

**SOUTH COUNTRY HEALTH ALLIANCE**  
**Minnesota Supplement Report #1A**  
**REALLOCATION OF EXPENSES AND INVESTMENT INCOME**  
**For the Year Ending December 31, 2018**  
**Public Information, Minnesota Statutes § 62D.08**

Line	Direct Non-Claim Expenses	1 Total	2 Non MN products	3 Total MN products	4 Commercial	5 Medicare Advantage	6 Medicare Cost	7 MSHO	8 SNBC MA only	9 SNBC Integrated	10 MSC+	11 PMAP	12 MNCare	13 Dental	14 Other	15 Admin Services
1	Employee benefit expenses	0		0												
2	Sales expenses	207581		207581				6044	10936	7483	1534	166258	15326			
3	General business/office expense	48878		48878				6202	6722	1708	1346	28819	4081			
4	State premium taxes and assessments	0		0												
5	Consulting and professional fees	667472		667472				251302	60643	176568		137267	41692			
6	Outsourced services	1484505		1484505				193183	74439	61804	26629	1030284	98166			
7	Other expenses	0		0												
8	<b>Total Direct Expenses</b>	<b>2408436</b>	<b>0</b>	<b>2408436</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>456731</b>	<b>152740</b>	<b>247563</b>	<b>29509</b>	<b>1362628</b>	<b>159265</b>	<b>0</b>	<b>0</b>	<b>0</b>

Line	Reallocated Indirect Non-Claim Expenses	1 Total	2 Non MN products	3 Total MN products	4 Commercial	5 Medicare Advantage	6 Medicare Cost	7 MSHO	8 SNBC MA only	9 SNBC Integrated	10 MSC+	11 PMAP	12 MNCare	13 Dental	14 Other	15 Admin Services
9	Employee benefit expenses	7448150		7448150				1514930	806535	278834	287663	4113642	446546			
10	Sales expenses	245527		245527				49939	26587	9192	9483	135606	14720			
11	General business/office expense	2340627		2340627				476076	253459	87625	90400	1292737	140330			
12	State premium taxes and assessments	0		0												
13	Consulting and professional fees	2493850		2493850				507241	270051	93362	96317	1377363	149516			
14	Outsourced services	0		0												
15	Other expenses	0		0												
16	<b>Total Indirect Expenses</b>	<b>12528154</b>	<b>0</b>	<b>12528154</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2548186</b>	<b>1356632</b>	<b>469013</b>	<b>483863</b>	<b>6919348</b>	<b>751112</b>	<b>0</b>	<b>0</b>	<b>0</b>

Line	Direct plus Indirect Non-Claim Expenses	1 NAIC Total	2 Non MN products	3 Total MN products	4 Commercial	5 Medicare Advantage	6 Medicare Cost	7 MSHO	8 SNBC MA only	9 SNBC Integrated	10 MSC+	11 PMAP	12 MNCare	13 Dental	14 Other	15 Admin Services
17	Employee benefit expenses	7448150	0	7448150	0	0	0	1514930	806535	278834	287663	4113642	446546	0	0	0
18	Sales expenses	453108	0	453108	0	0	0	55983	37523	16675	11017	301864	30046	0	0	0
19	General business/office expense	2389505	0	2389505	0	0	0	482278	260181	89333	91746	1321556	144411	0	0	0
20	State premium taxes and assessments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Consulting and professional fees	3161322	0	3161322	0	0	0	758543	330694	269930	96317	1514630	191208	0	0	0
22	Outsourced services	1484505	0	1484505	0	0	0	193183	74439	61804	26629	1030284	98166	0	0	0
23	Other expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	<b>Total Non-Claim Expenses = Sum of Lines 17 to 23</b>	<b>14936590</b>	<b>0</b>	<b>14936590</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3004917</b>	<b>1509372</b>	<b>716576</b>	<b>513372</b>	<b>8281976</b>	<b>910377</b>	<b>0</b>	<b>0</b>	<b>0</b>
25	<b>Claims Adjustment Expenses</b>	<b>10113806</b>		<b>10113806</b>				<b>1276554</b>	<b>646232</b>	<b>330058</b>	<b>265283</b>	<b>6913289</b>	<b>682390</b>			
26	<b>Revenues (Supp Report #1, Line 8)</b>	<b>298717492</b>		<b>298717492</b>				<b>60758188</b>	<b>32347120</b>	<b>11182997</b>	<b>11537089</b>	<b>164982818</b>	<b>17909280</b>			
27	<b>Incurred Claims (Supp Report #1, Line 18 + Line 22)</b>	<b>286632523</b>		<b>286632523</b>				<b>55196057</b>	<b>29202703</b>	<b>12629550</b>	<b>9751228</b>	<b>162268896</b>	<b>17584089</b>			
28	<b>Net Investment Gain/(Loss) (Allocated)</b>	<b>671314</b>		<b>671314</b>				<b>128112</b>	<b>318603</b>		<b>224599</b>					
29	<b>Aggregate Write Ins for Other Income or (Expenses)</b>	<b>0</b>		<b>0</b>												
30	<b>Federal and Foreign Income Taxes Incurred</b>	<b>0</b>		<b>0</b>												
31	<b>Net Income = Lines 26+28+29-24-25-27-30</b>	<b>-12294113</b>	<b>0</b>	<b>-12294113</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1408772</b>	<b>1307416</b>	<b>-2493187</b>	<b>1231805</b>	<b>-12481343</b>	<b>-1267576</b>	<b>0</b>	<b>0</b>	<b>0</b>