





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

|             |  |        |        |      |      |      |      |      |      |      |      |      |      |      |      |      |
|-------------|--|--------|--------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| <b>2022</b> |  | -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          | -        | -    | -       | -             | -        | -               | -    | -       | -    | -    | -    | -      | -      | -     | -     |
| <b>Total Direct</b>              |          | <b>4,507,137</b> | <b>4,507,137</b> |          |      |         |               |          |                 |      |         |      |      |      |        |        |       |       |

| <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           | -        | -    | -       | -             | -        | -               | -    | -       | -    | -    | -    | -      | -      | -     | -     |
| <b>Total Indirect</b>            |          | <b>7,314,316</b> | <b>7,314,316</b> |          |      |         |               |          |                 |      |         |      |      |      |        |        |       |       |

| <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           | -        | -    | -       | -             | -        | -               | -    | -       | -    | -    | -    | -      | -      | -     | -     |
| <b>Total Non Claims Expense</b>  | <b>(0)</b> | <b>11,821,452</b> | <b>11,821,452</b> |          |      |         |               |          |                 |      |         |      |      |      |        |        |       |       |

|                          |                  |                    |                    |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|--------------------------|------------------|--------------------|--------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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  | -                | -                  | -                  | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| <b>Net Income</b>        | <b>3,451,766</b> | <b>(5,783,259)</b> | <b>(5,783,259)</b> |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |

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

|                                  | <b>Applix MCHP</b> | <b>Category %</b> |
|----------------------------------|--------------------|-------------------|
| 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%             |
| <b>Total Indirect</b>            | <b>8,138,401</b>   | <b>100.00%</b>    |

**0**

|                                  | <b>Non-MN</b>    |
|----------------------------------|------------------|
| 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           |
| <b>Total Indirect</b>            | <b>4,507,594</b> |

**0**