

Peter J. Riemer, LLC
479 Heights Road
Ridgewood, NJ 07450

July 27, 2018

Mr. George Tsiopras
Chief Financial Officer
HealthTrust, Inc.
25 Triangle Park Drive
Concord, NH 03302

Subject: HealthTrust Claims Reserves at June 30, 2018

Dear George:

I have determined HealthTrust claim reserves, and reserves for administration, as of June 30, 2018. The claim reserves cover both claims reported but not yet paid and claims incurred but not reported. In summary, the results are:

1. Reserve for claims

a. Medical (excluding prescription drugs)	\$17,582,265
b. Dental	\$804,454
c. Short term disability	<u>\$192,265</u>
d. Total reserve for claims	\$18,578,984

2. Reserve for administration

a. Medical (excluding prescription drugs)	\$2,277,317
b. Dental	<u>\$297,230</u>
c. Total reserve for administration	\$2,574,547

The following attachments provide background on these results:

- Exhibit I: Development of values, with reference to source data.
- Exhibit II: Completion factor method for medical claims reserve.
- Exhibit III: Completion factor method for dental claims reserve.
- Anthem claim lag file through June 30, 2018 (provided electronically only).
- Delta Dental claim lag and enrollment files through June 30, 2018 (provided electronically only).

The reserves for medical and dental claims are based on the analysis of arrays of claims data from Anthem and Delta Dental showing, for the claims incurred in each month, the month-by-

month payout of those claims, through June 30 of this year. HealthTrust staff estimates the claims reserve for prescription drugs paid through CVS/Caremark.

Using these claims arrays, the medical and dental claim reserves were developed by the duration-to-duration completion factor reserve methodology. This method determines, for claims incurred in a given month, the proportion of that month's ultimate claims payout that has been paid through 6/30/2018. These proportional completion factors are based on the average experience of several years as revealed in the claims arrays. The factors are applied to each incurral month's claims paid through 6/30/2018 to determine the expected payout after that date. The results are then summed for all incurral months through June 2018. The calculated reserve was increased by a 5% provision for adverse deviation.

The medical claims reserve is inclusive of SAU 60, HealthTrust's sole self-funded group. SAU 60 constitutes about 1% of HealthTrust medical claims, and it is reasonable to assume that about 1% of the medical claims reserve reported herein could be attributed to SAU 60.

The reserve for STD is estimated as equal to the amount of premium received for the last two months of the fiscal year, as reported by HealthTrust.

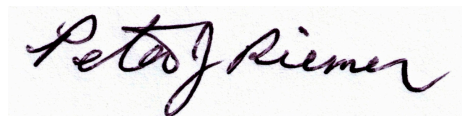
The reserve for administration covers the cost of administering the unreported claims. The reserve is based on the termination provisions in contracts with Anthem and Delta Dental. Both contracts require payment of two months' administrative fees upon contract termination.

In total, the \$18.6 million reserve for claims at June 30, 2018 is about \$600,000 greater than the value in your initial draft of the June 30, 2018 financial statement. This difference is almost entirely from the medical coverage, and reflects an increase in claims levels during the last half of the fiscal year as compared to the levels assumed in developing the monthly IBNR factors supplied in January of this year.

These estimates were determined using generally accepted actuarial practices as applied to claim and enrollment data from Anthem Blue Cross Blue Shield of New Hampshire, Delta Dental and HealthTrust staff. I am a Fellow of the Society of Actuaries and a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Please give me a call if you have any questions or if you require additional information.

Sincerely,

A handwritten signature in black ink that reads "Peter J. Riemer". The signature is fluid and cursive, with the first name "Peter" and last name "Riemer" clearly distinguishable.

Peter J. Riemer, FSA

Principal

201-670-8821

Exhibit I
HEALTHTRUST

Reserve for Medical (excl. Rx), Dental and STD Claims and Administration at June 30, 2018

A. Medical Claims (excluding prescription drugs; all values, except as noted, are for dates of service before 7/1/2018)

1. Estimated incurred but unpaid at 6/30/18 [Exh. II, col. J total]	\$ 16,745,014
2. Provision for adverse deviation [5% of (1.)]	\$ 837,251
3. Estimated 6/30/2018 incurred but unpaid [(1.) + (2.)]	\$ 17,582,265

B. Medical Claims Reserve, by Year of Incurral:

Incurral Year	Reserve at 6/30/18
Before 2014	\$ -
2014	\$ -
2015	\$ -
2016	\$ 26,381
2017	\$ 227,140
2018	\$ 17,328,744
Total	\$ 17,582,265

C. Dental Claims (all values, except as noted, are for dates of service before 7/1/2018)

1. Estimated incurred but unpaid at 6/30/18 [Exh. III, col. J total]	\$ 766,147
2. Provision for adverse deviation [5% of (1.)]	\$ 38,307
3. Estimated 6/30/2018 incurred but unpaid [(1.) + (2.)]	\$ 804,454
4.	

D. Dental Claims Reserve, by Year of Incurral:

Incurral Year	Reserve at 6/30/18
2016	\$ 477
2017	\$ 25,241
	\$ 778,736
Total	\$ 804,454

E. Short Term Disability (STD)

1. Premium, May 2018	\$ 96,297
2. Premium, June 2018	\$ 95,968
3. Reserve for STD [(1.) + (2.)]	\$ 192,265

F. Reserve for Administration

1. Medical (2 months' Anthem admin fee, per contract, based on June 2018, per HealthTrust)	\$ 2,277,317
2. Dental (2 months' Delta Dental admin fee, per contract, based on June 2018, per HealthTrust)	\$ 297,230
3. Total	\$ 2,574,547

Exhibit II
HealthTrust, Inc.
Reserve for Medical Claims at June 30, 2018
Method: Age to Age Completion Factor

Valuation as of June 30, 2018

(A)	(B)	(C)=[Input]	(D)=[Input]	(E)=[CFSheet]	(F)=[(D)/(E)]	(G)=[Input]	(H)=[(F)/(C)]	(I)=[(G)/(C)]	(J)=(F)-(D)
Duration	Month	Members	Incurred & Paid Claims through 06/30/2018	Completion Factor	Incurred Claims	Mature Paid Claims	Incurred Claims per Member	Mature Paid Claims per Member	Reserve at Jun. 30, 2018
41	Jan-15	54,612	\$ 20,699,435	1.00000	\$ 20,699,435	\$ 20,025,046	\$ 379.03	\$ 366.68	\$ -
40	Feb-15	54,636	\$ 20,909,438	1.00000	\$ 20,909,438	\$ 19,092,520	\$ 382.70	\$ 349.45	\$ -
39	Mar-15	54,545	\$ 22,600,049	1.00000	\$ 22,600,049	\$ 22,683,465	\$ 414.34	\$ 415.87	\$ -
38	Apr-15	54,437	\$ 23,837,366	1.00000	\$ 23,837,366	\$ 23,527,220	\$ 437.89	\$ 432.19	\$ -
37	May-15	54,286	\$ 22,071,856	1.00000	\$ 22,071,856	\$ 22,017,697	\$ 406.58	\$ 405.59	\$ -
36	Jun-15	54,177	\$ 25,512,748	1.00000	\$ 25,512,748	\$ 22,895,039	\$ 470.91	\$ 422.60	\$ -
35	Jul-15	53,792	\$ 22,610,406	1.00000	\$ 22,610,406	\$ 25,449,155	\$ 420.33	\$ 473.10	\$ -
34	Aug-15	54,004	\$ 21,591,370	1.00000	\$ 21,591,370	\$ 20,896,269	\$ 399.81	\$ 386.94	\$ -
33	Sep-15	54,462	\$ 22,322,067	1.00000	\$ 22,322,067	\$ 21,136,669	\$ 409.86	\$ 388.10	\$ -
32	Oct-15	54,465	\$ 21,825,177	1.00000	\$ 21,825,177	\$ 21,260,265	\$ 400.72	\$ 390.35	\$ -
31	Nov-15	54,557	\$ 22,116,593	1.00000	\$ 22,116,593	\$ 20,566,719	\$ 405.39	\$ 376.98	\$ -
30	Dec-15	54,523	\$ 23,595,940	1.00000	\$ 23,595,940	\$ 24,494,469	\$ 432.77	\$ 449.25	\$ -
29	Jan-16	53,411	\$ 21,856,338	0.99999	\$ 21,856,573	\$ 20,029,548	\$ 409.21	\$ 375.01	\$ 235
28	Feb-16	53,479	\$ 22,854,116	0.99999	\$ 22,854,456	\$ 23,269,075	\$ 427.35	\$ 435.11	\$ 340
27	Mar-16	53,401	\$ 25,508,260	0.99998	\$ 25,508,824	\$ 26,013,253	\$ 477.68	\$ 487.13	\$ 565
26	Apr-16	53,341	\$ 21,987,876	0.99997	\$ 21,988,510	\$ 22,751,955	\$ 412.23	\$ 426.54	\$ 633
25	May-16	53,287	\$ 22,636,323	0.99996	\$ 22,637,221	\$ 23,713,843	\$ 424.82	\$ 445.02	\$ 897
24	Jun-16	53,326	\$ 23,901,541	0.99994	\$ 23,902,983	\$ 24,301,597	\$ 448.24	\$ 455.72	\$ 1,442
23	Jul-16	51,673	\$ 19,413,495	0.99990	\$ 19,415,449	\$ 19,305,008	\$ 375.74	\$ 373.60	\$ 1,954
22	Aug-16	51,858	\$ 22,349,392	0.99983	\$ 22,353,108	\$ 22,623,880	\$ 431.04	\$ 436.27	\$ 3,716
21	Sep-16	52,173	\$ 20,338,586	0.99983	\$ 20,342,074	\$ 18,868,759	\$ 389.90	\$ 361.66	\$ 3,489
20	Oct-16	52,291	\$ 20,126,410	0.99982	\$ 20,129,964	\$ 19,570,187	\$ 384.96	\$ 374.26	\$ 3,553
19	Nov-16	52,568	\$ 22,280,329	0.99981	\$ 22,284,464	\$ 21,589,113	\$ 423.92	\$ 410.69	\$ 4,135
18	Dec-16	52,579	\$ 20,556,109	0.99980	\$ 20,560,275	\$ 21,869,102	\$ 391.04	\$ 415.93	\$ 4,167
17	Jan-17	51,791	\$ 21,414,095	0.99976	\$ 21,419,147	\$ 20,171,101	\$ 413.57	\$ 389.47	\$ 5,052
16	Feb-17	51,821	\$ 19,120,247	0.99976	\$ 19,124,861	\$ 19,295,749	\$ 369.06	\$ 372.35	\$ 4,615
15	Mar-17	51,846	\$ 23,197,257	0.99974	\$ 23,203,292	\$ 24,839,895	\$ 447.54	\$ 479.11	\$ 6,035
14	Apr-17	51,747	\$ 19,401,496	0.99967	\$ 19,407,944	\$ 21,181,923	\$ 375.05	\$ 409.34	\$ 6,448
13	May-17	51,699	\$ 22,424,030	0.99961	\$ 22,432,854	\$ 23,505,944	\$ 433.91	\$ 454.67	\$ 8,825
12	Jun-17	51,606	\$ 22,302,047	0.99959	\$ 22,311,158	\$ 21,747,772	\$ 432.34	\$ 421.42	\$ 9,111
11	Jul-17	49,834	\$ 20,073,648	0.99955	\$ 20,082,685	\$ 18,704,141	\$ 402.99	\$ 375.33	\$ 9,037
10	Aug-17	49,927	\$ 22,012,808	0.99951	\$ 22,023,561	\$ 23,998,841	\$ 441.12	\$ 480.68	\$ 10,754
9	Sep-17	50,384	\$ 20,086,078	0.99936	\$ 20,098,908	\$ 19,959,822	\$ 398.91	\$ 396.15	\$ 12,831
8	Oct-17	50,461	\$ 22,066,552	0.99876	\$ 22,093,856	\$ 21,450,373	\$ 437.84	\$ 425.09	\$ 27,304
7	Nov-17	50,457	\$ 23,356,006	0.99811	\$ 23,400,273	\$ 22,144,432	\$ 463.77	\$ 438.88	\$ 44,267
6	Dec-17	50,536	\$ 19,356,402	0.99629	\$ 19,428,449	\$ 21,034,734	\$ 384.45	\$ 416.23	\$ 72,047
5	Jan-18	51,533	\$ 23,114,752	0.99436	\$ 23,245,852	\$ 21,471,222	\$ 451.09	\$ 416.65	\$ 131,100
4	Feb-18	51,463	\$ 22,187,151	0.98955	\$ 22,421,466	\$ 21,532,454	\$ 435.68	\$ 418.41	\$ 234,314
3	Mar-18	51,446	\$ 21,705,704	0.98006	\$ 22,147,398	\$ 25,421,159	\$ 430.50	\$ 494.13	\$ 441,694
2	Apr-18	51,407	\$ 21,503,708	0.95600	\$ 22,493,418	\$ 21,757,816	\$ 437.56	\$ 423.25	\$ 989,710
1	May-18	51,331	\$ 20,704,505	0.88000	\$ 23,527,846	\$ 22,263,575	\$ 458.36	\$ 433.73	\$ 2,823,342
0	Jun-18	51,295	\$ 10,926,545	0.47222	\$ 22,809,949 ¹	\$ 23,209,470	\$ 444.68	\$ 452.47	\$ 11,883,405
Total		2,206,467	\$ 908,454,251	0.9819	\$ 925,199,265	\$ 921,640,276	\$ 419.31	\$ 417.70	\$ 16,745,014
CY 2015		652,496	\$ 269,692,444	1.0000	\$ 269,692,444	\$ 264,044,534	\$ 413.32	\$ 404.67	\$ -
CY 2016		633,387	\$ 263,808,776	0.9999	\$ 263,833,901	\$ 263,905,319	\$ 416.54	\$ 416.66	\$ 25,125
CY 2017		612,109	\$ 254,810,666	0.9992	\$ 255,026,991	\$ 258,034,727	\$ 416.64	\$ 421.55	\$ 216,324
CY 2018		308,475	\$ 120,142,365	0.8792	\$ 136,645,929	\$ 135,655,696	\$ 442.97	\$ 439.76	\$ 16,503,565

¹ Based on a rolling three (3) month PMPM claim cost average plus seasonal variation.

Exhibit III
HealthTrust, Inc.
Reserve for Dental Claims at June 30, 2018
Method: Age to Age Completion Factor

Valuation as of June 30, 2018

(A)	(B)	(C)=[Input]	(D)=[Input]	(E)=[CFSheet]	(F)=[(D)/(E)]	(G)=[Input]	(H)=[(F)/(C)]	(I)=[(G)/(C)]	(J)=(F)-(D)
Duration	Month	Subscribers	Incurring & Paid Claims through 06/30/2018	Completion Factor	Incurring Claims	Mature Paid Claims	Incurring Claims per Subscriber	Mature Paid Claims per Subscriber	Reserve at Jun. 30, 2018
41	Jan-15	24,703	\$ 1,695,362	1.00000	\$ 1,695,362	\$ 1,933,244	\$ 68.63	\$ 78.26	\$ -
40	Feb-15	24,704	\$ 1,753,858	1.00000	\$ 1,753,858	\$ 1,627,582	\$ 70.99	\$ 65.88	\$ -
39	Mar-15	24,680	\$ 1,923,504	1.00000	\$ 1,923,504	\$ 1,787,490	\$ 77.94	\$ 72.43	\$ -
38	Apr-15	24,530	\$ 1,852,418	1.00000	\$ 1,852,418	\$ 1,941,283	\$ 75.52	\$ 79.14	\$ -
37	May-15	24,483	\$ 1,577,441	1.00000	\$ 1,577,441	\$ 1,777,658	\$ 64.43	\$ 72.61	\$ -
36	Jun-15	24,441	\$ 2,002,496	1.00000	\$ 2,002,496	\$ 1,627,159	\$ 81.93	\$ 66.57	\$ -
35	Jul-15	24,065	\$ 2,657,426	1.00000	\$ 2,657,426	\$ 2,832,338	\$ 110.43	\$ 117.70	\$ -
34	Aug-15	24,041	\$ 2,254,450	1.00000	\$ 2,254,450	\$ 2,191,040	\$ 93.78	\$ 91.14	\$ -
33	Sep-15	24,319	\$ 1,694,631	1.00000	\$ 1,694,631	\$ 1,784,137	\$ 69.68	\$ 73.36	\$ -
32	Oct-15	24,396	\$ 1,771,931	1.00000	\$ 1,771,931	\$ 1,890,816	\$ 72.63	\$ 77.51	\$ -
31	Nov-15	24,420	\$ 1,684,292	1.00000	\$ 1,684,292	\$ 1,568,208	\$ 68.97	\$ 64.22	\$ -
30	Dec-15	24,424	\$ 1,821,171	1.00000	\$ 1,821,171	\$ 1,631,375	\$ 74.56	\$ 66.79	\$ -
29	Jan-16	24,465	\$ 1,809,214	1.00000	\$ 1,809,214	\$ 2,099,517	\$ 73.95	\$ 85.82	\$ -
28	Feb-16	24,456	\$ 1,849,159	1.00000	\$ 1,849,159	\$ 1,682,699	\$ 75.61	\$ 68.81	\$ -
27	Mar-16	24,451	\$ 1,894,209	1.00000	\$ 1,894,209	\$ 1,969,229	\$ 77.47	\$ 80.54	\$ -
26	Apr-16	24,436	\$ 1,662,114	1.00000	\$ 1,662,114	\$ 1,804,732	\$ 68.02	\$ 73.86	\$ -
25	May-16	24,417	\$ 1,685,797	1.00000	\$ 1,685,797	\$ 1,574,728	\$ 69.04	\$ 64.49	\$ -
24	Jun-16	24,402	\$ 2,052,771	1.00000	\$ 2,052,771	\$ 1,864,455	\$ 84.12	\$ 76.41	\$ -
23	Jul-16	24,080	\$ 2,373,974	1.00000	\$ 2,373,974	\$ 2,345,123	\$ 98.59	\$ 97.39	\$ -
22	Aug-16	24,090	\$ 2,578,484	0.99998	\$ 2,578,533	\$ 2,665,781	\$ 107.04	\$ 110.66	\$ 49
21	Sep-16	24,334	\$ 1,682,200	0.99996	\$ 1,682,263	\$ 1,787,433	\$ 69.13	\$ 73.45	\$ 63
20	Oct-16	24,453	\$ 1,749,501	0.99995	\$ 1,749,585	\$ 1,665,703	\$ 71.55	\$ 68.12	\$ 84
19	Nov-16	24,614	\$ 1,852,753	0.99993	\$ 1,852,878	\$ 1,919,123	\$ 75.28	\$ 77.97	\$ 125
18	Dec-16	24,624	\$ 1,715,905	0.99992	\$ 1,716,038	\$ 1,467,076	\$ 69.69	\$ 59.58	\$ 133
17	Jan-17	24,628	\$ 1,995,956	0.99988	\$ 1,996,192	\$ 2,003,565	\$ 81.05	\$ 81.35	\$ 236
16	Feb-17	24,696	\$ 1,695,114	0.99986	\$ 1,695,350	\$ 1,615,949	\$ 68.65	\$ 65.43	\$ 236
15	Mar-17	24,716	\$ 1,944,723	0.99977	\$ 1,945,167	\$ 2,365,375	\$ 78.70	\$ 95.70	\$ 444
14	Apr-17	24,718	\$ 1,707,890	0.99968	\$ 1,708,434	\$ 1,709,260	\$ 69.12	\$ 69.15	\$ 544
13	May-17	24,718	\$ 1,868,530	0.99956	\$ 1,869,353	\$ 1,869,268	\$ 75.63	\$ 75.62	\$ 823
12	Jun-17	24,702	\$ 2,015,059	0.99944	\$ 2,016,196	\$ 1,930,600	\$ 81.62	\$ 78.16	\$ 1,137
11	Jul-17	24,603	\$ 2,475,084	0.99916	\$ 2,477,176	\$ 2,200,313	\$ 100.69	\$ 89.43	\$ 2,092
10	Aug-17	24,597	\$ 2,722,806	0.99900	\$ 2,725,522	\$ 2,736,343	\$ 110.81	\$ 111.25	\$ 2,716
9	Sep-17	24,896	\$ 1,762,695	0.99864	\$ 1,765,091	\$ 1,981,463	\$ 70.90	\$ 79.59	\$ 2,395
8	Oct-17	25,013	\$ 1,937,234	0.99816	\$ 1,940,805	\$ 1,823,068	\$ 77.59	\$ 72.88	\$ 3,571
7	Nov-17	25,084	\$ 1,901,787	0.99760	\$ 1,906,362	\$ 1,896,404	\$ 76.00	\$ 75.60	\$ 4,575
6	Dec-17	25,136	\$ 1,696,277	0.99690	\$ 1,701,547	\$ 1,646,128	\$ 67.69	\$ 65.49	\$ 5,270
5	Jan-18	25,182	\$ 2,025,186	0.99578	\$ 2,033,776	\$ 2,253,739	\$ 80.76	\$ 89.50	\$ 8,589
4	Feb-18	25,199	\$ 1,879,096	0.99387	\$ 1,890,677	\$ 1,780,190	\$ 75.03	\$ 70.65	\$ 11,581
3	Mar-18	25,188	\$ 1,873,272	0.99026	\$ 1,891,705	\$ 2,126,713	\$ 75.10	\$ 84.43	\$ 18,432
2	Apr-18	25,199	\$ 1,919,673	0.98257	\$ 1,953,718	\$ 1,804,332	\$ 77.53	\$ 71.60	\$ 34,046
1	May-18	25,199	\$ 1,896,521	0.96210	\$ 1,971,224	\$ 1,951,080	\$ 78.23	\$ 77.43	\$ 74,702
0	Jun-18	25,202	\$ 1,455,017	0.71000	\$ 2,049,320	\$ 2,005,954	\$ 81.32	\$ 79.60	\$ 594,303
Total		1,034,704	\$ 80,366,982	0.9906	\$ 81,133,130	\$ 81,137,672	\$ 78.41	\$ 78.42	\$ 766,147
CY 2015		293,206	\$ 22,688,980	1.0000	\$ 22,688,980	\$ 22,592,329	\$ 77.38	\$ 77.05	\$ -
CY 2016		292,822	\$ 22,906,081	1.0000	\$ 22,906,535	\$ 22,845,599	\$ 78.23	\$ 78.02	\$ 454
CY 2017		297,507	\$ 23,723,156	0.9990	\$ 23,747,195	\$ 23,777,736	\$ 79.82	\$ 79.92	\$ 24,039
CY 2018		151,169	\$ 11,048,766	0.9371	\$ 11,790,420	\$ 11,922,008	\$ 77.99	\$ 78.87	\$ 741,654