



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

Horizon Insurance Company

(Name)

NAIC Group Code 01202 (Current Period) , 01202 (Prior Period) NAIC Company Code 14690 Employer's ID Number 46-1362174

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 10/11/2012 Commenced Business 12/31/2012

Statutory Home Office 3 Penn Plaza East PP-15D (Street and Number), Newark, NJ, US 07105-2248 (City or Town, State, Country and Zip Code)

Main Administrative Office 3 Penn Plz E Ste PP-15D (Street and Number)

Newark, NJ, US 07105-2248 (City or Town, State, Country and Zip Code) 973-466-5607 (Area Code) (Telephone Number)

Mail Address 3 Penn Plz E Ste PP-15D (Street and Number or P.O. Box), Newark, NJ, US 07105-2248 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 3 Penn Plz E Ste PP-15D (Street and Number)

Newark, NJ, US 07105-2248 (City or Town, State, Country and Zip Code) 973-466-5607 (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.horizonblue.com

Statutory Statement Contact Thomas D. Protentis (Name), 973-466-5607 (Area Code) (Telephone Number) (Extension)

thomas_protentis@horizonblue.com (E-Mail Address) 973-466-7110 (Fax Number)

OFFICERS

Name	Title	Name	Title
Kevin Patrick Conlin	Chairman & CEO	Linda Anne Willett	Secretary
Douglas Richard Simpson	CFO and Treasurer	Mark Leon Barnard	President

OTHER OFFICERS

Michael James Considine	Vice President	Christopher Michael Lepre	Executive Vice President
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DIRECTORS OR TRUSTEES

Mark Leon Barnard #	Kevin Patrick Conlin	Christopher Michael Lepre	Douglas Richard Simpson
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State of New Jersey

County of Essex

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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.

Linda Anne Willett
Secretary

Douglas Richard Simpson
CFO and Treasurer

Subscribed and sworn to before me this day of ,

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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	80,989,504	0	80,989,504	108,119,693
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$ encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$ encumbrances)	0	0	0	0
5. Cash (\$985,032 , Schedule E-Part 1), cash equivalents (\$1,033,797 , Schedule E-Part 2) and short-term investments (\$0 , Schedule DA).....	2,018,829	0	2,018,829	4,220,389
6. Contract loans (including \$ premium notes).....	0	0	0	0
7. Derivatives (Schedule DB).....	0	0	0	0
8. Other invested assets (Schedule BA)	0	0	0	0
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	83,008,333	0	83,008,333	112,340,082
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	351,534	0	351,534	581,279
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	856,341	45,945	810,396	2,795,388
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....	0	0	0	0
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	8,953,437	0	8,953,437	35,054,284
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset.....	20,250	0	20,250	138,290
19. Guaranty funds receivable or on deposit	1,349,199	0	1,349,199	1,336,714
20. Electronic data processing equipment and software.....	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$)	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	555,337	0	555,337	590,109
24. Health care (\$87,149) and other amounts receivable.....	3,740,164	37,047	3,703,117	2,870,993
25. Aggregate write-ins for other-than-invested assets	443,268	443,268	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	99,277,863	526,260	98,751,603	155,707,139
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. Total (Lines 26 and 27)	99,277,863	526,260	98,751,603	155,707,139
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Premium Tax.....	443,268	443,268	0	0
2502.	0	0	0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	443,268	443,268	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$54,230,943 reinsurance ceded)	6,820,025	0	6,820,025	12,844,639
2. Accrued medical incentive pool and bonus amounts	149,427	0	149,427	271,684
3. Unpaid claims adjustment expenses	53,800	0	53,800	118,500
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act.....	1,172,578	0	1,172,578	1,155,968
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserves	0	0	0	0
7. Aggregate health claim reserves.....	0	0	0	0
8. Premiums received in advance	1,498,238	0	1,498,238	1,704,914
9. General expenses due or accrued	802,822	0	802,822	2,763,114
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses)).....	1,720,554	0	1,720,554	4,194,156
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	0	0	0	0
12. Amounts withheld or retained for the account of others	0	0	0	0
13. Remittances and items not allocated	0	0	0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	47,126,796	0	47,126,796	102,724,763
16. Derivatives.....	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers).....	0	0	0	0
20. Reinsurance in unauthorized and certified (\$) companies.....	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	0	0	0	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	59,344,240	0	59,344,240	125,777,738
25. Aggregate write-ins for special surplus funds	XXX	XXX	643,587	0
26. Common capital stock	XXX	XXX	720,000	720,000
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	3,540,000	3,540,000
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	34,503,776	25,669,402
32. Less treasury stock, at cost:				
32.1 .....shares common (value included in Line 26 \$)	XXX	XXX	0	0
32.2 .....shares preferred (value included in Line 27 \$)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	39,407,363	29,929,402
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	98,751,603	155,707,139
DETAILS OF WRITE-INS				
2301.	0	0	0	0
2302.	0	0	0	0
2303.	0	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501. 2020 ACA Insurance Fee.....	XXX	XXX	643,587	0
2502.	XXX	XXX	0	0
2503.	XXX	XXX	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	643,587	0
3001.	XXX	XXX	0	0
3002.	XXX	XXX	0	0
3003.	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	3,856,892	4,294,058
2. Net premium income (including \$0 non-health premium income).....	XXX	71,878,601	148,887,290
3. Change in unearned premium reserves and reserve for rate credits	XXX	(16,610)	606,311
4. Fee-for-service (net of \$ medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	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	71,861,991	149,493,600
Hospital and Medical:			
9. Hospital/medical benefits	0	267,804,731	1,022,814,506
10. Other professional services	0	20,268,606	18,468,940
11. Outside referrals	0	23,650,795	26,465,000
12. Emergency room and out-of-area	0	172,376	205,801
13. Prescription drugs	0	186,528,104	187,969,890
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....	0	(194,231)	2,716,841
16. Subtotal (Lines 9 to 15)	0	498,230,381	1,258,640,978
Less:			
17. Net reinsurance recoveries	0	438,360,359	1,120,578,717
18. Total hospital and medical (Lines 16 minus 17)	0	59,870,022	138,062,261
19. Non-health claims (net).....	0	0	0
20. Claims adjustment expenses, including \$1,075,966 cost containment expenses.....	0	1,789,859	3,227,079
21. General administrative expenses.....	0	6,916,280	11,537,205
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	0	68,576,161	152,826,545
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	3,285,830	(3,332,945)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	0	2,952,295	3,864,168
26. Net realized capital gains (losses) less capital gains tax of \$103,794	0	390,461	(805,758)
27. Net investment gains (losses) (Lines 25 plus 26)	0	3,342,756	3,058,410
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]	0	0	0
29. Aggregate write-ins for other income or expenses	0	4,930,984	3,134,135
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	11,559,570	2,859,601
31. Federal and foreign income taxes incurred	XXX	1,605,129	4,430,965
32. Net income (loss) (Lines 30 minus 31)	XXX	9,954,441	(1,571,364)
DETAILS OF WRITE-INS			
0601.	XXX	0	0
0602.	XXX	0	0
0603.	XXX	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX	0	0
0702.	XXX	0	0
0703.	XXX	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.	0	0	0
1402.	0	0	0
1403.	0	0	0
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. Net Commission income.....	0	4,930,984	3,134,135
2902.	0	0	0
2903.	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	4,930,984	3,134,135

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	29,929,402	31,166,879
34. Net income or (loss) from Line 32	9,954,441	(1,571,364)
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 \$ (445)	(1,674)	1,829
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	(118,485)	(34,891)
39. Change in nonadmitted assets	(356,321)	366,950
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		0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	9,477,961	(1,237,476)
49. Capital and surplus end of reporting year (Line 33 plus 48)	39,407,363	29,929,402
DETAILS OF WRITE-INS		
4701.		0
4702.		0
4703.		0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

Cash from Operations		1 Current Year	2 Prior Year
1. Premiums collected net of reinsurance		99,881,758	190,265,909
2. Net investment income		3,392,651	4,281,549
3. Miscellaneous income		0	0
4. Total (Lines 1 through 3)		103,274,409	194,547,459
5. Benefit and loss related payments		66,016,893	136,191,466
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0	0
7. Commissions, expenses paid and aggregate write-ins for deductions		5,812,632	12,456,023
8. Dividends paid to policyholders		0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		4,182,525	1,253,100
10. Total (Lines 5 through 9)		76,012,050	149,900,589
11. Net cash from operations (Line 4 minus Line 10)		27,262,359	44,646,870
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds		135,146,195	74,786,551
12.2 Stocks		0	0
12.3 Mortgage loans		0	0
12.4 Real estate		0	0
12.5 Other invested assets		0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		25,905	14,649
12.7 Miscellaneous proceeds		0	22
12.8 Total investment proceeds (Lines 12.1 to 12.7)		135,172,100	74,801,221
13. Cost of investments acquired (long-term only):			
13.1 Bonds		107,757,532	79,265,209
13.2 Stocks		0	0
13.3 Mortgage loans		0	0
13.4 Real estate		0	0
13.5 Other invested assets		0	0
13.6 Miscellaneous applications		2,854	22
13.7 Total investments acquired (Lines 13.1 to 13.6)		107,760,386	79,265,231
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)		27,411,714	(4,464,010)
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	0
16.5 Dividends to stockholders		0	0
16.6 Other cash provided (applied)		(56,875,633)	(45,788,454)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)		(56,875,633)	(45,788,454)
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)		(2,201,560)	(5,605,594)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year		4,220,389	9,825,983
19.2 End of year (Line 18 plus Line 19.1)		2,018,829	4,220,389

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Horizon Insurance Company

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	71,878,601	.0	26,277,224	.0	10,883,541	.0	27,822,493	.0	6,895,343	.0
2. Change in unearned premium reserves and reserve for rate credit	(16,610)	.0	29,466	.0	(9,230)	.0	(36,657)	.0	(189)	.0
3. Fee-for-service (net of \$ medical expenses) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
4. Risk revenue.....	.0	.0	.0	.0	.0	.0	.0	.0	.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)	71,861,991	.0	26,306,690	.0	10,874,311	.0	27,785,836	.0	6,895,154	.0
8. Hospital/medical benefits	267,804,730	.0	72,939,849	.0	.0	.0	191,840,113	.0	3,024,768	XXX
9. Other professional services	20,268,606	.0	11,855,066	.0	8,138,547	.0	274,993	.0	.0	XXX
10. Outside referrals	23,650,795	.0	18,687,979	.0	.0	.0	4,962,816	.0	.0	XXX
11. Emergency room and out-of-area	172,376	.0	125	.0	.0	.0	172,251	.0	.0	XXX
12. Prescription drugs	186,528,104	.0	103,678,222	.0	.0	.0	50,923,066	.0	31,926,816	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.....	(194,231)	.0	.0	.0	.0	.0	(194,231)	.0	.0	XXX
15. Subtotal (Lines 8 to 14)	498,230,380	.0	207,161,241	.0	8,138,547	.0	247,979,008	.0	34,951,584	XXX
16. Net reinsurance recoveries	438,360,359	.0	186,445,117	.0	.0	.0	223,181,108	.0	28,734,134	XXX
17. Total hospital and medical (Lines 15 minus 16)	59,870,021	.0	20,716,124	.0	8,138,547	.0	24,797,900	.0	6,217,450	XXX
18. Non-health claims (net) .....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
19. Claims adjustment expenses including \$1,075,966 cost containment expenses.....	1,789,859	.0	594,932	.0	82,038	.0	1,021,369	.0	91,520	.0
20. General administrative expenses	6,916,280	.0	2,298,905	.0	317,008	.0	3,946,720	.0	353,647	.0
21. Increase in reserves for accident and health contracts .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
22. Increase in reserves for life contracts.....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
23. Total underwriting deductions (Lines 17 to 22)	68,576,160	.0	23,609,961	.0	8,537,593	.0	29,765,989	.0	6,662,617	.0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	3,285,831	.0	2,696,729	.0	2,336,718	.0	(1,980,153)	.0	232,537	.0
DETAILS OF WRITE-INS										
0501. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
0502. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
0503. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0	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. ....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
0602. ....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
0603. ....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
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. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
1302. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
1303. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0	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) .....	.0	.0	.0	.0
2. Medicare Supplement	262,772,245	.0	236,495,021	26,277,224
3. Dental only.....	.0	.0	.0	.0
4. Vision only.....	10,883,541	.0	.0	10,883,541
5. Federal Employees Health Benefits Plan .....	.0	.0	.0	.0
6. Title XVIII - Medicare	278,224,933	.0	250,402,440	27,822,493
7. Title XIX - Medicaid.....	.0	.0	.0	.0
8. Other health.....	36,328,737	.0	29,433,394	6,895,343
9. Health subtotal (Lines 1 through 8)	588,209,456	.0	516,330,855	71,878,601
10. Life .....	.0	.0	.0	.0
11. Property/casualty.....	.0	.0	.0	.0
12. Totals (Lines 9 to 11)	588,209,456	0	516,330,855	71,878,601

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Horizon Insurance Company

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	559,188,503	0	207,301,505	0	8,090,702	0	309,269,711	0	34,526,585	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	493,187,294	0	186,571,355	0	0	0	278,264,305	0	28,351,634	0
1.4 Net	66,001,209	0	20,730,150	0	8,090,702	0	31,005,406	0	6,174,951	0
2. Paid medical incentive pools and bonuses	102,835	0	0	0	0	0	102,835	0	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	61,050,969	0	25,538,726	0	794,365	0	33,866,878	0	851,000	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	54,230,943	0	22,984,853	0	0	0	30,480,190	0	765,900	0
3.4 Net	6,820,026	0	2,553,873	0	794,365	0	3,386,688	0	85,100	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	149,427	0	0	0	0	0	149,427	0	0	0
6. Net healthcare receivables (a).....	87,149	0	0	0	0	0	87,149	0	0	0
7. Amounts recoverable from reinsurers December 31, current year	0	0	0	0	0	0	0	0	0	0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	121,727,710	0	25,678,989	0	746,521	0	94,876,200	0	426,000	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	108,883,070	0	23,111,090	0	0	0	85,388,580	0	383,400	0
8.4 Net	12,844,640	0	2,567,899	0	746,521	0	9,487,620	0	42,600	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	271,684	0	0	0	0	0	271,684	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	498,424,613	0	207,161,242	0	8,138,546	0	248,173,240	0	34,951,585	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	438,535,167	0	186,445,118	0	0	0	223,355,915	0	28,734,134	0
12.4 Net	59,889,446	0	20,716,124	0	8,138,546	0	24,817,325	0	6,217,451	0
13. Incurred medical incentive pools and bonuses	(19,422)	0	0	0	0	0	(19,422)	0	0	0

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

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

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (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	11,593,757	0	8,796,001	0	0	0	2,797,756	0	0	0
1.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3. Reinsurance ceded	10,434,381	0	7,916,401	0	0	0	2,517,980	0	0	0
1.4. Net	1,159,376	0	879,600	0	0	0	279,776	0	0	0
2. Incurred but Unreported:										
2.1. Direct	49,457,212	0	16,742,725	0	794,365	0	31,069,122	0	851,000	0
2.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
2.3. Reinsurance ceded	43,796,562	0	15,068,452	0	0	0	27,962,210	0	765,900	0
2.4. Net	5,660,650	0	1,674,273	0	794,365	0	3,106,912	0	85,100	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0	0	0	0	0	0	0	0	0	0
3.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	61,050,969	0	25,538,726	0	794,365	0	33,866,878	0	851,000	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	54,230,943	0	22,984,853	0	0	0	30,480,190	0	765,900	0
4.4. Net	6,820,026	0	2,553,873	0	794,365	0	3,386,688	0	85,100	0

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	0	0	0	0	0	0
2. Medicare Supplement	2,142,040	18,588,111	9,650	2,544,222	2,151,690	2,567,899
3. Dental Only.....	0	0	0	0	0	0
4. Vision Only.....	0	8,090,702	(180)	794,545	(180)	746,520
5. Federal Employees Health Benefits Plan	0	0	0	0	0	0
6. Title XVIII - Medicare	8,243,459	22,761,947	91,627	3,295,061	8,335,086	9,487,620
7. Title XIX - Medicaid.....	0	0	0	0	0	0
8. Other health	1,558,371	4,616,579	0	85,100	1,558,371	42,600
9. Health subtotal (Lines 1 to 8).....	11,943,870	54,057,339	101,097	6,718,928	12,044,967	12,844,639
10. Healthcare receivables (a).....	89,630	(2,480)	0	0	89,630	0
11. Other non-health.....	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	94,710	8,125	17,075	132,352	111,785	271,684
13. Totals (Lines 9-10+11+12)	11,948,950	54,067,944	118,172	6,851,280	12,067,122	13,116,323

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Horizon Insurance Company

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 .....	.25,454	.25,463	.25,458	.25,456	.25,455
2. 2015	169,971	172,505	172,528	172,530	172,527
3. 2016	XXX	23,146	25,047	25,097	25,096
4. 2017	XXX	XXX	19,873	22,295	22,300
5. 2018	XXX	XXX	XXX	19,856	21,997
6. 2019	XXX	XXX	XXX	XXX	18,588

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 .....	.25,571	.25,464	.25,458	.25,456	.25,455
2. 2015	175,661	172,515	172,528	172,530	172,527
3. 2016	XXX	25,797	25,064	25,097	25,096
4. 2017	XXX	XXX	22,500	22,308	22,300
5. 2018	XXX	XXX	XXX	22,411	22,007
6. 2019	XXX	XXX	XXX	XXX	21,132

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.....	210,508	172,527	3,711	2.2	176,238	83.7	.0	.0	176,238	83.7
2. 2016.....	27,839	25,096	568	2.3	25,664	92.2	.0	.0	25,664	92.2
3. 2017.....	27,515	22,300	1,318	5.9	23,618	85.8	.0	.0	23,618	85.8
4. 2018.....	26,671	21,997	689	3.1	22,686	85.1	10	.0	22,696	85.1
5. 2019	26,307	18,588	595	3.2	19,183	72.9	2,544	26	21,753	82.7

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 .....	.0	.0	.0	.0	.0
2. 2015 .....	.836	.836	.836	.836	.836
3. 2016	XXX	1,970	1,970	1,970	1,970
4. 2017	XXX	XXX	3,318	3,318	3,318
5. 2018	XXX	XXX	XXX	5,977	5,977
6. 2019	XXX	XXX	XXX	XXX	8,091

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 .....	.2	(1)	.0	.0	.0
2. 2015 .....	.836	.836	.836	.836	.836
3. 2016	XXX	1,970	1,970	1,970	1,970
4. 2017	XXX	XXX	3,903	3,318	3,318
5. 2018	XXX	XXX	XXX	6,724	5,977
6. 2019	XXX	XXX	XXX	XXX	8,885

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.....	.990	.836	.0	.0.0	.836	.84.4	.0	.0	.836	.84.4
2. 2016.....	2,642	1,970	19	1.0	1,989	75.3	.0	.0	1,989	75.3
3. 2017.....	4,264	3,318	36	1.1	3,354	78.7	.0	.0	3,354	78.7
4. 2018.....	8,540	5,977	135	2.3	6,112	71.6	.0	.0	6,112	71.6
5. 2019	10,874	8,091	82	1.0	8,173	75.2	795	3	8,971	82.5

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	(299)	3,490	3,485	3,484	3,481
2. 2015	29,274	28,898	28,909	28,917	28,913
3. 2016	XXX	26,935	29,790	29,827	29,833
4. 2017	XXX	XXX	86,821	95,531	95,659
5. 2018	XXX	XXX	XXX	88,151	96,272
6. 2019	XXX	XXX	XXX	XXX	22,773

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	(6)	3,490	3,485	3,484	3,481
2. 2015	34,210	28,916	28,909	28,917	28,913
3. 2016	XXX	29,413	29,802	29,829	29,833
4. 2017	XXX	XXX	94,677	95,658	95,661
5. 2018	XXX	XXX	XXX	97,779	96,378
6. 2019	XXX	XXX	XXX	XXX	26,200

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.....	7,810	28,913	258	0.9	29,171	373.5	0	0	29,171	373.5
2. 2016.....	29,685	29,833	720	2.4	30,553	102.9	0	0	30,553	102.9
3. 2017.....	101,528	95,659	2,477	2.6	98,136	96.7	2	0	98,138	96.7
4. 2018.....	103,845	96,272	2,280	2.4	98,552	94.9	106	0	98,658	95.0
5. 2019	27,786	22,773	1,021	4.5	23,794	85.6	3,427	25	27,246	98.1

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Horizon Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	(37)	2	(3)	43	39
2. 2015	1,564	1,645	1,640	1,631	1,633
3. 2016	XXX	3,089	3,220	3,169	3,152
4. 2017	XXX	XXX	3,034	8,752	8,588
5. 2018	XXX	XXX	XXX	5,278	7,021
6. 2019	XXX	XXX	XXX	XXX	4,617

Section B – Incurred Health Claims - Other

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	(37)	2	(3)	43	39
2. 2015	1,710	1,645	1,640	1,631	1,633
3. 2016	XXX	3,223	3,220	3,169	3,152
4. 2017	XXX	XXX	3,184	8,752	8,588
5. 2018	XXX	XXX	XXX	5,321	7,021
6. 2019	XXX	XXX	XXX	XXX	4,702

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015.....	962	1,633	4,511	276.2	6,144	638.5	.0	.0	6,144	638.5
2. 2016.....	3,919	3,152	185	5.9	3,337	85.1	.0	.0	3,337	85.1
3. 2017.....	6,547	8,588	118	1.4	8,706	133.0	.0	.0	8,706	133.0
4. 2018.....	10,437	7,021	123	1.8	7,144	68.4	.0	.0	7,144	68.4
5. 2019	6,895	4,617	92	2.0	4,709	68.3	85	0	4,794	69.5

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Horizon Insurance Company

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 .....	.25,118	.28,955	.28,940	.28,983	.28,975
2. 2015.....	201,645	203,884	203,913	203,914	203,909
3. 2016.....	XXX	.55,140	.60,027	.60,063	.60,051
4. 2017.....	XXX	XXX	113,046	129,896	129,865
5. 2018.....	XXX	XXX	XXX	119,262	131,267
6. 2019.....	XXX	XXX	XXX	XXX	54,069

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 .....	.25,530	.28,955	.28,940	.28,983	.28,975
2. 2015.....	212,417	203,912	203,913	203,914	203,909
3. 2016.....	XXX	.60,403	.60,056	.60,065	.60,051
4. 2017.....	XXX	XXX	124,264	130,036	129,867
5. 2018.....	XXX	XXX	XXX	132,235	131,383
6. 2019.....	XXX	XXX	XXX	XXX	60,919

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.....	220,270	203,909	.8,481	4.2	212,390	.96.4	.0	.0	212,390	.96.4
2. 2016.....	.64,084	.60,051	.1,492	2.5	.61,543	.96.0	.0	.0	.61,543	.96.0
3. 2017.....	139,854	129,865	.3,949	3.0	133,814	.95.7	.2	.0	133,816	.95.7
4. 2018.....	149,494	131,267	.3,227	2.5	134,494	.90.0	.116	.0	134,610	.90.0
5. 2019.....	71,862	54,069	1,790	3.3	55,859	77.7	6,851	54	62,764	87.3

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Horizon Insurance Company

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.....	11,180,681	.0	11,159,606	.0	19,286	.0	(492)	.0	2,281
2. Additional policy reserves (a).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. Reserve for future contingent benefits.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Reserve for rate credits or experience rating refunds (including \$ for investment income).....	371,527	.0	.0	.0	.0	.0	371,527	.0	.0
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross)	11,552,208	.0	11,159,606	.0	19,286	.0	371,035	.0	2,281
7. Reinsurance ceded	10,379,630	.0	10,043,645	.0	.0	.0	333,932	.0	2,053
8. Totals (Net) (Page 3, Line 4)	1,172,578	0	1,115,961	0	19,286	0	37,103	0	228
9. Present value of amounts not yet due on claims .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
10. Reserve for future contingent benefits .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0502. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0503. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1102. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1103. ....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ 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)	0	0	209	0	209
2. Salaries, wages and other benefits	0	0	765,838	0	765,838
3. Commissions (less \$ceded plus \$assumed)	0	0	578,235	0	578,235
4. Legal fees and expenses	0	0	0	0	0
5. Certifications and accreditation fees	0	0	0	0	0
6. Auditing, actuarial and other consulting services	0	0	270,122	0	270,122
7. Traveling expenses	0	0	13,055	0	13,055
8. Marketing and advertising	0	0	253,941	0	253,941
9. Postage, express and telephone	0	0	99,678	0	99,678
10. Printing and office supplies	0	0	123,674	0	123,674
11. Occupancy, depreciation and amortization	0	0	0	0	0
12. Equipment	0	0	72	0	72
13. Cost or depreciation of EDP equipment and software	0	0	4,777	0	4,777
14. Outsourced services including EDP, claims, and other services	1,075,960	778,593	4,696,082	0	6,550,635
15. Boards, bureaus and association fees	0	0	63,364	0	63,364
16. Insurance, except on real estate	0	0	36,103	0	36,103
17. Collection and bank service charges	0	0	0	0	0
18. Group service and administration fees	0	0	0	0	0
19. Reimbursements by uninsured plans	0	0	(47,992)	0	(47,992)
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	0	0	0	0	0
22. Real estate taxes	0	0	0	0	0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0	0	0	0	0
23.2 State premium taxes	0	0	73,378	0	73,378
23.3 Regulatory authority licenses and fees	0	0	(81,084)	0	(81,084)
23.4 Payroll taxes	6	0	42,123	0	42,129
23.5 Other (excluding federal income and real estate taxes)	0	0	0	0	0
24. Investment expenses not included elsewhere	0	0	0	0	0
25. Aggregate write-ins for expenses	0	(64,700)	24,705	0	(39,995)
26. Total expenses incurred (Lines 1 to 25)	1,075,966	713,893	6,916,280	0	(a) 8,706,139
27. Less expenses unpaid December 31, current year	0	53,800	802,822	0	856,622
28. Add expenses unpaid December 31, prior year	0	118,500	2,763,114	0	2,881,614
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	1,075,966	778,593	8,876,572	0	10,731,131
DETAILS OF WRITE-INS					
2501. Provision for Claims Processing.....	0	(64,700)	0	0	(64,700)
2502. Prompt pay interest.....	0	0	24,705	0	24,705
2503.	0	0	0	0	0
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	(64,700)	24,705	0	(39,995)

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

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a).....208,587	.....210,769
1.1	Bonds exempt from U.S. tax	(a).....0	.....0
1.2	Other bonds (unaffiliated)	(a).....2,838,417	.....2,605,977
1.3	Bonds of affiliates	(a).....0	.....0
2.1	Preferred stocks (unaffiliated)	(b).....0	.....0
2.11	Preferred stocks of affiliates	(b).....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0
3.	Mortgage loans	(c).....0	.....0
4.	Real estate	(d).....0	.....0
5.	Contract loans .....	.....0	.....0
6.	Cash, cash equivalents and short-term investments	(e).....124,368	.....124,881
7.	Derivative instruments	(f).....0	.....0
8.	Other invested assets .....	.....0	.....0
9.	Aggregate write-ins for investment income .....	.....0	.....10,668
10.	Total gross investment income	3,171,372	2,952,295
11.	Investment expenses		(g).....0
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g).....0
13.	Interest expense		(h).....0
14.	Depreciation on real estate and other invested assets		(i).....0
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....0
17.	Net investment income (Line 10 minus Line 16)		2,952,295
DETAILS OF WRITE-INS			
0901.	Other investment income .....	.....0	.....10,668
0902.	.....	.....0	.....0
0903.	.....	.....0	.....0
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	10,668
1501.	.....		.....0
1502.	.....		.....0
1503.	.....		.....0
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes \$91,428 accrual of discount less \$302,039 amortization of premium and less \$83,193 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 \$ 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 .....	.....4,679	.....0	.....4,679	.....0	.....0
1.1	Bonds exempt from U.S. tax .....	.....0	.....0	.....0	.....0	.....0
1.2	Other bonds (unaffiliated) .....	.....463,671	.....0	.....463,671	.....735	.....0
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0	.....0	.....0
5.	Contract loans .....	.....0	.....0	.....0	.....0	.....0
6.	Cash, cash equivalents and short-term investments .....	.....25,905	.....0	.....25,905	.....0	.....0
7.	Derivative instruments .....	.....0	.....0	.....0	.....0	.....0
8.	Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	(2,754)	.....0
10.	Total capital gains (losses)	494,255	0	494,255	(2,019)	0
DETAILS OF WRITE-INS						
0901.	Miscellaneous Adjustment .....	.....0	.....0	.....0	(2,754)	.....0
0902.	.....	.....0	.....0	.....0	.....0	.....0
0903.	.....	.....0	.....0	.....0	.....0	.....0
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	(2,754)	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.....	45,945	169,939	123,994
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	37,047	0	(37,047)
25. Aggregate write-ins for other-than-invested assets	443,268	0	(443,268)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	526,260	169,939	(356,321)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	526,260	169,939	(356,321)
DETAILS OF WRITE-INS			
1101.	0	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. Prepaids.....	443,268	0	(443,268)
2502.	0		0
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)	443,268	0	(443,268)

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.....	20,532	20,384	20,138	20,097	20,014	242,369
2. Provider Service Organizations.....	0				0	
3. Preferred Provider Organizations.....	59,858	1,319	1,160	795	939	13,071
4. Point of Service.....	2,640	2,376	2,403	2,414	2,411	28,768
5. Indemnity Only.....	83,920	81,862	81,472	80,826	79,810	975,959
6. Aggregate write-ins for other lines of business.....	198,224	213,332	217,909	217,313	217,577	2,596,725
7. Total	365,174	319,273	323,082	321,445	320,751	3,856,892
DETAILS OF WRITE-INS						
0601. Vision.....	169,902	185,108	189,829	189,628	190,059	2,261,203
0602. Part D Standalone.....	28,322	28,224	28,080	27,685	27,518	335,522
0603.	0	0	0	0	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	198,224	213,332	217,909	217,313	217,577	2,596,725

NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

A. Accounting Practices

The accompanying financial statements of Horizon Insurance, Inc. (“the Company”) have been prepared in conformity with accounting practices prescribed or permitted by the State of New Jersey, which requires that all statutory basis financial statements are prepared in accordance with the National Association of Insurance Commissioners Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that state law differs.

A. Accounting Practices

	<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>2019</u>	<u>2018</u>
<u>NET INCOME</u>					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3) State Prescribed Practices that are an increase/(decrease)	1	4	32	\$ 9,954,441	\$ (1,571,364)
(2) from NAIC SAP: State Permitted Practices that are an increase/(decrease)	N/A	N/A	N/A	N/A	N/A
(3) from NAIC SAP:	N/A	N/A	N/A	N/A	N/A
(4) NAIC SAP (1-2-3=4)				\$ 9,954,441	\$ (1,571,364)
<u>SURPLUS</u>					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4) State Prescribed Practices that are an increase/(decrease)	1	3	33	\$ 39,407,363	\$ 29,929,402
(6) from NAIC SAP: State Permitted Practices that are an increase/(decrease)	N/A	N/A	N/A	N/A	N/A
(7) from NAIC SAP:	N/A	N/A	N/A	N/A	N/A
(8) NAIC SAP (5-6-7=8)				\$ 39,407,363	\$ 29,929,402

B. Use of Estimates

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

C. Accounting Policy

The Company uses the following accounting policies:

- 1) Short-term investments are carried at market value
- 2) Long-term bond investments are carried at amortized cost
- 3) Common stocks – None
- 4) Preferred stocks – None
- 5) Mortgage loans – None
- 6) Loan-backed securities – carried at either amortized cost or market value
- 7) Investments in subsidiaries and affiliates – None
- 8) Investments in joint ventures and partnerships – None
- 9) Derivatives – None
- 10) Premium deficiency calculation – None
- 11) The liability for claims incurred but unpaid for current and prior years is estimated based upon certain actuarial assumptions which consider such factors as average enrollment, utilization, and claims paid in the current and preceding years. In addition, a provision is made for claim processing costs. Adjustments to these estimates are reflected in the year the actual results are known.
- 12) The Company has not changed its capitalization policy from the prior period
- 13) The Company does not have pharmacy rebate receivables

D. Going Concern

The Management has assessed the Company’s ability as a going concern and noted no such risk exists. There are no conditions or events that raise any concerns.

2) ACCOUNTING CHANGES AND CORRECTION OF ERRORS

There were no accounting changes or correction of errors in year-end 2019 or 2018

3) BUSINESS COMBINATIONS AND GOODWILL

Not applicable

4) DISCONTINUED OPERATIONS

Not applicable

5) INVESTMENTS

- a. Mortgage loans – None
- b. Debt restructuring – None
- c. Reverse mortgages – None
- d. Loan-backed securities – None
- e. Dollar Repurchase agreements – None
- f. Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- g. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – None
- h. Repurchase Agreements Transactions Accounted for as a Sale – None
- i. Reverse Repurchase Agreements Transactions Accounted for as a Sale - None
- j. Real estate – None
- k. Low-Income Housing Tax Credits (LIHTC) – None
- l. Restricted Assets – None
- m. Working Capital Finance Investments – None
- n. Offsetting and Netting of Assets and Liabilities – None
- o. Structured Notes – None

NOTES TO FINANCIAL STATEMENTS

- p. 5* Securities – None
- q. Short Sales – None
- r. Prepayment Penalty and Acceleration Fees – None

6) JOINT VENTURES, PARTNERSHIPS and LIMITED LIABILITY COMPANIES
Not applicable

7) INVESTMENT INCOME
The Company has no non-admitted investment income due and accrued.

8) DERIVATIVE INSTRUMENTS
Not applicable

9) INCOME TAXES

The Company has adopted SSAP No. 101 . SSAP No. 101 replaces SSAP No. 10R, Income Taxes – Revised, A Temporary Replacement of SSAP No. 10 which established SAP for current and deferred Federal and foreign income taxes and current state income taxes.

SSAP No. 101 adopts the concepts of Statement of Financial Accounting Standard No. 109, Income Taxes, with certain modifications for state income taxes, the realization criteria for deferred tax assets, and the recording of the impact of changes in its deferred tax balances. SSAP No. 101 retains the expanded net deferred tax asset (“DTA”) admissibility of SSAP No. 10R, including the possibility of a three-year reversal period and a 15 percent surplus limitation. The expanded admissibility under SSAP No. 101 is subject to the new “realization threshold limitation criteria” which determine the future realization period under which reversals are considered (0, 1, or 3 years) and the applicable percentage of adjusted statutory surplus (0%, 10%, or 15%).

In addition to SSAP No. 101, SSAP No. 5 “Liabilities, Contingencies and Impairments of Assets” was replaced with SSAP No. 5R “Liabilities, Contingencies and Impairments of Assets - Revised”. SSAP 5R changes the recognition and measurement guidance on uncertain tax positions by reducing the recognition threshold from “probable and reasonably estimated” criterion to “more likely than not and reasonably estimated.”

Current Federal income taxes are provided on the basis of amounts currently payable or receivable. Deferred Federal income tax assets and liabilities are provided for temporary differences between statutory financial statement carrying amounts of assets and liabilities and their respective tax bases. Temporary differences expected to reverse within one year are recognized subject to certain limitations. Changes in deferred tax assets and liabilities are recognized as a separate component of surplus.

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):

NOTES TO FINANCIAL STATEMENTS

1.	Description	December 31, 2019			December 31, 2018		
		Ordinary	Capital	Total	Ordinary	Capital	Total
(a)	Gross deferred tax assets	\$ 318,871	\$ -	\$ 318,871	\$ 381,285	\$ -	\$ 381,285
(b)	Statutory valuation allowance adjustments	-	-	-	-	-	-
(c)	Adjusted gross deferred tax assets (1a - 1b)	318,871	-	318,871	381,285	-	381,285
(d)	Deferred tax assets nonadmitted	-	-	-	-	-	-
(e)	Sub-total net admitted deferred tax asset (1c - 1d)	318,871	-	318,871	381,285	-	381,285
(f)	Deferred tax liabilities	298,621	-	298,621	242,550	445	242,995
(g)	Net admitted deferred tax asset (Net deferred tax liability) (1e - 1f)	\$ 20,250	\$ -	\$ 20,250	\$ 138,735	\$ (445)	\$ 138,290

2.	Description	December 31, 2019			December 31, 2018		
		Ordinary	Capital	Total	Ordinary	Capital	Total
	Admission calculation components SSAP No. 101						
(a)	Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	\$ 318,871	\$ -	\$ 318,871	\$ 381,285	\$ -	\$ 381,285
(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	-	-	-	-	-	-
1.	Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance	-	-	-	-	-	-
2.	Adjusted Gross Deferred Tax Assedts Allowed per Limitation Threshold.	5,895,892	-	4,648,982	4,468,594	-	4,648,982
(c)	Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross	-	-	-	-	-	-
(d)	Deferred Tax Assets Admitted as the result of application of SSAP No. 101 (2(a) + 2(b) +	\$ 318,871	\$ -	\$ 318,871	\$ 381,285	\$ -	\$ 381,285

(3)	(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount.	589%	440%
	(b) Amount of Adjusted Capital And Surplus Used to Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	39,305,944	29,791,112

(4)	Description	December 31, 2019			December 31, 2018		
		Ordinary	Capital	Total	Ordinary	Capital	Total
(a)	Adjusted gross DTA's - Percentage	0%	0%	0%	0%	0%	0%
(b)	Admitted adjusted gross DTA's - Percentage	0%	0%	0%	0%	0%	0%
(c)	Do TPS include a reinsurance strategy?	No			No		

B. Temporary differences for which a DTL has not been established:

The Company has no unrecognized DTLs for amounts described in SSAP 101, paragraph 23.

At December 31, 2019, the Company had no adjustments of a DTA or DTL for enacted changes in tax laws or rates, or a change in tax status. Additionally, the Company had no adjustments to gross DTAs because of a change in circumstances that causes a change in judgment about the realizability of the related DTAs.

C. Significant components of income taxes incurred:

(1) Current income taxes incurred consist of the following major components:

Description		2019	2018
(a)	Current federal income tax expense / (benefit)	\$ 1,621,777	\$ 4,412,765
(b)	Foreign income tax expense / (benefit)	-	-
(c)	Subtotal	1,621,777	4,412,765
(d)	Tax expense / benefit on realized capital gains / (losses)	103,794	(213,591)
(e)	Utilization of capital loss carryforwards	-	-
(f)	Other, including prior year underaccrual (overaccrual)	(16,649)	18,200
(g)	Federal and foreign income taxes incurred	\$ 1,708,922	\$ 4,217,374

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

NOTES TO FINANCIAL STATEMENTS

(2)	DTAs Resulting From				
	Book/Tax Differences In	December 31, 2019	December 31, 2018	Change	
(a)	Ordinary				
(1)	Non-admitted assets	\$ 110,514	\$ 35,687	\$ 74,827	
(2)	Claim reserves	96,183	225,462	(129,279)	
(3)	Unearned premiums	112,174	120,136	(7,962)	
(4)		-	-	-	
	Subtotal - Gross ordinary DTAs	318,871	381,285	(62,414)	
(b)	Statutory valuation allowance adjustment - ordinary	-	-	-	
(c)	Nonadmitted ordinary DTAs	-	-	-	
(d)	Admitted ordinary DTAs	\$ 318,871	\$ 381,285	\$ (62,414)	
(e)	Capital				
(1)	Unrealized capital losses	\$ -	\$ -	\$ -	
	Gross capital DTAs	-	-	-	
(f)	Statutory valuation allowance adjustment - capital	-	-	-	
(g)	Nonadmitted capital DTAs	-	-	-	
(h)	Admitted capital DTAs	\$ -	\$ -	\$ -	
(i)	Admitted DTAs	\$ 318,871	\$ 381,285	\$ (62,414)	
(3)	DTLs Resulting From				
	Book/Tax Differences In	December 31, 2019	December 31, 2018	Change	
(a)	Ordinary				
(1)	Accrued market discount	\$ (15,289)	\$ (15,289)	\$ -	
(1)	Guaranty fund assessment	(283,332)	(227,261)	(56,071)	
	Ordinary DTLs	(298,621)	(242,550)	(56,071)	
(b)	Capital	-	-	-	
	Unrealized capital gains	-	(445)	445	
	Capital DTLs	-	(445)	445	
(c)	DTLs	(298,621)	(242,995)	(55,626)	
(4)	Net deferred tax assets/liabilities	\$ 20,250	\$ 138,290	\$ (118,040)	

The change in net deferred income taxes is comprised of the following:

	December 31, 2019	December 31, 2018	Bal. Sheet Change
Total deferred tax assets	\$ 318,871	\$ 381,285	\$ (62,414)
Total deferred tax liabilities	(298,621)	(242,995)	(55,626)
Net deferred tax assets/liabilities	20,250	138,290	(118,040)
Statutory valuation allowance adjustment			
Net deferred tax assets/liabilities after SVA	\$ 20,250	\$ 138,290	\$ (118,040)
Tax effect of unrealized gains/(losses)	-	445	(445)
Statutory valuation allowance adjustment allocated to unrealized			-
Other intraperiod allocation of deferred tax movement			-
Change in net deferred income tax [(charge)/benefit]			\$ (118,485)

D. Reconciliation of total statutory income taxes reported to tax at statutory rate:

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before taxes including realized capital gains losses.

The significant items causing this difference are as follows:

NOTES TO FINANCIAL STATEMENTS

Description	Amount	Statutory Rate	
		21.00% Tax Effect	Effective Tax Rate
Income Before Taxes	\$ 11,663,364	\$ 2,449,306	21.00%
Change in nonadmitted assets	(356,319)	(74,827)	-0.64%
Meals and entertainment	45,863	9,631	0.08%
Intercompany transfer pricing	(2,921,968)	(613,613)	-5.26%
Return to provision true-up	(5,367)	(1,127)	-0.01%
Prior year adjustments	254,519	53,449	0.46%
Other nondeductible expenses	21,846	4,588	0.04%
Total	\$ 8,701,938	\$ 1,827,407	15.67%
Federal income taxed incurred [expense/(benefit)]		1,708,922	14.65%
Change in net deferred income tax [charge/(benefit)]		118,485	1.02%
Total statutory income taxes		\$ 1,827,407	15.67%

E. Carryforwards, recoverable taxes, and IRC 6603 deposits:

At December 31, 2019, the Company did not have any net operating loss carryforwards.

At December 31, 2019, the Company did not have any capital loss carryforwards.

At December 31, 2019, the Company did not have any AMT credit carryforwards.

At December 31, 2019, the Company did not have any foreign tax credit carryforwards..

Income taxes, ordinary and capital, available for recoupment in the event of future losses include:

Available from tax year	Ordinary	Capital	Total
2017	\$ -	\$ 56,388	\$ 56,388
2018	1,196,712	(213,591)	983,121
2019	4,412,765	103,794	4,516,559
Total	\$ 5,609,477	\$ (53,409)	\$ 5,556,068

At December 31, 2019, the Company had no tax amounts deposited in accordance with Section 6603 of the Internal Revenue Code.

F. Income tax loss contingencies:

At December 31, 2019, the Company did not have any income tax loss contingencies as described under SSAP 101, paragraph 27.

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

Horizon Casualty Services, Inc.
Horizon Healthcare Dental, Inc.
Horizon Healthcare of New Jersey, Inc.
Horizon Healthcare Plan Holding Company, Inc.
Horizon Healthcare Services, Inc. (Common Parent)
Horizon Insurance Company
Multistate Investment Services, Inc.
Multistate Professional Services, Inc.
The Company files its U.S. Corporation Income Tax Return as a member of the Horizon Healthcare Services, Inc & Subsidiaries consolidated group and participates in the Horizon Healthcare Services, Inc. & Subsidiaries tax sharing agreement. The agreement provides that the Company's tax liability (benefit) due to (from) the Parent would be the amount equivalent to that had the Company filed its Federal tax return on a separate company basis. In addition, the agreement provides that the Company will be reimbursed by the Parent for tax benefits relating to any net losses or any tax credits generated by the Company and utilized in filing the consolidated return. The federal income tax recoverable/payable in the accompanying statement of admitted assets, liabilities, capital and surplus are due to/from the Parent. Intercompany tax balances are settled annually following the Parent Company's filing of its federal income tax return.

10) INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

- A. The Company is a wholly owned subsidiary of Horizon Healthcare Plan Holding Company, Inc. (HHPHC), which, in turn, is a wholly owned subsidiary of Horizon Healthcare Services, Inc. d/b/a Horizon Blue Cross Blue Shield of New Jersey (Horizon BCBSNJ).
- B. HHSI and HIC entered into a 90% quota share reinsurance agreement effective October 1, 2015 whereby HHSI reinsured 90% of all Medicare Advantage, PDP and Medicare Supplement (Medigap) business, all on a prospective basis, (collectively, the “Senior” business). At December 31, 2019, the amount of premiums, claims and general and administrative costs ceded were \$516,264,437, \$438,360,359 and \$74,852,987, respectively. Receivables ceded were \$26,897,279 and liabilities and payables ceded were \$86,787,777.
- C. At December 31, 2019, the Company reported amounts receivable from Horizon Healthcare of New Jersey, Inc. of \$555,337 and amounts payable to Horizon BCBSNJ of \$47,126,796. At December 31, 2018, the Company reported amounts receivable to Horizon

NOTES TO FINANCIAL STATEMENTS

Healthcare of New Jersey, Inc. of \$590,109 and amounts payable to Horizon BCBSNJ of \$102,724,763. Intercompany balances are typically settled within 90 days of month end.

- D. Horizon BCBSNJ provides the Company with certain administrative services, including executive, financial, legal and human resource support. Horizon BCBSNJ also provides the computer systems and programming support needed by the Company for claims processing and customer service. Horizon BCBSNJ also markets the Company’s products. These services are allocated to the Company according to a defined formula. Additionally, Horizon BCBSNJ provides various other direct support services related to hospital contract negotiations, enrollment and billing services, front-end clerical functions and mail services. The Company is billed for these items at cost. The Company paid \$37,817,238 in 2019 and \$53,026,007 in 2018 to Horizon BCBSNJ for these services.
- E. The Company and Horizon BCBSNJ have entered into another agreement whereby Horizon BCBSNJ provides services to the Company related to provider network services and medical management functions. These services are provided at cost, which totaled \$11,354,023 in 2019 and \$6,651,842 in 2018.

11) DEBT
Not applicable.

12) RETIREMENT PLANS, DEFERRED COMPENSATION AND OTHER POSTRETIREMENT BENEFIT PLANS
Employees of the Company participate in the Horizon BCBSNJ retirement programs. These programs provide retirement benefits, as well as health and life insurance coverage for former employees, based upon employee compensation and years of service. Under the existing arrangements with Horizon BCBSNJ, all pension and post retirement liabilities and funding are recorded by Horizon BCBSNJ, which is responsible for all pension and post retirement liabilities accrued by the Company’s employees. The Company’s share of these pension and post-retirement expenses for 2019 and 2018 was \$294,126 and \$1,494,391, respectively. These amounts have been included in operating expenses.

In addition, eligible employees of the Company can participate in Horizon BCBSNJ’s Management and Union Employees’ Savings and Investment Plans, which are contributory savings’ plans for management and union employees. All management and union employees with 30 days of service are eligible for membership. For the years ended December 31, 2019 and 2018, the Company’s contributions were approximately \$149,173 and \$449,450, respectively.

- 13) CAPITAL AND SURPLUS, AND SHAREHOLDERS’ DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS
1. The Company has 140,000 shares of common stock authorized issued and outstanding.
2. The Company has no preferred stock outstanding.
3. The Company is required to maintain minimum amounts of paid-in capital and paid-in surplus as specified under New Jersey Insurance Law. The Company’s capital and surplus currently exceeds those requirements.
4. The Company did not pay a dividend in 2019 or 2018.
5. Within the limitations of (3) above, there are no restrictions placed on the portion of Company’s profits.
6. There were no restrictions placed on the Company’s surplus.
7. There were no unpaid advances to surplus.
8. There was no stock held by the Company for special purposes.
9. There were no special surplus funds.
10. The portion of unassigned surplus represented or reduced by unrealized gains and losses is \$0.
11. The Company has no surplus notes.
12. There has been no quasi-reorganization.

- 14) LIABILITIES, CONTINGENCIES AND ASSESSMENTS
- A. Contingent commitments – None
- B. Assessments – The Company has paid Guaranty Fund Assessment of \$2,716,916. In accordance with New Jersey regulations the Company also recorded a discounted 50% receivable of \$391,134, for premium tax credits. The premium tax credits will be realized starting in 2020 at no more than 20% of the total credit per year.

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

\$1,336,713

b. Decreases current year:

Policy surcharges collected-

Policy surcharges charged off-

Premium tax offset applied-

c. Increases current year:

Policy surcharges collected-

Policy surcharges charged off-

Premium tax offset applied:

Penn Treaty12,486
- d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end

\$1,349,199
- (3) a. Discount Rate Applied3.98%
- b. The Undiscounted and Discounted Amount of the Guaranty Fund Assessments and Related Assets by Insolvency: N/A
- c. Number of Jurisdictions, Ranges of Years Used to Discount and Weighted Average Number of Years of the Discounting Time Period for Payables and Recoverables by Insolvency

Name of the Insolvency	Payable			Recoverables		
	Number of Jurisdictions	Range of Years	Weighted Average Number of Years	Number of Jurisdictions	Range of Years	Weighted Average Number of Years
Health Republic	-	-	-	1	7	7
Penn Treaty	-	-	-	1	7	7

- C. Gain Contingencies – None
- D. Claims Related extra contractual obligation and bad faith losses stemming from lawsuits – None

NOTES TO FINANCIAL STATEMENTS

- E. Joint and several liabilities – None
- F. All other contingencies – None

- 15) LEASES
Not applicable
- 16) INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK
Not applicable
- 17) SALE, TRANSFER and SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENT OF LIABILITIES
Not applicable
- 18) GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

Cost-Plus contracts represent funding arrangements with certain larger group customers, whereby they agree to fully fund claims and administrative expenses as incurred by the Company. These contracts have been classified as uninsured health plans for financial statement purposes, leaving only the reimbursement for administrative expenses from these groups shown as a reduction in operating expenses.

Had these groups been considered as insured business, premiums, claims, and operating expenses would have been increased by the following amounts in 2019:

ASO Plans		ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total SASC
The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans as follows during 2019:				
a.	Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$	- \$	- \$
b.	Total net other income or expenses (including interest paid to or received from plans)	\$	- \$	- \$
c.	Net gain or (Loss) from operations	\$	- \$	- \$
d.	Total claim payment volume	\$	- \$	- \$

ASC Plans		ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total SASC
The gain from operations from Administrative Service Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2019:				
a.	Gross reimbursement for medical cost incurred	\$	365,447	\$
b.	Gross administrative fees accrued	\$	47,992	\$
c.	Other income or expenses (including interest paid to or received from plans)	\$	- \$	- \$
d.	Gross expenses incurred (claims and administrative)	\$	413,439	\$
e.	Total net gain or loss from operations	\$	- \$	- \$

Had these groups been considered as insured business, premiums, claims, and operating expenses would have been increased by the following amounts in 2018:

ASO Plans		Plans	Partially Insured	Total SASC
The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans as follows during 2018:				
a.	Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$	- \$	- \$
b.	Total net other income or expenses (including interest paid to or received from plans)	\$	- \$	- \$
c.	Net gain or (Loss) from operations	\$	- \$	- \$
d.	Total claim payment volume	\$	- \$	- \$

ASC Plans		ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total SASC
The gain from operations from Administrative Service Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2018:				
a.	Gross reimbursement for medical cost incurred	\$	374,171	\$
b.	Gross administrative fees accrued	\$	40,706	\$
c.	Other income or expenses (including interest paid to or received from plans)	\$	- \$	- \$
d.	Gross expenses incurred (claims and administrative)	\$	414,877	\$
e.	Total net gain or loss from operations	\$	- \$	- \$

- 19) DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS
Not applicable
- 20) FAIR VALUE MEASUREMENT

Assets and liabilities that are required to be reported at fair value should be classified in a hierarchy for disclosure purposes consisting of three levels based on the observability of inputs used to determine fair value. The levels are as follows:

- Level 1 – Unadjusted observable inputs for identical assets, such as quoted market prices in active markets at the measurement date.
- Level 2 – Inputs other than quoted prices in active markets that are either directly or indirectly observable.

NOTES TO FINANCIAL STATEMENTS

- Level 3 – Unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions.

C. Aggregate Fair Value by Hierarchical Level

2019

Type of Financial Instrument	Aggregate Fair Value		Admitted Assets		(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)				
Bond	\$	26,547,352	\$	25,616,977		\$	26,547,352	\$	-			
CMO		18,235,998		17,990,507			18,235,998	-	-			
MBS		37,696,495		37,382,019			37,696,495	-	-			
Cash and Cash Equivalents		1,989,663		1,989,099	34,609		999,751	-	955,302			
Total:	\$	84,469,507	\$	82,978,603	\$	34,609	\$	83,479,596	\$	-	\$	955,302

2018

Type of Financial Instrument	Aggregate Fair Value		Admitted Assets		(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)				
Bond	\$	39,292,736	\$	39,876,248		\$	39,292,736	\$	-			
CMO		25,991,306		25,911,580			25,991,306	-	-			
MBS		41,384,406		42,331,865			41,384,406	-	-			
Cash and Cash Equivalents		3,930,377		3,930,377	3,034,476			-	895,901			
Total:	\$	110,598,826	\$	112,050,070	\$	3,034,476	\$	106,668,449	\$	-	\$	895,901

D. Not Practicable to Estimate Fair Value Detail

2019

Type or Class of Financial Instrument								
CUSIP	Lot	Security Description	Carrying Value		Effective Interest Rate	Maturity Date	Explanation	
Cash and Cash Equivalents								
CASHUS-D0-0	1	JP MORGAN BANK DEPOSIT SWEEP	\$	955,302	0.00004			
Total Cash and Cash Equivalents			\$	955,302.16				

2018

Type or Class of Financial Instrument							
CUSIP	Lot	Security Description	Carrying Value		Effective Interest Rate	Maturity Date	Explanation
Cash and Cash Equivalents							
CASHUS-D0-0	1	JP MORGAN BANK DEPOSIT SWEEP	\$	430,455.20	0.00004		
CASHUS-D0-0	2	JP MORGAN BANK DEPOSIT SWEEP		465,445.85	0.00004		
Total Cash and Cash Equivalents			\$	895,901.05			

21) OTHER ITEMS

- A. Unusual or infrequent items – None
- B. Troubled debt restructuring – None
- C. Other disclosures and unusual items – None
- D. Business interruption insurance recoveries – None
- E. State transferable and non-transferable tax credits – None
- F. Subprime mortgage related risk exposure – None
- G. Retained assets – None
- H. Insurance-Linked Securities (ILS) Contracts – None

22) EVENTS SUBSEQUENT

The Company follows established guidelines for accounting and disclosure of events that occur after the balance sheet date but before financial statements are issued. The Company has evaluated subsequent events for recognition or disclosure in these financial statements through the date of their issuance on February 28, 2020.

On January 1, 2020, the Company will be subject to an annual fee under section 9010 of the Federal Affordable Care Act (ACA). This annual 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 Dec. 31, 2019, the Company has written health insurance subject to the ACA assessment, expects to conduct 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 \$643,587. This amount is reflected in special surplus. This assessment is expected to impact risk based capital (RBC) by 19.0 percentage points. Reporting the ACA assessment as of December 31, 2019, would not have triggered an RBC action level.

		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	643,587.00	
C.	ACA fee assessment paid	-	-
D.	Premium written subject to ACA 9010 assessment	278,224,933.34	-
E.	Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	39,407,363.00	
F.	Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	38,763,776.00	
G.	Authorized Control Level (Five-Year Historical Line 15)	3,454,487.00	
H.	Would reporting the ACA assessment as of Dec. 31, 2019 triggered an RBC action level (YES/NO)?	NO	

23) REINSURANCE

NOTES TO FINANCIAL STATEMENTS

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (X)

If yes, give full details.

- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes () No (X)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (X)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate \$_____.
- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? \$59,890,498

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$3,051,091 increase to surplus.
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$_____

- B. Uncollectible Reinsurance
Not applicable

- C. Commutation of Ceded Reinsurance
Not applicable

- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
Not applicable

- 24) RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION
Not applicable

- 25) CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES
Reserves for incurred claims attributable to insured events of prior years of \$5,116,389 favorably impacted 2019 and \$11,625,584 unfavorably impacted 2018 results of operations as a result of re-estimation of unpaid claims. The favorable impact is the result of ongoing analysis of recent loss development trends. Original estimates are revised as additional information becomes available.

- 26) INTERCOMPANY POOLING ARRANGEMENTS
Not applicable

- 27) STRUCTURED SETTLEMENTS
Not applicable

- 28) HEALTH CARE RECEIVABLES

NOTES TO FINANCIAL STATEMENTS

Not applicable

29) PARTICIPATING POLICIES

Not applicable

30) PREMIUM DEFICIENCY RESERVES

Not applicable

31) ANTICIPATED SALVAGE AND SUBROGATION

Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

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

Yes [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.

.....12/31/2015
- 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.

.....12/31/2015
- 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).

.....02/10/2017
- 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?
Ernst & Young, LLP, 5 Times Square, New York, NY 10036-6530.....

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 [] No [X] N/A []

10.6 If the response to 10.5 is no or n/a, please explain
The Audit Committee of Horizon BCBSNJ, the reporting entity's ultimate parent, is designated as the Audit Committee for the reporting entity.....

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?
Kenny Kan (Vice President and Chief Actuary), Horizon BCBSNJ, 3 Penn Plaza East, Newark, NJ 07105-2248.....

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 [X] 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?
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.

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

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

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

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

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

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 \$.....0
- 21.22 Borrowed from others \$.....0
- 21.23 Leased from others \$.....0
- 21.24 Other \$.....0
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?
- Yes [X] No []
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$(7,635,547)
- 22.22 Amount paid as expenses \$.....0
- 22.23 Other amounts paid \$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- \$.....555,337

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	\$	0
25.28 On deposit with states	\$	132,857
25.29 On deposit with other regulatory bodies	\$	0
25.30 Pledged as collateral – excluding collateral pledged to an FHLB	\$	0
25.31 Pledged as collateral to FHLB – including assets backing funding agreements	\$	0
25.32 Other	\$	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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
JP Morgan.....	New York, NY.....
Wells Fargo Bank.....	San Francisco, CA.....
TD Bank.....	Cherry Hill, NJ.....

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)
BNY Mellon.....	New York, NY.....	The company utilized BNY Mellon for its short-term investments.....

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"]

<div>1</div> <div>Name of Firm or Individual</div>	<div>2</div> <div>Affiliation</div>
PACIFIC INVESTMENT MANAGEMENT COMPANY LLC.....	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.

<div>1</div> <div>Central Registration Depository Number</div>	<div>2</div> <div>Name of Firm or Individual</div>	<div>3</div> <div>Legal Entity Identifier (LEI)</div>	<div>4</div> <div>Registered With</div>	<div>5</div> <div>Investment Management Agreement (IMA) Filed</div>
104559.....	PACIFIC INVESTMENT MANAGEMENT COMPANY LLC.....	549300KGPYQZXGMYYN38.....	SEC.....	NO.....

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

29.2 If yes, complete the following schedule:

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

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

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

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.

	<div>1</div> <div>Statement (Admitted) Value</div>	<div>2</div> <div>Fair Value</div>	<div>3</div> <div>Excess of Statement over Fair Value (-), or Fair Value over Statement (+)</div>
30.1 Bonds.....	81,988,691	83,479,596	1,490,905
30.2 Preferred Stocks.....	0	0	0
30.3 Totals	81,988,691	83,479,596	1,490,905

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

The reporting entity used Interactive Data Corporation to value its securities.....

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

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

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

The reporting entity used Interactive Data Corporation to value its securities.....

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?

\$633,636
- 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
Blue Cross Blue Shield Association.....	\$.....633,636

- 37.1 Amount of payments for legal expenses, if any?

\$0
- 37.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

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

\$0
- 38.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers, or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

GENERAL INTERROGATORIES
PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes ☒ No ☐

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

\$ 263,066,909

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.

\$ 207,161,239

1.6 Individual policies:

Most current three years:

1.61 Total premium earned

\$ 48,112,585

1.62 Total incurred claims

\$ 41,874,575

1.63 Number of covered lives

16,446

All years prior to most current three years:

1.64 Total premium earned

\$ 214,954,324

1.65 Total incurred claims

\$ 165,286,664

1.66 Number of covered lives

62,687

1.7 Group policies:

Most current three years:

1.71 Total premium earned

\$ 0

1.72 Total incurred claims

\$ 0

1.73 Number of covered lives

0

All years prior to most current three years:

1.74 Total premium earned

\$ 0

1.75 Total incurred claims

\$ 0

1.76 Number of covered lives

0

2. Health Test:

1

Current Year

2

Prior Year

2.1 Premium Numerator

\$ 71,861,991

\$ 149,493,600

2.2 Premium Denominator

\$ 71,878,601

\$ 148,887,290

2.3 Premium Ratio (2.1/2.2)

1.000

1.004

2.4 Reserve Numerator

\$ 8,142,030

\$ 13,116,324

2.5 Reserve Denominator

\$ 8,142,030

\$ 14,272,291

2.6 Reserve Ratio (2.4/2.5)

1.000

0.919

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 ☒

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 ☒ No ☐

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

Yes ☐ No ☒

5.1 Does the reporting entity have stop-loss reinsurance?

Yes ☐ No ☒

5.2 If no, explain:

Contracts contain hold harmless provisions. Entity has a 90% quota share reinsurance agreement with Parent Company.

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:

Hold harmless agreements in contracts

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes ☐ No ☒

7.2 If no, give details

The reporting entity utilizes actuarial triangles

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

46,637

8.2 Number of providers at end of reporting year

49,912

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes ☐ No ☒

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

0

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 [] No [X]
- 10.2 If yes:

10.21 Maximum amount payable bonuses\$

10.22 Amount actually paid for year bonuses\$

10.23 Maximum amount payable withholds\$

10.24 Amount actually paid for year withholds\$
- 11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes [] No [X]

11.13 An Individual Practice Association (IPA), or,

Yes [] 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.

\$.....6,824,206
- 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

See Health Risk Based Capital calculation
12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
All 21 counties in the state of 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\$0

15.2 Total Incurred Claims\$0

15.3 Number of Covered Lives.....0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary guarantee)
Universal Life (with or without secondary guarantee)
Variable Universal Life (with or without secondary guarantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

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

Yes [] No [X]

FIVE - YEAR HISTORICAL DATA

	1 2019	2 2018	3 2017	4 2016	5 2015
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	98,751,603	155,707,139	201,390,182	123,827,324	141,411,264
2. Total liabilities (Page 3, Line 24)	59,344,240	125,777,738	170,223,306	96,570,348	115,904,689
3. Statutory minimum capital and surplus requirement	6,824,206	13,547,895	11,371,535	2,544,319	6,107,418
4. Total capital and surplus (Page 3, Line 33)	39,407,363	29,929,402	31,166,877	27,256,977	25,506,577
Income Statement (Page 4)					
5. Total revenues (Line 8)	71,861,991	149,493,600	139,854,442	64,084,122	220,270,533
6. Total medical and hospital expenses (Line 18)	59,870,022	138,062,261	123,900,669	55,326,494	184,904,420
7. Claims adjustment expenses (Line 20)	1,789,859	3,227,079	3,949,272	1,594,040	3,974,500
8. Total administrative expenses (Line 21)	6,916,280	11,537,205	10,367,855	8,348,116	21,815,313
9. Net underwriting gain (loss) (Line 24)	3,285,830	(3,332,945)	1,636,646	(1,184,528)	9,576,300
10. Net investment gain (loss) (Line 27)	3,342,756	3,058,410	3,275,956	3,634,629	1,492,898
11. Total other income (Lines 28 plus 29)	4,930,984	3,134,135	1,274,299	398,705	439,901
12. Net income or (loss) (Line 32)	9,954,441	(1,571,364)	4,004,938	3,246,054	9,104,850
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	27,262,359	44,646,870	(64,967,239)	(30,253,415)	(4,459,760)
Risk-Based Capital Analysis					
14. Total adjusted capital.....	39,407,363	29,929,402	31,166,877	27,256,977	25,506,577
15. Authorized control level risk-based capital	3,412,103	6,773,948	5,685,768	2,544,319	6,107,418
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	320,751	365,174	300,198	196,395	173,901
17. Total members months (Column 6, Line 7)	3,856,892	4,294,058	3,401,598	2,316,449	1,566,424
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)	83.3	92.4	88.6	86.3	83.9
20. Cost containment expenses	1.5	1.4	2.0	1.6	0.3
21. Other claims adjustment expenses	1.0	0.7	0.8	0.9	1.5
22. Total underwriting deductions (Line 23)	95.4	102.2	98.8	101.8	95.7
23. Total underwriting gain (loss) (Line 24)	4.6	(2.2)	1.2	(1.8)	4.3
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	12,067,122	17,072,665	4,930,284	6,104,969	25,528,402
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	13,116,323	11,245,528	5,292,910	11,182,167	53,040,000
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					

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

If no, please explain

.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

			1	Direct Business Only							
				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	309,984,523	278,224,933	0	0	0	0	588,209,456	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	309,984,523	278,224,933	0	0	0	0	588,209,456	0
60.	Reporting entity contributions for Employee Benefit Plans		XXX							0	
61.	Total (Direct Business)		XXX	309,984,523	278,224,933	0	0	0	0	588,209,456	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	

(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.
situs of contracts.

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

PART 1 - ORGANIZATIONAL CHART

NAIC#	Federal Employee #	
-----	-----	
55069	22-0999690	A. Horizon Healthcare Services, Inc. (1)
	22-2561496	B. Horizon Healthcare Plan Holding Company, Inc.
95529	22-2651245	1. Horizon Healthcare of New Jersey, Inc. (2)
11146	22-3331515	2. Horizon Healthcare Dental, Inc. (3)
	22-3346524	3. Horizon Casualty Services, Inc.
14690	46-1362174	4. Horizon Insurance Company (4)
	13-4290405	C. Enterprise Property Holdings, LLC
	27-1179993	D. Three Penn Plaza Property Holdings Urban Renewal, LLC
	20-0252405	E. Horizon Charitable Foundation, Inc.
	46-2605607	F. Multistate Professional Services, Inc.
	47-4428396	G. Multistate Investment Services, Inc.

(1) Horizon Healthcare Services, Inc., a New Jersey domestic health service corporation, d/b/a Horizon Blue Cross Blue Shield of New Jersey.

(2) Horizon Healthcare of New Jersey, Inc., a New Jersey domestic health maintenance organization.

(3) Horizon Healthcare Dental, Inc., a New Jersey domestic dental plan organization.

(4) Horizon Insurance Company, a New Jersey domestic Life, Accident and Health Organization

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