

Please use the space below to explain any discrepancies between what is reported in Supplement Report #1 and Su

Supplement Report #1a

DRAFT

These categorized administrative expenses should roll up into the general administrative expenses reported on line 21 on Minnesota Supplement Report #1, as well as the underwriting and investment exhibit part 3 – analysis of expenses, of the NAIC health blank. The categories are broken down as follows:

Employee benefit expenses: salaries, wages and benefits

Sales expenses: commissions, marketing and advertising; cost of sales-related materials, postage, telephone and printing materials

General business and office type expenses: rent; non-sales related postage, express and telephone; non-sales related printing and office supplies; taxes (excluding state premium taxes and assessments), licenses and fees; traveling expenses; insurance, except on real estate; collection and bank service charges; group service and administration fees; real estate expenses; real estate taxes; equipment; occupancy, depreciation and amortization; cost of depreciation of ECP equipment and software

State premium taxes and assessments

Consulting and professional fees: legal fees and expenses; certifications and accreditation fees; auditing, actuarial and other consulting fees; board, bureaus and association fees

Outsourced services: ECP; claims and other services

Other expenses: investment expenses not included elsewhere; aggregate write-ins for expenses; reimbursements by uninsured plans; reimbursements from fiscal intermediaries.

Indirect expenses must be allocated by dollars of premium income, or premium-equivalent for ASO business.

Investment gain must be allocated by the prior five years of net income.

Investment Income Allocation

| Total | Non MN products | Total MN products | Commercial | M+C | Med Adv | Medicare Cost | Med Supp | MSHO | SNBC MA only | SNBC Integrated | MSC+ | PMAP | MNCare | Dental | Other | Admin Services Only |
|-------|-----------------|-------------------|------------|-----|---------|---------------|----------|------|--------------|-----------------|------|------|--------|--------|-------|---------------------|
|-------|-----------------|-------------------|------------|-----|---------|---------------|----------|------|--------------|-----------------|------|------|--------|--------|-------|---------------------|

Net Income

2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019

| | | | | | | | | | | | | | | | | |
|------|-------------|--------------|------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2020 | 25,164,266 | (7,424,164) | 32,588,430 | | | | | | | | | | | | | |
| 2021 | (2,331,493) | (2,331,493) | - | | | | | | | | | | | | | |
| 2022 | (5,783,259) | (5,783,259) | - | | | | | | | | | | | | | |
| | 17,049,513 | (15,538,917) | 32,588,430 | - | - | - | - | - | - | - | - | - | - | - | - | - |

% of Total

| | | | | | | | | | | | | | | | | |
|-------------|--|--------|--------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| 2022 | | -91.1% | 191.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
|-------------|--|--------|--------|------|------|------|------|------|------|------|------|------|------|------|------|------|

| | | | | | | | | | | | | | | | | |
|------------------------|----------------|-----------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2022 Investment Income | \$1,379,330.86 | 1,379,331 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
|------------------------|----------------|-----------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

Includes I-SNP

| <u>Direct</u> | | | | | | | | | | | | | | | | | | |
|----------------------------------|----------|------------------|------------------|----------|------|---------|---------------|----------|-----------------|------|---------|------|------|------|--------|--------|-------|-------|
| Form Wording: | Variance | Total | Non MN | Total MN | Comm | Med Adv | Medicare Cost | Med Supp | Medicare Part D | MSHO | SNBC MA | SNBC | PMAP | MSC+ | MNCare | Dental | Other | Admin |
| Employee benefit expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sales expense | - | 1,132,846 | 1,132,846 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| General Business/Office Expense | - | 3,049,617 | 3,049,617 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| State premium tax and assessment | - | 97,850 | 97,850 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Consulting | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Outsource | 0.00 | (113,176) | (113,176) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other expense | - | 340,000 | 340,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Direct | | 4,507,137 | 4,507,137 | | | | | | | | | | | | | | | |

| <u>Indirect</u> | | | | | | | | | | | | | | | | | | |
|----------------------------------|----------|------------------|------------------|----------|------|---------|---------------|----------|-----------------|------|---------|------|------|------|--------|--------|-------|-------|
| Form Wording: | Variance | Total | Non MN | Total MN | Comm | Med Adv | Medicare Cost | Med Supp | Medicare Part D | MSHO | SNBC MA | SNBC | PMAP | MSC+ | MNCare | Dental | Other | Admin |
| Employee benefit expense | - | 2,806,536 | 2,806,536 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sales expense | - | 629,685 | 629,685 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| General Business/Office Expense | - | 1,168,448 | 1,168,448 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| State premium tax and assessment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Consulting | - | 145,340 | 145,340 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Outsource | - | 2,547,244 | 2,547,244 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other expense | - | 17,063 | 17,063 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Indirect | | 7,314,316 | 7,314,316 | | | | | | | | | | | | | | | |

| <u>Both</u> | | | | | | | | | | | | | | | | | | |
|----------------------------------|------------|-------------------|-------------------|----------|------|---------|---------------|----------|-----------------|------|---------|------|------|------|--------|--------|-------|-------|
| Form Wording: | Variance | Total | Non MN | Total MN | Comm | Med Adv | Medicare Cost | Med Supp | Medicare Part D | MSHO | SNBC MA | SNBC | PMAP | MSC+ | MNCare | Dental | Other | Admin |
| Employee benefit expense | - | 2,806,536 | 2,806,536 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sales expense | - | 1,762,531 | 1,762,531 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| General Business/Office Expense | - | 4,218,065 | 4,218,065 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| State premium tax and assessment | - | 97,850 | 97,850 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Consulting | - | 145,340 | 145,340 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Outsource | - | 2,434,068 | 2,434,068 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other expense | - | 357,063 | 357,063 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Non Claims Expense | (0) | 11,821,452 | 11,821,452 | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | |
|--------------------------|------------------|--------------------|--------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Claims Adjustment | - | 372,238 | 372,238 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Revenue | - | 122,871,351 | 122,871,351 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Incurred Claims | - | 117,840,251 | 117,840,251 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Investment Gain/Loss | - | 1,379,331 | 1,379,331 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Aggregate Write In | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Federal and Foreign Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Income | 3,451,766 | (5,783,259) | (5,783,259) | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | |
|-------------|--|------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Reinsurance | | 19,965,457 | | | | | | | | | | | | | | | | |
|-------------|--|------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

| | Applix MCHP | Category % |
|----------------------------------|--------------------|-------------------|
| Employee benefit expense | 3,478,065 | 42.74% |
| Sales expense | 349,921 | 4.30% |
| General Business/Office Expense | 1,321,020 | 16.23% |
| State premium tax and assessment | 0 | 0.00% |
| Consulting | 158,094 | 1.94% |
| Outsource | 2,812,875 | 34.56% |
| Other expense | 18,427 | 0.23% |
| Total Indirect | 8,138,401 | 100.00% |

0

| | Non-MN |
|----------------------------------|------------------|
| Employee benefit expense | 1,926,386 |
| Sales expense | 193,810 |
| General Business/Office Expense | 731,670 |
| State premium tax and assessment | 0 |
| Consulting | 87,563 |
| Outsource | 1,557,959 |
| Other expense | 10,206 |
| Total Indirect | 4,507,594 |

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