

Final
Report on the
Medical Loss Ratio Examination
of
Reserve National Insurance Company
(Oklahoma City, Oklahoma)
for the
2015 MLR Reporting Year

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information & Insurance Oversight
200 Independence Avenue SW
Washington, D.C. 20201



OVERSIGHT GROUP

June 9, 2025

In accordance with Title 45 of the Code of Federal Regulations (CFR), section 158.402, the Center for Consumer Information & Insurance Oversight (CCIIO) has completed an examination of the Medical Loss Ratio (MLR) Annual Reporting Form submitted by Reserve National Insurance Company (the Company) for the 2015 MLR reporting year, including 2015, 2014, and 2013 data reported on that form. Following an exit conference with the Company, the Company responded to each Finding and Corrective Action. This final report, which will be made publicly available, incorporates the Company's response and CCIIO's evaluation of the response.

A handwritten signature in blue ink that reads "Christina A. Whitefield".

Christina A. Whitefield, Director
Data and Analytics Division
Oversight Group
Center for Consumer Information & Insurance Oversight
Centers for Medicare & Medicaid Services
U.S. Department of Health & Human Services

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I. Executive Summary

The Center for Consumer Information & Insurance Oversight (CCIIO) has performed an examination of the 2015 Medical Loss Ratio (MLR) Annual Reporting Form for Reserve National Insurance Company (the Company) to assess the Company's compliance with the requirements of 45 CFR Part 158. We determined that the Company's 2015 MLR Annual Reporting Form contains some elements that are not compliant with the requirements of 45 CFR Part 158, and that impact consumer rebates.

We direct the Company to implement the necessary corrective actions to address the findings detailed in this report, including: properly aggregating the experience of its individual market policies based upon the state of certificate of coverage or policy issuance; maintaining adequate documentation to support incurred claims and earned premium; properly and accurately reporting incurred claims, earned premiums, and state premium taxes; and adopting and implementing policies and procedures to ensure compliance with the requirements of the MLR Annual Reporting Form Filing Instructions.

The examination findings resulted in net changes to the Company's reported MLRs in the mini-med¹ individual market in 14 states, increasing the Company's total rebate liability for the 2015 reporting year in six states by \$67,514. In addition, in eight other states the examination findings resulted in a rebate liability that was \$727,589 less than that reported by the Company.

II. Scope of Examination

CCIIO examined the Company's 2015 MLR Annual Reporting Form to determine compliance with 45 CFR Part 158. Title 45 CFR Part 158 implements section 2718 of the Public Health Service Act (PHS Act). Section 2718 of the PHS Act, as added by the Patient Protection and Affordable Care Act (ACA), generally requires health insurance issuers to submit to the Secretary of the U.S. Department of Health & Human Services (HHS) an annual report concerning premium revenue and expenses related to group and individual health insurance coverage issued. The federal MLR is the proportion of earned premium, less certain taxes and regulatory fees expended by an issuer on clinical services and activities that improve health care quality in a given state and market after adjustments for the credibility of the experience or other factors, where applicable, and calculated using the average of three consecutive years of data. Section 2718 also requires an issuer to provide rebates to consumers if it does not meet the applicable MLR standard (generally, 80% in the individual and small group markets and 85% in the large group market).

This is the first examination of the Company's MLR Annual Reporting Form performed by CCIIO. The examination covered the reporting period of January 1, 2013 through December 31, 2015, including 2013, 2014, and 2015 experience and claims run-out through March 31, 2016.

¹ The term "mini-med" plan generally refers to policies that often cover the same types of medical services as comprehensive medical plans but have unusually low annual benefit limits, to the extent permitted by law. For MLR reporting and rebate purposes, §158.120(d)(3) directs an issuer with policies that have a total annual limit of \$250,000 or less to report the experience from such policies separately from other policies.

We conducted the examination in accordance with the CCIIO Medical Loss Ratio Examination Handbook (the Handbook). The Handbook sets forth the guidelines and procedures for planning and performing an examination to evaluate the validity and accuracy of the data elements and calculated amounts reported on the MLR Annual Reporting Form, and the accuracy and timeliness of any rebate payments. The examination included assessing the principles used and significant estimates made by the Company, evaluating the reasonableness of expense allocations, and determining compliance with relevant statutory accounting standards, MLR regulations and guidance, and the MLR Annual Reporting Form Filing Instructions.

The Company's response to each finding appears after the finding in the Conclusion, Corrective Actions, Company Responses, and CCIIO Replies section of this Report. The Company's implementation of the corrective actions was not reviewed for proof of implementation or subjected to the procedures applied during the examination. CCIIO's replies are based solely on a review of the Company's response. CCIIO reserves the right to review the actual implementation of the Company's corrective action and proposed action plan for each corrective action in future MLR Annual Reporting Forms, examinations, or as otherwise may be appropriate.

III. Summary of Findings

Page	Key Findings
7	<p>Failure to properly aggregate experience of policies issued, as required by §158.120 – The Company improperly aggregated the experience of its association policies and individual market policies on its 2015 MLR Annual Reporting Form and improperly aggregated the incurred claims, earned premium, and other components of its MLRs based upon the current state of residence of its certificate and policy holders rather than on the state where the certificate or policy was issued. As a result of this error, the Company filed a 2015 MLR Annual Reporting Form in the mini-med individual market in 41 states when, based on the state of issuance of the certificate of coverage or policy, it should have only filed an MLR Annual Reporting Form in 27 states.</p> <p>As a result of properly aggregating incurred claims, earned premium, and all other components of the MLR calculation, and recalculating the Company's MLR in the 27 correct states, the Company's three-year aggregate incurred claims increased by a net total of \$139,034, and its earned premiums increased by a net total of \$54,791, in all states combined.</p>
7, 8, 9	<p>Failure to maintain adequate documentation, as required by §158.502 – The Company did not maintain the documents, data, or other records necessary to calculate the aggregated, total incurred claims or earned premium amounts reported on its 2015 MLR Annual Reporting Form. This error did not impact the MLR calculation.</p>
7, 8, 9	<p>Failure to submit an MLR Annual Reporting Form in the manner prescribed by the Secretary, as required by §158.110 - The Company</p>

	<p>failed to restate its 2013 and 2014 incurred claims on Part 3, Line 1.2, in the prior year (PY2 and PY1) columns on its 2015 MLR Annual Reporting Form. As a result, the Company overstated its three-year aggregate incurred claims by \$532,478 in the mini-med individual market.</p> <p>The Company improperly reported its state premium taxes on Part 1, Line 3.2a, rather than on Part 1, Line 3.2b, as required, on its 2015 MLR Annual Reporting Form. This error did not have any impact on the Company's MLR calculations.</p> <p>The Company incorrectly excluded state high risk pool subsidies that it received from six states from its earned premium reported on its 2015 MLR Annual Reporting Form. As a result, the Company understated its current year earned premium on its 2015 MLR Annual Reporting Form by \$127,418.</p>
8-9	<p>Failure to accurately report earned premium, as required by §158.130 –</p> <p>The Company improperly included the 2014 MLR rebates that it paid in its premium written on its 2015 MLR Annual Reporting Form, in the mini-med individual market in 22 states. As a result, the Company overstated its three-year aggregate earned premium by \$2,720,748.</p>

These findings resulted in net changes to the Company's reported MLRs in the mini-med individual market in 14 states. The recalculated MLRs in six states resulted in an additional rebate liability of \$67,514 for the 2015 MLR reporting year. In eight states, the recalculated MLRs increased the MLRs reported by the Company, resulting in a rebate amount of \$727,589 less than the amount the Company determined it owed and paid.

The Company improperly filed an MLR Annual Reporting Form in 41 states based on the current state of residence of its certificate and policy holders. Based on the state of certificate or policy issuance, the Company should have filed an MLR Annual Reporting Form in only 27 states. As a result, the Company improperly filed a 2015 MLR Annual Reporting Form for 14 states (Alaska, California, Hawaii, Idaho, Maine, Maryland, Michigan, Nevada, New York, Oregon, Utah, Vermont, Washington, and Wisconsin) in which it did not have any health insurance coverage subject to 45 CFR Part 158.

The three-year, aggregated incurred claims and earned premium amounts, combined for all 41 states for which the Company filed a 2015 MLR Annual Reporting Form, along with the additional rebates owed for 2015, are shown in the following table. Although the calculations shown are aggregated for all 41 states where the Company filed an MLR report, the differences between the amounts in the "As Filed" and "As Recalculated" rows reflect the net impact of the adjustments made to properly aggregate the policy experience based on the state of certificate of coverage or policy issuance, as well as to restate incurred claims and earned premium for the 27 states where the Company was subject to MLR.

Recalculated Aggregate² Mini-Med Individual Market Incurred Claims, Earned Premium, and Rebates for the 2015 Reporting Year

	Mini-Med Individual Market		
	Incurred Claims	Earned Premium	Rebates
As Filed	\$61,487,817	\$101,211,971	\$2,377,509
As Recalculated	\$61,094,373	\$98,673,432	\$2,445,025
Difference	(\$393,444)	(\$2,538,539)	\$67,514 ³

IV. Company Overview

A. Description, Territory, and Plan of Operation

The Company is a for-profit life and health insurance company domiciled in Oklahoma. The Company sold individual mini-med policies in 27 states.

During the 2013, 2014, and 2015 MLR reporting years, the Company operated in the mini-med individual market that was subject to the MLR reporting requirements of 45 CFR Part 158. As of December 31, 2015, the Company reported a total of 6,191 covered lives and \$21,053,908 in direct earned premium for policies subject to the MLR reporting and rebate requirements under 45 CFR Part 158, and a total of 116,826 covered lives and \$113,250,418 in direct earned premium from all health lines of business. The Company's lines of business not subject to the MLR regulations at 45 CFR Part 158 include Medicare supplement policies, home health care insurance, critical illness insurance, stand-alone dental insurance, outpatient/short term medical insurance, and accident insurance.

B. Management

The corporate officers and board of directors of the Company as of December 31, 2015 were:

Officers

<u>Name</u>	<u>Title</u>
Andrew F. Schallhorn	President
Stacey G. Barton	Treasurer
Scott F. Snider	Secretary
John R. Camillo	Senior Vice President
Kempner J. Cole, Jr.	Senior Vice President
Kyle D. Conrad	Senior Vice President

² See Appendix I to this report for the three-year adjusted, aggregate numerator and denominator, along with the resulting credibility-adjusted MLRs and rebates for the 2015 reporting year, for the states and markets in which the MLR changed as a result of the examination findings.

³ This amount reflects the Company's aggregate rebate liability due in six states as a result of the examination findings. This amount does not include the recalculated rebates in eight states, which were, in aggregate, \$727,589 less than the amount that the Company determined it owed and paid.

Raymund W. Gordon

Senior Vice President

Directors

Name

John M. Boschelli

Maxwell T. Mindak

Christopher L. Moses

Dennis J. Sandelski

Andrew F. Schallhorn

Company management and corporate-level personnel responsible for the preparation, submission, and attestation of the 2015 MLR Annual Reporting Form were:

Name

Andrew F. Schallhorn

Stacey G. Barton

Title

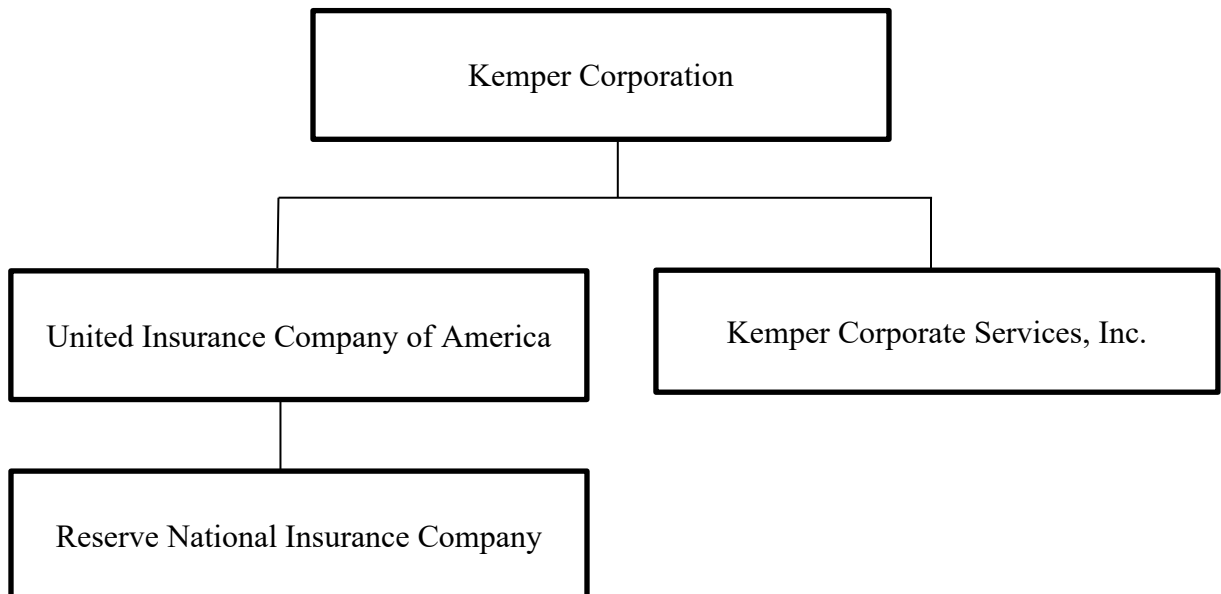
CEO Attester

CFO Attester

C. Ownership

The Company is a member of an insurance holding group system.

**Reserve National Insurance Company
Organizational Chart as of December 31, 2015⁴**



⁴ This is an excerpt from the organization chart provided by the Company and includes only those entities whose relationship to the Company impacted the MLR examination.

D. Agreements

As of December 31, 2015, the Company had entered into the following intercompany agreements that are pertinent to a review of its MLR Annual Reporting Form:

1. A Federal Income Tax Sharing Agreement with Kemper Corporation and other affiliates.
2. A General Services Agreement with Kemper Corporate Services, Inc.

E. Reinsurance

During 2013, 2014, and 2015, the Company did not have any reinsurance agreements in effect that impacted the MLR reporting of its health insurance policies subject to the regulations at 45 CFR Part 158.

V. Accounts and Records

As of December 31, 2015, the Company's main administrative and financial reporting office is located at 601 East Britton Road, Oklahoma City, Oklahoma 73114. The Company provided adequate access to its accounts and records, including computer and other electronic systems, as required by §158.501.

As noted herein, the Company did not comply with §158.502 with regard to maintaining adequate documentation and other evidence necessary to enable CCIIO to verify that the MLRs and rebates owed were calculated in accordance with 45 CFR Part 158. Specifically, the Company did not provide sufficient evidence necessary to enable CCIIO to verify the accuracy of the paid claims and direct premium written that it reported.

VI. Examination Results

Except as noted in this report, based on the procedures performed, nothing came to our attention that would indicate that the Company's 2013, 2014, and 2015 MLR Annual Reporting Forms were not filed on the form and in the manner prescribed by the Secretary. The Company's 2013, 2014, and 2015 MLR Annual Reporting Forms were filed by the due date.

The Company reported that it met or exceeded the MLR standard of 80% in the mini-med individual market for 2015 in 30 states and thus was not required to pay rebates to its enrollees for these states. For 2015, the Company reported that it did not meet the MLR standard of 80% in 11 states and paid rebates of \$2,377,509 in those states. Based on the errors found during the examination, the Company's MLRs for the 2015 reporting year were recalculated across all states and resulted in an additional rebate liability of \$67,514 in the mini-med individual market in six states. In eight states, the recalculated MLRs increased the MLRs reported by the Company, resulting in a rebate amount of \$727,589 less than the amount the Company determined it owed and paid.

A. MLR Data

Market Classification

The Company adopted policies and procedures for determining group size and market classification that are consistent with the definitions in §158.103 applicable to the 2013-2015 reporting years. The samples of policies tested during the examination were assigned to the correct market classification.

Aggregation

Failure to Properly Aggregate Policy Experience

The Company improperly aggregated and reported the experience of its policies in the mini-med individual market on its 2015 MLR Annual Reporting Form, improperly aggregating and reporting incurred claims, earned premium, and all of the other components of the MLR based upon the current state of residence of its certificate and policy holders instead of based on the state of certificate or policy issuance. According to §158.120(a), experience for individual market policies must be included in the state report for the issue state of the policy and according to §158.120(d)(1), for individual market policies sold through an association, the experience must be included in the state report for the issue state of the certificate of coverage. As a result of this error, the Company filed a 2015 MLR Annual Reporting Form for 41 states in the mini-med individual market, when it should have filed MLR Forms for 27 states.

The Company was informed of this error during the examination and recalculated its 2015 MLRs based on the state of certificate or policy issuance, correctly aggregating incurred claims, earned premium, and all other components of the MLR calculation for the 27 states for which it should have filed an MLR Form. In the process of making the corrections, the Company used updated paid claims and earned premium reports, resulting in its recalculation of the three-year aggregate incurred claims being \$139,034 greater than initially reported on Part 3, Line 1.2, and its calculation of the three-year aggregate earned premium being \$54,791 greater than initially reported on Part 3, Line 2.1, on its 2015 MLR Annual Reporting Form, for all states combined. The impact of this error on the Company's revised 2015 MLR Annual Reporting Forms is included in the recalculated MLRs in the table in Section III of this report.

Based on the procedures performed, other than improper aggregation of policy experience noted above, nothing additional came to our attention that would indicate that the samples of policies, claims, and other aggregation-related reporting elements tested during the examination were not correctly assigned to the appropriate states, markets, and lines of business in accordance with §158.120.

Incurred Claims

Failure to Maintain Adequate Documentation

The Company did not maintain adequate documents, data, or other records necessary to enable CCIIO to verify the accuracy of the aggregated, total incurred claims amount reported on its 2015 MLR Annual Reporting Form. The Company said that it had not maintained the original, detailed data from which the filed MLR Forms were originally prepared. The Company

explained that the variances in the revised paid claims report were due to retroactive adjustments that it made to paid claims subsequent to the original MLR Form filing.

Improper Reporting of Prior Year Incurred Claims

The Company failed to restate its 2013 and 2014 incurred claims on Part 3, Line 1.2, in the PY2 and PY1 columns on its 2015 MLR Annual Reporting Form. The Company failed to adjust its 2013 and 2014 incurred claims for subsequent development. According to the 2015 MLR Annual Reporting Form Filing Instructions, the amount reported on Part 3, Line 1.2, in the PY2 and PY1 columns must include incurred claims restated as of March 31 of the year following the MLR reporting year. Incurred claims initially reported for 2013 and 2014 should have been restated on Line 1.2 for the prior year columns for all applicable elements of adjusted incurred claims and reflecting run-out through March 31, 2016. As a result, the Company overstated its three-year aggregate incurred claims by \$532,478 in the mini-med individual market.

Based upon the procedures performed, including validating a sample of incurred claims (as defined by §158.140), other than the failure to restate prior year incurred claims, noted above, nothing additional came to our attention that would indicate that the Company did not accurately report incurred claims.

Claims Recovered Through Fraud Reduction Efforts

The Company did not report recoveries of paid fraudulent claims, which §158.140(b)(2)(iv) allows as an adjustment to incurred claims up to the amount of fraud reduction expenses.

Quality Improvement Activities

The Company did not report any expenses for activities that improve health care quality, which §158.221(b) allows as an inclusion in the MLR numerator.

Earned Premium

Improper Reporting of Earned Premium

The Company improperly included the MLR rebates it paid and accrued for 2014 in its 2015 premium written reported on Part 2, Line 1.1, of its 2015 MLR Annual Report Form for the mini-med individual market in 22 states. According to §158.130(b)(3), adjustments to premium must exclude any rebates paid based upon an issuer's MLR. As a result, the Company overstated its three-year aggregate earned premium on its 2015 MLR Annual Reporting Form by \$2,720,748.

The Company did not include the subsidies it received from six state high risk pools in its earned premium reported on its 2015 MLR Annual Reporting Form. According to the 2015 MLR Annual Reporting Form Filing Instructions, subsidies from state high risk pools must be reported on Part 1, Line 1.3. As a result, the Company understated its current year earned premium on its 2015 MLR Annual Reporting Form by \$127,418.

Failure to Maintain Adequate Documentation

The Company did not maintain the adequate documents, data, or other records necessary to enable CCIIO to verify the accuracy of the total earned premium amount reported on its 2015

MLR Annual Reporting Form. The Company said that it had not maintained the original, detailed data from which the filed MLR Forms were originally prepared. The Company explained that the variances in the revised earned premium report were due to retroactive premium adjustments that it made to earned premium subsequent to the original MLR Form filing.

Based upon the procedures performed, other than the errors noted above, nothing additional came to our attention that would indicate that earned premium was not properly reported on a direct basis or that the data elements underlying 2013, 2014, and 2015 premium reported on the Company's 2015 MLR Annual Reporting Form were not compliant with §158.130.

Taxes

Improper Reporting of State Premium Taxes

The Company improperly reported its state premium taxes on Part 1, Line 3.2a, of its 2015 MLR Annual Reporting Form. According to the 2015 MLR Annual Reporting Form Filing Instructions, state premium taxes must be reported on Part 1, Line 3.2b. These errors did not impact the Company's MLR calculation as the total taxes and fees were reported accurately. This error did not impact the Company's MLR calculations.

Based upon the procedures performed, other than the improper reporting of state premium taxes noted above, nothing additional came to our attention that would indicate that the taxes, licensing, and regulatory fees excluded from 2013, 2014, and 2015 earned premium on the Company's 2015 MLR Annual Reporting Form did not comply with §158.161 and §158.162, or were not accurately reported and reasonably allocated among the Company's states, as required by §158.170.

B. Credibility-Adjusted MLR and Rebate Amount Calculation

Based upon the procedures performed, the Company correctly applied the credibility adjustment, in accordance with §§158.230-232, when it calculated and reported its MLRs. The Company's credibility-adjusted MLRs were calculated using the correct formula and in accordance with 45 CFR Part 158 and the applicable MLR Annual Reporting Form Filing Instructions.

The Company reported that in 2015, it did not meet the MLR standard of 80% in the mini-med individual market in 14 states. The Company used the correct procedures to calculate the mini-med plans individual market rebates totaling \$2,377,509 for 2015. As detailed in this report, the examination identified errors in the data underlying the Company's MLRs and rebate calculations, resulting in changes to the Company's 2015 MLRs and rebate amounts.

C. Rebate Disbursement and Notice

According to its 2015 MLR Annual Reporting Form, the Company reported that it owed rebates in the mini-med individual market. Based on the procedures performed, the Company timely issued rebates in accordance with §§158.240-244, and Rebate Notices in accordance with §158.250.

D. Compliance with Previous Recommendations

The Company indicated that neither CCIIO nor any state regulatory entity has previously performed an examination of the Company's MLR processes and reporting. The Company informed CCIIO that the Oklahoma Insurance Department performed a financial examination of the Company in 2016, covering the period January 1, 2010 through December 31, 2014. There were no findings as a result of the financial examination.

VII. Subsequent Events

The Company is required to inform CCIIO of any subsequent events that may affect the currently attested 2015 MLR Annual Reporting Form. No post-December 31, 2015 significant events were brought to CCIIO's attention. Reserve National Insurance Company was purchased by Medical Mutual of Ohio in December, 2022.

VIII. Conclusion, Corrective Actions, Company Responses, and CCIIO Replies

CCIIO examined Reserve National Insurance Company's 2015 MLR Annual Reporting Form to assess the Company's compliance with the requirements of 45 CFR Part 158. The examination involved determining the validity and accuracy of the data elements and calculated amounts reported on the MLR Annual Reporting Form, and the accuracy and timeliness of any rebate payments. As detailed above, the Company's 2015 MLR Annual Reporting Form contained some elements that were not fully compliant with the requirements of 45 CFR Part 158. Based on the adjustments made as a result of the examination findings, the Company owes rebates of \$67,514 in the mini-med individual market in six states.

As a result of this examination, consistent with § 158.402(e), CCIIO directs the Company to implement the following corrective actions:

Corrective Action #1

The Company must adopt and implement procedures to ensure that it properly aggregates the experience of its association and individual market policies, including incurred claims, earned premium, and all other components of the MLR, based upon the state of certificate of coverage or policy issuance in accordance with §158.120.

Company Response

The Company improperly used the current state of residence rather than state of issue when it completed its 2015 MLR Annual Reporting Form for the first time (previous years were based on state of issue). The Company recalculated its 2015 MLRs and rebates based on state of issuance, and calculated and filed all subsequent MLR filings by state of issue.

CCIIO Reply

CCIIO accepts the Company's response and the corrective action plan.

Corrective Action #2

The Company must adopt and implement a comprehensive MLR records maintenance program under which it maintains all documentation and evidence necessary to enable CCIIO to verify compliance with each element included in the MLR Annual Reporting Form, as required by §158.502. The Company must maintain adequate documents, data and other records necessary to enable CCIIO to verify the accuracy of incurred claims and earned premium amounts reported.

Company Response

The Company had a comprehensive program at the time of the examination but has made improvements regarding MLR support data and has maintained all filings and documentation for MLR rebates and all relevant data.

CCIIO Reply

CCIIO accepts the Company's response and the corrective action plan.

Corrective Action #3

The Company must adopt and implement procedures to ensure that it completes the MLR Annual Reporting Form in accordance with §158.110, and the applicable MLR Annual Reporting Form Filing Instructions, including properly restating prior year incurred claims, and ensuring proper reporting of state premium taxes.

Company Response

The company recalculated the 2015 incurred claims runout section to properly restate incurred claims for the examiners and has implemented this for all subsequent MLR filings. The claims are now calculated as all claims incurred in the year stated on the MLR form and paid through March of the year following the MLR reporting year. The Company also corrected the improper reporting of state premium taxes by moving them from Part 1, Line 3.2a to Part 1, Line 3.2b. The Company has also implemented this change for all subsequent reporting years. Additionally, subsequent to the completion of the examination fieldwork, the Company paid the additional rebates that were due.

CCIIO Reply

CCIIO accepts the Company's response and the corrective action plan.

Corrective Action #4

The Company must adopt and implement procedures to ensure that it properly reports earned premium in accordance with §158.130, including ensuring MLR rebate amounts are excluded from written premium, and that state high risk pool amounts are properly included in earned premium.

Company Response

The Company corrected the 2015 premiums by excluding the previous year MLR paid rebate amounts that were previously included in the earned premiums when it provided calculations to the examiners. The Company also corrected the 2015 premiums in the 2016 and 2017 MLR

reporting forms. The Company also included state high risk pools in line 1.3 in the recalculated state of issue rebates. These changes were also implemented in subsequent reporting years.

CCIO Reply

CCIO accepts the Company's response and the corrective action plan.

The corrective actions provided in this report should be shared with and adopted by, as applicable, any affiliated entities of the Company, such as its parent or subsidiaries, if any, that are similarly subject to the MLR reporting and rebate requirements of 45 CFR Part 158.

CCIO thanks the Company and its staff for its cooperation with this examination.

IX. Appendix I – Recalculated MLRs⁵ for the 2015 Reporting Year

The three-year adjusted, aggregate numerator and denominator, along with the resulting credibility-adjusted MLRs and rebates for 2015, for the states in which the MLR changed as a result of the examination, are shown in the following tables. The differences between the amounts in the “As Filed” and “As Recalculated” rows reflect the net impact of the adjustments made to properly aggregate policy experience based on the state of issuance of the policies, restate prior year incurred claims, and to properly report earned premium.

Arizona

	Individual Mini-Med Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$1,267,344	\$2,331,870	62.4%	\$56,140
As Recalculated	\$1,367,042	\$2,343,593	66.4%	\$44,975
Difference	\$99,698	\$11,723	4.0%	(\$11,165)

Colorado

	Individual Mini-Med Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$4,527,897	\$5,859,182	82.1%	\$0
As Recalculated	\$4,453,158	\$5,959,479	79.6%	\$4,464
Difference	(\$74,739)	\$100,297	(2.5%)	\$4,464

Illinois

	Individual Mini-Med Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$5,069,555	\$8,245,173	66.5%	\$259,693
As Recalculated	\$4,972,426	\$7,798,803	68.8%	\$165,456
Difference	(\$97,129)	(\$446,370)	2.3%	(\$94,237)

Indiana

	Individual Mini-Med Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$7,932,287	\$10,804,450	77.5%	\$56,847
As Recalculated	\$7,909,212	\$10,796,235	77.3%	\$61,173
Difference	(\$23,075)	(\$8,215)	(0.2%)	\$4,326

Iowa

	Individual Mini-Med Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$2,124,140	\$3,017,550	77.7%	\$11,369
As Recalculated	\$2,089,514	\$2,974,790	77.5%	\$11,289

⁵ The MLRs shown may not equal the quotient of the numerator divided by the denominator due to the inclusion of a credibility adjustment, in accordance with §158.230.

	Numerator	Denominator	MLR	Rebate
Difference	(\$34,626)	(\$42,760)	(0.2%)	(\$80)

Kansas

	Individual Mini-Med Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$4,243,434	\$6,482,733	70.6%	\$135,583
As Recalculated	\$4,213,747	\$6,569,053	69.3%	\$163,570
Difference	(\$29,687)	\$86,320	(1.3%)	\$27,987

Mississippi

	Individual Mini-Med Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$2,387,657	\$4,487,758	60.3%	\$213,995
As Recalculated	\$2,342,767	\$4,169,403	63.3%	\$128,242
Difference	(\$44,890)	(\$318,355)	3.0%	(\$85,753)

Missouri

	Individual Mini-Med Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$2,329,772	\$4,603,648	57.7%	\$218,482
As Recalculated	\$2,255,010	\$4,274,487	59.8%	\$131,417
Difference	(\$74,762)	(\$329,161)	2.1%	(\$87,065)

North Carolina

	Individual Mini-Med Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$2,573,441	\$3,517,960	80.0%	\$0
As Recalculated	\$2,567,205	\$3,588,078	78.4%	\$11,090
Difference	(\$6,236)	\$70,118	(1.6%)	\$11,090

Ohio

	Individual Mini-Med Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$4,525,849	\$6,042,697	80.4%	\$0
As Recalculated	\$4,443,922	\$6,082,542	78.6%	\$16,352
Difference	(\$81,927)	\$39,845	(1.8%)	\$16,352

Oklahoma

	Individual Mini-Med Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$3,476,826	\$6,726,251	57.5%	\$335,087
As Recalculated	\$3,629,312	\$6,478,676	61.9%	\$224,748
Difference	\$152,486	(\$247,575)	4.4%	(\$110,339)

Tennessee

	Individual Mini-Med Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$1,573,592	\$3,505,818	52.9%	\$192,289
As Recalculated	\$1,551,193	\$3,502,342	52.3%	\$195,584
Difference	(\$22,399)	(\$3,476)	(0.6%)	\$3,295

Texas

	Individual Mini-Med Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$6,267,319	\$12,444,047	54.7%	\$734,223
As Recalculated	\$6,142,127	\$11,588,344	57.3%	\$464,524
Difference	(\$125,192)	(\$855,703)	2.6%	(\$269,699)

Wyoming

	Individual Mini-Med Market			
	Numerator	Denominator	MLR	Rebate
As Filed	\$2,993,894	\$5,218,578	63.7%	\$163,800
As Recalculated	\$2,933,633	\$4,898,805	66.2%	\$94,549
Difference	(\$60,261)	(\$319,773)	2.5%	(\$69,251)