | 1,196,195,732 | 1,068,669,991 |
| 7. Claims adjustment expenses (Line 20) | 37,080,071 | 30,441,087 | 32,116,209 | 46,553,591 | 46,172,681 |
| 8. Total administrative expenses (Line 21) | 154,869,391 | 185,524,270 | 160,712,899 | 190,337,066 | 170,892,469 |
| 9. Net underwriting gain (loss) (Line 24) | 23,372,755 | 41,721,695 | 14,579,123 | (67,629,555) | (53,859,225) |
| 10. Net investment gain (loss) (Line 27) | 11,581,877 | 9,229,093 | 2,870,509 | 4,135,353 | 4,120,629 |
| 11. Total other income (Lines 28 plus 29) | 0 | 0 | 0 | 0 | 0 |
| 12. Net income or (loss) (Line 32) | 34,954,632 | 50,950,788 | 17,310,832 | (63,494,201) | (46,932,596) |
| Cash Flow (Page 6) | | | | | |
| 13. Net cash from operations (Line 11)..... | (42,306,103) | 178,309,496 | 86,512,897 | (151,888,291) | (56,436,056) |
| Risk-Based Capital Analysis | | | | | |
| 14. Total adjusted capital..... | 186,065,974 | 209,644,394 | 168,119,324 | 126,629,627 | 173,790,167 |
| 15. Authorized control level risk-based capital | 36,903,031 | 35,087,101 | 35,045,390 | 48,949,061 | 42,931,609 |
| Enrollment (Exhibit 1) | | | | | |
| 16. Total members at end of period (Column 5, Line 7) | 164,323 | 160,483 | 138,667 | 128,930 | 125,117 |
| 17. Total members months (Column 6, Line 7) | 2,068,366 | 1,982,673 | 1,772,288 | 1,601,185 | 1,576,642 |
| Operating Percentage (Page 4) | | | | | |
| (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0 | | | | | |
| 18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) | 80.6 | 76.5 | 80.7 | 88.2 | 86.1 |
| 20. Cost containment expenses | 1.4 | 0.8 | 1.2 | 1.0 | 1.3 |
| 21. Other claims adjustment expenses | 1.9 | 2.0 | 1.8 | 2.5 | 2.5 |
| 22. Total underwriting deductions (Line 23) | 97.9 | 96.2 | 98.6 | 105.0 | 104.3 |
| 23. Total underwriting gain (loss) (Line 24) | 2.1 | 3.8 | 1.4 | (5.0) | (4.3) |
| Unpaid Claims Analysis | | | | | |
| (U&I Exhibit, Part 2B) | | | | | |
| 24. Total claims incurred for prior years (Line 13, Col. 5) | 113,687,939 | 82,330,072 | 155,464,700 | 130,132,735 | 120,542,392 |
| 25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)] | 126,066,316 | 124,780,097 | 156,836,667 | 151,910,464 | 136,306,473 |
| Investments In Parent, Subsidiaries and Affiliates | | | | | |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) | 0 | 0 | 0 | 0 | 0 |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) | 0 | 0 | 0 | 0 | 0 |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) | 0 | 0 | 0 | 0 | 0 |
| 29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) | 0 | 0 | 0 | 0 | 0 |
| 30. Affiliated mortgage loans on real estate | 0 | 0 | 0 | 0 | 0 |
| 31. All other affiliated | 0 | 0 | 0 | 0 | 0 |
| 32. Total of above Lines 26 to 31..... | 0 | 0 | 0 | 0 | 0 |
| 33. Total investment in parent included in Lines 26 to 31 above | 0 | 0 | 0 | 0 | 0 |

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 [X]

If no, please explain

Not Applicable.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

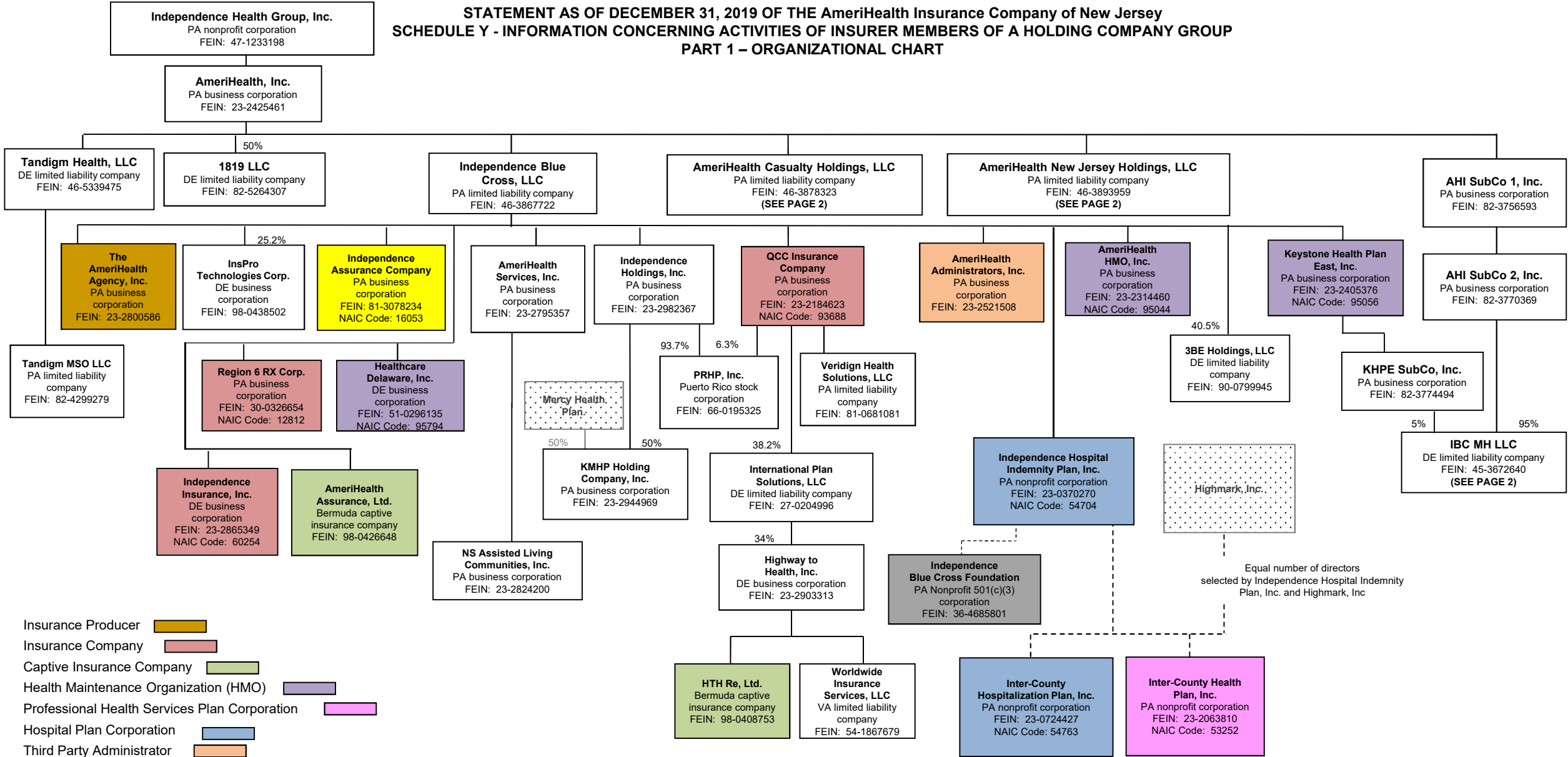
Allocated by States and Territories











| | | | 1 | Direct Business Only | | | | | | | |
|----------------------|---|-----|-------------------|----------------------------|----------------------|--------------------|---|--|-----------------------------|---------------------------|------------------------|
| | | | | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| State, Etc. | | | Active Status (a) | Accident & Health Premiums | Medicare Title XVIII | Medicaid Title XIX | Federal Employees Health Benefits Plan Premiums | Life & Annuity Premiums & Other Considerations | Property/ Casualty Premiums | Total Columns 2 Through 7 | Deposit-Type Contracts |
| 1. | Alabama | AL | N | | | | | | | 0 | 0 |
| 2. | Alaska | AK | N | | | | | | | 0 | 0 |
| 3. | Arizona | AZ | N | | | | | | | 0 | 0 |
| 4. | Arkansas | AR | N | | | | | | | 0 | 0 |
| 5. | California | CA | N | | | | | | | 0 | 0 |
| 6. | Colorado | CO | N | | | | | | | 0 | 0 |
| 7. | Connecticut | CT | N | | | | | | | 0 | 0 |
| 8. | Delaware | DE | N | | | | | | | 0 | 0 |
| 9. | District of Columbia | DC | N | | | | | | | 0 | 0 |
| 10. | Florida | FL | N | | | | | | | 0 | 0 |
| 11. | Georgia | GA | N | | | | | | | 0 | 0 |
| 12. | Hawaii | HI | N | | | | | | | 0 | 0 |
| 13. | Idaho | ID | N | | | | | | | 0 | 0 |
| 14. | Illinois | IL | N | | | | | | | 0 | 0 |
| 15. | Indiana | IN | N | | | | | | | 0 | 0 |
| 16. | Iowa | IA | N | | | | | | | 0 | 0 |
| 17. | Kansas | KS | N | | | | | | | 0 | 0 |
| 18. | Kentucky | KY | N | | | | | | | 0 | 0 |
| 19. | Louisiana | LA | N | | | | | | | 0 | 0 |
| 20. | Maine | ME | N | | | | | | | 0 | 0 |
| 21. | Maryland | MD | N | | | | | | | 0 | 0 |
| 22. | Massachusetts | MA | N | | | | | | | 0 | 0 |
| 23. | Michigan | MI | N | | | | | | | 0 | 0 |
| 24. | Minnesota | MN | N | | | | | | | 0 | 0 |
| 25. | Mississippi | MS | N | | | | | | | 0 | 0 |
| 26. | Missouri | MO | N | | | | | | | 0 | 0 |
| 27. | Montana | MT | N | | | | | | | 0 | 0 |
| 28. | Nebraska | NE | N | | | | | | | 0 | 0 |
| 29. | Nevada | NV | N | | | | | | | 0 | 0 |
| 30. | New Hampshire | NH | N | | | | | | | 0 | 0 |
| 31. | New Jersey | NJ | L | 945,042,030 | | | | | | 945,042,030 | 0 |
| 32. | New Mexico | NM | N | | | | | | | 0 | 0 |
| 33. | New York | NY | N | | | | | | | 0 | 0 |
| 34. | North Carolina | NC | N | | | | | | | 0 | 0 |
| 35. | North Dakota | ND | N | | | | | | | 0 | 0 |
| 36. | Ohio | OH | N | | | | | | | 0 | 0 |
| 37. | Oklahoma | OK | N | | | | | | | 0 | 0 |
| 38. | Oregon | OR | N | | | | | | | 0 | 0 |
| 39. | Pennsylvania | PA | N | | | | | | | 0 | 0 |
| 40. | Rhode Island | RI | N | | | | | | | 0 | 0 |
| 41. | South Carolina | SC | N | | | | | | | 0 | 0 |
| 42. | South Dakota | SD | N | | | | | | | 0 | 0 |
| 43. | Tennessee | TN | N | | | | | | | 0 | 0 |
| 44. | Texas | TX | N | | | | | | | 0 | 0 |
| 45. | Utah | UT | N | | | | | | | 0 | 0 |
| 46. | Vermont | VT | N | | | | | | | 0 | 0 |
| 47. | Virginia | VA | N | | | | | | | 0 | 0 |
| 48. | Washington | WA | N | | | | | | | 0 | 0 |
| 49. | West Virginia | WV | N | | | | | | | 0 | 0 |
| 50. | Wisconsin | WI | N | | | | | | | 0 | 0 |
| 51. | Wyoming | WY | N | | | | | | | 0 | 0 |
| 52. | American Samoa | AS | N | | | | | | | 0 | 0 |
| 53. | Guam | GU | N | | | | | | | 0 | 0 |
| 54. | Puerto Rico | PR | N | | | | | | | 0 | 0 |
| 55. | U.S. Virgin Islands | VI | N | | | | | | | 0 | 0 |
| 56. | Northern Mariana Islands | MP | N | | | | | | | 0 | 0 |
| 57. | Canada | CAN | N | | | | | | | 0 | 0 |
| 58. | Aggregate other alien | OT | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. | Subtotal | | XXX | 945,042,030 | 0 | 0 | 0 | 0 | 0 | 945,042,030 | 0 |
| 60. | Reporting entity contributions for Employee Benefit Plans | | XXX | | | | | | | 0 | |
| 61. | Total (Direct Business) | | XXX | 945,042,030 | 0 | 0 | 0 | 0 | 0 | 945,042,030 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | | | |
| 58001. | | | XXX | | | | | | | | |
| 58002. | | | XXX | | | | | | | | |
| 58003. | | | XXX | | | | | | | | |
| 58998. | Summary of remaining write-ins for Line 58 from overflow page | | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 58999. | Totals (Lines 58001 through 58003 plus 58998) (Line 58 above) | | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(a) Active Status Counts
L – Licensed or Chartered – Licensed insurance carrier or domiciled RRG 1 R – Registered – Non-domiciled RRGs 0
E – Eligible – Reporting entities eligible or approved to write surplus lines in the state 0 Q – Qualified – Qualified or accredited reinsurer 0
N – None of the above – Not allowed to write business in the state lines in the state 56

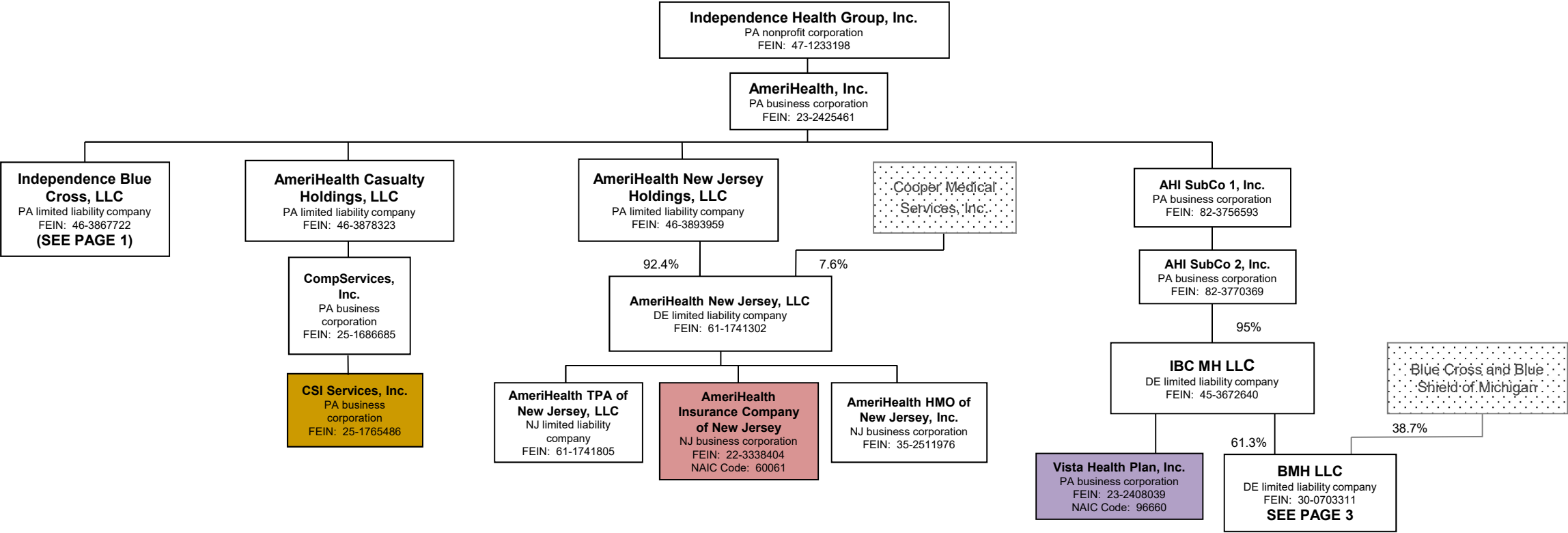
(b) Explanation of basis of allocation of premiums by states, etc.
Customers are assigned State codes when they are set up in our billing system. This Company only does business in New Jersey.

STATEMENT AS OF DECEMBER 31, 2019 OF THE AmeriHealth Insurance Company of New Jersey
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



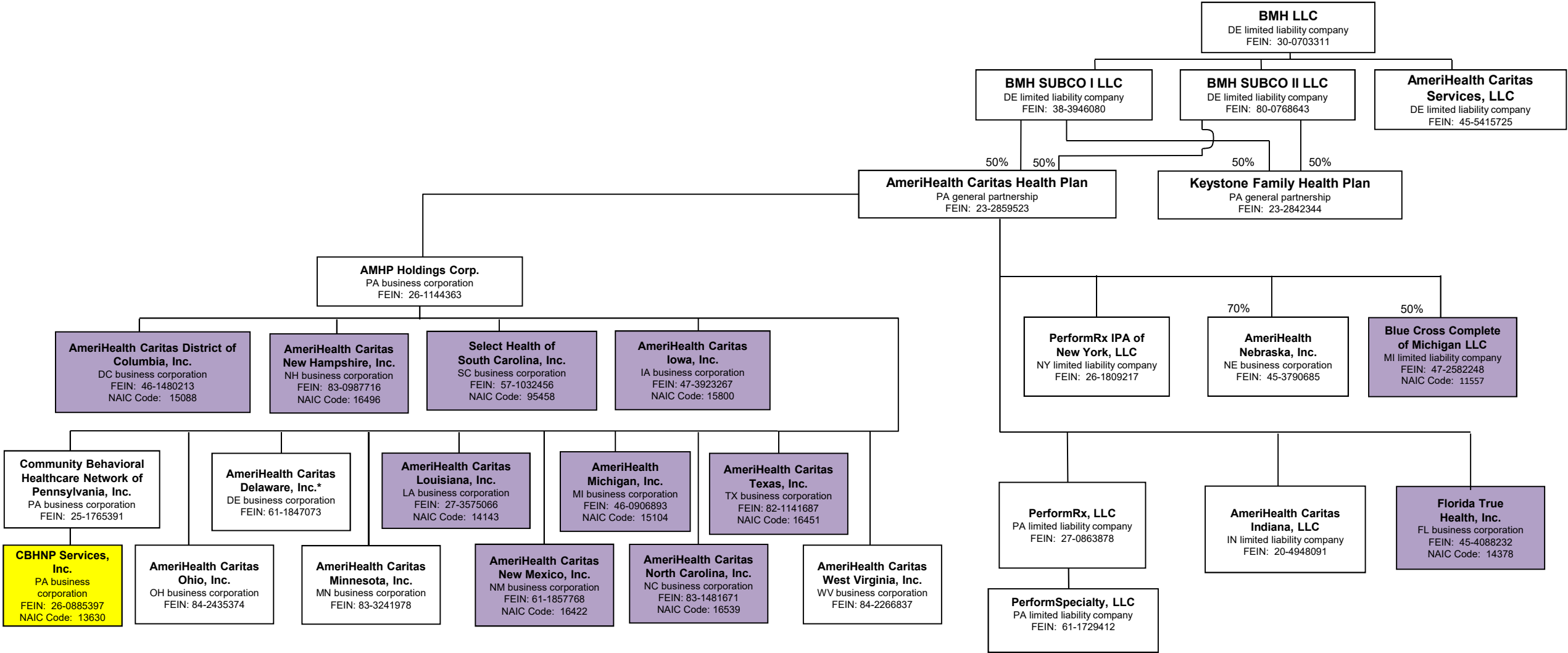
- Insurance Producer 
- Insurance Company 
- Captive Insurance Company 
- Health Maintenance Organization (HMO) 
- Professional Health Services Plan Corporation 
- Hospital Plan Corporation 
- Third Party Administrator 
- Risk Assuming Non-Licensed PPO 
- Unaffiliated Third Party 
- Charitable Foundation 

STATEMENT AS OF DECEMBER 31, 2019 OF THE AmeriHealth Insurance Company of New Jersey
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



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*Entity is not classified as an HMO under Delaware law. By letter dated October 19, 2018, entity has been certified by the Delaware Department of Health and Social Services to serve State Medicaid clients effective January 1, 2018.

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| RANLI | |
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