

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)	2,220,696	0	2,220,696	0
2. Stocks (Schedule D)				
2.1 Preferred stocks	0	0	0	0
2.2 Common Stocks	30,958	0	30,958	18,823,760
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 (\$.....1,087,693, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....17,483,704, Schedule DA)	18,571,397	0	18,571,397	32,913,374
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)	20,823,051	0	20,823,051	51,737,134
13. Title plants less \$.....0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	55,808	0	55,808	51,440
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0	1,140,216
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	0
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	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	0	0	0	0
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)	0	0	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	2,511,256	0	2,511,256	155,444
24. Health care (\$.....3,166,939) and other amounts receivable	4,869,223	0	4,869,223	7,140,212
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	28,259,338	0	28,259,338	60,224,446
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. TOTAL (Lines 26 and 27)	28,259,338	0	28,259,338	60,224,446
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. Prepaid Expenses	0	0	0	0
2502.	0	0	0	0
2503.	0	0	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)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	8,471,786	0	8,471,786	30,791,027
2. Accrued medical incentive pool and bonus amounts	3,900,726	0	3,900,726	6,479,225
3. Unpaid claims adjustment expenses	71,688	0	71,688	509,400
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	0	0	0	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	4,519,985	0	4,519,985	0
9. General expenses due or accrued	308,530	0	308,530	2,047,342
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))	0	0	0	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	329,089	0	329,089	0
13. Remittances and items not allocated	0	0	0	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	0	0	0	0
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)	3,781,105	0	3,781,105	0
24. TOTAL Liabilities (Lines 1 to 23)	21,382,909	0	21,382,909	39,826,994
25. Aggregate write-ins for special surplus funds	X X X	X X X	0	0
26. Common capital stock	X X X	X X X	0	0
27. Preferred capital stock	X X X	X X X	0	0
28. Gross paid in and contributed surplus	X X X	X X X	21,771,167	21,771,167
29. Surplus notes	X X X	X X X	0	0
30. Aggregate write-ins for other than special surplus funds	X X X	X X X	0	0
31. Unassigned funds (surplus)	X X X	X X X	(14,894,738)	(1,373,715)
32. Less treasury stock, at cost:				
32.10 shares common (value included in Line 26 \$.....0)	X X X	X X X	0	0
32.20 shares preferred (value included in Line 27 \$.....0)	X X X	X X X	0	0
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	6,876,429	20,397,452
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	28,259,338	60,224,446
DETAILS OF WRITE-INS				
2301. Escrow Payable	3,781,105	0	3,781,105	0
2302.	0	0	0	0
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)	3,781,105	0	3,781,105	0
2501.	X X X	X X X	0	0
2502.	X X X	X X X	0	0
2503.	X X X	X X X	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X	0	0
3001.	X X X	X X X	0	0
3002.	X X X	X X X	0	0
3003.	X X X	X X X	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X	0	0
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	716,924	933,106
2. Net premium income (including \$.....0 non-health premium income)	X X X	258,787,161	295,941,023
3. Change in unearned premium reserves and reserve for rate credits	X X X	0	0
4. Fee-for-service (net of \$.....0 medical expenses)	X X X	0	0
5. Risk revenue	X X X	0	0
6. Aggregate write-ins for other health care related revenues	X X X	0	0
7. Aggregate write-ins for other non-health revenues	X X X	0	0
8. TOTAL Revenues (Lines 2 to 7)	X X X	258,787,161	295,941,023
Hospital and Medical:			
9. Hospital/medical benefits	0	179,972,126	197,809,853
10. Other professional services	0	0	0
11. Outside referrals	0	0	0
12. Emergency room and out-of-area	0	13,307,986	17,119,483
13. Prescription drugs	0	32,605,110	43,627,372
14. Aggregate write-ins for other hospital and medical	0	1,986,069	3,110,215
15. Incentive pool, withhold adjustments and bonus amounts	0	3,021,599	6,469,775
16. Subtotal (Lines 9 to 15)	0	230,892,890	268,136,698
Less:			
17. Net reinsurance recoveries	0	0	0
18. TOTAL Hospital and Medical (Lines 16 minus 17)	0	230,892,890	268,136,698
19. Non-health claims (net)	0	0	0
20. Claims adjustment expenses, including \$.....2,238,735 cost containment expenses	0	5,005,839	6,096,428
21. General administrative expenses	0	34,274,152	33,433,955
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)	0	0	0
23. TOTAL Underwriting Deductions (Lines 18 through 22)	0	270,172,881	307,667,081
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(11,385,720)	(11,726,058)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	1,048,931	589,529
26. Net realized capital gains (losses) less capital gains tax of \$.....0	0	2,594,288	2,201,678
27. Net investment gains (losses) (Lines 25 plus 26)	0	3,643,219	2,791,207
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	45,657,253	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)	X X X	37,914,752	(8,934,851)
31. Federal and foreign income taxes incurred	X X X	0	0
32. Net income (loss) (Lines 30 minus 31)	X X X	37,914,752	(8,934,851)
DETAILS OF WRITE-INS			
0601.	X X X	0	0
0602.	X X X	0	0
0603.	X X X	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X	0	0
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	0	0
0701.	X X X	0	0
0702.	X X X	0	0
0703.	X X X	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X	0	0
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X	0	0
1401. Other Medical	0	1,986,069	3,110,215
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	1,986,069	3,110,215
2901. Realized gain on sale of membership	0	45,657,253	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 (Line 2901 through 2903 plus 2998) (Line 29 above)	0	45,657,253	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	20,397,452	30,058,719
34.	Net income or (loss) from Line 32	37,914,752	(8,934,851)
35.	Change in valuation basis of aggregate policy and claim reserves	0	0
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(2,240,789)	(726,416)
37.	Change in net unrealized foreign exchange capital gain or (loss)	0	0
38.	Change in net deferred income tax	0	0
39.	Change in nonadmitted assets	0	0
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	0
44.	Capital Changes:		
44.1	Paid in	0	0
44.2	Transferred from surplus (Stock Dividend)	0	0
44.3	Transferred to surplus	0	0
45.	Surplus adjustments:		
45.1	Paid in	0	0
45.2	Transferred to capital (Stock Dividend)	0	0
45.3	Transferred from capital	0	0
46.	Dividends to stockholders	(50,000,000)	0
47.	Aggregate write-ins for gains or (losses) in surplus	805,014	0
48.	Net change in capital and surplus (Lines 34 to 47)	(13,521,023)	(9,661,267)
49.	Capital and surplus end of reporting year (Line 33 plus 48)	6,876,429	20,397,452
DETAILS OF WRITE-INS			
4701.	2014 Audit Adjustments	805,014	0
4702.	0	0
4703.	0	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)	805,014	0

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	266,004,277	294,430,835
2.	Net investment income	1,051,986	553,834
3.	Miscellaneous income	0	0
4.	TOTAL (Lines 1 through 3)	267,056,263	294,984,669
5.	Benefit and loss related payments	255,076,556	254,680,643
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7.	Commissions, expenses paid and aggregate write-ins for deductions	41,456,515	37,724,414
8.	Dividends paid to policyholders	0	0
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	0	0
10.	TOTAL (Lines 5 through 9)	296,533,071	292,405,057
11.	Net cash from operations (Line 4 minus Line 10)	(29,476,808)	2,579,612
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	0	0
12.2	Stocks	65,368,268	19,289,371
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	796	(757)
12.7	Miscellaneous proceeds	0	0
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	65,369,064	19,288,614
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	2,228,119	0
13.2	Stocks	46,222,762	14,933,467
13.3	Mortgage loans	0	0
13.4	Real estate	0	0
13.5	Other invested assets	0	0
13.6	Miscellaneous applications	0	0
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	48,450,881	14,933,467
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)	16,918,183	4,355,147
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	0	0
16.3	Borrowed funds	0	0
16.4	Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5	Dividends to stockholders	50,000,000	0
16.6	Other cash provided (applied)	48,216,648	223,216
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,783,352)	223,216
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)	(14,341,977)	7,157,975
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	32,913,374	25,755,399
19.2	End of year (Line 18 plus Line 19.1)	18,571,397	32,913,374

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	0	0
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	258,787,161	0	0	0	0	0	0	258,787,161	0	0
2. Change in unearned premium reserves and reserve for rate credit	0	0	0	0	0	0	0	0	0	0
3. Fee-for-service (net of \$.....0 medical expenses)	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	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)	258,787,161	0	0	0	0	0	0	258,787,161	0	0
8. Hospital/medical benefits	179,972,126	0	0	0	0	0	0	179,972,126	0	XXX
9. Other professional services	0	0	0	0	0	0	0	0	0	XXX
10. Outside referrals	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area	13,307,986	0	0	0	0	0	0	13,307,986	0	XXX
12. Prescription drugs	32,605,110	0	0	0	0	0	0	32,605,110	0	XXX
13. Aggregate write-ins for other hospital and medical	1,986,069	0	0	0	0	0	0	1,986,069	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	3,021,599	0	0	0	0	0	0	3,021,599	0	XXX
15. Subtotal (Lines 8 to 14)	230,892,890	0	0	0	0	0	0	230,892,890	0	XXX
16. Net reinsurance recoveries	0	0	0	0	0	0	0	0	0	XXX
17. TOTAL Hospital and Medical (Lines 15 minus 16)	230,892,890	0	0	0	0	0	0	230,892,890	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$.....2,238,735 cost containment expenses	5,005,839	0	0	0	0	0	0	5,005,839	0	0
20. General administrative expenses	34,274,152	0	0	0	0	0	0	34,274,152	0	0
21. Increase in reserves for accident and health contracts	0	0	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. TOTAL Underwriting Deductions (Lines 17 to 22)	270,172,881	0	0	0	0	0	0	270,172,881	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(11,385,720)	0	0	0	0	0	0	(11,385,720)	0	0
DETAILS OF WRITE-INS										
0501.	0	0	0	0	0	0	0	0	0	XXX
0502.	0	0	0	0	0	0	0	0	0	XXX
0503.	0	0	0	0	0	0	0	0	0	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)	0	0	0	0	0	0	0	0	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
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. Other Medical	1,986,069	0	0	0	0	0	0	1,986,069	0	XXX
1302.	0	0	0	0	0	0	0	0	0	XXX
1303.	0	0	0	0	0	0	0	0	0	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)	1,986,069	0	0	0	0	0	0	1,986,069	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
	Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical)	0	0	0	0
2.	Medicare Supplement	0	0	0	0
3.	Dental only	0	0	0	0
4.	Vision only	0	0	0	0
5.	Federal Employees Health Benefits Plan	0	0	0	0
6.	Title XVIII - Medicare	0	0	0	0
7.	Title XIX - Medicaid	258,915,712	0	128,551	258,787,161
8.	Other health	0	0	0	0
9.	Health subtotal (Lines 1 through 8)	258,915,712	0	128,551	258,787,161
10.	Life	0	0	0	0
11.	Property/casualty	0	0	0	0
12.	TOTALS (Lines 9 to 11)	258,915,712	0	128,551	258,787,161

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	250,185,099	0	0	0	0	0	0	250,185,099	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
1.4 Net	250,185,099	0	0	0	0	0	0	250,185,099	0	0
2. Paid medical incentive pools and bonuses	5,600,099	0	0	0	0	0	0	5,600,099	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	8,471,786	0	0	0	0	0	0	8,471,786	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	8,471,786	0	0	0	0	0	0	8,471,786	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	3,900,726	0	0	0	0	0	0	3,900,726	0	0
6. Net healthcare receivables (a)	(5,432)	0	0	0	0	0	0	(5,432)	0	0
7. Amounts recoverable from reinsurers December 31, current year	0	0	0	0	0	0	0	0	0	0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	30,791,027	0	0	0	0	0	0	30,791,027	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	30,791,027	0	0	0	0	0	0	30,791,027	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	6,479,225	0	0	0	0	0	0	6,479,225	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	227,871,290	0	0	0	0	0	0	227,871,290	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	227,871,290	0	0	0	0	0	0	227,871,290	0	0
13. Incurred medical incentive pools and bonuses	3,021,600	0	0	0	0	0	0	3,021,600	0	0

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	5,423,813	0	0	0	0	0	0	5,423,813	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
1.4 Net	5,423,813	0	0	0	0	0	0	5,423,813	0	0
2. Incurred but Unreported:										
2.1 Direct	1,828,845	0	0	0	0	0	0	1,828,845	0	0
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
2.4 Net	1,828,845	0	0	0	0	0	0	1,828,845	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	1,219,128	0	0	0	0	0	0	1,219,128	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	1,219,128	0	0	0	0	0	0	1,219,128	0	0
4. TOTALS										
4.1 Direct	8,471,786	0	0	0	0	0	0	8,471,786	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	8,471,786	0	0	0	0	0	0	8,471,786	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

	Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 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)	0	0	0	0	0	0
2.	Medicare Supplement	0	0	0	0	0	0
3.	Dental only	0	0	0	0	0	0
4.	Vision only	0	0	0	0	0	0
5.	Federal Employees Health Benefits Plan	0	0	0	0	0	0
6.	Title XVIII - Medicare	0	0	0	0	0	0
7.	Title XIX - Medicaid	32,665,487	219,515,919	765,313	7,706,473	33,430,800	30,791,027
8.	Other health	0	0	0	0	0	0
9.	Health subtotal (Lines 1 to 8)	32,665,487	219,515,919	765,313	7,706,473	33,430,800	30,791,027
10.	Healthcare receivables (a)	1,996,306	0	0	2,933,478	1,996,306	2,938,910
11.	Other non-health	0	0	0	0	0	0
12.	Medical incentive pool and bonus amounts	4,945,958	654,141	456,193	3,444,533	5,402,151	6,479,225
13.	TOTALS (Lines 9 - 10 + 11 + 12)	35,615,139	220,170,060	1,221,506	8,217,528	36,836,645	34,331,342

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	24,575	0	0	0	0
2. 2011	169,329	18,378	0	0	0
3. 2012	X X X	173,459	18,321	0	0
4. 2013	X X X	X X X	188,332	21,949	0
5. 2014	X X X	X X X	X X X	232,434	35,155
6. 2015	X X X	X X X	X X X	X X X	220,170

Section B - Incurred Health Claims

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	25,095	0	0	0	0
2. 2011	190,587	19,935	0	0	0
3. 2012	X X X	194,931	19,330	0	0
4. 2013	X X X	X X X	209,882	23,584	0
5. 2014	X X X	X X X	X X X	268,070	36,837
6. 2015	X X X	X X X	X X X	X X X	231,321

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

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	220,475	187,707	3,066	1.633	190,773	86.528	0	0	190,773	86.528
2. 2012	211,731	191,780	4,944	2.578	196,724	92.912	0	0	196,724	92.912
3. 2013	226,427	210,281	5,079	2.415	215,360	95.112	0	0	215,360	95.112
4. 2014	296,108	268,049	5,233	1.952	273,282	92.291	1,222	0	274,504	92.704
5. 2015	258,916	220,170	4,357	1.979	224,527	86.718	11,151	72	235,750	91.053

12 Total

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	24,575	0	0	0	0
2.	2011	169,329	18,378	0	0	0
3.	2012	X X X	173,459	18,321	0	0
4.	2013	X X X	X X X	188,332	21,949	0
5.	2014	X X X	X X X	X X X	232,434	35,155
6.	2015	X X X	X X X	X X X	X X X	220,170

Section B - Incurred Health Claims

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	25,095	0	0	0	0
2.	2011	190,587	19,935	0	0	0
3.	2012	X X X	194,931	19,330	0	0
4.	2013	X X X	X X X	209,882	23,584	0
5.	2014	X X X	X X X	X X X	268,070	36,837
6.	2015	X X X	X X X	X X X	X X X	231,321

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

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	220,475	187,707	3,066	1.633	190,773	86.528	0	0	190,773	86.528
2.	2012	211,731	191,780	4,944	2.578	196,724	92.912	0	0	196,724	92.912
3.	2013	226,427	210,281	5,079	2.415	215,360	95.112	0	0	215,360	95.112
4.	2014	296,108	268,049	5,233	1.952	273,282	92.291	1,222	0	274,504	92.704
5.	2015	258,916	220,170	4,357	1.979	224,527	86.718	11,151	72	235,750	91.053

12 Title XIX-Medicaid

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)	0	0	261,610	0	261,610
2. Salaries, wages and other benefits	954,780	1,368,377	10,300,181	0	12,623,338
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)	0	0	0	0	0
4. Legal fees and expenses	0	0	258,898	0	258,898
5. Certifications and accreditation fees	0	0	0	0	0
6. Auditing, actuarial and other consulting services	0	0	479,058	0	479,058
7. Traveling expenses	8,175	5,685	97,264	0	111,124
8. Marketing and advertising	4,153	0	28,338	0	32,491
9. Postage, express and telephone	45,798	198,986	265,697	0	510,481
10. Printing and office supplies	5,961	28,263	170,263	0	204,487
11. Occupancy, depreciation and amortization	108,563	69,834	329,825	0	508,222
12. Equipment	20	152	62,825	0	62,997
13. Cost or depreciation of EDP equipment and software	66,213	497,591	1,783,242	0	2,347,046
14. Outsourced services including EDP, claims, and other services	348,205	468,032	1,213,597	0	2,029,834
15. Boards, bureaus and association fees	286	3,187	0	0	3,473
16. Insurance, except on real estate	0	0	168,262	0	168,262
17. Collection and bank service charges	0	0	14,416	26,942	41,358
18. Group service and administration fees	0	0	0	0	0
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	0	0	0	0
22. Real estate taxes	0	0	35,451	0	35,451
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0	0	1,628,757	0	1,628,757
23.2 State premium taxes	0	0	16,587,145	0	16,587,145
23.3 Regulatory authority licenses and fees	0	0	0	0	0
23.4 Payroll taxes	86,023	119,446	568,038	0	773,507
23.5 Other (excluding federal income and real estate taxes)	0	0	0	0	0
24. Investment expenses not included elsewhere	0	0	0	0	0
25. Aggregate write-ins for expenses	610,558	7,551	21,285	0	639,394
26. TOTAL Expenses Incurred (Lines 1 to 25)	2,238,735	2,767,104	34,274,152	26,942	(a) 39,306,933
27. Less expenses unpaid December 31, current year	0	71,688	308,530	0	380,218
28. Add expenses unpaid December 31, prior year	164,839	344,561	2,047,342	0	2,556,742
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year	0	0	0	0	0
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	2,403,574	3,039,977	36,012,964	26,942	41,483,457
DETAILS OF WRITE-INS					
2501. Member Incentives	610,463	0	0	0	610,463
2502. Conferences, Seminars and Training	14	395	2,115	0	2,524
2503. Charitable Contributions	0	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	81	7,156	19,170	0	26,407
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	610,558	7,551	21,285	0	639,394

(a) Includes management fees of \$.....19,136,488 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 1,183	2,233
1.1 Bonds exempt from U.S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 358	4,092
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	411,861	1,042,065
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract loans	0	0
6. Cash, cash equivalents and short-term investments	(e) 108,844	27,483
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	0
9. Aggregate write-ins for investment income	0	0
10. TOTAL Gross investment income	522,246	1,075,873
11. Investment expenses		(g) 26,942
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 0
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. TOTAL Deductions (Lines 11 through 15)		26,942
17. Net Investment income (Line 10 minus Line 16)		1,048,931

DETAILS OF WRITE-INS

0901.	0	0
0902.	0	0
0903.	0	0
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)	0	0
1501.		0
1502.		0
1503.		0
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 \$.....0 accrual of discount less \$.....7,423 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 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 \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....100,704 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	0	0	0	0	0
1.1 Bonds exempt from U.S. tax	0	0	0	0	0
1.2 Other bonds (unaffiliated)	0	0	0	0	0
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)	2,593,493	0	2,593,493	(2,240,789)	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	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	795	0	795	0	0
7. Derivative instruments	0	0	0	0	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)	2,594,288	0	2,594,288	(2,240,789)	0

DETAILS OF WRITE-INS

0901.	0	0	0	0	0
0902.	0	0	0	0	0
0903.	0	0	0	0	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	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	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. Invested income due and accrued	0	0	0
15. Premium 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 surplus	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	0	0	0
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	0	0	0
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	0	0	0
25. Aggregate write-ins for other than invested assets	0	0	0
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	0	0	0
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. TOTAL (Lines 26 and 27)	0	0	0
DETAILS OF WRITE-INS			
1101.	0	0	0
1102.	0	0	0
1103.	0	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.	0	0	0
2502.	0	0	0
2503.	0	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)	0	0	0

NONE

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	83,513	88,729	91,763	0	0	716,924
2. Provider Service Organizations	0	0	0	0	0	0
3. Preferred Provider Organizations	0	0	0	0	0	0
4. Point of Service	0	0	0	0	0	0
5. Indemnity Only	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. TOTAL	83,513	88,729	91,763	0	0	716,924
DETAILS OF WRITE-INS						
0601.	0	0	0	0	0	0
0602.	0	0	0	0	0	0
0603.	0	0	0	0	0	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 financial statements of HealthPlus Partners, Inc. (the Company) have been prepared in conformity with the 2015 NAIC Annual Statement Instructions and the NAIC Accounting Practices and Procedures Manual as of March 2015, to the extent that the accounting practices, procedures, and reporting standards are not modified by the Michigan Insurance Code or the 2015 Forms and Instructions for Required Filings in Michigan. The Company has no prescribed or permitted practices that affect net income, statutory surplus or risk-based capital.

	State of Domicile	2015	2014
NET INCOME			
(1) State basis (Page 4, Line 32, Columns 2 & 3)	MI	37,914,752	(8,934,851)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:		0	0
		0	0
(3) State Permitted Practices that increase/(decrease) NAIC SAP:		0	0
		0	0
(4) NAIC SAP (1-2-3=4)		37,914,752	(8,934,851)
SURPLUS			
(5) State basis (Page 3, Line 33, Columns 3 & 4)	MI	6,876,429	20,397,452
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:		0	0
		0	0
(7) State Permitted Practices that increase/(decrease) NAIC SAP:		0	0
		0	0
(8) NAIC SAP (5-6-7=8)		6,876,429	20,397,452

Going Concern

The financial statements have been prepared assuming that the Company will continue as a going concern. The Company incurred a significant loss in 2014 and entered into an agreement on May 15, 2015 to sell certain assets. This transaction was completed on September 1, 2015, with funding transferring that day to HPP and HPM for the membership assumed. As a part of the transactions, Molina Healthcare of Michigan assumed the Company's Medicaid contract and the Company's parent HealthPlus of Michigan, Inc.'s MICHild business, as well as certain provider agreements. The sale provides additional capital to HPP, estimated as \$47.4 million.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premium revenue is recognized in the month that members are entitled to health care services. The liability for incurred medical and hospital claims is accrued in the period during which the services are provided and includes estimates of services performed, which have not been reported to the Company.

In addition, the company uses the following accounting policies:

- 1) Short Term Investments are stated at amortized cost.
- 2) Long-term bonds are stated at amortized cost.
- 3) Common Stocks are reported at market value.
- 4) The Company has no Preferred Stocks to report.

Notes to Financial Statements

- 5) The Company has no mortgage loans to report.
- 6) The Company has no Loan Backed Securities.
- 7) The Company has no investments in subsidiary, controlled, or affiliated entities.
- 8) The Company has no ownership interests in joint ventures, partnerships, or limited liability companies.
- 9) The Company has no derivatives to report.
- 10) The Company uses anticipated investment income in the calculation of premium deficiency reserves.
- 11) Unpaid claims include amounts determined from individual case estimates and amounts based on past experiences, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- 12) The Company has no capitalized assets.
- 13) Estimated pharmaceutical rebate receivables are based primarily on historical trends.

2. Accounting Changes and Corrections of Errors

- A. The Company recorded an adjustment to surplus of \$805,014 at June 30, 2015 related to items identified in the 2014 audit.

3. Business Combinations and Goodwill

- A. Statutory Purchase Method – None
- B. Statutory Merger – None
- C. Assumption Reinsurance – None
- D. Impairment Loss – None

4. Discontinued Operations

On May 15, 2015, HPM entered into an agreement to sell certain assets of its subsidiary, HealthPlus Partners, Inc. (HPP). As part of the transaction, Molina Healthcare of Michigan assumed HPP's Medicaid contract and membership as well as HPM's MIChild membership and certain provider agreements. This transaction was completed on September 1, 2015, with funding transferring that day to HPP and HPM for the membership assumed.

An initial membership count was established for September 1, 2015 and funds were transferred to HealthPlus Partners, Inc. as well as to an escrow account for later settlement. It was stated that membership would be reconciled ninety days following the transfer to account for retroactive enrollments and deletions. Final funding in regard to membership would be settled between the Companies at that date.

On the day of transfer, membership for the entire transaction was estimated at 85,168. The final count taken at December 1, 2015 showed a total membership count of 68,084. The final sales price calculated based upon membership as of December 1, 2015, was \$47.4 million.

On February 1, 2016, HPM completed a merger with Health Alliance Plan (HAP). As part of the merger HPM capitalized HPP sufficiently to fund HPP's estimated obligations, including the runout of IBNR, plus an additional margin of approximately \$.3 million. All of HPP's assets and liabilities were placed into a trust, which will be used as the sole source to satisfy the run-out of HPP which is anticipated to be complete in 2017. In total Trust Property of approximately \$16.6 million was assigned to this trust. If the Director of the DIFS determines the trust is unlikely to satisfy the payment of all liabilities of the Trust, he may choose to put HPP into rehabilitation or liquidation under Chapter 81 of the Michigan Insurance Code.

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – None
- B. Debt Restructuring – None

Notes to Financial Statements

- C. Reverse Mortgages – None
- D. Loan-Backed Securities – None
- E. Repurchase Agreements and/or Securities Lending Transactions – None
- F. Real Estate – None
- G. Investments in Low-Income Housing Tax Credits (LIHTC) – None
- H. Restricted Assets

(1) Restricted Assets

Restricted Asset Category	1	2	3	4	5	6
	Total Gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percent Gross Restricted to Total Assets	Percentage Admitted Restricted To Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown					%	%
b. Collateral held under security lending agreements					%	%
c. Subject to repurchase agreements					%	%
d. Subject to reverse repurchase agreements					%	%
e. Subject to dollar repurchase agreements					%	%
f. Subject to dollar reverse repurchase agreements					%	%
g. Placed under option contracts					%	%
h. Letter stock or securities restricted as to sale— excluding FHLB capital stock					%	%
i. FHLB capital stock					%	%
j. On deposit with states	1,000,081	1,000,071	10	1,000,081	3.539%	3.539%
k. On deposit with other regulatory bodies					%	%
l. Pledged as collateral to FHLB (including assets backing funding agreements)					%	%
m. Pledged as collateral not captured in other categories					%	%
n. Other restricted assets					%	%
o. Total Restricted Assets	1,000,081	1,000,071	10	1,000,081	3.55%	3.55%

(2) Assets Pledged – None

(3) Other Restricted Assets – None

- I. Working Capital Finance Investments – None
- J. Offsetting and Netting of Assets and Liabilities
- K. Structured Notes – None

6. Joint Ventures, Partnerships and Limited Liability Companies

None.

7. Investment Income

- A. The Company has not excluded from surplus any investment income due and accrued.
- B. Total amount excluded was \$0

8. Derivative Instruments

None.

9. Income Taxes

- A. Components of Deferred Tax Assets and Deferred Tax Liabilities – None
- B. Unrecognized Deferred Tax Liabilities – None
- C. Components of income tax incurred – The Company is exempt from Federal income tax under Internal Revenue Code Section 501(c)(4).
- D. Book to tax adjustments – None
- E. Loss carry forwards and credit carry forwards – None
- F. Consolidated tax return – None
- G. Loss contingencies - None

10. Information Concerning Parent, Subsidiaries and Affiliates

Notes to Financial Statements

A., B. & C.

HealthPlus Partners, Inc. is a wholly owned subsidiary of HealthPlus of Michigan, Inc. The Company has entered into agreements with its parent for the provision of administrative services. These services amounted to \$19,136,488 as of December 31, 2015 and \$22,932,753 as of December 31, 2014. On October 15, 2015 the Company received approval from the Michigan Department of Insurance and Financial Services for payment of an ordinary dividend of \$2,039,745 and an extraordinary dividend of \$47,960,255 to HealthPlus of Michigan, Inc. These funds were transferred from HPP to HPM on October 19, 2015.

D. The Company reported receivables from PSA entities of \$2,399,869 as of December 31, 2015 and \$155,444 as of December 31, 2014, and payables to PSA entities of \$0 at December 31, 2015 and \$0 at December 31, 2014. These amounts are settled monthly.

E. Affiliate guarantees – None

F. The Company has entered into agreements with its parent for the provision of administrative services. Administrative expenses are allocated based primarily on adjusted premium revenue.

G. The nature of the control relationship does not result in the operating results or financial position being significantly different than those that would have been obtained if the enterprises were autonomous.

H. Ownership in an upstream Parent or Affiliate – None

I. Investments exceeding 10% of the admitted asset – None

J. Investments in Impaired Subsidiaries – None

K. Investments in Foreign Insurance Subsidiary – None

L. Investment in Downstream Non-insurance Holding Company – None

M. Investments in Non-insurance SCA Companies - None

N. Investments in Insurance SCA Companies for which Audited Statutory Equity reflects a departure from NAIC Statutory Accounting Practices and Procedures - None

11. Debt

A. Debt, including Capital Notes and Holding Company Obligations – None

B. Federal Home Loan Bank (FHLB) agreements - None

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan – None

B. Investment policies and strategies – Not applicable

C. Fair value of plan assets – Not applicable

D. Basis used to determine rate of return on assets – Not applicable

E. Defined contribution plans – None

F. Multiemployer plans – None

G. Consolidated/holding company plans – None

Notes to Financial Statements

H. Postemployment benefits and compensated absences

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- 1) Capital Stock – The Company has 4,271,167 shares of no par common stock issued and outstanding.
- 2) Preferred Stock – None
- 3) Dividend Restrictions – Dividend are restricted by the State of Michigan to earned surplus, excluding unrealized capital gains, and amounts relating to minimum surplus requirements.
- 4) Dividends Paid – The Company paid an ordinary dividend of \$2,039,745 and an extraordinary dividend of \$47,960,255 to its parent, HealthPlus of Michigan, Inc. on October 19, 2015.
- 5) Portion of profits that may be paid as dividends – The portion of profits that may be paid as dividends is restricted to amounts relating to minimum surplus requirements, as noted in (3) above.
- 6) Restrictions on Unassigned Funds (Surplus) – None
- 7) Advances to Surplus – Not Applicable
- 8) Stock held for special purposes – None
- 9) Changes in special surplus funds – None
- 10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses was \$351 at December 31, 2015 and \$2,326,840 at December 31, 2014.
- 11) Surplus debentures or similar obligations – None
- 12) Impact of prior quasi-reorganizations – None
- 13) Effective dates of quasi-reorganizations in the prior ten years – None

14. Contingencies

- A. Contingent Commitments – None
- B. Assessments – None
- C. Gain Contingencies – None
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits – None
- E. Joint and Several Liabilities - None
- F. All Other Contingencies – In the normal course of business, HealthPlus Partners, Inc. is a party to certain legal matters. Management is of the opinion that resolution of these matters will not have a material effect on the Company's financial position or results of operations. The Company has no assets that it considers to be impaired.

15. Leases

- A. Lessee Operating Leases – None
- B. Lessor Leases and Leveraged Leases – None

16. Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk.

None.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales – None
- B. Transfer and Servicing of Financial Assets – None
- C. Wash Sales – None

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

Notes to Financial Statements

- A. ASO Plans – None
- B. ASC Plans – None
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract – None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None.

20. Fair Value Measurements

A.

1) Fair Value Measurements at Reporting Date

Description	Level 1	Level 2	Level 3	Total
a. Assets at fair value				
Common Stocks	\$30,958	\$0	\$0	\$30,958
b. Liabilities at fair value	\$0	\$0	\$0	\$0

2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy – None

B. Other Fair Value Measurements – None

C. Aggregate Fair Value and Admitted Value for all Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Common Stock	\$30,958	\$30,958	\$30,958	\$0	\$0	\$0
Bonds	\$2,211,926	\$2,220,696	\$2,220,696			

D. Not Practicable to Estimate Fair Value - None

21. Other Items

A. Unusual or Infrequent Items – None

B. Troubled Debt Restructuring: Debtors – None

C. Other Disclosures

Statutory Reserve: As a condition of licensure with the State of Michigan, the Company maintains a deposit in the amount of \$1,000,000 in a segregated account and can only be used by the Company at the discretion of the Insurance Commissioner. These funds are invested in an exempt money market mutual fund and reported in short-term investments. Interest on these funds accrues to the Company.

D. Business Interruption Insurance Recoveries – None

E. State Transferable and Non-transferable Tax Credits – None

F. Subprime-Mortgage-Related Risk Exposure – None

G. Retained Assets – None.

H. Insurance-linked Securities - None

Notes to Financial Statements

22. Events Subsequent

Type I – Recognized Subsequent Events: None.

Type II – Non-recognized Subsequent Events: The Company is not subject to the annual fee under Section 9010 of the Affordable Care Act.

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)

- (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)

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 for nonpayment of premium or other similar credit?

Yes (x) No ()

- 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.

\$ 0.

- 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?

\$ 0.

- (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)

Section 3 – Ceded Reinsurance – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer 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

Notes to Financial Statements

consider the current or anticipated experience of the business reinsured in making this estimate.

\$ 0.

- (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)

- (3) Uncollectible Reinsurance

None.

- C. Commutation of Ceded Reinsurance

None.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination – None

25. Change in Incurred Claims and Claim Adjustment Expenses

The following table provides a reconciliation of the beginning and ending claims payable, net of reinsurance recoverables:

	Year Ended December 31	
	2015	2014
	<i>(In Thousands)</i>	
Reserve for claims payable, at beginning of year	\$ 30,791	\$ 18,414
Add provision for claims, occurring in:		
Current year	227,206	258,842
Prior years	<u>2,656</u>	<u>2,825</u>
Net incurred claim expense during the current year	229,862	261,667
Deduct payments for claims occurring in:		
Current year	219,516	228,341
Prior years	<u>32,665</u>	<u>20,950</u>
Net claim payments during the current year	<u>252,181</u>	<u>249,290</u>
Reserve for claims payable, at end of year	<u>8,472</u>	<u>30,791</u>

The unfavorable development of the 2015 reserves is due primarily to 2014 specialist and inpatient incurred claim costs developing with greater severity and frequency than anticipated. The net effect, after risk sharing, on expenses was \$2,522,000.

The unfavorable development of the 2014 reserves is due to 2013 specialist, inpatient, and outpatient incurred claim costs developing with greater severity and frequency than anticipated. The net effect, after risk sharing, on expenses was \$2,992,000.

26. Intercompany Pooling Arrangements

None.

27. Structured Settlements

Not applicable

- 28 Health Care Receivables

- A. Pharmaceutical Rebate Receivables – None

Notes to Financial Statements

B. Risk Sharing Receivables

The Company has agreements, which provide the basis of payments to different provider groups for the delivery of health care services. The groups include hospitals, physician hospital organizations, and physicians. The agreements include provisions for the sharing of surplus or deficits calculated by the comparison of total expense to funding reported for the Company's members served by the physicians affiliated with each contracting provider group. The funding levels are primarily based on a percentage of the premium, which the Company receives for providing health insurance coverage to employer groups. Certain of these providers have entered into separate agreements with affiliated hospitals to share any surplus or deficit associated with services to physician members.

The following table details risk sharing receivables recorded in accordance with the provisions of the aforementioned agreements.

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated And Reported in the Prior Year	Risk Sharing Receivable as Estimated And Reported in the Current Year	Risk Sharing Receivable Invoiced	Risk Sharing Receivable Not Invoiced	Actual Risk Sharing Amounts Collected in Year Invoiced	Actual Risk Sharing Amounts Collected First Year Subsequent	Actual Risk Sharing Amounts Collected Second Year Subsequent	Actual Risk Sharing Amounts Collected – All Other
2015	2015	0	2,933,479	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0	0
2014	2014	0	2,938,912	2,925,033	0	1,996,307	0	0	0
	2015	0	0	0	0	0	0	0	0
2013	2013	0	1,980,876	1,898,964	0	1,898,964	0	0	0
	2014	0	0	0	0	0	0	0	0
2012	2012	0	2,533,420	1,781,241	0	1,781,241	0	0	0
	2013	0	0	0	0	0	0	0	0

29. Participating Policies – None

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves \$0
2. Date of the most recent evaluation of this liability December 31, 2015
3. Was anticipated investment income utilized in the calculation? Yes

31. Anticipated Salvage and Subrogation

The Company has not specifically identified any anticipated salvage and subrogation amounts in its calculation of loss reserves.

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?
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[]
- 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. 12/31/2012
- 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. 12/31/2012
- 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). 01/08/2014
- 3.4 By what department or departments?
Department of Insurance and Financial Services, Office of Insurance Evaluation
- 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[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]
- 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, 0.000%
- 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
.....

- 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 location (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
.....	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP. Suite 1700, 500 Woodward, Detroit, MI, 48226
- 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 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 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?
Michael J. Cellini Ph.D., ASA, FCA, MAAA, Ernst & Young, LLP. 5 Times Square, New York, NY, 10036

GENERAL INTERROGATORIES (Continued)

- 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 0
 12.13 Total book/adjusted carrying value \$ 0
 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 [] N/A [X]
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [] N/A [X]
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
- 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 [] No [X]
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 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).
- 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
15.2001	0

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 \$ 0
 20.12 To stockholders not officers \$ 0
 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 20.21 To directors or other officers \$ 0
 20.22 To stockholders not officers \$ 0
 20.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 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 \$ 0
 21.22 Borrowed from others \$ 0
 21.23 Leased from others \$ 0
 21.24 Other \$ 0
- 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 \$ 0
 22.22 Amount paid as expenses \$ 0
 22.23 Other amounts paid \$ 0
- 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: \$ 2,511,256

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 [] N/A [X]
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
 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 [] N/A [X]
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]

GENERAL INTERROGATORIES (Continued)

- 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[] N/A[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. \$ 0
 - 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 - 24.103 Total payable for securities lending reported on the liability page. \$ 0

- 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 \$ 0
 - 25.22 Subject to reverse repurchase agreements \$ 0
 - 25.23 Subject to dollar repurchase agreements \$ 0
 - 25.24 Subject to reverse dollar repurchase agreements \$ 0
 - 25.25 Placed under option agreements \$ 0
 - 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$ 0
 - 25.27 FHLB Capital Stock \$ 0
 - 25.28 On deposit with states \$ 1,000,081
 - 25.29 On deposit with other regulatory bodies \$ 0
 - 25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$ 0
 - 25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ 0
 - 25.32 Other \$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		0

- 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. \$ 0

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 I, 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
JP Morgan Asset Management	611 Woodward Ave. Detroit, MI 48226
FirstMerit PrivateBank	328 South Saginaw Street, Flint, MI, 48502

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

28.05 Identify all investment advisors, broker/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
104234	JP Morgan Asset Management	611 Woodward Ave. Detroit, MI 48226
111223	FirstMerit PrivateBank	328 South Saginaw Street, Flint, MI, 48502

- 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[X] No[]
- 29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
..... 4812C1553	JPMorgan Equity Index Fund	30,958
29.2999 Total		30,958

GENERAL INTERROGATORIES (Continued)

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
JPMorgan Equity Index Fund	Apple, Inc.	1,022	12/31/2015
JPMorgan Equity Index Fund	Microsoft Corp.	774	12/31/2015
JPMorgan Equity Index Fund	Exxon Mobile Corp.	557	12/31/2015
JPMorgan Equity Index Fund	General Electric Co.	495	12/31/2015
JPMorgan Equity Index Fund	Johnson & Johnson	495	12/31/2015

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	19,704,400	19,691,994	(12,406)
30.2 Preferred stocks	0	0	0
30.3 Totals	19,704,400	19,691,994	(12,406)

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

Fair values are determined by current market values provided by the Company's investment custodian.

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 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 No N/A

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 No

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 0

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
.....	0

34.1 Amount of payments for legal expenses, if any? \$ 0

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

1 Name	2 Amount Paid
.....	0

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 0

35.2 List the name of 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
.....	0

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes No
- 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? \$ 0
- 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. \$ 0
- 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	258,787,161	295,941,023
2.2 Premium Denominator	258,787,161	295,941,023
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	12,372,512	37,270,252
2.5 Reserve Denominator	12,372,512	37,270,252
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
- 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 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 N/A
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes No
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical \$ 750,000
- 5.32 Medical Only \$ 0
- 5.33 Medicare Supplement \$ 0
- 5.34 Dental & Vision \$ 0
- 5.35 Other Limited Benefit Plan \$ 0
- 5.36 Other \$ 0
- 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 provide for continuation of services and hold-harmless language. An insolvency rider is also in place.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes 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 3,782
- 8.2 Number of providers at end of reporting year 0
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes No
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months 0
- 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes No
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ 6,479,225
- 10.22 Amount actually paid for year bonuses \$ 5,600,098
- 10.23 Maximum amount payable withholds \$ 980,971
- 10.24 Amount actually paid for year withholds \$ 582,688
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes No
- 11.13 An Individual Practice Association (IPA), or, Yes No
- 11.14 A Mixed Model (combination of above)? Yes No
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes 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. \$ 14,208,374
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes No
- 11.6 If the amount is calculated, show the calculation.
The greater of \$1,500,000, four percent of subscription revenue, three month's uncovered expenditures, or RBC after covariance
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
Bay County, MI
Genesee County, MI
Lapeer County, MI
Saginaw County, MI
Shiawassee County, MI
Tuscola County, MI

- 13.1 Do you act as a custodian for health savings accounts? Yes No

GENERAL INTERROGATORIES (Continued)

- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ 0
 13.3 Do you act as an administrator for health savings accounts? Yes No
 13.4 If yes, please provide the balance of the funds administered as of the reporting date: \$ 0
 14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers? Yes No N/A
 14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
.....	0	0	0	0

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)
 15.1 Direct Premium Written \$ 0
 15.2 Total incurred claims \$ 0
 15.2 Number of covered lives 0

*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)	28,259,338	60,224,446	53,621,539	52,055,227	49,547,612
2. TOTAL Liabilities (Page 3, Line 24)	21,382,909	39,826,994	23,562,820	24,343,716	22,671,634
3. Statutory minimum capital and surplus requirement	14,208,374	16,449,410	12,950,372	11,344,888	11,352,106
4. TOTAL Capital and Surplus (Page 3, Line 33)	6,876,429	20,397,452	30,058,719	27,711,511	26,875,978
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	258,787,161	295,941,023	226,332,242	211,635,000	220,367,505
6. TOTAL Medical and Hospital Expenses (Line 18)	230,892,890	268,136,698	206,735,418	191,111,951	191,656,574
7. Claims adjustment expenses (Line 20)	5,005,839	6,096,428	6,069,621	5,034,032	5,167,381
8. TOTAL Administrative Expenses (Line 21)	34,274,152	33,433,955	13,717,576	15,468,290	27,195,189
9. Net underwriting gain (loss) (Line 24)	(11,385,720)	(11,726,058)	(190,373)	20,727	(3,651,639)
10. Net investment gain (loss) (Line 27)	3,643,219	2,791,207	1,125,434	426,972	334,539
11. TOTAL Other Income (Lines 28 plus 29)	45,657,253	0	0	0	0
12. Net income or (loss) (Line 32)	37,914,752	(8,934,851)	935,061	447,699	(3,317,100)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(29,476,808)	2,579,612	(928,803)	(587,092)	(3,929,428)
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	6,876,429	20,397,452	30,058,719	27,711,511	26,875,978
15. Authorized control level risk-based capital	7,104,187	8,224,705	6,475,186	5,672,444	5,676,053
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	0	83,513	65,567	67,074	66,768
17. TOTAL Members Months (Column 6, Line 7)	716,924	933,106	788,019	798,260	825,861
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)	89.2	90.6	91.3	90.3	87.0
20. Cost containment expenses	0.9	1.1	1.5	1.3	1.3
21. Other claims adjustment expenses	1.1	1.0	1.2	1.1	1.1
22. TOTAL Underwriting Deductions (Line 23)	104.4	104.0	100.1	100.0	101.7
23. TOTAL Underwriting Gain (Loss) (Line 24)	(4.4)	(4.0)	(0.1)	0.0	(1.7)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	36,836,645	23,570,401	19,329,651	19,540,571	24,474,422
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	34,331,342	20,578,184	20,495,023	20,862,571	23,110,287
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 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	0
31. All other affiliated	0	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	0	0	0	0	0

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[] N/A[X]

If no, please explain::

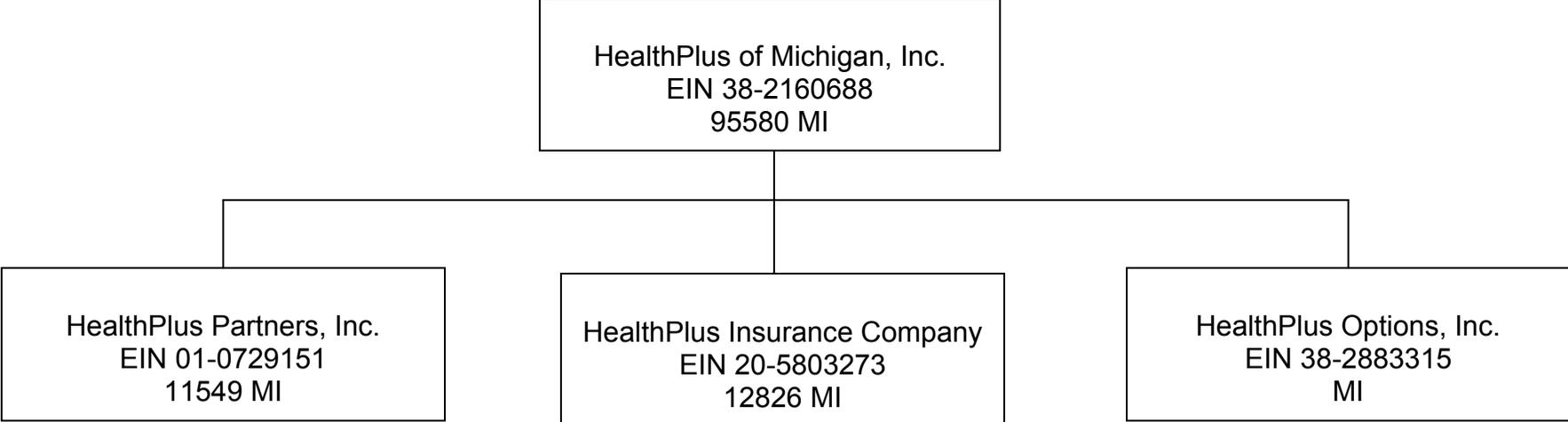
SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

	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	0	0	0	0	0	0
2. Alaska (AK)	N	0	0	0	0	0	0	0	0
3. Arizona (AZ)	N	0	0	0	0	0	0	0	0
4. Arkansas (AR)	N	0	0	0	0	0	0	0	0
5. California (CA)	N	0	0	0	0	0	0	0	0
6. Colorado (CO)	N	0	0	0	0	0	0	0	0
7. Connecticut (CT)	N	0	0	0	0	0	0	0	0
8. Delaware (DE)	N	0	0	0	0	0	0	0	0
9. District of Columbia (DC)	N	0	0	0	0	0	0	0	0
10. Florida (FL)	N	0	0	0	0	0	0	0	0
11. Georgia (GA)	N	0	0	0	0	0	0	0	0
12. Hawaii (HI)	N	0	0	0	0	0	0	0	0
13. Idaho (ID)	N	0	0	0	0	0	0	0	0
14. Illinois (IL)	N	0	0	0	0	0	0	0	0
15. Indiana (IN)	N	0	0	0	0	0	0	0	0
16. Iowa (IA)	N	0	0	0	0	0	0	0	0
17. Kansas (KS)	N	0	0	0	0	0	0	0	0
18. Kentucky (KY)	N	0	0	0	0	0	0	0	0
19. Louisiana (LA)	N	0	0	0	0	0	0	0	0
20. Maine (ME)	N	0	0	0	0	0	0	0	0
21. Maryland (MD)	N	0	0	0	0	0	0	0	0
22. Massachusetts (MA)	N	0	0	0	0	0	0	0	0
23. Michigan (MI)	L	0	0	258,915,712	0	0	0	258,915,712	0
24. Minnesota (MN)	N	0	0	0	0	0	0	0	0
25. Mississippi (MS)	N	0	0	0	0	0	0	0	0
26. Missouri (MO)	N	0	0	0	0	0	0	0	0
27. Montana (MT)	N	0	0	0	0	0	0	0	0
28. Nebraska (NE)	N	0	0	0	0	0	0	0	0
29. Nevada (NV)	N	0	0	0	0	0	0	0	0
30. New Hampshire (NH)	N	0	0	0	0	0	0	0	0
31. New Jersey (NJ)	N	0	0	0	0	0	0	0	0
32. New Mexico (NM)	N	0	0	0	0	0	0	0	0
33. New York (NY)	N	0	0	0	0	0	0	0	0
34. North Carolina (NC)	N	0	0	0	0	0	0	0	0
35. North Dakota (ND)	N	0	0	0	0	0	0	0	0
36. Ohio (OH)	N	0	0	0	0	0	0	0	0
37. Oklahoma (OK)	N	0	0	0	0	0	0	0	0
38. Oregon (OR)	N	0	0	0	0	0	0	0	0
39. Pennsylvania (PA)	N	0	0	0	0	0	0	0	0
40. Rhode Island (RI)	N	0	0	0	0	0	0	0	0
41. South Carolina (SC)	N	0	0	0	0	0	0	0	0
42. South Dakota (SD)	N	0	0	0	0	0	0	0	0
43. Tennessee (TN)	N	0	0	0	0	0	0	0	0
44. Texas (TX)	N	0	0	0	0	0	0	0	0
45. Utah (UT)	N	0	0	0	0	0	0	0	0
46. Vermont (VT)	N	0	0	0	0	0	0	0	0
47. Virginia (VA)	N	0	0	0	0	0	0	0	0
48. Washington (WA)	N	0	0	0	0	0	0	0	0
49. West Virginia (WV)	N	0	0	0	0	0	0	0	0
50. Wisconsin (WI)	N	0	0	0	0	0	0	0	0
51. Wyoming (WY)	N	0	0	0	0	0	0	0	0
52. American Samoa (AS)	N	0	0	0	0	0	0	0	0
53. Guam (GU)	N	0	0	0	0	0	0	0	0
54. Puerto Rico (PR)	N	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands (VI)	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands (MP)	N	0	0	0	0	0	0	0	0
57. Canada (CAN)	N	0	0	0	0	0	0	0	0
58. Aggregate other alien (OT)	X X X	0	0	0	0	0	0	0	0
59. Subtotal	X X X	0	0	258,915,712	0	0	0	258,915,712	0
60. Reporting entity contributions for Employee Benefit Plans	X X X	0	0	0	0	0	0	0	0
61. TOTAL (Direct Business)	(a) ... 1	0	0	258,915,712	0	0	0	258,915,712	0
DETAILS OF WRITE-INS									
58001	X X X	0	0	0	0	0	0	0	0
58002	X X X	0	0	0	0	0	0	0	0
58003	X X X	0	0	0	0	0	0	0	0
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X	0	0	0	0	0	0	0	0
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X	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.

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.: All premiums are written in the State of Michigan

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



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