<u>Itasca Medical Care</u> Minnesota Supplement Report #1A

REALLOCATION OF EXPENSES AND INVESTMENT INCOME For the Year Ending December 31, 2022 Public Information, Minnesota Statutes § 62D.08

For Dental: Please use "Explanations" tab to clarify any overlap reporting of Dental in other columns.

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Line	Direct Non-Claim Expenses	Total	Non MN	Total MN	Commercial	Medicare	Medicare	Medicare	Medicare	MSHO	SNBC MA	SNBC	PMAP	MSC+	MNCare	Dental	Other	Admin
			products	products		Advantage	Cost	Supplement	Part D		only	Integrated						Service
1	Employee benefit expenses	579147		579147						98042			420096	33338	27671			
2	Sales expenses	0		0						0			0	0	0			
3	General business/office expense	183315		183315						31033			132971	10553	8758			
4	State premium taxes and assessments	0		0						0			0	0	0			
5	Consulting and professional fees	458449		458449						77609			332546	26390	21904			
6	Outsourced services	403839		403839						68365			292932	23247	19295			
7	Other expenses	34647		34647						5865			25132	1995	1655			
8	Total Direct Expenses	1659397	0	1659397	0	0	0	0	0	280914	0	0	1203677	95523	79283	0	0	0

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Line	Reallocated Indirect Non-Claim Expenses	Total	Non MN	Total MN	Commercial	Medicare	Medicare	Medicare	Medicare	MSHO	SNBC MA	SNBC	PMAP	MSC+	MNCare	Dental	Other	Admin
			products	products		Advantage	Cost	Supplement	Part D		only	Integrated						Services
9	Employee benefit expenses	289573		289573						49021			210048	16669	13835			
10	Sales expenses	0		0						0			0	0	0			1
11	General business/office expense	91658		91658						15516			66486	5276	4380			
12	State premium taxes and assessments	0		0						0			0	0	0			
13	Consulting and professional fees	229226		229226						38805			166274	13195	10952			
14	Outsourced services	201919		201919						34182			146467	11623	9647			
15	Other expenses	17324		17324						2933			12566	997	828			
16	Total Indirect Expenses	829700	0	829700	0	0	0	0	0	140457	0	0	601841	47760	39642	0	0	0

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Line	Direct plus Indirect Non-Claim Expenses	NAIC Total	Non MN	Total MN	Commercial	Medicare	Medicare	Medicare	Medicare	MSHO	SNBC MA	SNBC	PMAP	MSC+	MNCare	Dental	Other	Admin
			products	products		Advantage	Cost	Supplement	Part D		only	Integrated						Services
17	Employee benefit expenses	868720	0	868720	0	0	0	0	0	147063	0	0	630144	50007	41506	0	0	0
18	Sales expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	General business/office expense	274973	0	274973	0	0	0	0	0	46549	0	0	199457	15829	13138	0	0	0
20	State premium taxes and assessments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Consulting and professional fees	687675	0	687675	0	0	0	0	0	116414	0	0	498820	39585	32856	0	0	0
22	Outsourced services	605758	0	605758	0	0	0	0	0	102547	0	0	439399	34870	28942	0	0	0
23	Other expenses	51971	0	51971	0	0	0	0	0	8798	0	0	37698	2992	2483	0	0	0
24	Total Non-Claim Expenses = Sum of Lines 17 to 23	2489097	0	2489097	0	0	0	0	0	421371	0	0	1805518	143283	118925	0	0	0
25	Claims Adjustment Expenses	3899167		3899167						660077			2828343	224452	186295			
26	Revenues (Supp Report #1, Line 8)	84884839		84884839						14423375			61498630	4909678	4053156			
27	Incurred Claims (Supp Report #1, Line 18 + Line 22)	72463034		72463034						13417312			50257009	4707769	4080944			
28	Net Investment Gain/(Loss) (Allocated)	22138		22138						3748			16059	1274	1057			
29	Aggregate Write Ins for Other Income or (Expenses)	0		0													·	
30	Federal and Foreign Income Taxes Incurred	0		0													·	
31	Net Income = Lines 26+28+29-24-25-27-30	6055679	0	6055679	0	0	0	0	0	-71637	0	0	6623819	-164552	-331951	0	0	0

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

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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.