

UCare Minnesota
Minnesota Supplement Report #1A

REALLOCATION OF EXPENSES AND INVESTMENT INCOME
For the Year Ending December 31, 2013
Public Information, Minnesota Statutes § 62D.08

Line	Direct Non-Claim Expenses	1	2	3	4	5	6	7	8	9	10	11	12	13	14
		Total	Non MN	Total MN products	Commercial	M+C	Medicare	MSHO	SNBC MA	SNBC	PMAP	MNCare	Dental	Other	Admin
1	Employee benefit expenses	1,316,759		1,316,759		825,963		254,460	230,644		-	5,692			
2	Sales expenses	10,378,727		10,378,727		7,942,522		173,302	274,301		-	-		1,988,602	
3	General business/office expense	3,425,924		3,425,924		1,189,262		236,380	105,770		1,430,611	234,165		229,736	
4	State premium taxes and assessments	25,715,519		25,715,519		832,381		4,625,224	3,997,107		12,625,645	2,629,282		1,005,880	
5	Consulting and professional fees	7,919,491		7,919,491		4,103,806		362,370	7,497		118,854	12,358		3,314,606	
6	Outsourced services	4,011,172		4,011,172		2,900,612		362,551	83,691		456,781	113,081		94,456	
7	Other expenses	7,830,265		7,830,265		240,000		122,000	568,000		3,980,000	3,000,000			(79,735)
8	Total Direct Expenses	60,597,857	-	60,597,857	-	18,034,546	-	6,136,287	5,267,010	-	18,611,891	5,994,578	-	6,633,280	(79,735)

Line	Reallocated Indirect Non-Claim Expenses	1	2	3	4	5	6	7	8	9	10	11	12	13	14
		Total	Non MN	Total MN products	Commercial	M+C	Medicare	MSHO	SNBC MA	SNBC	PMAP	MNCare	Dental	Other	Admin
9	Employee benefit expenses	39,701,830		39,701,830		14,288,362		4,839,417	4,066,898		12,818,493	2,670,585		1,018,075	
10	Sales expenses	2,006,471		2,006,471		722,113		244,577	205,535		647,828	134,967		51,451	
11	General business/office expense	13,781,094		13,781,094		4,959,705		1,679,833	1,411,680		4,449,488	926,999		353,389	
12	State premium taxes and assessments	-		-		-		-	-		-	-		-	
13	Consulting and professional fees	3,347,691		3,347,691		1,204,807		408,063	342,924		1,080,866	225,186		85,845	
14	Outsourced services	11,613,609		11,613,609		4,179,645		1,415,629	1,189,652		3,749,675	781,201		297,807	
15	Other expenses	119,787		119,787		43,110		14,601	12,271		38,676	8,057		3,072	
16	Total Indirect Expenses	70,570,482	-	70,570,482	-	25,397,742	-	8,602,120	7,228,960	-	22,785,026	4,746,995	-	1,809,639	-

Line	Direct plus Indirect Non-Claim Expenses	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	NAIC Total	Non MN	Total MN products	Commercial	M+C	Medicare	MSHO	SNBC MA	SNBC	PMAP	MNCare	Dental	Other	Admin	
17	Employee benefit expenses	41,018,589	-	41,018,589	-	15,114,325	-	5,093,877	4,297,542	-	12,818,493	2,676,277	-	1,018,075	-
18	Sales expenses	12,385,198	-	12,385,198	-	8,664,635	-	417,879	479,836	-	647,828	134,967	-	2,040,053	-
19	General business/office expense	17,207,018	-	17,207,018	-	6,148,967	-	1,916,213	1,517,450	-	5,880,099	1,161,164	-	583,125	-
20	State premium taxes and assessments	25,715,519	-	25,715,519	-	832,381	-	4,625,224	3,997,107	-	12,625,645	2,629,282	-	1,005,880	-
21	Consulting and professional fees	11,267,182	-	11,267,182	-	5,308,613	-	770,433	350,421	-	1,199,720	237,544	-	3,400,451	-
22	Outsourced services	15,624,781	-	15,624,781	-	7,080,257	-	1,778,180	1,273,343	-	4,206,456	894,282	-	392,263	-
23	Other expenses	7,950,052	-	7,950,052	-	283,110	-	136,601	580,271	-	4,018,676	3,008,057	-	3,072	(79,735)
24	Total Non-Claim Expenses = Sum of Lines 17 to 23	131,168,339	-	131,168,339	-	43,432,288	-	14,738,407	12,495,970	-	41,396,917	10,741,573	-	8,442,919	(79,735)
25	Claims Adjustment Expenses	48,979,167		48,979,167		16,439,870		5,083,398	4,498,516		17,855,405	4,127,691		974,287	
26	Revenues (Supp Report #1, Line 8)	2,413,210,366		2,413,210,366		878,399,353		297,509,326	222,418,885		788,118,453	164,178,589		62,585,760	
27	Incurred Claims (Supp Report #1, Line 18 + Line 22)	2,192,987,564		2,192,987,564		820,861,831		276,756,618	201,328,055		702,229,436	128,840,508		62,971,116	
28	Net Investment Gain/(Loss) (Allocated)	7,322,607		7,322,607		1,932,342		832,561	412,661		3,414,213	635,084		95,746	
29	Aggregate Write Ins for Other Income or (Expenses)	(214,007)		(214,007)		(202,202)		(1,463)	(1,229)		(3,875)	(807)		(4,431)	
30	Federal and Foreign Income Taxes Incurred	-		-		-		-	-		-	-		-	
31	Net Income = Lines 26+28+29-24-25-27-30	47,183,896	-	47,183,896	-	(604,496)	-	1,762,001	4,507,776	-	30,047,033	21,103,094	-	(9,711,247)	79,735

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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.