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ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2015

OF THE CONDITION AND AFFAIRS OF THE

Aetna Better Health of Michigan Inc.

NAIC Group Code 00001 (Current Period), 00001 (Prior Period) NAIC Company Code 12193 Employer's ID Number 20-1052897

Organized under the Laws of Michigan, State of Domicile or Port of Entry Michigan

Country of Domicile United States

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ]
Dental Service Corporation [ ] Vision Service Corporation [ ] Health Maintenance Organization [X]
Other [ ] Is HMO, Federally Qualified? Yes [ ] No [X]

Incorporated/Organized 04/22/2004 Commenced Business 10/01/2004

Statutory Home Office 1333 Gratiot, Ste 400 (Street and Number), Detroit, MI, US 48207 (City or Town, State, Country and Zip Code)

Main Administrative Office 1333 Gratiot, Ste 400 (Street and Number)
Detroit, MI, US 48207 (City or Town, State, Country and Zip Code) 313-465-1519 (Area Code) (Telephone Number)

Mail Address 1333 Gratiot, Ste 400 (Street and Number or P.O. Box), Detroit, MI, US 48207 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1333 Gratiot, Ste 400 (Street and Number)
Detroit, MI, US 48207 (City or Town, State, Country and Zip Code), 313-465-1519 (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.CoventryCaresMI.com

Statutory Statement Contact Frank F. Chronister (Name), 717-541-5742 (Area Code) (Telephone Number) (Extension)
fchronister@aetna.com (E-Mail Address) 717-526-2888 (Fax Number)

OFFICERS

Name	Title	Name	Title
Pamela Sue Sedmak	President and Chief Executive Officer	Frank F. Chronister III	Corporate Controller
Robert M. Kessler	Vice President and Secretary	Debra J. Bacon	Chief Financial Officer

OTHER OFFICERS

Kevin J. Casey	Senior Investment Officer	Elaine R. Cofrancesco	Vice President and Treasurer

DIRECTORS OR TRUSTEES

Debra J. Bacon	Ernestine Romero	Michael G. Murphy	Pamela S. Sedmak
Harvey Turner	Gregory S. Martino		

State of ....
County of .... ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices* and *Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Pamela Sue Sedmak President and Chief Executive Officer	Frank F. Chronister III Corporate Controller	Robert M. Kessler Vice President and Secretary

Subscribed and sworn to before me this
______ day of ______, ______

a. Is this an original filing? Yes [X] No [ ]
b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

		Current Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1.	Bonds (Schedule D)	29,280,829	0	29,280,829	18,090,662
2.	Stocks (Schedule D):				
	2.1 Preferred stocks	0	0	0	0
	2.2 Common stocks	0	0	0	0
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens	0	0	0	0
	3.2 Other than first liens	0	0	0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ 0 encumbrances)	0	0	0	0
	4.2 Properties held for the production of income (less $ 0 encumbrances)	0	0	0	0
	4.3 Properties held for sale (less $ 0 encumbrances)	0	0	0	0
5.	Cash ($ 25,114,803 , Schedule E-Part 1), cash equivalents ($ 48,037,003 , Schedule E-Part 2) and short-term investments ($ 5,674 , Schedule DA)	73,157,480	0	73,157,480	29,094,570
6.	Contract loans (including $ 0 premium notes)	0	0	0	0
7.	Derivatives (Schedule DB)	0	0	0	0
8.	Other invested assets (Schedule BA)	0	0	0	0
9.	Receivables for securities	0	0	0	0
10.	Securities lending reinvested collateral assets (Schedule DL)	0	0	0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	102,438,309	0	102,438,309	47,185,232
13.	Title plants less $ 0 charged off (for Title insurers only)	0	0	0	0
14.	Investment income due and accrued	179,677	0	179,677	151,062
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	127,793	0	127,793	0
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 0 earned but unbilled premiums)			0	0
	15.3 Accrued retrospective premiums ($) and contracts subject to redetermination ($)	0	0	0	0
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	191,637	0	191,637	311,045
	16.2 Funds held by or deposited with reinsured companies	0	0	0	0
	16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17.	Amounts receivable relating to uninsured plans	672,898	0	672,898	0
18.1	Current federal and foreign income tax recoverable and interest thereon	0	0	0	110,137
18.2	Net deferred tax asset	2,788,084	6,485	2,781,599	87,513
19.	Guaranty funds receivable or on deposit	0	0	0	0
20.	Electronic data processing equipment and software	0	0	0	0
21.	Furniture and equipment, including health care delivery assets ($ 0)	403	403	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23.	Receivables from parent, subsidiaries and affiliates	1,873,070	0	1,873,070	0
24.	Health care ($ 1,407,745) and other amounts receivable	1,881,127	473,382	1,407,745	1,219,075
25.	Aggregate write-ins for other-than-invested assets	4,299,557	3,606,840	692,717	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	114,452,555	4,087,110	110,365,445	49,064,064
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28.	Total (Lines 26 and 27)	114,452,555	4,087,110	110,365,445	49,064,064
DETAILS OF WRITE-INS					
1101.		0	0	0	0
1102.		0	0	0	0
1103.		0	0	0	0
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501.	Tax Refund Receivable	469,667	2,392	467,275	0
2502.	CVS Pharmacy rebate	3,829,890	3,604,448	225,442	0
2503.				0	0
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	4,299,557	3,606,840	692,717	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year 1 Covered	Current Year 2 Uncovered	Current Year 3 Total	Prior Year 4 Total
1. Claims unpaid (less $ 0 reinsurance ceded)	53,705,767	7,151,293	60,857,060	19,217,486
2. Accrued medical incentive pool and bonus amounts	933,691	0	933,691	941,457
3. Unpaid claims adjustment expenses	884,199	0	884,199	233,638
4. Aggregate health policy reserves, including the liability of $ 0 for medical loss ratio rebate per the Public Health Service Act	2,171,753	0	2,171,753	0
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserves	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	0	0	0	0
9. General expenses due or accrued	423,871	0	423,871	1,922,982
10.1 Current federal and foreign income tax payable and interest thereon (including $ 0 on realized capital gains (losses))	7,725,459	0	7,725,459	0
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	0	0	0	0
12. Amounts withheld or retained for the account of others	4,573	0	4,573	4,573
13. Remittances and items not allocated	46,445	0	46,445	0
14. Borrowed money (including $ 0 current) and interest thereon $ 0 (including $ 0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	241,596	0	241,596	2,830,271
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with $ 0 authorized reinsurers, $ 0 unauthorized reinsurers and $ 0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified ($ 0) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	0	0	0	0
23. Aggregate write-ins for other liabilities (including $ 0 current)	181,401	0	181,401	304,261
24. Total liabilities (Lines 1 to 23)	66,318,755	7,151,293	73,470,048	25,454,668
25. Aggregate write-ins for special surplus funds	XXX	XXX	4,930,000	3,700,000
26. Common capital stock	XXX	XXX	10	10
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	25,600,990	16,600,990
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	6,364,398	3,308,396
32. Less treasury stock, at cost:				
32.1 0 shares common (value included in Line 26 $ 0)	XXX	XXX	0	0
32.2 0 shares preferred (value included in Line 27 $ 0)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	36,895,398	23,609,396
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	110,365,446	49,064,064
DETAILS OF WRITE-INS				
2301. Abandoned Property Liability	181,401	0	181,401	678
2302. PCP-IPP	0	0	0	303,583
2303.	0	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	181,401	0	181,401	304,261
2501. Estimated Health Insurer Fee Accrual	XXX	XXX	4,930,000	3,700,000
2502.	XXX	XXX	0	0
2503.	XXX	XXX	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	4,930,000	3,700,000
3001.	XXX	XXX	0	0
3002.	XXX	XXX	0	0
3003.	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1. Member Months	XXX	572,862	511,481
2. Net premium income (including $ 0 non-health premium income)	XXX	282,053,822	187,440,278
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0
4. Fee-for-service (net of $ 0 medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	76,775	78,777
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	282,130,597	187,519,055
Hospital and Medical:			
9. Hospital/medical benefits	20,913,456	177,972,211	108,406,122
10. Other professional services	0	6,582,707	7,887,045
11. Outside referrals	0	0	0
12. Emergency room and out-of-area	0	14,462,617	11,385,222
13. Prescription drugs	0	25,531,380	21,331,324
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	1,706,140	1,661,688
16. Subtotal (Lines 9 to 15)	20,913,456	226,255,055	150,671,401
Less:			
17. Net reinsurance recoveries	0	593,432	96,481
18. Total hospital and medical (Lines 16 minus 17)	20,913,456	225,661,623	150,574,920
19. Non-health claims (net)	0	0	0
20. Claims adjustment expenses, including $ 9,322,410 cost containment expenses	0	12,080,123	4,769,571
21. General administrative expenses	0	34,989,914	23,198,280
22. Increase in reserves for life and accident and health contracts (including $ 5,865,978 increase in reserves for life only)	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	20,913,456	272,731,660	178,542,771
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	9,398,937	8,976,284
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	483,188	398,488
26. Net realized capital gains (losses) less capital gains tax of $ 6,864	0	5,863	(516)
27. Net investment gains (losses) (Lines 25 plus 26)	0	489,051	397,972
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ 0) (amount charged off $ 0)]	0	0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	9,887,988	9,374,256
31. Federal and foreign income taxes incurred	XXX	4,300,654	3,215,273
32. Net income (loss) (Lines 30 minus 31)	XXX	5,587,334	6,158,983
DETAILS OF WRITE-INS			
0601. WIC Revenue - Monthly Admin Fees	XXX	76,775	0
0602. Other Revenue	XXX	0	78,777
0603.	XXX	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	76,775	78,777
0701.	XXX	0	0
0702.	XXX	0	0
0703.	XXX	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.	0	0	0
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.		0	0
2902.	0	0	0
2903.	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	23,609,396	21,774,201
34. Net income or (loss) from Line 32	5,587,334	6,158,983
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of $	0	0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	2,680,234	(261,982)
39. Change in nonadmitted assets	(4,061,920)	38,194
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	9,000,000	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		(4,100,000)
47. Aggregate write-ins for gains or (losses) in surplus	80,354	0
48. Net change in capital and surplus (Lines 34 to 47)	13,286,002	1,835,195
49. Capital and surplus end of reporting year (Line 33 plus 48)	36,895,398	23,609,396
DETAILS OF WRITE-INS		
4701. Adjust surplus for intercompany adjustment	80,354	0
4702.		0
4703.		0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	80,354	0

CASH FLOW

Cash from Operations	1 Current Year	2 Prior Year
1. Premiums collected net of reinsurance	284,097,782	186,088,707
2. Net investment income	604,885	570,758
3. Miscellaneous income	76,775	78,777
4. Total (Lines 1 through 3)	284,779,442	186,738,242
5. Benefit and loss related payments	184,572,459	147,699,734
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0
7. Commissions, expenses paid and aggregate write-ins for deductions	49,058,760	27,107,340
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	(3,528,078)	3,981,321
10. Total (Lines 5 through 9)	230,103,141	178,788,395
11. Net cash from operations (Line 4 minus Line 10)	54,676,301	7,949,847
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	38,409,668	1,749,536
12.2 Stocks	1,120,120	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	198	0
12.7 Miscellaneous proceeds	93,311	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	39,623,297	1,749,536
13. Cost of investments acquired (long-term only):		
13.1 Bonds	49,857,736	2,201,128
13.2 Stocks	1,000,002	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	93,312	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	50,951,050	2,201,128
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(11,327,753)	(451,592)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	9,000,000	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	0	4,100,000
16.6 Other cash provided (applied)	(8,285,637)	2,993,441
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	714,363	(1,106,559)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	44,062,911	6,391,696
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	29,094,570	22,702,874
19.2 End of year (Line 18 plus Line 19.1)	73,157,481	29,094,570

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	282,053,822	3,079,574	0	0	0	0	48,889,094	230,085,154	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of $ .... medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	76,773	0	0	0	0	0	0	76,773	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	282,130,595	3,079,574	0	0	0	0	48,889,094	230,161,927	0	0
8. Hospital/medical benefits	177,972,211	659,201					38,192,583	139,120,427		XXX
9. Other professional services	6,582,707	100,512					2,951,868	3,530,327		XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	14,462,616	157,474					1,314,253	12,990,889		XXX
12. Prescription drugs	25,531,380	311,251					2,023,284	23,196,845		XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	1,706,140	252,810						1,453,330		XXX
15. Subtotal (Lines 8 to 14)	226,255,054	1,481,248	0	0	0	0	44,481,988	180,291,818	0	XXX
16. Net reinsurance recoveries	593,432	149,801						443,631		XXX
17. Total hospital and medical (Lines 15 minus 16)	225,661,622	1,331,447	0	0	0	0	44,481,988	179,848,187	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including $ 9,322,410 cost containment expenses	12,080,124	4,420					70,171	12,005,533		
20. General administrative expenses	34,989,913	382,034					6,064,889	28,542,990		
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	272,731,659	1,717,901	0	0	0	0	50,617,048	220,396,710	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	9,398,936	1,361,673	0	0	0	0	(1,727,954)	9,765,217	0	0
DETAILS OF WRITE-INS										
0501. Miscellaneous Deposits	76,773							76,773		XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	76,773	0	0	0	0	0	0	76,773	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)	3,219,262		139,688	3,079,574
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan				0
6. Title XVIII - Medicare	48,936,233		47,139	48,889,094
7. Title XIX - Medicaid	230,496,579		411,425	230,085,154
8. Other health				0
9. Health subtotal (Lines 1 through 8)	282,652,074	0	598,252	282,053,822
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	282,652,074	0	598,252	282,053,822

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	182,909,299	1,279,646					25,865,840	155,763,813		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	904,477	207,543						696,934		
1.4 Net	182,004,822	1,072,103	0	0	0	0	25,865,840	155,066,879	0	0
2. Paid medical incentive pools and bonuses	1,713,906	261,814						1,452,092		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	60,857,063	138,173	0	0	0	0	18,616,148	42,102,742	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	60,857,063	138,173	0	0	0	0	18,616,148	42,102,742	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	933,691							933,691		
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	19,217,486	189,379	0	0	0	0	0	19,028,107	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	19,217,486	189,379	0	0	0	0	0	19,028,107	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	941,456	9,003	0	0	0	0	0	932,453	0	0
11. Amounts recoverable from reinsurers December 31, prior year	311,045	57,742	0	0	0	0	0	253,303	0	0
12. Incurred benefits:										
12.1 Direct	224,548,876	1,228,440	0	0	0	0	44,481,988	178,838,448	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	593,432	149,801	0	0	0	0	0	443,631	0	0
12.4 Net	223,955,444	1,078,639	0	0	0	0	44,481,988	178,394,817	0	0
13. Incurred medical incentive pools and bonuses	1,706,141	252,811	0	0	0	0	0	1,453,330	0	0

(a) Excludes $ .... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	0									
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	0	0	0	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1. Direct	60,857,063	138,173					18,616,148	42,102,742		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	60,857,063	138,173	0	0	0	0	18,616,148	42,102,742	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	60,857,063	138,173	0	0	0	0	18,616,148	42,102,742	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4. Net	60,857,063	138,173	0	0	0	0	18,616,148	42,102,742	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
Line of Business	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	156,844	973,001	(515)	138,688	156,329	189,379
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare		25,569,650		18,616,148	0	0
7. Title XIX - Medicaid	17,057,159	138,559,255	(75,355)	42,178,094	16,981,804	19,028,108
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	17,214,003	165,101,906	(75,870)	60,932,930	17,138,133	19,217,487
10. Healthcare receivables (a)					0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts		1,713,906		933,691	0	941,456
13. Totals (Lines 9-10+11+12)	17,214,003	166,815,812	(75,870)	61,866,621	17,138,133	20,158,943

(a) Excludes $ .... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	3	3	3	3	3
2. 2011	137	187	187	187	187
3. 2012	XXX	240	257	257	257
4. 2013	XXX	XXX	379	436	436
5. 2014	XXX	XXX	XXX	942	1,099
6. 2015	XXX	XXX	XXX	XXX	1,235

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	3	3	3	3	3
2. 2011	148	187	187	187	187
3. 2012	XXX	271	257	257	257
4. 2013	XXX	XXX	410	411	411
5. 2014	XXX	XXX	XXX	1,130	1,286
6. 2015	XXX	XXX	XXX	XXX	1,374

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2011	364	187	0	0.0	187	51.4	0	0	187	51.4
2. 2012	546	257	0	0.0	257	47.1	0	0	257	47.1
3. 2013	836	436	0	0.0	436	52.2	0	0	436	52.2
4. 2014	2,552	1,099	0	0.0	1,099	43.1	(1)	0	1,098	43.0
5. 2015	3,219	1,235	4	0.3	1,239	38.5	139	0	1,378	42.8

Pt 2C - Sn A - Paid Claims - MS

NONE

Pt 2C - Sn A - Paid Claims - DO

NONE

Pt 2C - Sn A - Paid Claims - VO

NONE

Pt 2C - Sn A - Paid Claims - FE

NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Medicare

	Cumulative Net Amounts Paid				
Year in Which Losses Were Incurred	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	0	0	0	0	0
2. 2011	0	0	0	0	0
3. 2012	XXX	0	0	0	0
4. 2013	XXX	XXX	0	0	0
5. 2014	XXX	XXX	XXX	0	0
6. 2015	XXX	XXX	XXX	XXX	25,570

Section B - Incurred Health Claims - Medicare

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
Year in Which Losses Were Incurred	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	0	0	0	0	0
2. 2011	0	0	0	0	0
3. 2012	XXX	0	0	0	0
4. 2013	XXX	XXX	0	0	0
5. 2014	XXX	XXX	XXX	0	0
6. 2015	XXX	XXX	XXX	XXX	44,186

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2011	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2012	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2013	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2014	0	0	0	0.0	0	0.0	0	0	0	0.0
5. 2015	48,936	25,570	70	0.3	25,640	52.4	18,616	0	44,256	90.4

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	875,053	874,905	874,803	874,803	874,803
2. 2011	136,465	151,549	151,499	151,499	151,499
3. 2012	XXX	133,598	149,580	149,580	149,580
4. 2013	XXX	XXX	130,097	138,634	138,634
5. 2014	XXX	XXX	XXX	136,155	153,212
6. 2015	XXX	XXX	XXX	XXX	140,011

Section B – Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	876,166	874,905	874,819	874,819	874,819
2. 2011	155,919	152,037	151,499	151,499	151,499
3. 2012	XXX	153,391	150,019	150,019	150,019
4. 2013	XXX	XXX	146,409	146,652	146,652
5. 2014	XXX	XXX	XXX	154,941	171,923
6. 2015	XXX	XXX	XXX	XXX	183,123

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2011	184,749	151,499	0	0.0	151,499	82.0	0	0	151,499	82.0
2. 2012	172,513	149,580	0	0.0	149,580	86.7	0	0	149,580	86.7
3. 2013	162,794	138,634	0	0.0	138,634	85.2	0	0	138,634	85.2
4. 2014	185,436	153,212	0	0.0	153,212	82.6	(75)	0	153,137	82.6
5. 2015	230,497	140,011	12,006	8.6	152,017	66.0	43,112	884	196,013	85.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	875,056	874,908	874,806	874,806	874,806
2. 2011	136,602	151,736	151,686	151,686	151,686
3. 2012	XXX	133,838	149,837	149,837	149,837
4. 2013	XXX	XXX	130,476	139,070	139,070
5. 2014	XXX	XXX	XXX	137,097	154,311
6. 2015	XXX	XXX	XXX	XXX	166,816

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	876,169	874,908	874,822	874,822	874,822
2. 2011	156,067	152,224	151,686	151,686	151,686
3. 2012	XXX	153,662	150,276	150,276	150,276
4. 2013	XXX	XXX	146,819	147,063	147,063
5. 2014	XXX	XXX	XXX	156,071	173,209
6. 2015	XXX	XXX	XXX	XXX	228,683

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2011	185,113	151,686	0	0.0	151,686	81.9	0	0	151,686	81.9
2. 2012	173,059	149,837	0	0.0	149,837	86.6	0	0	149,837	86.6
3. 2013	163,630	139,070	0	0.0	139,070	85.0	0	0	139,070	85.0
4. 2014	187,988	154,311	0	0.0	154,311	82.1	(76)	0	154,235	82.0
5. 2015	282,652	166,816	12,080	7.2	178,896	63.3	61,867	884	241,647	85.5

Pt 2C - Sn B - Incurred Claims - MS

NONE

Pt 2C - Sn B - Incurred Claims - DO

NONE

Pt 2C - Sn B - Incurred Claims - VO

NONE

Pt 2C - Sn B - Incurred Claims - FE

NONE

Part 2C - Sn C - Claims Expense Ratio MS

NONE

Part 2C - Sn C - Claims Expense Ratio DO

NONE

Part 2C - Sn C - Claims Expense Ratio VO

NONE

Part 2C - Sn C - Claims Expense Ratio FE

NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $ .... for investment income)	2,171,753						(14,571)	2,186,324	
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	2,171,753	0	0	0	0	0	(14,571)	2,186,324	0
7. Reinsurance ceded	0								
8. Totals (Net) (Page 3, Line 4)	2,171,753	0	0	0	0	0	(14,571)	2,186,324	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes $ .... premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($ .... for occupancy of own building)	0	82,916	837,462	483	920,861
2. Salaries, wages and other benefits	6,922,745	1,989,388	7,423,439	53,862	16,389,434
3. Commissions (less $ .... ceded plus $ .... assumed)	0	0	0	0	0
4. Legal fees and expenses	74,694	22,836	726,955	594	825,079
5. Certifications and accreditation fees	0	0	0	0	0
6. Auditing, actuarial and other consulting services	0	344,719	2,036,565	0	2,381,284
7. Traveling expenses	0	56,790	406,652	1,626	465,068
8. Marketing and advertising	0	0	368,789	0	368,789
9. Postage, express and telephone	0	93,972	592,522	3,468	689,962
10. Printing and office supplies	0	43,381	235,187	2,332	280,900
11. Occupancy, depreciation and amortization	0	0	0	0	0
12. Equipment	0	23,546	(17,997)	2,882	8,431
13. Cost or depreciation of EDP equipment and software	0	25,795	1,435,291	0	1,461,086
14. Outsourced services including EDP, claims, and other services	1,471,171	443,063	1,477,421	15,106	3,406,761
15. Boards, bureaus and association fees	9,241	372	(10,046)	51	(382)
16. Insurance, except on real estate	4,938	16,558	28,139	0	49,635
17. Collection and bank service charges	0	2,725	(5,890)	376	(2,789)
18. Group service and administration fees	0	13,424	135,461	0	148,885
19. Reimbursements by uninsured plans	0	0	0	0	0
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	0	11,413	(24,667)	1,574	(11,680)
22. Real estate taxes	0	1,526	(3,299)	0	(1,773)
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			(68,625)	0	(68,625)
23.2 State premium taxes			1,406	0	1,406
23.3 Regulatory authority licenses and fees			82,700	0	82,700
23.4 Payroll taxes	830,593	229,133	989,120	0	2,048,846
23.5 Other (excluding federal income and real estate taxes)		17,678	17,503,925	4,585	17,526,188
24. Investment expenses not included elsewhere				0	0
25. Aggregate write-ins for expenses	9,028	(661,522)	839,404	0	186,910
26. Total expenses incurred (Lines 1 to 25)	9,322,410	2,757,713	34,989,914	86,939	(a) 47,156,976
27. Less expenses unpaid December 31, current year		884,199	423,871		1,308,070
28. Add expenses unpaid December 31, prior year	0	233,638	1,922,982	0	2,156,620
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	9,322,410	2,107,152	36,489,025	86,939	48,005,526
DETAILS OF WRITE-INS					
2501. Miscellaneous Expense	9,028	(661,522)	667,493		14,999
2502. CVS Caremark Recovery			1,527		1,527
2503. Pharmacy Rebate Expense			129,600		129,600
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	40,784	0	40,784
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	9,028	(661,522)	839,404	0	186,910

(a) Includes management fees of $ 28,888,848 to affiliates and $ .... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 41,454	41,573
1.1	Bonds exempt from U.S. tax	(a) 162,690	162,690
1.2	Other bonds (unaffiliated)	(a) 243,024	271,522
1.3	Bonds of affiliates	(a) 0	
2.1	Preferred stocks (unaffiliated)	(b) 0	
2.11	Preferred stocks of affiliates	(b) 0	
2.2	Common stocks (unaffiliated)	17,012	17,012
2.21	Common stocks of affiliates	0	
3.	Mortgage loans	(c)	
4.	Real estate	(d)	0
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 77,184	77,184
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	147	147
10.	Total gross investment income	541,511	570,128
11.	Investment expenses		(g) 86,940
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		86,940
17.	Net investment income (Line 10 minus Line 16)		483,188
	DETAILS OF WRITE-INS		
0901.	Miscellaneous	147	147
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	147	147
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

(a) Includes $ 7,373 accrual of discount less $ 157,685 amortization of premium and less $ 49,171 paid for accrued interest on purchases.
(b) Includes $ accrual of discount less $ amortization of premium and less $ 0 paid for accrued dividends on purchases.
(c) Includes $ 0 accrual of discount less $ 0 amortization of premium and less $ paid for accrued interest on purchases.
(d) Includes $ for company's occupancy of its own buildings; and excludes $ interest on encumbrances.
(e) Includes $ 77,183 accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.
(f) Includes $ accrual of discount less $ amortization of premium.
(g) Includes $ investment expenses and $ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ interest on surplus notes and $ interest on capital notes.
(i) Includes $ depreciation on real estate and $ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	(14,279)		(14,279)		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	0	(93,311)	(93,311)		
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	120,119	0	120,119	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	198		198	0	0
7.	Derivative instruments			0		
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	106,038	(93,311)	12,727	0	0
	DETAILS OF WRITE-INS					
0901.				0		
0902.				0		
0903.				0		
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB)	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	6,485	20,337	13,852
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	0	0	0
21. Furniture and equipment, including health care delivery assets	403	2,461	2,058
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable	473,382	0	(473,382)
25. Aggregate write-ins for other-than-invested assets	3,606,840	2,392	(3,604,448)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,087,110	25,190	(4,061,920)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	4,087,110	25,190	(4,061,920)
DETAILS OF WRITE-INS			
1101.		0	0
1102.		0	0
1103.		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Account Receivable - Part D	3,604,448	0	(3,604,448)
2502. Prepaid Expenses	2,392	2,392	0
2503. Auto		0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,606,840	2,392	(3,604,448)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1. Health Maintenance Organizations	42,906	44,363	50,206	49,580	48,094	572,862
2. Provider Service Organizations	0					
3. Preferred Provider Organizations	0					
4. Point of Service	0					
5. Indemnity Only	0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	42,906	44,363	50,206	49,580	48,094	572,862
DETAILS OF WRITE-INS						
0601.	0					
0602.	0					
0603.	0					
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies

A. Accounting practices

The accompanying statutory financial statements of Aetna Better Health of Michigan, Inc (a Michigan corporation) (the "Company"), indirectly a wholly-owned subsidiary of Aetna Inc. ("Aetna"), have been prepared in conformity with accounting practices prescribed or permitted by the Michigan Insurance Department ("Michigan Department") ("Michigan Accounting Practices"). The Michigan recognizes only statutory accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial condition and results of operations of an insurance company, which include accounting practices and procedures adopted by the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP").

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Michigan for the years ending December 31, 2015 and 2014 is as follows:

	State of Domicile	2015	2014
NET INCOME			
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	MI	$ 5,587,334	$ 6,158,983
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:			
(3) State Permitted Practices that increase/(decrease) NAIC SAP:			
(4) NAIC SAP (1-2-3=4)	MI	$ 5,587,334	$ 6,158,983
SURPLUS			
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	MI	$ 36,895,398	$ 23,609,396
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:			
(7) State Permitted Practices that increase/(decrease) NAIC SAP:			
(8) NAIC SAP (5-6-7=8)	MI	$ 36,895,398	$ 23,609,396

B. Use of estimates in the preparation of the financial statements

The preparation of these financial statements in conformity with Michigan Accounting Practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses. Actual results could differ from those estimates.

C. Accounting policies

The Company applies the following significant accounting policies:

(1) Cash, cash equivalents and short-term investments

Cash, cash equivalents and short-term investments, consisting primarily of money market instruments and other debt issues with an original maturity of up to one year, are carried at amortized cost. Short-term investments consist primarily of investments purchased with an original maturity date of greater than three months but less than one year. Cash equivalents consist of highly liquid instruments, which mature within three months from the date of purchase. The carrying amount of cash, cash equivalents and short-term investments approximates fair value. Drafts that have not been presented for payment and remain outstanding at the balance sheet date are reported as a liability in the Statutory Statements of Liabilities, Capital and Surplus.

(2) Bonds

Bonds, which include special deposits, are carried at amortized cost except for those bonds with an NAIC designation of 3 through 6, which are carried at the lower of amortized cost or fair value. The amount carried at fair value is not material to the financial statements. Bond premiums and discounts are amortized using the scientific interest method. When quoted prices in active markets for identical assets are available, the Company uses these quoted market prices to determine the fair value of bonds. This is used primarily for U.S. government securities. In other cases where a quoted market price for identical assets in an active market is either not available or not observable, the Company estimates fair values using valuation methodologies based on available and observable market information or by using a matrix pricing model. If quoted market prices are not available, the Company determines fair value using broker quotes or an internal analysis of each investment's financial performance and cash flow projections. The Company had no investments where fair value was determined using broker quotes or an internal analysis of financial performance and cash flow projections at December 31, 2015 and 2014. Bonds include all investments whose maturity is greater than one year when purchased.

The Company periodically reviews its bonds to determine whether a decline in fair value below the carrying value is other-than-temporary. For bonds, other than loan-backed and structured securities, an other-than-temporary impairment ("OTTI") shall be recorded if it is probable that the Company will be unable to collect all amounts due according to the contractual terms in effect at the date of acquisition.

Declines deemed to be OTTI in the cost basis are recognized as realized capital losses. Yield-related impairments are deemed other-than-temporary when the Company intends to sell an investment at the reporting date before recovery of the cost of the investment.

For loan-backed and structured securities, the Company records OTTI when the fair value of the loan-backed or structured security is less than the amortized cost basis at the balance sheet date and (1) the Company intends to sell the investment, or (2) the Company does not have the intent and ability to retain the investment for the time sufficient to recover the amortized cost basis, or (3) the Company does not expect to recover the entire amortized cost basis of the security, even if it does not intend to sell the security and has the intent and ability to hold. If it is determined an OTTI has occurred because of (1) or (2), the amount of the OTTI is equal to the difference between the amortized cost and the fair value of the security at the balance sheet date and this difference is recorded as a realized capital loss. If it is determined an OTTI has occurred because of (3), the amount of the OTTI is equal to the difference between the amortized cost and the present value of cash flows expected to be collected, discounted at the loan-backed or structured security's effective interest rate and this difference is also accounted for as a realized capital loss.

The Company analyzes all relevant facts and circumstances for each investment when performing its analysis to determine whether an OTTI exists. Among the factors considered in evaluating whether a decline is other-than-temporary, management considers whether the decline in fair value results from a change in the quality of the investment security itself, whether the decline results from a downward movement in the market as a whole, the prospects for realizing the carrying value of the bond based on the investee's current and short-term prospects for recovery and other factors. The risks inherent in assessing the impairment of an investment include the risk that market factors may differ from our expectations and the risk that facts and circumstances factored into our assessment may change with the passage of time. Unexpected changes to market factors and circumstances that were not present in past reporting periods may result in a current period decision to sell securities that were not other-than-temporarily-impaired in prior reporting periods.

(3) The Company did not own any common stocks at December 31, 2015 or 2014.

(4) The Company did not own any preferred stock at December 31, 2015 or 2014.

(5) The Company did not have any mortgage loans at December 31, 2015 or 2014.

(6) <u>Securities lending</u>

The Company engages in securities lending by lending certain securities from its investment portfolio to other institutions for short periods of time. Borrowers must post cash collateral in the amount of 102% to 105% of the fair value of a loaned security. The fair value of the loaned securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned securities fluctuates. The collateral is retained and invested by a lending agent according to the Company's guidelines to generate additional investment income for the Company. Pursuant to Statements of Statutory Accounting Principles ("SSAP") No. 103 - *Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* ("SSAP No. 103"), collateral required under the Company's securities lending program is carried on the Company's balance sheet as both a receivable and payable. Also pursuant to SSAP No. 103, if the collateral received from a counterparty is less than 100 percent at the reporting date, the difference between the actual collateral and 100 percent is nonadmitted. Collateral value is measured and compared to the loaned securities in aggregate by counterparty. The Company did not have any loaned securities at December 31, 2015 and 2014.

(7) The Company did not have any investments in subsidiaries, controlled and affiliated companies at December 31, 2015 or 2014.

(8) The Company did not have any investments in any joint ventures, partnerships and limited liability companies at December 31, 2015 or 2014.

(9) The Company did not have any derivatives at December 31, 2015 or 2014.

(10) <u>Aggregate health policy reserves and related expenses</u>

Premium deficiency reserves ("PDR") are recognized when it is probable that the expected future hospital and medical costs, including maintenance costs, will exceed anticipated future premiums and reinsurance recoveries on existing contracts. Where allowed, anticipated investment income is considered in the calculation of any PDR. For purposes of calculating a PDR, contracts are grouped in manner consistent with the method of acquiring, servicing and measuring the profitability of such contracts. The Company had no PDR at December 31, 2015 or 2014.

The Company is required to make premium rebate payments to customers that are enrolled under certain health insurance policies if specific minimum annual medical loss ratios ("MLR") were not met in the prior year. The Company's results for full-year 2015 and 2014 included an estimate of $0 and $0, respectively, of minimum MLR rebates, which were included in aggregate health policy reserves in the Statutory Statements of Liabilities and Capital and Surplus.

As discussed in Note 2, the Company began reporting liabilities associated with contracts subject to redetermination as aggregate health policy reserves in accordance with SSAP No. 54 – *Individual and*

Group and Accident Health Contracts ("SSAP No. 54") and SSAP No. 107 - *Risk-Sharing Provisions of the Affordable Care Act* ("SSAP No. 107"). The Company reported Federal Contingency Reserves of $0 and Affordable Care Act ("ACA") Risk Adjustment Payables of $0 in aggregate health policy reserves at December 31, 2015.

(11) Hospital and medical costs and claims adjustment expenses and related reserves

Hospital and medical costs consist principally of fee-for-service medical claims and capitation costs. Claims unpaid include the Company's estimate of payments to be made on claims reported but not yet paid and for health care services rendered to enrollees but not yet reported to the Company as of the Statutory Statements of Assets and Liabilities, Capital and Surplus date. Such estimates are developed using actuarial principles and assumptions, which consider, among other things, historical and projected claim submission and processing patterns, medical cost trends, historical utilization of health care services, claim inventory levels, changes in membership and product mix, seasonality and other relevant factors. The Company reflects changes in estimates in hospital and medical costs in the Statutory Statements of Revenue and Expenses in the period they are determined. Capitation costs, which are recorded in hospital and medical expenses in the Statutory Statements of Revenue and Expenses, represent contractual monthly fees paid to participating physicians and other medical providers for providing medical care, regardless of the medical services provided to the enrollee.

The Company uses the triangulation method to estimate reserves for claims incurred but not reported. The method of triangulation makes estimates of completion factors that are then applied to the total paid claims (net of coordination of benefits) to date for each incurral month. This provides an estimate of the total projected incurred claims and total amount outstanding or claims incurred but not reported (claims unpaid). For the most current dates of service where there is insufficient paid claim data to rely solely on the triangulation method, the Company examines cost and utilization trends as well as environmental factors, plan changes, provider contracts, changes in membership and/or benefits, and historical seasonal patterns to estimate the reserve required for these months.

Claims adjustment expenses, which include cost containment expenses, represent the costs incurred related to the claim settlement process such as costs to record, process and adjust claims. These expenses are included in the Company's management agreement with an affiliate described in Note 10.

(12) The Company did not modify its capitalization policy from the prior period.

(13) Pharmaceutical rebate receivables

The Company estimates pharmaceutical rebate receivables based upon historical payment trends, actual utilization and other variables. Pharmaceutical rebates for a quarter are billed to the vendor within one month of the completion of the quarter with any adjustment to previously recorded amounts reflected at the time of billing. The Company reports pharmaceutical rebate receivables as health care receivables. Pharmacy rebate receivables over 90 days past due are non-admitted. All rebates are processed and settled with an affiliated entity.

(14) Premiums and amounts due and unpaid

Premium revenue for prepaid health care products is recognized as income in the month in which enrollees are entitled to health care services. Premiums collected before the effective period are reported as premiums received in advance. Premiums related to unexpired contractual coverage periods are reported as unearned premiums in the Statutory Statements of Liabilities, Capital and Surplus (refer to discussion of aggregate health policy reserves and related expenses above).

Non-admitted amounts consist of all premiums due and unpaid greater than 90 days past due, with the exception of amounts due under government insured plans, which may be admitted assets under certain circumstances. In addition, for any customer for which the premiums due and unpaid greater than 90 days past due is more than a de minimus portion of the entire balance of premiums due and unpaid for that customer, the entire balance of premiums due and unpaid for that customer is non-admitted. Management also performs a specific review of accounts and based on the results of the review, additional amounts may be non-admitted. Uncollectible amounts are generally written-off and charged to revenue in the period in which the customer reconciliations are completed and agreed to by the customer (retroactivity) or when the account is determined to be uncollectible by the Company.

(15) Aggregate health claim reserves

The reserve for future contingent benefits includes the estimated cost of services that will continue to be incurred after the Statutory Statements of Liabilities, Capital and Surplus date if the Company is obligated to pay for such services in accordance with contract provisions or regulatory requirements. These balances are recorded in aggregate health claim reserves in the Statutory Statements of Liabilities, Capital and Surplus and are estimated using a percentage of current hospital and medical costs, which is based on the Company's historical cost experience.

(16) Investment income due and accrued

Accrued investment income consists primarily of interest. Interest is recognized on an accrual basis and dividends are recorded as earned on the ex-dividend date. Due and accrued income is not recorded on: (a) bonds in default; and (b) bonds delinquent more than 90 days or where collection of interest is improbable. At December 31, 2015 and 2014, the Company did not have any non-admitted investment income due and accrued.

(17) Covered and uncovered expenses and related liabilities

Covered expenses and related liabilities represent costs for health care expenses for which a member is not responsible in the event of the insolvency of the Company. Uncovered expenses and related liabilities represent costs to the Company for health care services that are the obligation of the Company and for which a member may also be liable in the event of the Company's insolvency.

(18) Fees Paid to the Federal Government by Health Insurers

Beginning January 1, 2014, SSAP No. 106 – *Affordable Care Act Assessments* ("SSAP No. 106") required (1) that the health insurer fee be recognized in full on January 1 of the fee year (the calendar year in which the assessment must be paid to the federal government), in the operating expense category of insurance taxes, licenses and fees, excluding federal income taxes and (2) that in each data year preceding a fee year a reporting entity pro-ratably accrue by reclassifying from unassigned funds (surplus) to aggregate write-ins for special surplus funds an amount equal to its estimated subsequent fee year assessment. This reclassification has no impact on total capital and surplus and is reversed in full on January 1 of the fee year beginning with fee years starting on January 1, 2015 and after. See Note 22 for disclosure of all amounts related to the health insurer fee for the Company.

(19) Accounting for the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010's (collectively, "Health Care Reform") Reinsurance, Risk Adjustment and Risk Corridor (the "3Rs") pursuant to SSAP No. 107 – *Accounting for the Risk-Sharing Provisions of the Affordable Care Act* ("SSAP No. 107")

Reinsurance

Health Care Reform established a temporary reinsurance program that expires at the end of 2016. Under this program, all issuers of major medical commercial insurance products and self-insured plan sponsors are required to contribute funding in amounts set by the U.S. Department of Health and Human Services ("HHS"). A portion of the funds collected will be utilized to reimburse issuers' high claims costs incurred for qualified individual members. The expense related to this required funding is reflected in insurance, taxes, licenses and fees for all of the Company's insurance products with the exception of products associated with qualified individual members; this expense for qualified individual members is reflected as a reduction of premium revenue. When annual claim costs incurred by the Company's qualified individual members exceed a specified attachment point, the Company is entitled to certain reimbursements from this program. The Company records amounts recoverable for claims paid and unpaid and ceded claim benefit recoveries to reflect its estimate of these recoveries.

Risk Adjustment

Health Care Reform established a permanent risk adjustment program to transfer funds from qualified individual and small group insurance plans with below average risk scores to plans with above average risk scores. Based on the risk of the Company's qualified plan members relative to the average risk of members of other qualified plans in comparable markets, the Company estimates its ultimate risk adjustment receivable or payable for the current calendar year and reflects the impact as an adjustment to its premium revenue.

Risk Corridor

Health Care Reform established a temporary risk sharing program, which expires at the end of 2016, for qualified individual and small group insurance plans. Under this program the Company makes (or receives) a payment to (or from) HHS based on the ratio of allowable costs to target costs (as defined by Health Care Reform). The Company records a risk corridor receivable or payable as an adjustment to premium revenue based on the Company's estimate of the ultimate risk sharing amount for the current calendar year. In October 2015, HHS announced that 2014 Health Care Reform risk corridor receivables would be funded at 12.6% to the extent HHS fully collects risk corridor payables. In November 2015, INT 15-01 was issued as guidance to address the accounting for risk corridor receivables. In conjunction with this guidance, the Company recorded a risk corridor receivable that coincides with the portion of the 2014 Health Care Reform risk corridor receivables that are considered collectible. The Company currently has not recorded any risk corridor receivables for the 2015 program year.

The Company expects to perform an annual final reconciliation and settlement with HHS of the 3Rs in each subsequent year. See Note 24.E. for disclosure of amounts related to the 3Rs for the Company for the periods ending December 31, 2015 and 2014.

(20) Federal and state income and premium taxes

The Company is included in the consolidated federal income tax return of its parent company, Aetna and Aetna's other wholly-owned subsidiaries pursuant to the terms of a tax sharing agreement. In accordance with a written tax sharing agreement with an affiliate, the Company's current federal and state income tax provisions are generally computed as if the Company were filing a separate federal and state income tax return; current income tax benefits, including those resulting from net operating losses, are recognized to the extent realized in the consolidated return. Pursuant to this agreement, the Company has the enforceable right to recoup federal and state income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal and state income taxes.

Income taxes are accounted for under the asset and liability method. Deferred income tax assets ("DTAs") and liabilities ("DTLs") represent the expected future tax consequences of temporary differences generated by statutory accounting as defined in SSAP No. 101 - *Income Taxes* ("SSAP No. 101"). DTAs and DTLs are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. DTAs and DTLs are computed by means of identifying temporary differences which are measured using a balance sheet approach whereby statutory and tax basis balance sheets are compared. Current income tax recoverables include all current income taxes, including interest, reasonably expected to be recovered in a subsequent accounting period.

Pursuant to SSAP No. 101, gross DTAs are first reduced by a statutory valuation allowance adjustment to an amount that is more likely than not to be realized ("adjusted gross DTAs"). Adjusted gross DTAs are then admitted in an amount equal to the sum of paragraphs a. b. and c. below:

a. Federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with Internal Revenue Service ("IRS") tax loss carryback provisions.

b. The amount of adjusted gross DTAs, after the application of paragraph a. above, expected to be realized within the applicable period and that is no greater than the applicable percentage as determined using the applicable Realization Threshold Limitation Table. The applicable period refers to the number of years in which the DTA will reverse in the Company's tax return and the applicable percentage refers to the percentage of the Company's statutory capital and surplus as required to be shown on the statutory balance sheet adjusted to exclude any net DTAs, electronic data processing equipment and operating system software and any net positive goodwill ("Stat Cap ExDTA").

   The Realization Threshold Limitation Tables allow DTAs to be admitted based upon either realization within 3 years and 15% of Stat Cap ExDTA, 1 year and 10% of Stat Cap ExDTA, or no DTA admitted pursuant to this paragraph b. In general, the Realization Threshold Limitation Tables allow the Company to admit more DTAs if total DTAs as reported by the Company are a smaller percentage of statutory capital and surplus.

c. The amount of gross DTAs, after the application of paragraphs a. and b. above that can be offset against existing gross DTLs. In applying this offset, the Company considers the character (i.e. ordinary versus capital) of the DTAs and DTLs such that offsetting would be permitted in the tax return under existing enacted federal income tax laws and regulations and the reversal patterns of temporary differences.

Changes in DTAs and DTLs are recognized as a separate component of gains and losses in surplus ("Change in net deferred income tax") except to the extent allocated to changes in unrealized gains and losses. Changes in DTAs and DTLs allocated to unrealized gains and losses are netted against the related changes in unrealized gains and losses and are reported as "Change in net unrealized capital gains (losses)", also a separate component of gains and losses in surplus.

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The Company is subject to state income taxes in various states. State income tax expense is recorded in general administrative expenses in the Statutory Statements of Revenue and Expenses. For the years ended December 31, 2015 and 2014, the Company incurred state income tax expenses of $(68,625) and $287,605, respectively. The Company's state income tax payable of $71,508 and $116,605 at December 31, 2015 and 2014 was included in general expenses due or accrued in the Statutory Statements of Liabilities, Capital and Surplus. The Company had no state income tax receivable at December 31, 2015 and 2014.

The Company is subject to premium taxes in various states. These tax expenses are recorded in general administrative expenses in the Statutory Statements of Revenue and Expenses. The expenses for these taxes were $1,405 and $0 for the years ended December 31, 2015 and 2014, respectively. The Company's had no premium tax payable and receivable at December 31, 2015 and 2014, respectively,

(21) <u>Reinsurance</u>

In the normal course of business, the Company seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results and to help balance its risks and capital by reinsuring certain levels of risk with other insurance enterprises. The reinsurance coverage does not relieve the Company of its primary obligations. Reinsurance premiums and reserves related to reinsured business are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Premiums ceded for medical losses and the related unpaid reserves have been reported as reductions of these items. The reinsurance agreements are more fully discussed in Notes 10 and 23.

D. <u>Going concern</u>

Effective December 31, 2016, the Company will adopt amended accounting guidance related to management's evaluation of whether there is a substantial doubt about the entity's ability to continue as a going concern and the related disclosures and will make disclosures at that time and thereafter pursuant to the guidance.

2. Accounting changes and corrections of errors

In 2015, SSAP No. 54 and SSAP No. 107 were amended to change the lines of the annual statement that premium adjustments for contracts subject to redetermination are reported on. This resulted in the Company reporting amounts on the Statutory Statements of Assets page, Line 15.3, Accrued retrospective premiums and contracts subject to redetermination at December 31, 2015 that are reported as part of Statutory Statements of Assets page, Line 25, Aggregate write-ins for other than invested assets at December 31, 2014. It also resulted in the Company reporting amounts on Statutory Statements of Liabilities, Capital and Surplus page, Line 2, Aggregate reserves for accident and health contracts at December 31, 2015 that are reported as part of Statutory Statements of Liabilities, Capital and Surplus page, Line 25, Aggregate write-ins for liabilities at December 31, 2014. There were no changes to either the Company's total assets or total liabilities as a result of these changes.

Effective December 31, 2015, SSAP No. 69 – *Statement of Cash Flow* was revised to clarify that only transactions involving cash shall be included in the cash flow statement. As a result, the Company has excluded certain non-cash transactions from its operating and investing activities at December 31, 2015 that were included at December 31, 2014. There were no changes to the Company's ending cash, cash equivalents and short-term investments as a result of this change.

The Company did not have any corrections of errors in the year ending December 31, 2015.

3. Business combinations and goodwill

A. Statutory Purchased Method
NONE

B. Statutory Merger Method
NONE

C. Assumption Reinsurance
NONE

D. Impairment Losses
NONE

4. Discontinued operations

The Company did not have any discontinued operations in the years ending December 31, 2015 and 2014.

5. Investments

A. The Company did not have any mortgage loans, including Mezzanine Real Estate Loans, at December 31, 2015 or 2014.

B. The Company did not have any debt restructuring in the years ending December 31, 2015 and 2014.

C. The Company did not have any reverse mortgages at December 31, 2015 or 2014.

D. Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage backed/asset backed securities were obtained from industry market sources.

(2) The Company had no OTTI losses during 2015 on loan-backed and structured securities in which the Company had the (1) intent to sell, (2) did not have the intent and ability to retain for a period of time sufficient to recover the amortized cost basis or (3) present value of cash flows expected to be collected is less than the amortized cost basis of the securities in accordance with SSAP No. 43R, *Loan-Backed and Structured Securities* ("SSAP No. 43R").

(3) The Company had no recognized OTTI on loan-backed and structured securities currently held, in which the present value of cash flows expected to be collected is less than the amortized cost basis, at the reporting date December 31, 2015.

(4) The Company's unrealized loss position on loan-backed and structured securities held by the Company at December 31, 2015 is as follows (in thousands):

a. The aggregate amount of unrealized losses:

1.	Less than 12 Months	$ ....(16,768)
2.	12 Months or Longer	$ 0

b. The aggregate related fair value of securities with unrealized losses:

1.	Less than 12 Months	$ 4,954,736

2. 12 Months or Longer $ 0

(5) The Company has reviewed the loaned-backed and structured securities in accordance with SSAP No. 43R in the table above and has concluded that these are performing assets generating investment income to support the needs of the business. Furthermore, the Company has no intention to sell the securities at December 31, 2015 before their cost can be recovered and does have the intent and ability to retain the securities for the time sufficient to recover the amortized cost basis; therefore, no OTTI write-down to fair value was determined to have occurred on these securities.

E. Repurchase Agreements and/or Securities Lending Transactions

(1) The Company did not have any repurchase agreements at December 31, 2015.

(2) The Company did not pledge any of its assets as collateral, which are classified as securities pledged to creditors as of December 31, 2015.

(3) Neither the Company nor its agent has accepted collateral that is permitted by contract or custom to sell or repledge as of December 31, 2015.

(4) The Company did not have securities lending transactions administered by an affiliated agent which is "one line" reported at December 31, 2015.

(5) The Company did not have any repurchase agreements, loaned securities or dollar repurchase agreements at December 31, 2015.

(6) The Company has not accepted collateral that is not permitted by contract or custom to sell or re-pledge as of December 31, 2015.

(7) The Company did not have any collateral for transactions that extend beyond one year from the reporting date.

F. The Company did not have any real estate at December 31, 2015 or 2014.

G. The Company did not have any low-income housing tax credits at December 31, 2015 or 2014.

H. Restricted Assets

(1) Restricted assets (including pledged) at December 31, 2015 (in thousands):

	1	2	3	4	5	6
Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	$	$ 0	$ 0	$	0.0 %	0.0 %
b. Collateral held under security lending agreements		0	0		0.0	0.0
c. Subject to repurchase agreements		0	0		0.0	0.0
d. Subject to reverse repurchase agreements		0	0		0.0	0.0
e. Subject to dollar repurchase agreements		0	0		0.0	0.0
f. Subject to dollar reverse repurchase agreements		0	0		0.0	0.0
g. Placed under option contracts		0	0		0.0	0.0
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock		0	0		0.0	0.0
i. FHLB capital stock		0	0		0.0	0.0
j. On deposit with states	1,200,331	1,200,899	(568)	1,200,331	1.0	1.1
k. On deposit with other regulatory bodies		0	0		0.0	0.0
l. Pledged as collateral to FHLB (including assets backing funding agreements)		0	0		0.0	0.0
m. Pledged as collateral not captured in other categories		0	0		0.0	0.0
n. Other restricted assets		0	0		0.0	0.0
o. Total Restricted Assets	$ 1,200,331	$ 1,200,899	$ (568)	$ 1,200,331	%	%

(2) The Company did not have any assets pledged as collateral not captured in other categories at December 31, 2015.

(3) The Company did not have any other restricted assets at December 31, 2015.

I. The Company did not have any working capital finance investments at December 31, 2015.

J. Offsetting and netting of assets and liabilities -

The Company did not have any offsetting and netting of financial assets as of December 31, 2015.

K. The Company did not have any structured notes at December 31, 2015.

6. Joint ventures, partnerships, and limited liability companies

A. The Company did not have any joint ventures, partnerships, or limited liability companies that exceeded 10% of its admitted assets at December 31, 2015 or 2014.

B. The Company does not have any impaired investments in joint ventures, partnerships, or limited liability companies at December 31, 2015 or 2014.

7. Investment income

A. There was no investment income due and accrued excluded from surplus at December 31, 2015 or 2014, except in bonds where collection of interest was uncertain.

B. There was no amount excluded at December 31, 2015 or 2014.

8. Derivative instruments

The Company did not have any derivative instruments at December 31, 2015 or 2014.

9. Income taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.

	12/31/2015		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	$........2,787,249	$.............. 1,813	$ 2,789,062
(b) Statutory Valuation Allowance Adjustments	$.......................	$.......................	$ 0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	$........2,787,249	$.............. 1,813	$ 2,789,062
(d) Deferred Tax Assets Nonadmitted	$..............6,485	$.......................	$ 6,485
(e) Subtotal Net Admitted Deferred Tax Asset (1c -1d)	$........2,780,764	$.............. 1,813	$ 2,782,577
(f) Deferred Tax Liabilities	$.......................	$................. 978	$ 978
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$........2,780,764	$................. 835	$ 2,781,599

	12/31/2014		
	(4)	(5)	(6)
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	$...........107,865	$..................... 0	$ 107,865
(b) Statutory Valuation Allowance Adjustments	$.....................0	$..................... 0	$ 0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	$...........107,865	$..................... 0	$ 107,865
(d) Deferred Tax Assets Nonadmitted	$............20,337	$..................... 0	$ 20,337
(e) Subtotal Net Admitted Deferred Tax Asset (1c -1d)	$............87,528	$..................... 0	$ 87,528
(f) Deferred Tax Liabilities	$.....................0	$................... 15	$ 15
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$............87,528	$.................(15)	$ 87,513

	Change		
	(7)	(8)	(9)
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	$........2,679,384	$.............. 1,813	$ 2,681,197
(b) Statutory Valuation Allowance Adjustments	$.....................0	$..................... 0	$ 0
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	$........2,679,384	$.............. 1,813	$ 2,681,197
(d) Deferred Tax Assets Nonadmitted	$...........(13,852)	$..................... 0	$ ....(13,852)
(e) Subtotal Net Admitted Deferred Tax Asset (1c -1d)	$........2,693,236	$.............. 1,813	$ 2,695,049
(f) Deferred Tax Liabilities	$.....................0	$................. 963	$ 963
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	$........2,693,236	$................. 850	$ 2,694,086

2.

	12/31/2015		
	(1)	(2)	(3)
	Ordinary	Capital	(Col 1+2) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	$........2,780,764	$................ 906	$ 2,781,670
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	$.......................	$......................	$ 0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	$.......................	$......................	$ 0
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	$ 5,092,217
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	$.......................	$................ 906	$ 906
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$........2,780,764	$............. 1,812	$ 2,782,576

	12/31/2014		
	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	$............87,528	$.................... 0	$ 87,528
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	$.....................0	$.................... 0	$ 0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	$.....................0	$.................... 0	$ 0
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	$ 3,528,282
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	$.....................0	$.................... 0	$ 0
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$............87,528	$.................... 0	$ 87,528

	Change		
	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	$........2,693,236	$................ 906	$ 2,694,142
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	$.....................0	$.................... 0	$ 0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	$.....................0	$.................... 0	$ 0
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	$ 1,563,935
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	$.....................0	$................ 906	$ 906
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	$........2,693,236	$............. 1,812	$ 2,695,048

3.

	2015	2014
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	...........437.000	.... 439.000
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	$34,113,799.000	$23,521,883.000

4.

12/31/2015	
(1) Ordinary	(2) Capital

Impact of Tax Planning Strategies

(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.		
1. Adjusted Gross DTAs Amount From Note 9A1(c)	2,787,249	1,813
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0.0	0.0
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	2,780,764	1,813
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0.0	0.0

	12/31/2014	
	(3) Ordinary	(4) Capital
(a) 1. Adjusted Gross DTAs Amount From Note 9A1(c)	107,865	0
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0.0	0.0
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	87,528	0
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0.0	0.0

	Change	
	(5) (Col 1-3) Ordinary	(6) (Col 2-4) Capital
(a) 1. Adjusted Gross DTAs Amount From Note 9A1(c)	2,679,384	1,813
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0.0	0.0
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	2,693,236	1,813
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0.0	0.0

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes.......... .... No ....X.........

B. There are no DTLs that were not recognized at December 31, 2015 or 2014.

C. Current income taxes incurred consist of the following major components:

	(1) 12/31/2015	(2) 12/31/2014	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	$ 4,300,654	$ 3,215,273	$ 1,085,381
(b) Foreign	$ 0	$ 0	$ 0
(c) Subtotal	$ 4,300,654	$ 3,215,273	$ 1,085,381
(d) Federal income tax on net capital gains	$ 6,864	$ (174)	$ 7,038
(e) Utilization of capital loss carry-forwards	$	$ 0	$ 0
(f) Other	$	$ 0	$ 0
(g) Federal and foreign income taxes incurred	$ 4,307,518	$ 3,215,099	$ 1,092,419
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 1,350,283	$ 63,037	$ 1,287,246
(2) Unearned premium reserve	$	$ 21,251	$ (21,251)
(3) Policyholder reserves	$	$ 0	$ 0
(4) Investments	$	$ 0	$ 0
(5) Deferred acquisition costs	$	$ 0	$ 0
(6) Policyholder dividends accrual	$	$ 0	$ 0
(7) Fixed assets	$ 6,485	$ 20,337	$ (13,852)
(8) Compensation and benefits accrual	$	$ 0	$ 0
(9) Pension accrual	$	$ 0	$ 0
(10) Receivables - nonadmitted	$ 1,428,078	$ 837	$ 1,427,241
(11) Net operating loss carry-forward	$	$ 0	$ 0
(12) Tax credit carry-forward	$	$ 0	$ 0
(13) Other (including items <5% of total ordinary tax assets)	$ 2,403	$ 2,403	$ 0
(99) Subtotal	$ 2,787,249	$ 107,865	$ 2,679,384

(b)	Statutory valuation allowance adjustment	$	$ 0	$ 0
(c)	Nonadmitted	$ 6,485	$ 20,337	$ (13,852)
(d)	Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	$ 2,780,764	$ 87,528	$ 2,693,236
(e)	Capital:			
	(1) Investments	$ 1,813	$ 0	$ 1,813
	(2) Net capital loss carry-forward	$	$ 0	$ 0
	(3) Real estate	$	$ 0	$ 0
	(4) Other (including items <5% of total capital tax assets)	$	$ 0	$ 0
	(99) Subtotal	$ 1,813	$ 0	$ 1,813
(f)	Statutory valuation allowance adjustment	$	$ 0	$ 0
(g)	Nonadmitted	$	$ 0	$ 0
(h)	Admitted capital deferred tax assets (2e99 - 2f - 2g)	$ 1,813	$ 0	$ 1,813
(i)	Admitted deferred tax assets (2d + 2h)	$ 2,782,577	$ 87,528	$ 2,695,049

3. Deferred Tax Liabilities:

(a)	Ordinary			
	(1) Investments	$	$ 0	$ 0
	(2) Fixed assets	$	$ 0	$ 0
	(3) Deferred and uncollected premium	$	$ 0	$ 0
	(4) Policyholder reserves	$	$ 0	$ 0
	(5) Other (including items<5% of total ordinary tax liabilities)	$	$ 0	$ 0
	(99) Subtotal	$ 0	$ 0	$ 0
(b)	Capital:			
	(1) Investments	$ 978	$ 15	$ 963
	(2) Real estate	$	$ 0	$ 0
	(3) Other (including items <5% of total capital tax liabilities)	$	$ 0	$ 0
	(99) Subtotal	$ 978	$ 15	$ 963
(c)	Deferred tax liabilities (3a99 + 3b99)	$ 978	$ 15	$ 963

4. Net deferred tax assets/liabilities (2i - 3c) $ 2,781,599 $ 87,513 $ 2,694,086

The change in net deferred income taxes is comprised of following:

	December 31, 2015	December 31, 2014	Change
Total DTAs	$2,789,062	$107,865	$2,681,197
Total DTLs	(978)	(15)	(963)
Net DTAs/(DTLs)	$2,788,084	$107,850	2,680,234
Tax effect of unrealized gains (losses)			
Change in net deferred income tax			$2,680,234

The valuation allowance adjustment to gross deferred tax assets as of December 31, 2015 and December 31, 2014 was $0 and $0, respectively.

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	12/31/2015	Effective Tax Rate	12/31/2014	Effective Tax Rate
Provision computed at statutory rate	3,463,199	35%	3,280,928	35%
Management Fee Adjustment	(1,465,881)	-15%	(604,013)	-6%
Health Insurer Fee	1,254,470	13%	844,795	9%
Other Permanent Items	(50,014)	-1%	(51,810)	-1%
Change in nonadmitted assets	(1,427,241)	-14%	6,812	0%
Prior Year Return to Provision Adjustment and other	(147,249)	-1%	369	0%
Total	1,627,284	16%	3,477,081	37%

Federal and foreign income taxes incurred	4,307,518	44%	3,215,099	34%
Change in net deferred income taxes	(2,680,234)	-27%	261,982	3%
Total statutory income taxes	1,627,284	16%	3,477,081	37%

E.

1. At December 31, 2015, the Company had no net capital loss or net operating loss carryforwards for tax purposes.

2. The amount of federal income taxes incurred that is available for recoupment in the event of future net losses is $4,465,633 and $3,056,615 for the years ended December 31, 2015 and 2014, respectively.

3. The Company did not report any deposits as admitted assets under Internal Revenue Code Section 6603 at December 31, 2015 and 2014.

F.

1. At December 31, 2015, the Company's Federal Income Tax Return was consolidated with the following entities:

Aetna Inc. - Parent Company
@ Credentials Inc.
Active Health Management Inc.
Adminco, Inc.
Administrative Enterprises, Inc.
AE Fourteen Incorporated
Aetna ACO Holdings, Inc.
Aetna Better Health Inc. (Connecticut)
Aetna Better Health Inc. (Florida)
Aetna Better Health Inc. (Georgia)
Aetna Better Health Inc. (Illinois)
Aetna Better Health Inc. (New Jersey)
Aetna Better Health Inc. (New York)
Aetna Better Health Inc. (Ohio)
Aetna Better Health Inc. (Pennsylvania)
Aetna Better Health Inc. (Tennessee)
Aetna Better Health of California Inc.
Aetna Better Health of Iowa Inc.
Aetna Better Health of Kentucky Insurance Company
Aetna Better Health of Michigan Inc.
Aetna Better Health of Missouri LLC
Aetna Better Health of Texas Inc.
Aetna Better Health, Inc. (Louisiana)
Aetna Dental Inc. (New Jersey)
Aetna Dental Inc. (Texas)
Aetna Dental of California Inc.
Aetna Health and Life Insurance Company
Aetna Health Finance, Inc.
Aetna Health Inc. (Connecticut)
Aetna Health Inc. (Florida)
Aetna Health Inc. (Georgia)
Aetna Health Inc. (Iowa)
Aetna Health Inc. (Louisiana)
Aetna Health Inc. (Maine)
Aetna Health Inc. (Michigan)
Aetna Health Inc. (New Jersey)
Aetna Health Inc. (New York)
Aetna Health Inc. (Pennsylvania)
Aetna Health Inc. (Texas)
Aetna Health Insurance Company
Aetna Health Insurance Company of New York
Aetna Health of California, Inc.
Aetna Health of Utah Inc.
Aetna HealthAssurance Pennsylvania Inc.
Aetna Insurance Company of Connecticut
Aetna Integrated Informatics, Inc.
Aetna International Inc.
Aetna Ireland Inc.
Aetna Life & Casualty (Bermuda) Ltd.
Aetna Life Assignment Company
Aetna Life Insurance Company
Aetna Risk Assurance Company of Connecticut, Inc.
Aetna Risk Indemnity Company Limited
Aetna Student Health Agency Inc.
AHP Holdings, Inc.
Allviant Corporation
Cofinity, Inc.
Corporate Benefit Strategies, Inc.
Coventry Consumer Advantage, Inc.
Coventry Financial Management Services, Inc.
Coventry Health and Life Insurance Company
Coventry Health Care National Accounts, Inc.
Coventry Health Care National Network, Inc.
Coventry Health Care of Delaware, Inc.
Coventry Health Care of Florida, Inc.
Coventry Health Care of Georgia, Inc.
Coventry Health Care of Illinois, Inc.
Coventry Health Care of Kansas, Inc.
Coventry Health Care of Missouri, Inc.
Coventry Health Care of Nebraska, Inc.
Coventry Health Care of Pennsylvania, Inc.
Coventry Health Care of Texas, Inc.
Coventry Health Care of the Carolinas, Inc.
Coventry Health Care of Virginia, Inc.
Coventry Health Care of West Virginia, Inc.
Coventry Health Care Workers Compensation, Inc.
Coventry Health Plan of Florida, Inc.
Coventry HealthCare Management Corporation
Coventry Prescription Management Services, Inc.
Coventry Rehabilitation Services, Inc.
Coventry Transplant Network, Inc.
Delaware Physicians Care, Incorporated
Echo Merger Sub, Inc.
First Health Group Corp.
First Health Life and Health Insurance Company
First Script Network Services, Inc.
Florida Health Plan Administrators, LLC
FOCUS Healthcare Management, Inc.
Group Dental Service of Maryland, Inc.
Group Dental Service, Inc.
Health and Human Resource Center, Inc.
Health Data & Management Solutions, Inc.
Health Re, Incorporated
HealthAmerica Pennsylvania, Inc.
HealthAssurance Financial Services, Inc.
HealthAssurance Pennsylvania, Inc.
Managed Care Coordinators, Inc.
Medicity Inc.
Mental Health Associates, Inc.
Mental Health Network of New York IPA, Inc.
Meritain Health, Inc.
MetraComp, Inc.
MHNet Life and Health Insurance Co.
MHNet of Florida, Inc.
Niagara Re, Inc.
PayFlex Holdings, Inc.
PayFlex Systems USA, Inc.
Performax, Inc.
Precision Benefit Services, Inc.
Prime Net, Inc.
Prodigy Health Group, Inc.
Professional Risk Management, Inc.

American Health Holding, Inc.	Resources for Living, LLC
AUSHC Holdings, Inc.	Schaller Anderson Medical Administrators, Incorporated
Broadspire National Services, Inc.	Strategic Resource Company
bSwift, LLC	The Vasquez Group Inc.
Cambridge Life Insurance Company	U.S. Health Care Properties, Inc.
Carefree Insurance Services, Inc.	Work and Family Benefits, Inc.
Chickering Claims Administrators, Inc.	
Claims Administration Corp.	

2. As explained in Note 1, the Company participates in a tax sharing agreement with its parent and affiliates.

G. The Company does not have any federal or foreign income tax loss contingencies.

10. Information concerning Parent, subsidiaries, affiliates, and other related parties

A., B. and C.

The Company did not pay any dividends in 2015. The Company had paid $4,100,000 as an ordinary dividend on July 28, 2014 to its parent. The Company received capital contributions in the amount of $4,000,000 and $5,000,000 from its parent on December 4 and July 28, 2015, respectively The Company did not receive any capital contributions in 2014.

D. Amounts due to and due from affiliates shown in the accompanying Statutory Statements of Assets, Liabilities, Capital and Surplus include the Company's net receipts and disbursements processed by affiliates and transactions related to its administrative services agreement with Aetna Health Management, LLC ("AHM"), indirectly a wholly-owned subsidiary of Aetna.

At December 31, 2015 and 2014, the Company had the following amounts due to and due from affiliates, which exclude amounts related to pharmacy rebate transactions as discussed more fully in Note 28 and the Company's reinsurance agreement:

	December 31,	
	2015	2014
Amounts due to affiliates		
Schaller Anderson, LLC	$241,596	$0
Aetna Health Management, LLC		$2,830,271
	$241,596	$2,830,271
Amounts due from affiliates		
Aetna Health Management, LLC	$1,873,070	$0
	$1,873,070	$0

The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter.

E. At December 31, 2015, the Company did not have any guarantees or undertakings with its affiliates or parent company.

F. As of and for the years ended December 31, 2015 and 2014, the Company had the following significant transactions with affiliates:

The Company and AHM are parties to an administrative services agreement, under which AHM provides certain administrative services, including accounting and processing of premiums and claims. Under this agreement, the Company remits a percentage of its earned commercial, Medicaid and Medicare premium revenue, as applicable, to AHM as a fee, subject to an annual true-up mechanism as defined in the agreement. Under the agreement, this true-up is due to be settled with the affiliate by April 15th of the following contract year (which is January 1 to December 31 annually). The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter. Effective January 1, 2014, this agreement was amended to include terms and conditions to comply with Medicare laws, regulations and Centers for Medicare & Medicaid Services ("CMS") instructions. For these services, the Company was charged the following:

(in thousands)	2015	2014
Administrative service fee	$28,889	$14,994
Current year estimated accrued true-up	-	-
Total administrative service fee	$ 28,889	$14,994

These agreements also provide for interest on all intercompany balances. Interest incurred on amounts due from affiliates was $16,572 in 2015 and $6,077 in 2014.

The amounts reported on the Underwriting and Investment Exhibit, Part 3 represent the expenses incurred under the terms of the administrative agreement, allocated to the Company in accordance SSAP No. 70, *Allocation of Expenses* ("SSAP No. 70"). SSAP No. 70 states "shared expenses, including expenses under the terms of a management contract, shall be apportioned to the entities incurring the expense as if the expense had been paid solely by the incurring entity. The apportionment shall be completed based upon specific identification to the entity incurring the expense. Where specific identification is not feasible, apportionment shall be based upon pertinent factors or ratios." The Company allocates these expenses based upon a percentage calculated using actual general and administrative expenses incurred by AHM.

The Company is a party to an agreement with Coventry Prescription Management Services, Inc. ("CPMS"). For the Company's commercial business, CPMS pays pharmacy claims on the Company's behalf. The Company pays a monthly fee to CPMS for services provided during that month, which is calculated using a per member per month ("PMPM") administrative rate. The PMPM rate changes yearly and the agreements are approved each year by the Department of Insurance. All payments by the Company to CPMS are reduced by a PMPM rebate credit. The Company paid CPMS $0 and $773,861 in capitation fees for the years ended December 31, 2015 and 2014, respectively. The Company had not received any Rx rebate payment for the years ended December 31, 2015 and 2014, respectively.

Starting 1/1/2015, the Company's Medicare and ASO business is a party to an agreement which enables the Company to receive manufacturers' pharmacy rebates from AHM under which the Company remits a percentage of its earned pharmaceutical rebates to AHM as a fee. The Company earned pharmaceutical rebates of $1,569,943 in 2015. The Company was charged $129,600, which were recorded as administrative expenses, for these services in 2015. At December 31, 2015, the Company reported $597,943 as amounts due from AHM related to the pharmaceutical rebates which were reflected in payables due to parent, subsidiaries and affiliates. The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter.

MHNet Specialty Services, L.L.C. (MHNet), a related party, provides mental health services to the Company's members. The Company pays MHNet a monthly fee based on a per member per month capitation rate. The Company paid MHNet $24,196 and $216,384 in capitation fees for the years ended December 31, 2015 and 2014, respectively

The Company has coverage for certain litigation exposures ($10,000,000 per claim and in the aggregate including defense costs) through an affiliated captive insurance company.

As explained in Note 1, the Company participates in a tax sharing agreement with Aetna and Aetna's other subsidiaries. All federal income tax receivables/payables are due from/due to Aetna.

G. All outstanding shares of the Company are owned by Aetna Health Holdings, LLC, whose ultimate parent is Aetna.

H. At December 31, 2015, the Company did not hold any investments in any affiliate and did not own shares of any upstream intermediate of Aetna.

I. At December 31, 2015, the Company did not hold any investments in any subsidiary, controlled or affiliated ("SCA") entity.

J. At December 31, 2015, the Company did not hold any investments in any impaired SCA entity.

K. At December 31, 2015, the Company did not hold any investments in any foreign insurance subsidiaries.

L. 1. and 2.

At December 31, 2015, the Company did not hold any investments in any downstream noninsurance holding company.

11. Debt

A. The Company did not have any items related to debt, including capital notes at December 31, 2015.

B. The Company did not have any Federal Home Loan Bank agreements at December 31, 2015.

12. Retirement plans, deferred compensation, postemployment benefits and compensated absences and other postretirement benefit plans

The Company did not have a retirement plan, deferred compensation plan, or other postretirement benefit plan at December 31, 2015.

13. Capital and surplus, shareholders' dividend restrictions and quasi-reorganizations

(1) The Company has 1,000 shares of common stock with a par value of $.01 per share authorized, issued and outstanding at December 31, 2014 and 2013.

(2) The Company had no preferred stock shares issued and outstanding at December 31, 2015 and 2014.

(3) Dividend restrictions

Dividends on the Company's common capital stock are paid as declared by its Board of Directors, from earned surplus of the Company, not including surplus arising from the sale of stock. Generally, dividends may be paid on the Company's common capital stock without obtaining regulatory approval at an amount up to the greater of: a) the prior year net gain from operations, or b) ten percent of the prior year end capital and surplus. In addition, the minimum Risk Based Capital requirements of the NAIC and, if applicable, the Michigan Department of Insurance must be maintained. MODIFY BASED ON STATE REQUIREMENT.

(4) The Company did not pay any dividends in 2015. The Company paid $4,100,000 as an oridinary dividend on July 28, 2014 to its parent.

(5) Within the limitations of 3) above, there are no other restrictions placed on the portion of Company profits that may be paid as ordinary dividends to the stockholder.

(6) There were no restrictions placed on the Company's surplus, including for whom the surplus was being held at December 31, 2015 or 2014, except as noted in Note 21.

(7) Not applicable to the Company.

(8) The Company did not hold any stock for any special purposes at December 31, 2015 or 2014.

(9) Changes in the balances of special surplus funds from the prior year are due to the accrual of estimated 2015 ACA health insurer fees reclassified from unassigned funds (surplus) to aggregate write-ins for special surplus funds as discussed more fully in Note 1.C and Note 22.

(10) At December 31, 2015 and 2014, there was no portion of unassigned funds (surplus) that was represented or reduced by unrealized gains and losses.

(11) The Company did not have any special surplus funds or surplus notes at December 31, 2015 or 2014.

(12) The Company did not participate in any quasi-reorganizations during the statement year.

(13) The Company did not participate in any quasi-reorganizations in the past 10 years.

14. Liabilities, contingencies and assessments

A. The Company did not have any contingent commitments at December 31, 2015 or 2014.

B. Assessments

Guaranty fund assessments

Under guaranty fund laws existing in all states, insurers doing business in those states can be assessed (up to prescribed limits) for certain obligations of insolvent insurance companies to policyholders and claimants. The health insurance guaranty associations in which Aetna and certain of its affiliates, including the Company (collectively, "we", "our" or "us") participate that operate under these laws respond to insolvencies of long-term care insurers as well as health insurers. Our assessments generally are based on a formula relating to our premiums in the state compared to the premiums of other insurers. Certain states allow recoverability of assessments as offsets to premium taxes. Some states have similar laws relating to HMOs. While we have historically recovered more than half of guaranty fund assessments through statutorily permitted premium tax offsets, significant increases in assessments could lead to legislative and/or regulatory actions that may limit future offsets.

C. The Company did not have any gain contingencies at December 31, 2015 or 2014.

D. The Company did not have any claims related extra contractual obligation and bad faith losses stemming from lawsuits at December 31, 2015 or 2014.

E. The Company did not have any joint and several liability arrangements at December 31, 2015 or 2014.

F. Various liabilities arise in the normal course of the Company's business and have been recorded. In the opinion of management, any ultimate contingent losses will not have a material adverse effect on the Company's future results of operations and financial position. The Company, to the best of its knowledge, has no assets that it considers impaired that are not already recorded in the Company's books.

15. Leases

The Company did not have any material lease obligations at December 31, 2015 or 2014.

16. Information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk

The Company did not have any financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk at December 31, 2015 or 2014.

17. Sale, transfer and servicing of financial assets and extinguishments of liabilities

A. Transfers of receivables reported as sales

(1) The Company did not have any transfers of receivables as sales for the years ending December 31, 2015 and 2014.

B. Transfer and servicing of financial assets

(1) The Company's policy for requiring collateral or other security for security lending transactions as required in SAP No. 103 is discussed in Note 1. The Company did not have any loaned securities at December 31, 2015 or 2014.

(2) and (3)

The Company did not have any servicing assets or liabilities at December 31, 2015 or 2014.

(4) The Company did not have any securitized financial assets at December 31, 2015 or 2014.

(5) The Company did not have any transfers of financial assets at December 31, 2015 or 2014.

(6) The Company did not have any transfers of receivables with recourse at December 31, 2015 or 2014.

(7) The Company did not have any repurchase or reverse repurchase agreements at December 31, 2015 or 2014.

C. Wash sales

(1) In the course of the Company's asset management, securities are sold and reacquired within 30 days of the sale date to enhance the Company's yield on its investment portfolio.

(2) The details by NAIC designation 3 or below, or unrated of securities sold during the year ended December 31, 2015 and reacquired within 30 days of the sale date are:

The Company did not have any wash sales at December 31, 2015 or 2014.

18. Gain or loss to the HMO from uninsured plans and the uninsured portion of partially insured plans

A. The Company did not serve as an Administrative Services Only for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2015.

B. The Company did not serve as an Administrative Services Contract plan administrator for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2015.

C. As of December 31, 2015 and 2014, the Company had reinsurance, low-income subsidy (cost sharing portion), and CMS coverage gap discount receivables of $672,898 and $0, respectively, from CMS, which are accounted for as amounts receivable relating to uninsured plans on the Statutory Statements of Assets, as per SSAP No. 47 - *Uninsured Plans*. The Company had no liability for amounts held under uninsured plans at December 31, 2015 or 2014. These items relate to the Company's Medicare product offerings

19. Direct premium written/produced by managing general agents/third party administrators

The Company did not have any material direct premiums written through/produced by managing general agents or third party administrators for the years ended December 31, 2015 and 2014.

20. Fair value measurements

A. and B.

The Company had no material assets or liabilities measured and reported at fair value at December 31, 2015 or 2014.

C. Certain of the Company's financial instruments are measured at fair value in our balance sheets. The fair values of these instruments are based on valuations that include inputs that can be classified within one of three levels of a hierarchy established by U.S. generally accepted accounting principles. The following are the levels of the hierarchy and a brief description of the type of valuation information ("inputs") that qualifies a financial asset or liability for each level:

- **Level 1** – Unadjusted quoted prices for identical assets or liabilities in active markets.
- **Level 2** – Inputs other than Level 1 that are based on observable market data. These include: quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs that are observable that are not prices (such as interest rates and credit risks) and inputs that are derived from or corroborated by observable markets.
- **Level 3** – Developed from unobservable data, reflecting our own assumptions.

Financial assets and liabilities are classified based upon the lowest level of input that is significant to the valuation. When quoted prices in active markets for identical assets and liabilities are available, we use these quoted market prices to determine the fair value of financial assets and liabilities and classify these assets and liabilities as Level 1. In other cases where a quoted market price for identical assets and liabilities in an active market is either not available or not observable, we estimate fair value using valuation methodologies based on available and observable market information or by using a matrix pricing model. These financial assets and liabilities would then be classified as Level 2. If quoted market prices are not available, we determine fair value using broker quotes or an internal analysis of each investment's financial performance and cash flow projections. Thus, financial assets and liabilities may be classified in Level 3 even though there may be some significant inputs that may be observable.

The carrying values and estimated fair values of the Company's financial instruments at December 31, 2015 and 2014 were as follows:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds, Short Term, and Cash Equivalent	$ 77,634,583	$ 77,323,505	$ 22,088,300	$ 55,546,283	$	$ ....

The valuation methods and assumptions used by the Company in estimating the fair value of debt securities are discussed in Note 1.

There was no a material realized and unrealized capital gain, purchases, sales, settlements, or transfers into or out of the Company's Level 3 financial assets during 2015 or 2014.

In evaluating the Company's management of interest rate and liquidity risk and currency exposures, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.

D. The Company did not have any financial instruments where it was not practicable to estimate the fair value.

21. Other items

A. Extraordinary items

The Company did not have any extraordinary items for the years ended December 31, 2015 and 2014.

B. Troubled debt restructuring: debtors

The Company did not have any troubled debt restructuring in the years ended December 31, 2015 and 2014.

C. Other disclosures and unusual items

(1) Minimum capital and surplus

Pursuant to the laws of the states in which the Company is licensed to do business, the Company is required to maintain a minimum surplus and capital stock as defined by the statutes and regulations of those states. At both December 31, 2015 and 2014, the Company was in compliance with the minimum surplus and capital stock requirements of the states in which it is licensed to do business.

The NAIC and the State of Michigan adopted risk-based capital ("RBC") standards for health organizations, including HMOs, that are designed to identify weakly capitalized companies by comparing each company's adjusted capital and surplus to its required capital and surplus (the "RBC Ratio"). The RBC Ratio is designed to reflect the risk profile of the company. Within certain ratio ranges, regulators have increasing authority to take action as the RBC Ratio decreases. There are four levels of regulatory action, ranging from requiring insurers to submit a comprehensive plan to the state insurance commissioner to requiring the state insurance commissioner to place the insurer under regulatory control. At December 31, 2015 and 2014, the Company had capital and surplus that exceeded the highest threshold specified by the RBC rules.

(2) Health Care Reform

The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, "Health Care Reform" or "ACA"), enacted in March 2010, has changed and will continue to make broad-based changes to the U.S. health care system. The Company expects Health Care Reform and changes to Health Care Reform to continue to significantly impact the Company's business operations and financial results, including the Company's pricing, medical benefit ratios and the geographies in which the Company's products are available. Health Care Reform presents the Company with business opportunities, but also with financial and regulatory challenges. Most of the key components of Health Care Reform were phased in during or prior to 2014, including health insurance exchanges ("Public Exchanges), required MLRs in commercial and Medicare products, the individual coverage mandate, guaranteed issue, rating limits in individual and small group products, significant new industry-wide fees, assessments and taxes, enhanced premium rate review and disclosure processes, reduced Medicare Advantage payment rates to insurers, and linking Medicare Advantage payments to a plan's CMS quality performance ratings or “star ratings.” The effects of these changes are reflected in the Company’s financial results. Certain components of Health Care Reform will continue to be phased in until 2020.

The Company is dedicating and will continue to be required to dedicate significant resources and incur significant expenses during 2016 to implement and comply with Health Care Reform and changes in Health Care Reform as well as state level health care reform. While most of the significant aspects of Health Care Reform became effective during or prior to 2014, significant parts of Health Care Reform, including aspects of Public Exchanges, nondiscrimination requirements, reinsurance, risk corridor and risk adjustment, continue to evolve through the promulgation of regulations and guidance at the federal level.. It is likely that further changes will be made to Health Care Reform at the federal and/or state level as issues arise and its practical effects become clearer. Growing state and federal budgetary pressures make it more likely that any changes will be adverse to us. As a result, many of the specific aspects and impacts of Health Care Reform will not be known for several years, and given the inherent difficulty of foreseeing how individuals and businesses will respond to the choices afforded them by Health Care Reform, the Company cannot predict the full effect Health Care Reform will have on the Company or the impact of future changes to Health Care Reform. It is reasonably possible that Health Care Reform or changes to Health Care Reform, in the aggregate, could have a significant adverse effect on the Company’s business operations and financial results.

Ongoing legislative and regulatory changes to Health Care Reform other pending efforts in the U.S. Congress to amend or restrict funding for various aspects of Health Care Reform (including risk corridors), the 2016 presidential election, pending litigation challenging aspects of the law and federal budget negotiations continue to create uncertainty about the ultimate impact of Health Care Reform. Examples of these legislative and regulatory changes include: the December 2015 suspension of the health insurer fee for 2017 and two year delay of the “Cadillac” tax on high-cost employer-sponsored health coverage; the October 2015 Protecting Affordable Coverage for Employees Act, which leaves groups with 51 to 100 employees within the large group category for each state unless the state exercises its option to include these groups within the small group category; and the October 2015 HHS announcement that Health Care Reform risk corridor receivables for the 2014 program year would only be funded at 12.6%. The pending litigation includes the House of Representatives’ challenge to HHS’s ability to make payments under ACA’s Cost Sharing Subsidiary program without an explicit appropriation.

As described above, the availability of funding for the ACA’s temporary risk corridor program is an example of this uncertainty. In May 2014, CMS published a final rule on Public Exchanges. The final rule provides that payments to health plans under the ACA’s risk corridor program will no longer be limited to the aggregate amount of the risk corridor collections received by HHS over the duration of the risk corridor program. However, it is possible that payments to health plans under the risk corridor program will require additional appropriation legislation to be passed by the U.S. Congress. In each of December 2014 and December 2015, legislation was enacted that prohibits HHS’s use of certain funds to pay HHS’s potential obligation under the ACA’s risk corridor program. In October 2015, HHS announced that 2014 Health Care Reform risk corridor receivables would be funded at 12.6% to the extent HHS fully collects risk corridor payables. As a result, the Company continues to believe that receipt of any risk corridor payment from HHS for the 2015 program year and receipt of such payments in excess of the 12.6% prorated amount for the 2014 program year are uncertain. At December 31, 2015, the Company had no receivable for the remaining 2014 program year prorated amount that had not been collected from HHS and had no receivable for the 2015 program year. In addition, these limited risk corridor payments may create instability in the marketplace for individual commercial products in 2016 and going forward by, among other things, causing health plans to change or stop offering their Public Exchange products. 2016 is the last program year for the ACA’s risk corridor program.

The federal and state governments also continue to enact and seriously consider many other broad-based legislative and regulatory proposals that have had a material impact on or could materially impact various aspects of the health care and related benefits system. The Company cannot predict whether pending or future federal or state legislation or court proceedings, including future U.S. Congressional appropriations, will change various aspects of the health care and related benefits system or Health Care Reform or the impact those changes will have on the Company’s business operations or financial results, but the effects could be materially adverse.

In addition, Health Care Reform ties a portion of Medicare Advantage plans’ reimbursement to the achievement of favorable CMS quality performance measures (“star ratings”). Since 2015, only Medicare Advantage plans with an overall star rating of four or more stars (out of five stars) are eligible for a quality bonus in their basic premium rates. As a result, the Company’s Medicare Advantage plans' operating results in 2016 and going forward will be significantly affected by their star ratings.

(3) <u>Medicare</u>

The Company’s Medicare Advantage and Standalone Prescription Drug Plan (“PDP”) products are regulated by CMS. The regulations and contractual requirements applicable to the Company and other participants in Medicare programs are complex, expensive to comply with and subject to change. For example, in the second quarter of 2014, CMS issued a final rule implementing the Health Care Reform requirements that Medicare Advantage and PDP plans report and refund to CMS overpayments that those plans receive from CMS. The precise interpretation, impact and legality of this rule are not clear and are subject to pending litigation. In that same rule, CMS also changed in some respects how the Company can pay pharmacies in 2016 that impacts the Company’s Medicare Advantage and PDP products. The Company has invested significant resources to comply with Medicare standards, and the Company's Medicare compliance efforts will continue to require significant resources. CMS may seek premium and other refunds, prohibit the Company from continuing to market and/or enroll members in or refuse to passively enroll members in one or more of the Company's Medicare or Medicare-Medicaid demonstration (historically known as "dual eligible") plans, exclude the Company from participating in one or more Medicare or dual eligible programs and/or institute other sanctions against the Company if the Company fails to comply with CMS regulations or the Company's Medicare contractual requirements.

D. The Company did not have any business interruption insurance recoveries for the years ending December 31, 2015 or 2014.

E. The Company did not have any transferable and non-transferable state tax credits for the years ending December 31, 2015 or 2014.

F. The Company did not have any subprime mortgage related risk exposures at December 31, 2015 or 2014.

G. The Company did not have any retained assets at December 31, 2015 or 2014.

H. The Company did not have any joint and several liability arrangements at December 31, 2015 or 2014.

22. Events subsequent

Type I - Recognized subsequent events

Subsequent events have been considered through February 25, 2016 for the statutory statement issued on March 1, 2016.

The Company had no known reportable recognized subsequent events.

Type II – Non-recognized subsequent events

Subsequent events have been considered through February 25, 2016 for the statutory statement issued on March 1, 2016.

On January 1, 2016, the Company will be subject to an annual fee under section 9010 of the Federal ACA. This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2015, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2016, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2016 to be $4,930,000. This amount is reflected in special surplus. This assessment is expected to impact RBC by 13%. Reporting the ACA assessment as of December 31, 2015, would not have triggered an RBC action level.

		Current Year	Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	.......Yes.......	
B.	ACA fee assessment payable for the upcoming year	$ 4,930,000	$ 3,700,000
C.	ACA fee assessment paid	$ 3,584,200	$ 2,413,700
D.	Premium written subject to ACA 9010 assessment	$ 271,081,142	$ 187,987,461
E.	Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	$ 36,895,398	
F.	Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	$ 31,965,398	
G.	Authorized Control Level (Five-Year Historical Line 15)	$ 7,806,937	
H.	Would reporting the ACA assessment as of Dec. 31, 2015 have triggered an RBC action level (YES/NO)?	No.....	

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
Yes ( ) No (X)
If yes, give full details.

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
Yes ( ) No (X)
If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than nonpayment of premium or other similar credit?
Yes ( ) No (X)

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.
$<u>N/A</u>.

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement?
$<u>N/A</u>.

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
Yes ( ) No (X)
If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the insurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.
<u>None .</u>

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
Yes ( ) No (X)
If yes, what is the amount of reinsurance credit, whether an asset or a reduction of liability, taken for such new agreements or amendments? $<u>N/A</u>.

B. The Company did not have uncollectible reinsurance at December 31, 2015.

C. The Company did not have any commutation of ceded reinsurance at December 31, 2015.

D. The Company's certified reinsurer's rating has not been downgraded or its status subject to revocation at December 31, 2015.

24. <u>Retrospectively rated contracts and contracts subject to redetermination</u>

A. and B.

The Company did not have any retrospectively rated contracts in 2015 or 2014.

C. <u>Contracts subject to redetermination</u>

The Company did not have any contracts subject to redetermination in 2015 or 2016.

D. <u>Medical loss ratio rebates required pursuant to the Public Health Service Act</u>

The Company did not have any medical loss ratios required pursuant to the Public Health Service Act in 2015 or 2014.

E. Risk Sharing Provisions of the Affordable Care Act ("ACA")

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? Yes [x] No [ ]

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

		AMOUNT
a.	Permanent ACA Risk Adjustment Program	
	Assets	
	1. Premium adjustments receivable due to ACA Risk Adjustment	$ ....
	Liabilities	
	2. Risk adjustment user fees payable for ACA Risk Adjustment	$ ....
	3. Premium adjustments payable due to ACA Risk Adjustment	$ ....
	Operations (Revenue & Expense)	
	4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	$ ....
	5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	$ ....
b.	Transitional ACA Reinsurance Program	
	Assets	
	1. Amounts recoverable for claims paid due to ACA Reinsurance	$ ....
	2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	$ ....
	3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	$ ....
	Liabilities	
	4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	$ ....
	5. Ceded reinsurance premiums payable due to ACA Reinsurance	$ ....
	6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	$ ....
	Operations (Revenue & Expense)	
	7. Ceded reinsurance premiums due to ACA Reinsurance	$ ....
	8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	$ ....
	9. ACA Reinsurance contributions – not reported as ceded premium	$ ....
c.	Temporary ACA Risk Corridors Program	
	Assets	
	1. Accrued retrospective premium due to ACA Risk Corridors	$ ....
	Liabilities	
	2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	$ ....
	Operations (Revenue & Expense)	
	3. Effect of ACA Risk Corridors on net premium income (paid/received)	$ ....
	4. Effect of ACA Risk Corridors on change in reserves for rate credits	$ ....

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

		Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
						Prior Year Accrued Less Payments (Col 1 – 3)	Prior Year Accrued Less Payments (Col 2 – 4)	To Prior Year Balance	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 – 3 + 7)	Cumulative Balances from Prior Years (Col 2 – 4 + 8)
		1	2	3	4	5	6	7	8		9	10
		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a.	Permanent ACA Risk Adjustment Program											
	1. Premiums adjustments receivable					0	0			A	0	0
	2. Premium adjustments (payable)					0	0			B	0	0
	3. Subtotal ACA Permanent Risk Adjustment Program	0	0	0	0	0	0	0	0		0	0
b.	Transitional ACA Reinsurance Program											
	1. Amounts recoverable for claims paid					0	0			C	0	0
	2. Amounts recoverable for claims unpaid (contra liability)					0	0			D	0	0
	3. Amounts receivable relating to uninsured plans					0	0			E	0	0
	4. Liabilities for contributions payable due to ACA Reinsurance – not reported as cede premium					0	0			F	0	0
	5. Ceded reinsurance premiums payable					0	0			G	0	0
	6. Liability for amounts held under uninsured plans					0	0			H	0	0
	7. Subtotal ACA Transitional Reinsurance Program	0	0	0	0	0	0	0	0		0	0
c.	Temporary ACA Risk Corridors Program											

		Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
						Prior Year Accrued Less Payments (Col 1 – 3)	Prior Year Accrued Less Payments (Col 2 – 4)	To Prior Year Balance	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 – 3 + 7)	Cumulative Balances from Prior Years (Col 2 – 4 + 8)
		1	2	3	4	5	6	7	8		9	10
		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
	1. Accrued retrospective premium					0	0			I	0	0
	2. Reserve for rate credits or policy experience rating refunds					0	0			J	0	0
	3. Subtotal ACA Risk Corridors Program	0	0	0	0	0	0	0	0		0	0
d.	Total for ACA Risk Sharing Provisions	0	0	0	0	0	0	0	0		0	0

Explanations of adjustments – Not applicable for year-end 2015

25. Change in incurred claims and claims adjustment expense

The following table shows the components of the change in claims unpaid, unpaid claims adjustment expense and aggregate health claim reserves for the years ended December 31, 2015 and 2014.

	2015	2014
Balance at January 1	20,392,581	16,782,461
Health care receivable	-	-
Balance, January 1, net of health care receivable	20,392,581	16,782,461
Incurred related to:		
Current Year	229,332,994	158,020,380
Prior Year	(3,020,810)	(7,347,772)
Total Incurred	226,312,184	150,672,608
Paid related to:		
Current Year	166,815,812	138,007,189
Prior Year	17,214,003	9,055,299
Total Paid	184,029,815	147,062,488
Balance at December 31, net of health care receivable	62,674,950	20,392,581
Health care receivable	-	-
Net balance at December 31	62,674,950	20,392,581

In 2015, reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years or decreased by $319,309 from $243,439 in 2014 to approximately $(75,870) in 2015. In 2014, reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years decreased by $(195,859) from $439,298 in 2013 to $243,439 in 2014. The lower than anticipated health care cost trend rates observed in 2015 and 2014 for claims incurred in 2014 and 2013, respectively, were due to moderating outpatient and physician trends and faster than expected claim payment speed. The Company considers historical trend rates together with knowledge of recent events that may impact current trends when developing estimates of current trend rates. Original estimates are increased or decreased as additional information becomes known regarding individual claims. Historical health care cost trend rates are not necessarily representative of current trends. The Company experienced $2,079,354 of favorable prior year claim development on retrospectively rated policies, which is included in the net 2015 decrease. However, the business to which it relates is subject to premium adjustments. The Company excluded the impact of the change in health care receivables related to pharmacy rebates from the above roll-forward to conform to NAIC Annual Statement presentation.

Net coordination of benefits are implicit in the claims incurred but not reported calculation and could not be specifically identified.

26. Intercompany pooling arrangements

The Company did not have any intercompany pooling arrangements at December 31, 2015 or 2014.

27. Structured settlements

Not applicable to health entities.

28. Health care receivables

A. Pharmaceutical rebate receivables

NONE

B. Risk sharing receivables

The Company did not have any admitted risk sharing receivables at December 31, 2015 or 2014.

29. Participating policies

The Company did not have any participating policies at December 31, 2015 or 2014.

30. Premium deficiency reserves

	December 31, 2015
1. Liability carried for premium deficiency reserves	$0
2. Date of the most recent evaluation of this liability	12/31/2015
3. Was anticipated investment income utilized in the calculation?	No

31. Anticipated salvage and subrogation

See discussion of hospital and medical costs and claims adjustment expenses and related reserves in Note 1.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

If yes, complete Schedule Y, Parts 1, 1A and 2.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? Michigan

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2013

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 11/30/2014

3.4 By what department or departments? Michigan Department of Insurance and Financial Services

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

6.2 If yes, give full information

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9\. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG LLP, ONE FINANCIAL PLAZA,755 Main Street, HARTFORD, CT 06130-4103

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain

11\. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
William R. Jones, FSA, MAAA, 151 Farmington Avenue, RE2R, Hartford, CT 06156

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value $

12.2 If yes, provide explanation

13\. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [X] No [ ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s)
See Attachment

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $
- 20.12 To stockholders not officers $
- 20.13 Trustees, supreme or grand (Fraternal only) $

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $
- 20.22 To stockholders not officers $
- 20.23 Trustees, supreme or grand (Fraternal only) $

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others $
- 21.22 Borrowed from others $
- 21.23 Leased from others $
- 21.24 Other $

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $
- 22.22 Amount paid as expenses $
- 22.23 Other amounts paid $

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 1,873,070

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No [ ]

24.02 If no, give full and complete information, relating thereto

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] NA [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $

24.06 If answer to 24.04 is no, report amount of collateral for other programs. $

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] NA [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] NA [X]

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] NA [X]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $
- 24.103 Total payable for securities lending reported on the liability page $

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No [ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21	Subject to repurchase agreements	$
25.22	Subject to reverse repurchase agreements	$
25.23	Subject to dollar repurchase agreements	$
25.24	Subject to reverse dollar repurchase agreements	$
25.25	Placed under option agreements	$
25.26	Letter stock or securities restricted as to sale – excluding FHLB Capital Stock	$
25.27	FHLB Capital Stock	$
25.28	On deposit with states	$ 1,200,331
25.29	On deposit with other regulatory bodies	$
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	$
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	$
25.32	Other	$

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. $

28. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No [ ]

28.01 For agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
State Street Bank and Trust Company	State Street Financial Center, One Lincoln Street, Boston, MA 02111-2900

28.02 For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]
28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

GENERAL INTERROGATORIES

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	77,323,508	77,634,583	311,075
30.2 Preferred Stocks	0	0	0
30.3 Totals	77,323,508	77,634,583	311,075

30.4 Describe the sources or methods utilized in determining the fair values:

See Attachment

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed? Yes [X] No [ ]

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 198

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Public Co Accounting Oversight Board	$ 73

34.1 Amount of payments for legal expenses, if any? $ 27,254

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
	$
	$
	$

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	$
	$
	$

14.21 The Code of Conduct was amended effective September 2015. The key substantive changes include:

- Increased focus and clarity regarding expectations of Aetna's vendors, including vendors to our Medicare business

- Increased clarity on the resources available to Aetna's vendors, including vendors to our Medicare business, to report possible compliance violations or business conduct or integrity concerns
- Updated guidance on protecting Aetna's and our customers' information
- Updated information on Aetna's Medicare Compliance Program

There were also numerous non-substantive clarifying and conforming changes and updates to the factual information contained in the Code of Conduct, such as the level of giving by the Aetna Foundation since 1980.

30.4 Fair value of long term bonds and preferred stocks are determined based on quoted market prices when available, fair values using valuation methodologies based on available and observable market information or by using matrix pricing. If quoted market prices are not available, we determine fair value using broker quoted or an internal analysis of each investment's financial performance and cash flow projections. Short Term investments are carried at amortized cost which approximated fair value. The carrying value of cash equivalents approximated fair value.

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U. S. business only. $ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above $

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $ 0

1.62 Total incurred claims $ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned $ 0

1.65 Total incurred claims $ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $ 0

1.72 Total incurred claims $ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned $ 0

1.75 Total incurred claims $ 0

1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 282,053,822	$ 187,440,278
2.2	Premium Denominator	$ 282,053,822	$ 187,440,278
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	$ 63,962,504	$ 20,158,943
2.5	Reserve Denominator	$ 63,962,504	$ 20,158,943
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [ ]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No [ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical $

5.32 Medical Only $

5.33 Medicare Supplement $

5.34 Dental and Vision $

5.35 Other Limited Benefit Plan $

5.36 Other $

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Provider contracts contain hold harmless and continuity of coverage provisions.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No [ ]

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 5,018

8.2 Number of providers at end of reporting year 5,953

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

9.22 Business with rate guarantees over 36 months

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No [ ]

10.2 If yes:

- 10.21 Maximum amount payable bonuses $ 1,534,171
- 10.22 Amount actually paid for year bonuses $ 600,480
- 10.23 Maximum amount payable withholds $ 27,719
- 10.24 Amount actually paid for year withholds $

11.1 Is the reporting entity organized as:

- 11.12 A Medical Group/Staff Model, Yes [ ] No [X]
- 11.13 An Individual Practice Association (IPA), or, Yes [ ] No [X]
- 11.14 A Mixed Model (combination of above) ? Yes [ ] No [X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No [ ]

11.3 If yes, show the name of the state requiring such minimum capital and surplus. Michigan

11.4 If yes, show the amount required. $ 15,613,874

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]

11.6 If the amount is calculated, show the calculation

2 times RBC ACL

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
MI - HMO License covers entire state of Michigan
MI - Medicaid/MIChild (SCHIP) Licensed in the following counties - Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, Van Buren, Hillsdale, Jackson, Lenawee, Livingston, Monroe, Washtenaw, Macomb, Oakland, Wayne
MI - Medicare/Medicaid Duals Licensed in the following counties: Wayne, Macomb, Kalamazoo, St. Joseph, Branch; Cass, Calhoun, Barry, Berrien, and Van Buren

13.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. $

13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date. $

14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers? Yes [ ] No [X N/A [ ]

14.2 If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
				5	6	7
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	Letters of Credit	Trust Agreements	Other

15. Provide the following for Individual ordinary life insurance* policies (U.S. business Only) for the current year:

- 15.1 Direct Premium Written (prior to reinsurance ceded) $
- 15.2 Total incurred claims $
- 15.3 Number of covered lives

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

FIVE - YEAR HISTORICAL DATA

	1 2015	2 2014	3 2013	4 2012	5 2011
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	110,365,445	49,064,064	41,939,844	46,712,097	48,986,862
2. Total liabilities (Page 3, Line 24)	73,470,048	25,454,668	20,165,643	22,458,652	23,101,612
3. Statutory minimum capital and surplus requirement	15,613,874	17,091,201	10,175,564	10,440,361	10,708,884
4. Total capital and surplus (Page 3, Line 33)	36,895,398	23,609,396	21,774,201	24,253,445	25,885,250
Income Statement (Page 4)					
5. Total revenues (Line 8)	282,130,597	187,519,055	163,732,514	173,169,465	185,245,947
6. Total medical and hospital expenses (Line 18)	225,661,623	150,574,920	142,843,407	148,357,537	152,264,633
7. Claims adjustment expenses (Line 20)	12,080,123	4,769,571	1,740,102	1,555,822	2,152,357
8. Total administrative expenses (Line 21)	34,989,914	23,198,280	13,205,599	14,682,410	24,748,902
9. Net underwriting gain (loss) (Line 24)	9,398,937	8,976,284	5,943,406	8,573,696	6,080,055
10. Net investment gain (loss) (Line 27)	489,051	397,972	697,104	1,081,684	826,842
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income or (loss) (Line 32)	5,587,334	6,158,983	4,392,095	7,122,812	4,550,002
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	54,676,301	7,949,847	2,365,427	4,847,275	9,364,725
Risk-Based Capital Analysis					
14. Total adjusted capital	36,895,398	23,609,396	21,774,201	24,253,445	25,885,250
15. Authorized control level risk-based capital	7,806,937	5,352,764	5,087,782	5,220,181	5,354,442
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	48,094	42,906	39,599	42,831	46,350
17. Total members months (Column 6, Line 7)	572,862	511,481	484,486	535,706	581,933
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	80.0	80.3	87.3	85.7	82.3
20. Cost containment expenses	3.3	2.0	0.0	0.0	0.0
21. Other claims adjustment expenses	1.0	0.5	1.1	0.9	1.2
22. Total underwriting deductions (Line 23)	96.7	95.3	96.4	95.1	96.8
23. Total underwriting gain (loss) (Line 24)	3.3	4.8	3.6	5.0	3.3
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	17,138,133	9,298,738	16,286,058	15,427,908	15,356,007
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	20,158,943	16,646,510	20,125,384	20,576,201	19,158,925
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate		0	0	0	0
31. All other affiliated		0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
	State, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama AL	N							0	0
2.	Alaska AK	N							0	0
3.	Arizona AZ	N							0	0
4.	Arkansas AR	N							0	0
5.	California CA	N							0	0
6.	Colorado CO	N							0	0
7.	Connecticut CT	N							0	0
8.	Delaware DE	N							0	0
9.	District of Columbia DC	N							0	0
10.	Florida FL	N							0	0
11.	Georgia GA	N							0	0
12.	Hawaii HI	N							0	0
13.	Idaho ID	N							0	0
14.	Illinois IL	N							0	0
15.	Indiana IN	N							0	0
16.	Iowa IA	N							0	0
17.	Kansas KS	N							0	0
18.	Kentucky KY	N							0	0
19.	Louisiana LA	N							0	0
20.	Maine ME	N							0	0
21.	Maryland MD	N							0	0
22.	Massachusetts MA	N							0	0
23.	Michigan MI	L	3,219,262	48,936,233	230,496,579				282,652,074	0
24.	Minnesota MN	N							0	0
25.	Mississippi MS	N							0	0
26.	Missouri MO	N							0	0
27.	Montana MT	N							0	0
28.	Nebraska NE	N							0	0
29.	Nevada NV	N							0	0
30.	New Hampshire NH	N							0	0
31.	New Jersey NJ	N							0	0
32.	New Mexico NM	N							0	0
33.	New York NY	N							0	0
34.	North Carolina NC	N							0	0
35.	North Dakota ND	N							0	0
36.	Ohio OH	N							0	0
37.	Oklahoma OK	N							0	0
38.	Oregon OR	N							0	0
39.	Pennsylvania PA	N							0	0
40.	Rhode Island RI	N							0	0
41.	South Carolina SC	N							0	0
42.	South Dakota SD	N							0	0
43.	Tennessee TN	N							0	0
44.	Texas TX	N							0	0
45.	Utah UT	N							0	0
46.	Vermont VT	N							0	0
47.	Virginia VA	N							0	0
48.	Washington WA	N							0	0
49.	West Virginia WV	N							0	0
50.	Wisconsin WI	N							0	0
51.	Wyoming WY	N							0	0
52.	American Samoa AS	N							0	0
53.	Guam GU	N							0	0
54.	Puerto Rico PR	N							0	0
55.	U.S. Virgin Islands VI	N							0	0
56.	Northern Mariana Islands MP	N							0	0
57.	Canada CAN	N							0	0
58.	Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal	XXX	3,219,262	48,936,233	230,496,579	0	0	0	282,652,074	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX							0	
61.	Total (Direct Business)	(a) 1	3,219,262	48,936,233	230,496,579	0	0	0	282,652,074	0
DETAILS OF WRITE-INS										
58001.		XXX								
58002.		XXX								
58003.		XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

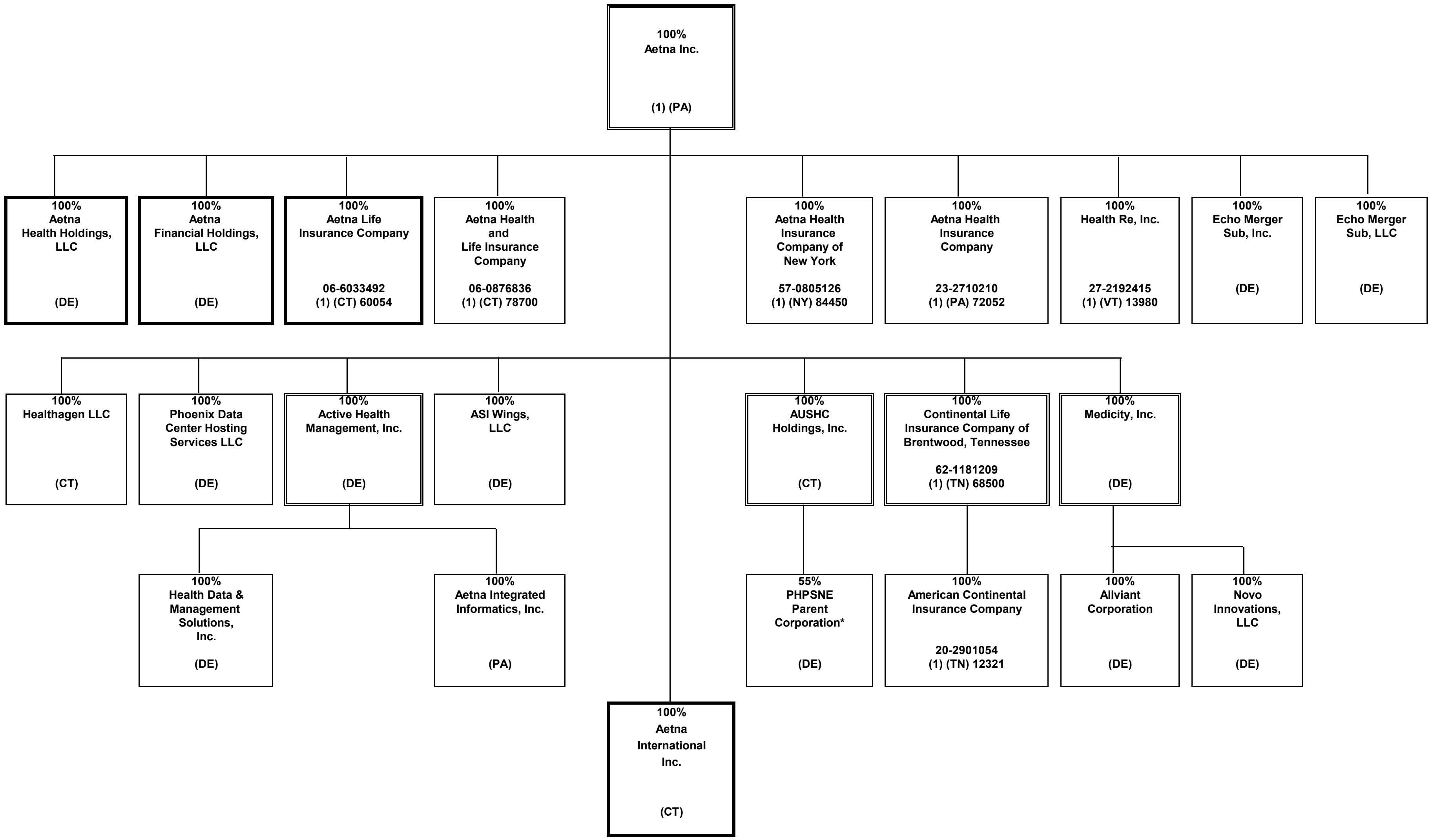
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc. Allocated by State based on group location

(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

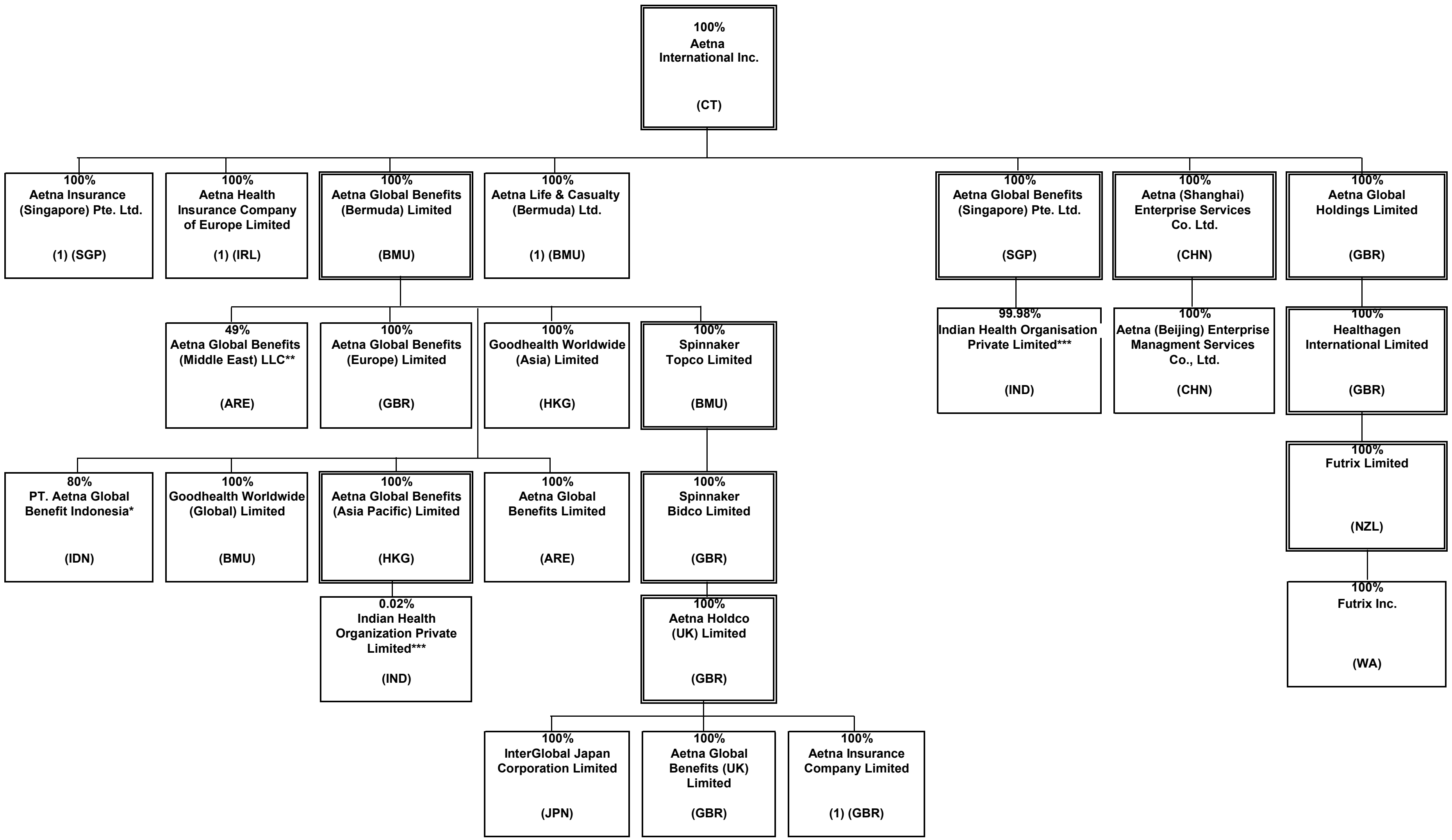


(1) Insurers/HMO's
Percentages are rounded to the nearest whole percent and based on ownership of voting rights.
Double borders indicate entity has subsidiaries shown on the same page.
Bold borders indicate entity has subsidiaries shown on a separate page.

*55% is owned by AUSHC Holdings, Inc. and 45% is owned by third parties.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



*Aetna Global Benefits (Bermuda) Limited owns 80% and 20% is owned by Suhatsyah Rivai, Aetna's Nominee.
** Aetna Global Benefits (Bermuda) Limited owns 49% and 51% is owned by Euro Gulf LLC, Aetna's Nominee.
*** Aetna Global Benefits (Asia Pacific) Limited owns 0.019857% of Indian Health Organization Private Limited and Aetna Global Benefits (Singapore) Pte. Ltd. owns 99.980143%.

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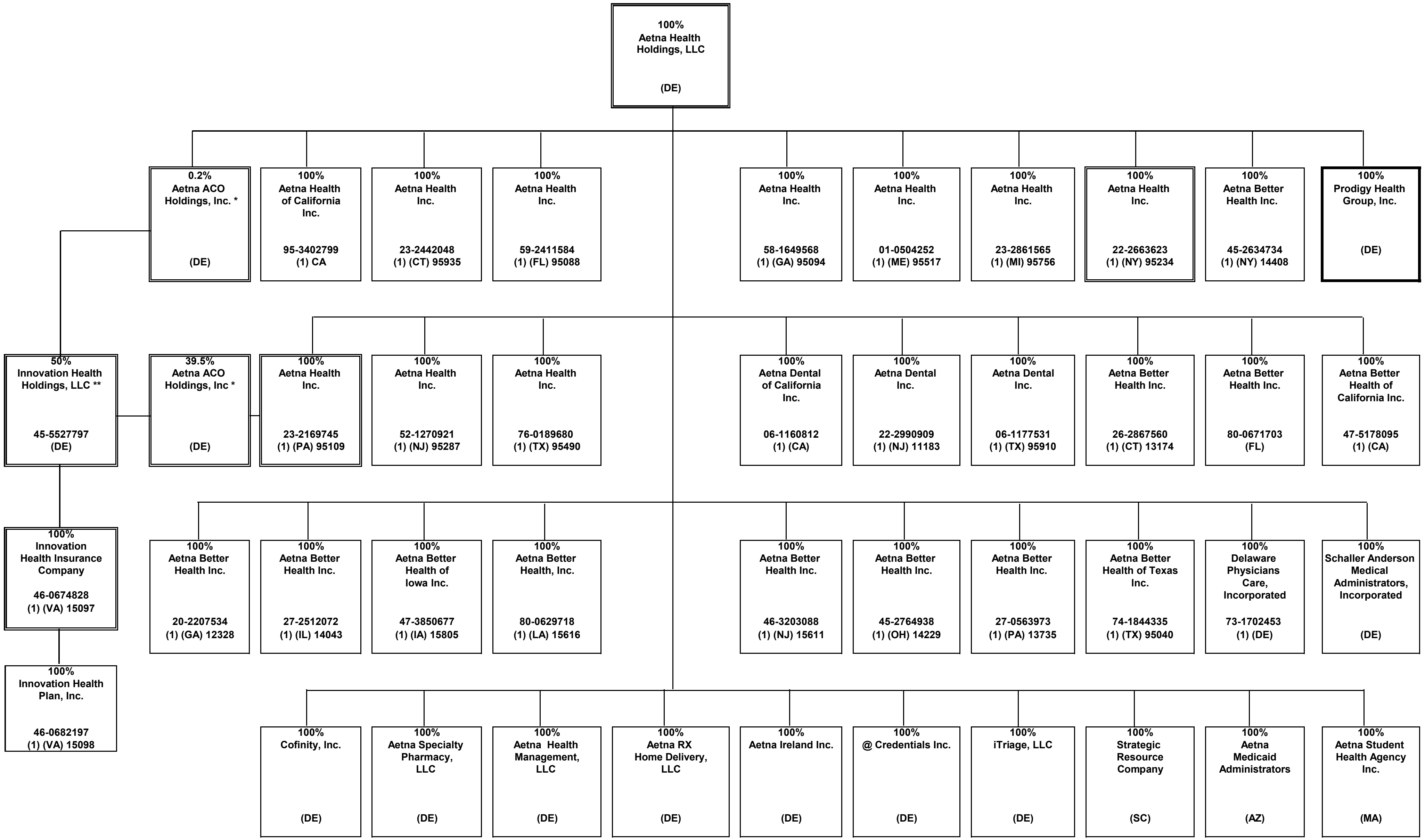
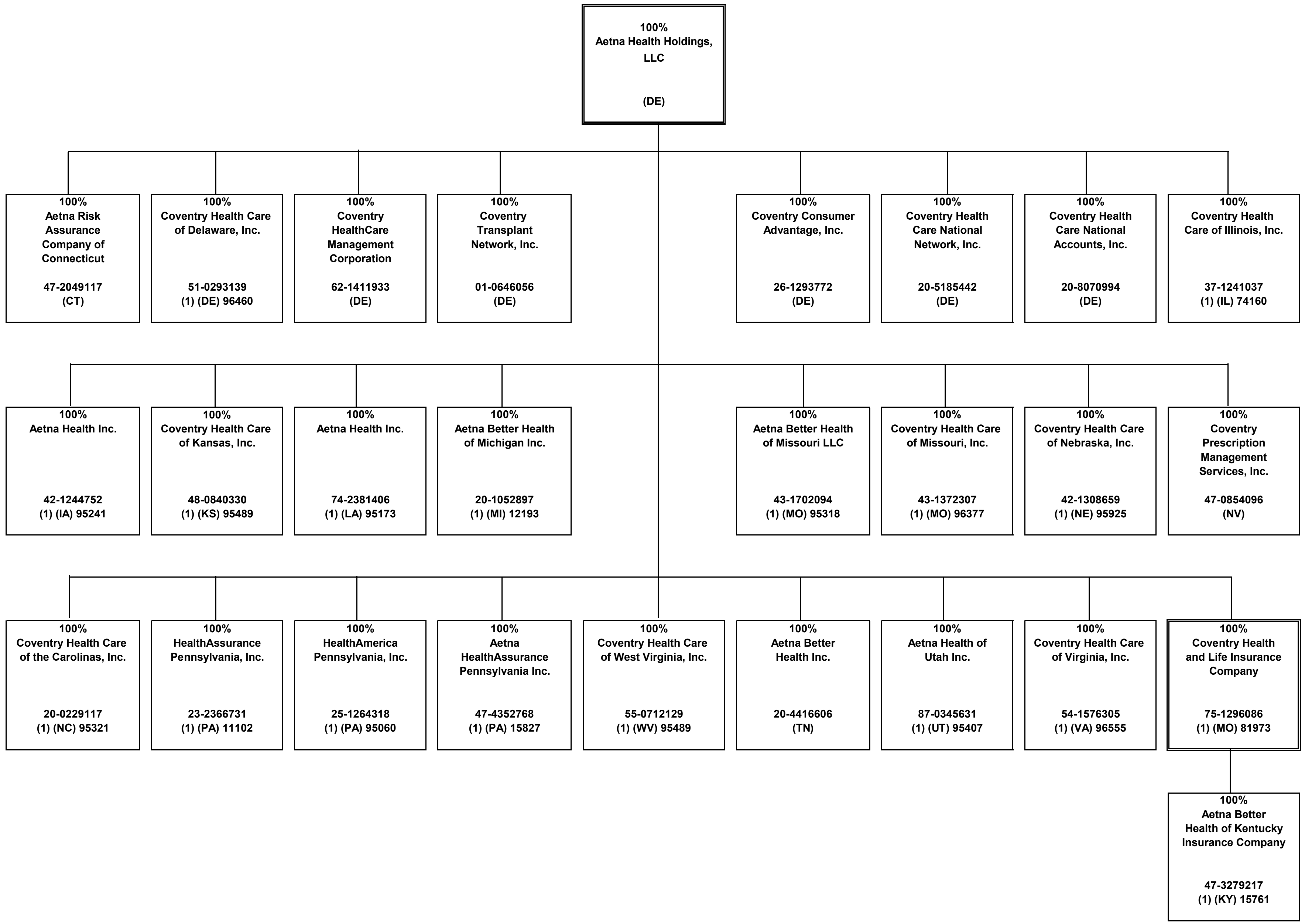
PART 1 - ORGANIZATIONAL CHART



* Aetna Life Insurance Company owns 302 shares, Aetna Health Inc. (PA) owns 198 shares and Aetna Health Holdings, LLC owns 1 share.
** Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Inova Health System Foundation, an unaffiliated company.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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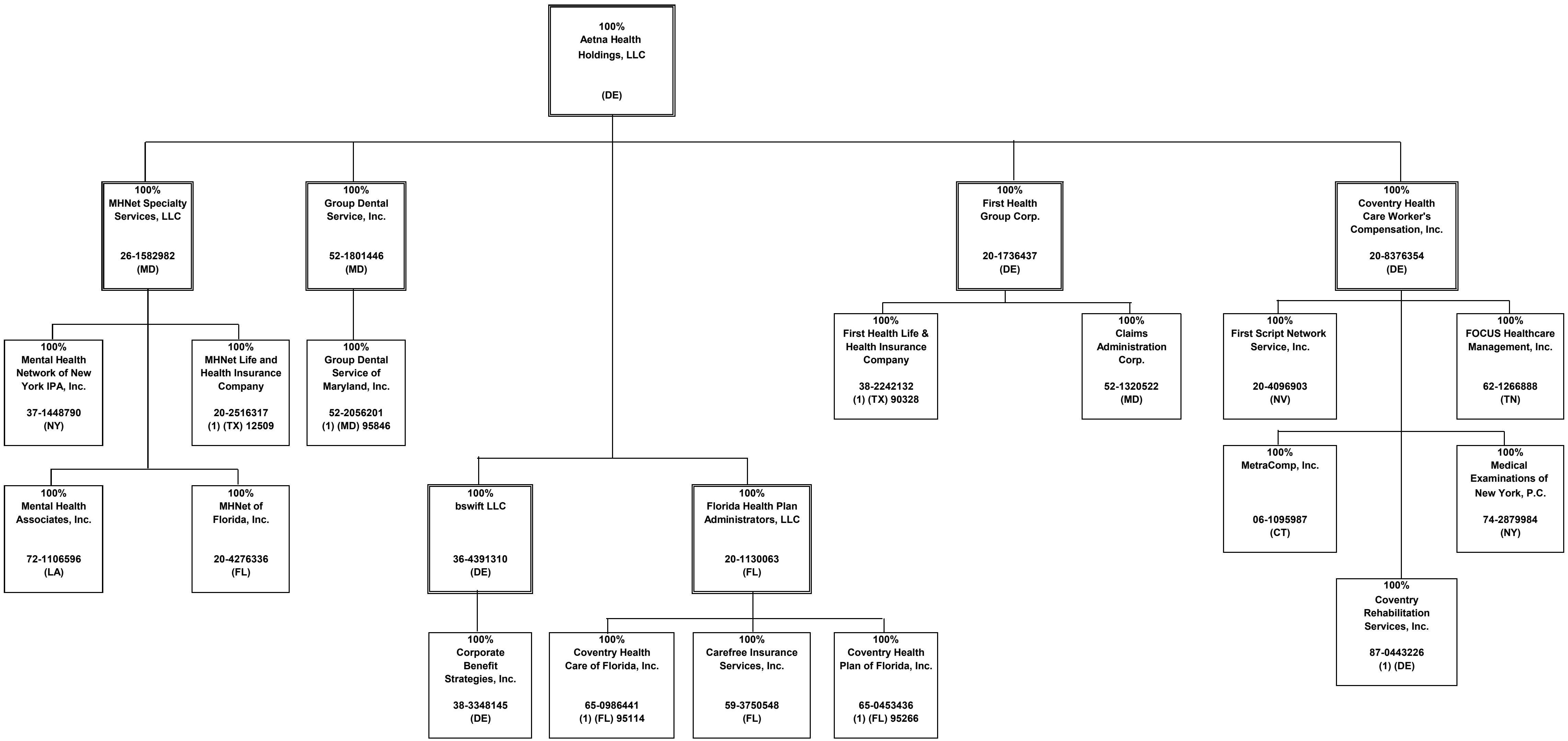

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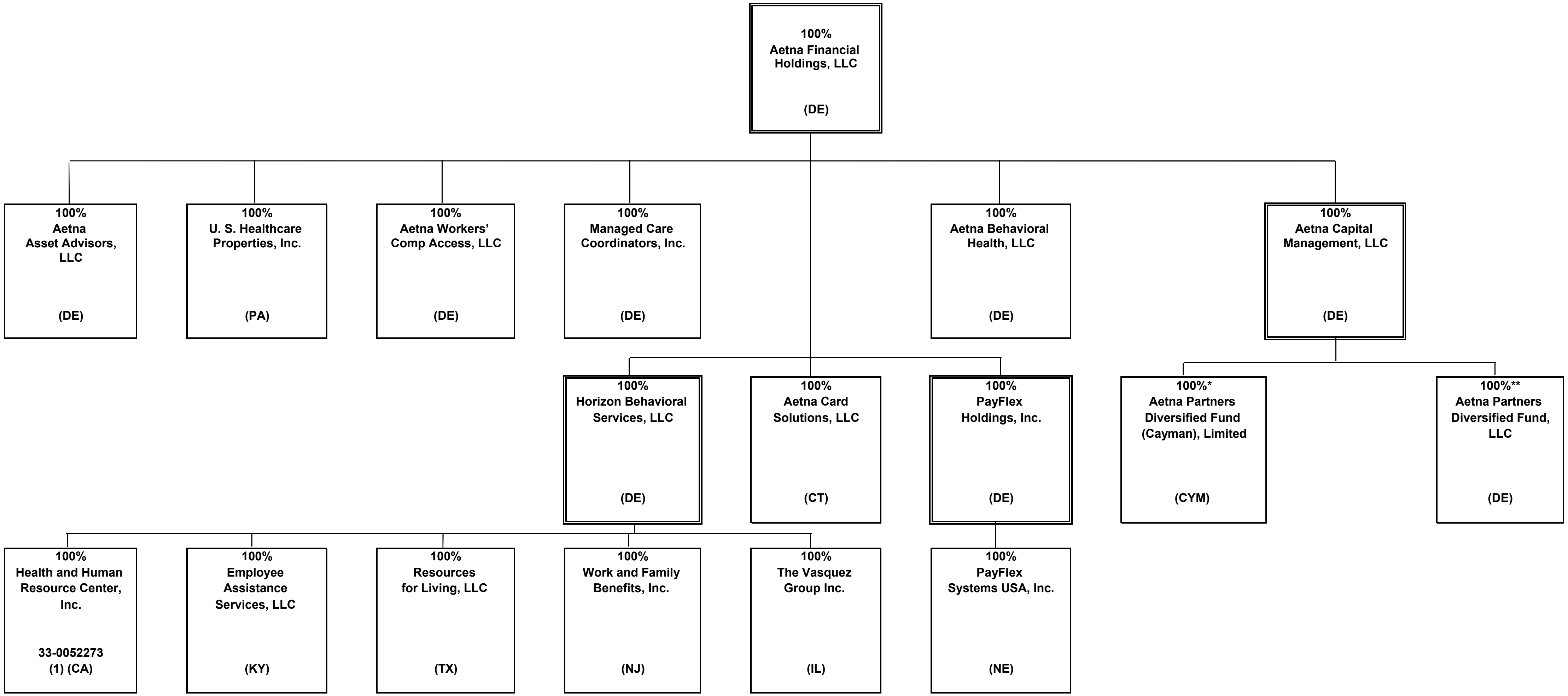
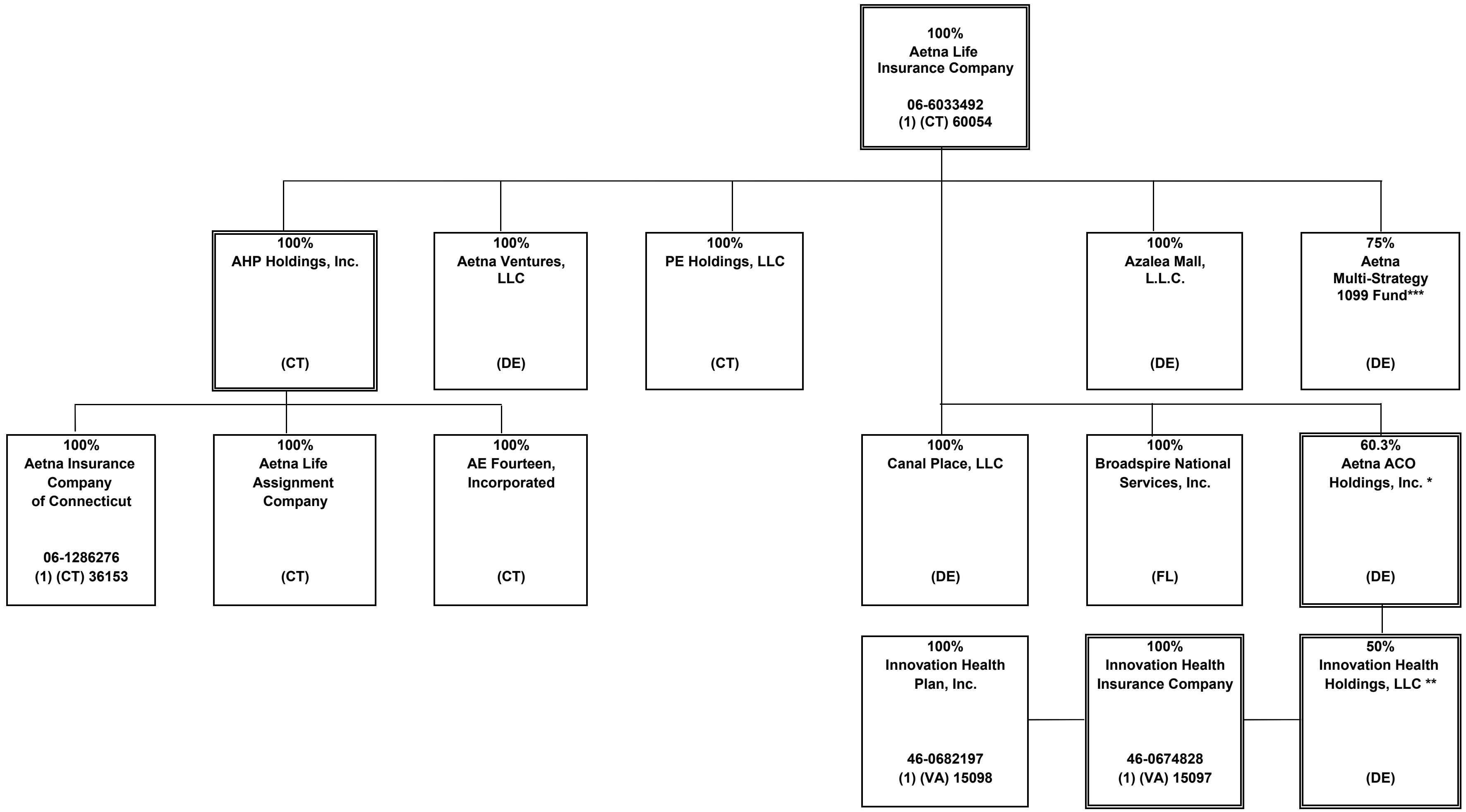
PART 1 - ORGANIZATIONAL CHART



* Aetna Life Insurance Company owns the Class C participating shares of Aetna Partners Diversified Fund (Cayman), Limited.
** Aetna Life Insurance Company and Aetna Health and Life Insurance Company own substantially all of the non-managing member interests of Aetna Partners Diversified Fund, LLC.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

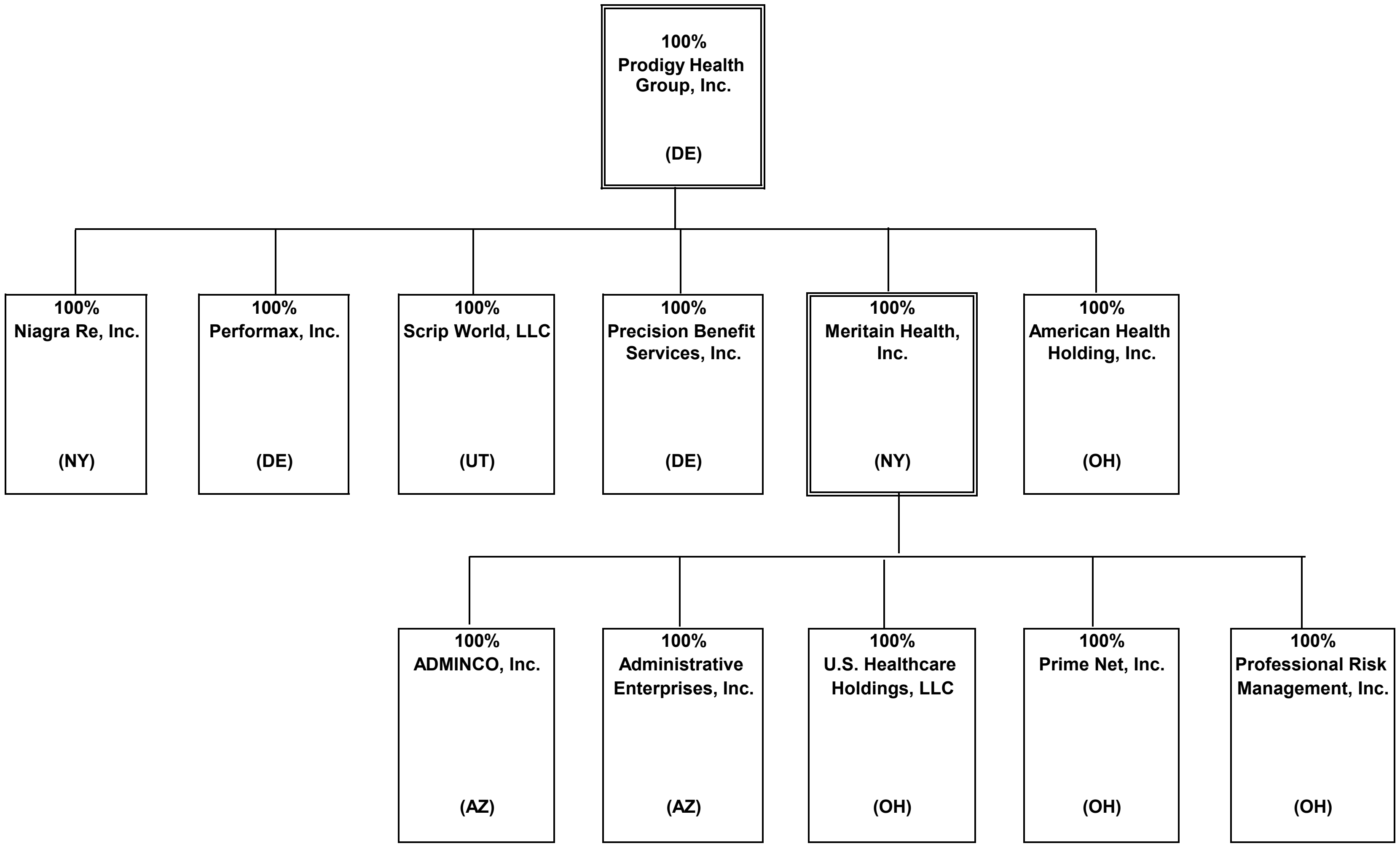
PART 1 - ORGANIZATIONAL CHART



* Aetna Life Insurance Company owns 302 shares, Aetna Health Inc. (PA) owns 198 shares and Aetna Health Holdings, LLC owns 1 share.
** Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Inova Health System Foundation, an unaffiliated company.
***75% is invested and owned by Aetna Life Insurance Company and 25% is invested and owned by external accredited investors.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



ALPHABETICAL INDEX

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ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

ALPHABETICAL INDEX

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