

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)	313,003		313,003	
2. Stocks (Schedule D)				
2.1 Preferred stocks				
2.2 Common Stocks	27,451,873		27,451,873	34,162,828
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)	2,282,474		2,282,474	2,437,981
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$....(20,714,903), Schedule E Part 1), cash equivalents (\$.....21,383,661, Schedule E Part 2) and short-term investments (\$.....129,097,239, Schedule DA)	129,765,997		129,765,997	85,229,484
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets	1,893,605	1,448,917	444,687	292,508
12. Subtotals, cash and invested assets (Lines 1 to 11)	161,706,952	1,448,917	160,258,035	122,122,801
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	6,520		6,520	12,343
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,353,157	560,912	1,792,245	1,993,794
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,887,070		1,887,070	289,520
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	3,764,900	2,292,365	1,472,535	1,471,466
21. Furniture and equipment, including health care delivery assets (\$.....0)	351,569	351,569		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,618,194	11,879	1,606,315	1,443,498
24. Health care (\$.....4,317,316) and other amounts receivable	4,333,050	69	4,332,980	2,978,268
25. Aggregate write-ins for other than invested assets				
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	176,021,411	4,665,712	171,355,699	130,311,691
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	176,021,411	4,665,712	171,355,699	130,311,691
DETAILS OF WRITE-INS				
1101. INVENTORY	17,772	17,772		
1102. DEFERRED CHARGES EQUIP FEES	33,736	33,736		
1103. PREPAID EXPENSES	1,397,409	1,397,409		
1198. Summary of remaining write-ins for Line 11 from overflow page	444,687		444,687	292,508
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	1,893,605	1,448,917	444,687	292,508
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	92,480,661		92,480,661	72,208,384
2. Accrued medical incentive pool and bonus amounts	2,742,716		2,742,716	2,266,969
3. Unpaid claims adjustment expenses	1,855,305		1,855,305	1,460,886
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act				63,926
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves	791,291		791,291	
8. Premiums received in advance	2,959,411		2,959,411	1,917,100
9. General expenses due or accrued	13,020,970		13,020,970	6,328,690
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable	182,018		182,018	
12. Amounts withheld or retained for the account of others	257,915		257,915	215,314
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	2,510,716		2,510,716	1,699,786
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans				
23. Aggregate write-ins for other liabilities (including \$.....0 current)	1,494,664		1,494,664	
24. TOTAL Liabilities (Lines 1 to 23)	118,295,667		118,295,667	86,161,056
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X		
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	1,140,000	1,140,000
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	51,920,033	43,010,635
32. Less treasury stock, at cost:				
32.10 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.20 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	53,060,033	44,150,635
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	171,355,700	130,311,691
DETAILS OF WRITE-INS				
2301. RISK ADJUSTMENT PAYABLE	1,494,664		1,494,664	
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	1,494,664		1,494,664	
2501.	X X X	X X X		
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	2,178,364	1,809,385
2. Net premium income (including \$.....0 non-health premium income)	X X X	724,578,630	534,667,883
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$.....0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X	(1,953,222)	(2,039,116)
7. Aggregate write-ins for other non-health revenues	X X X		
8. TOTAL Revenues (Lines 2 to 7)	X X X	722,625,408	532,628,766
Hospital and Medical:			
9. Hospital/medical benefits		511,970,188	410,611,310
10. Other professional services		8,200,623	6,355,798
11. Outside referrals			
12. Emergency room and out-of-area		29,928,846	20,939,345
13. Prescription drugs		97,396,087	67,748,024
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts		2,641,631	
16. Subtotal (Lines 9 to 15)		650,137,376	505,654,478
Less:			
17. Net reinsurance recoveries		5,910,366	1,268,553
18. TOTAL Hospital and Medical (Lines 16 minus 17)		644,227,011	504,385,925
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....1,145,529 cost containment expenses		6,029,099	4,542,149
21. General administrative expenses		58,844,327	23,354,449
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)		727,365	63,926
23. TOTAL Underwriting Deductions (Lines 18 through 22)		709,827,801	532,346,448
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	12,797,606	282,318
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		(563,418)	(456,508)
26. Net realized capital gains (losses) less capital gains tax of \$.....0		(2,928)	43
27. Net investment gains (losses) (Lines 25 plus 26)		(566,346)	(456,465)
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29. Aggregate write-ins for other income or expenses			
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	12,231,260	(174,147)
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	12,231,260	(174,147)
DETAILS OF WRITE-INS			
0601. OTHER HEALTH CARE RELATED REVENUE	X X X	(1,953,222)	30
0602. MPCA	X X X		(2,039,146)
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	(1,953,222)	(2,039,116)
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901. LOSS ON SALE OF EQUIPMENT			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	44,150,635	42,385,351
34.	Net income or (loss) from Line 32	12,231,260	(174,147)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	572,299	1,361,812
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	(3,644,894)	231,774
40.	Change in unauthorized and certified reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus	(249,268)	345,846
48.	Net change in capital and surplus (Lines 34 to 47)	8,909,397	1,765,284
49.	Capital and surplus end of reporting year (Line 33 plus 48)	53,060,032	44,150,635
DETAILS OF WRITE-INS			
4701.	PENSION RELATED COSTS OTHER THAN NET PERIODIC PENSION COSTS	(249,268)	345,846
4702.		
4703.		
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	(249,268)	345,846

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	725,423,017	534,700,112
2. Net investment income	(549,809)	(455,409)
3. Miscellaneous income	(1,963,054)	(1,919,788)
4. TOTAL (Lines 1 through 3)	722,910,154	532,324,915
5. Benefit and loss related payments	626,353,195	490,771,055
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	59,121,265	27,211,347
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		
10. TOTAL (Lines 5 through 9)	685,474,460	517,982,402
11. Net cash from operations (Line 4 minus Line 10)	37,435,695	14,342,513
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		
12.2 Stocks	17,119,041	2,708
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	216,132	
12.7 Miscellaneous proceeds	0	228,285
12.8 TOTAL Investment proceeds (Lines 12.1 to 12.7)	17,335,173	230,993
13. Cost of investments acquired (long-term only):		
13.1 Bonds	329,348	
13.2 Stocks	9,822,522	354,093
13.3 Mortgage loans		
13.4 Real estate	61,438	19,955
13.5 Other invested assets		
13.6 Miscellaneous applications	0	4,412
13.7 TOTAL Investments acquired (Lines 13.1 to 13.6)	10,213,308	378,460
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	7,121,865	(147,467)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(21,046)	(2,646,624)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(21,046)	(2,646,624)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	44,536,513	11,548,422
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	85,229,484	73,681,062
19.2 End of year (Line 18 plus Line 19.1)	129,765,997	85,229,484

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

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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	724,578,630	117,436,347					7,343,578	599,798,704		
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues	(1,953,222)							(1,953,222)		X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. TOTAL Revenues (Lines 1 to 6)	722,625,408	117,436,347					7,343,578	597,845,482		
8. Hospital/medical benefits	511,970,188	89,339,487					6,614,485	416,016,216		X X X
9. Other professional services	8,200,623	1,323,175					158,901	6,718,548		X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area	29,928,846	4,080,451					204,453	25,643,942		X X X
12. Prescription drugs	97,396,087	22,914,499					2,293,589	72,188,000		X X X
13. Aggregate write-ins for other hospital and medical										X X X
14. Incentive pool, withhold adjustments and bonus amounts	2,641,631						525	2,641,106		X X X
15. Subtotal (Lines 8 to 14)	650,137,376	117,657,612					9,271,952	523,207,812		X X X
16. Net reinsurance recoveries	5,910,366	3,699,395						2,210,971		X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16)	644,227,011	113,958,217					9,271,952	520,996,841		X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$.....1,145,529 cost containment expenses	6,029,099	1,127,813					346,465	4,554,822		
20. General administrative expenses	58,844,327	10,560,608					1,050,202	47,233,516		
21. Increase in reserves for accident and health contracts	727,365	727,365								X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	709,827,801	126,374,003					10,668,619	572,785,180		
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	12,797,606	(8,937,655)					(3,325,040)	25,060,302		
DETAILS OF WRITE-INS										
0501. MPCA	(1,953,222)							(1,953,222)		X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	(1,953,222)							(1,953,222)		X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.										X X X
1302.										X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical)	119,580,981		2,144,633	117,436,347
2. Medicare Supplement				
3. Dental only				
4. Vision only				
5. Federal Employees Health Benefits Plan				
6. Title XVIII - Medicare	7,360,967		17,389	7,343,578
7. Title XIX - Medicaid	600,619,646		820,942	599,798,704
8. Other health				
9. Health subtotal (Lines 1 through 8)	727,561,594		2,982,964	724,578,630
10. Life				
11. Property/casualty				
12. TOTALS (Lines 9 to 11)	727,561,594		2,982,964	724,578,630

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	626,496,103	114,265,884					9,455,016	502,775,204		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	5,910,366	3,699,395						2,210,971		
1.4 Net	620,585,738	110,566,489					9,455,016	500,564,233		
2. Paid medical incentive pools and bonuses	2,165,884							2,165,884		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	92,480,661	16,359,933					1,009,964	75,110,764		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	92,480,661	16,359,933					1,009,964	75,110,764		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	791,291	791,291								
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	791,291	791,291								
5. Accrued medical incentive pools and bonuses, current year	2,742,716						906	2,741,810		
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year	1,887,071	1,600,181						286,890		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	72,208,384	15,142,069					1,193,552	55,872,763		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	72,208,384	15,142,069					1,193,552	55,872,763		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	63,926	63,926								
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net	63,926	63,926								
10. Accrued medical incentive pools and bonuses, prior year	2,266,969						1,301	2,265,668		
11. Amounts recoverable from reinsurers December 31, prior year	289,520	25,646						263,874		
12. Incurred benefits:										
12.1 Direct	647,495,745	116,211,113					9,271,427	522,013,205		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	7,507,916	5,273,930						2,233,986		
12.4 Net	639,987,829	110,937,183					9,271,427	519,779,219		
13. Incurred medical incentive pools and bonuses	2,641,632						(395)	2,642,026		

(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	24,498,762	5,497,522						19,001,240		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	24,498,762	5,497,522						19,001,240		
2. Incurred but Unreported:										
2.1 Direct	67,981,899	10,862,411					1,009,964	56,109,524		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	67,981,899	10,862,411					1,009,964	56,109,524		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	92,480,661	16,359,933					1,009,964	75,110,764		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	92,480,661	16,359,933					1,009,964	75,110,764		

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)	15,927,605	96,812,748		17,151,224	15,927,605	15,142,069
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare	1,736,703	7,718,313		1,009,964	1,736,703	1,193,552
7.	Title XIX - Medicaid	53,708,944	445,408,790		75,110,764	53,708,944	55,872,763
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	71,373,252	549,939,851		93,271,952	71,373,252	72,208,384
10.	Healthcare receivables (a)						
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	2,165,884			2,742,716	2,165,884	2,266,969
13.	TOTALS (Lines 9 - 10 + 11 + 12)	73,539,136	549,939,851		96,014,668	73,539,136	74,475,353

(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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	354,522	355,053	355,046	355,046	355,046
2.	2010	356,422	355,353	355,353	355,353	355,353
3.	2011	X X X	356,951	404,215	404,215	404,215
4.	2012	X X X	X X X	352,130	415,304	415,304
5.	2013	X X X	X X X	X X X	428,500	499,874
6.	2014	X X X	X X X	X X X	X X X	549,940

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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	231,064	231,057	355,046	355,046	355,046
2.	2010	262,669	255,112	355,353	355,353	355,353
3.	2011	X X X	270,752	404,215	404,215	404,215
4.	2012	X X X	X X X	415,040	415,304	415,304
5.	2013	X X X	X X X	X X X	502,975	499,874
6.	2014	X X X	X X X	X X X	X X X	645,954

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. 2010	434,951	355,353	4,640	1.306	359,993	82.766			359,993	82.766
2. 2011	432,159	404,215	6,067	1.501	410,282	94.938			410,282	94.938
3. 2012	453,188	415,304	8,195	1.973	423,499	93.449			423,499	93.449
4. 2013	532,629	499,874	3,944	0.789	503,818	94.591			503,818	94.591
5. 2014	722,625	549,940	906	0.165	550,846	76.228	96,014	1,856	648,716	89.772

12 Total

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

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	29,631	29,631	29,631	29,631	29,631
2. 2010	34,962	39,663	39,663	39,663	39,663
3. 2011	X X X	43,434	50,164	50,164	50,164
4. 2012	X X X	X X X	53,691	65,659	65,659
5. 2013	X X X	X X X	X X X	72,930	88,858
6. 2014	X X X	X X X	X X X	X X X	96,813

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	29,631	29,631	29,631	29,631	29,631
2. 2010	41,387	39,663	39,663	39,663	39,663
3. 2011	X X X	51,193	50,164	50,164	50,164
4. 2012	X X X	X X X	64,555	65,659	65,659
5. 2013	X X X	X X X	X X X	88,072	88,858
6. 2014	X X X	X X X	X X X	X X X	113,964

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. 2010	44,005	39,663	330	0.832	39,993	90.883			39,993	90.883
2. 2011	57,340	50,164	437	0.871	50,601	88.247			50,601	88.247
3. 2012	68,967	65,659	897	1.366	66,556	96.504			66,556	96.504
4. 2013	88,998	88,858	839	0.944	89,697	100.785			89,697	100.785
5. 2014	117,436	96,813			96,813	82.439	17,151	446	114,410	97.423

12 Hospital and Medical

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

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

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	756	1,113	1,106	1,106	1,106
2. 2010	2,050	2,737	2,737	2,737	2,737
3. 2011	X X X	3,361	4,075	4,075	4,075
4. 2012	X X X	X X X	5,754	6,805	6,805
5. 2013	X X X	X X X	X X X	5,783	7,520
6. 2014	X X X	X X X	X X X	X X X	7,718

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	1,113	1,106	1,106	1,106	1,106
2. 2010	2,975	2,975	2,737	2,737	2,737
3. 2011	X X X	4,650	4,075	4,075	4,075
4. 2012	X X X	X X X	6,993	6,805	6,805
5. 2013	X X X	X X X	X X X	6,978	7,520
6. 2014	X X X	X X X	X X X	X X X	8,728

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. 2010	3,357	2,737	82	2.996	2,819	83.974			2,819	83.974
2. 2011	4,897	4,075	168	4.123	4,243	86.645			4,243	86.645
3. 2012	7,563	6,805	493	7.245	7,298	96.497			7,298	96.497
4. 2013	6,141	7,520	483	6.422	8,003	130.320			8,003	130.320
5. 2014	7,344	7,718			7,718	105.093	1,010	30	8,758	119.254

12 Title XVIII-Medicare

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	324,135	324,309	324,309	324,309	324,309
2. 2010	319,410	312,953	312,953	312,953	312,953
3. 2011	X X X	310,156	349,976	349,976	349,976
4. 2012	X X X	X X X	292,685	342,840	342,840
5. 2013	X X X	X X X	X X X	349,787	403,496
6. 2014	X X X	X X X	X X X	X X X	445,409

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	200,320	200,320	324,309	324,309	324,309
2. 2010	218,307	212,474	312,953	312,953	312,953
3. 2011	X X X	214,909	349,976	349,976	349,976
4. 2012	X X X	X X X	343,492	342,840	342,840
5. 2013	X X X	X X X	X X X	407,925	403,496
6. 2014	X X X	X X X	X X X	X X X	523,262

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. 2010	387,589	312,953	4,228	1.351	317,181	81.834			317,181	81.834
2. 2011	369,922	349,976	5,462	1.561	355,438	96.085			355,438	96.085
3. 2012	376,658	342,840	6,805	1.985	349,645	92.828			349,645	92.828
4. 2013	437,490	403,496	2,623	0.650	406,119	92.829			406,119	92.829
5. 2014	597,845	445,409	906	0.203	446,315	74.654	77,853	1,380	525,548	87.907

12 Title XIX-Medicaid

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

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior					
2. 2010					
3. 2011					
4. 2012					
5. 2013			X X X		
6. 2014	X X X	X X X	X X X	X X X	

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior					
2. 2010					
3. 2011					
4. 2012					
5. 2013			X X X		
6. 2014	X X X	X X X	X X X	X X X	

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. 2010										
2. 2011										
3. 2012										
4. 2013										
5. 2014										

12 Other

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)									
5. Aggregate write-ins for other policy reserves									
6. TOTALS (Gross)									
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)									
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves	791,291	791,291							
12. TOTALS (Gross)	791,291	791,291							
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)	791,291	791,291							
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)									
1101. COMMERCIAL PREMIUM DEFICIENCY RESERVE	791,291	791,291							
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	791,291	791,291							

(a) Includes \$.....791,291 premium deficiency reserve.

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 (\$.....1,108,996 for occupancy of own building)				1,108,996	1,108,996
2. Salaries, wages and other benefits	601,759	2,565,395	9,014,208		12,181,362
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)			2,852,038		2,852,038
4. Legal fees and expenses			132,614		132,614
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services			51,496		51,496
7. Traveling expenses	4,075	17,373	61,044		82,492
8. Marketing and advertising			285,196		285,196
9. Postage, express and telephone	35,274	150,378	528,395		714,048
10. Printing and office supplies	60,395	257,473	904,701		1,222,569
11. Occupancy, depreciation and amortization			1,324,227		1,324,227
12. Equipment	39,817	169,748	596,455		806,020
13. Cost or depreciation of EDP equipment and software	8,843	37,699	132,465		179,007
14. Outsourced services including EDP, claims, and other services	308,431	1,314,889	4,620,219		6,243,540
15. Boards, bureaus and association fees	12,633	53,854	189,232		255,719
16. Insurance, except on real estate			169,191		169,191
17. Collection and bank service charges				235,660	235,660
18. Group service and administration fees					
19. Reimbursements by uninsured plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses			89,338	473,421	562,759
22. Real estate taxes			9,372		9,372
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			34,926,380		34,926,380
23.2 State premium taxes					
23.3 Regulatory authority licenses and fees			1,955,459		1,955,459
23.4 Payroll taxes	27,461	117,073	411,366		555,900
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere				22,142	22,142
25. Aggregate write-ins for expenses	46,840	199,688	752,740		999,268
26. TOTAL Expenses Incurred (Lines 1 to 25)	1,145,529	4,883,570	59,006,137	1,840,219	(a) 66,875,456
27. Less expenses unpaid December 31, current year			13,020,970		13,020,970
28. Add expenses unpaid December 31, prior year			6,328,690		6,328,690
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	1,145,529	4,883,570	52,313,857	1,840,219	60,183,175
DETAILS OF WRITE-INS					
2501. Business Development	1,226	5,229	18,373		24,828
2502. Misc	43,501	185,451	651,631		880,583
2503. Professional Development	422	1,799	6,320		8,540
2598. Summary of remaining write-ins for Line 25 from overflow page	1,691	7,210	76,416		85,317
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	46,840	199,688	752,740		999,268

(a) Includes management fees of \$.....4,303,949 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) 17,480	22,142
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	321,428	309,775
2.21 Common stocks of affiliates	10,538	10,538
3. Mortgage loans	(c)	
4. Real estate	(d) 1,130,746	1,130,746
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 19,377	20,545
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL Gross investment income	1,499,570	1,493,746
11. Investment expenses		(g) 1,840,219
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) 216,945
15. Aggregate write-ins for deductions from investment income		
16. TOTAL Deductions (Lines 11 through 15)		2,057,164
17. Net Investment income (Line 10 minus Line 16)		(563,418)
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		

- (a) Includes \$.....0 accrual of discount less \$.....0 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 \$.....1,108,996 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 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 \$.....216,945 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds				(13,303)	
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	(2,928)		(2,928)	273,533	
2.21 Common stocks of affiliates				312,069	
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	(2,928)		(2,928)	572,299	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

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)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets	1,448,917	273,379	(1,175,539)
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,448,917	273,379	(1,175,539)
13. Title plants (for Title insurers only)			
14. Invested income due and accrued			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	560,912	43,348	(517,564)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	2,292,365	318,580	(1,973,784)
21. Furniture and equipment, including health care delivery assets	351,569	363,734	12,165
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates	11,879	17,410	5,531
24. Health care and other amounts receivable	69	4,366	4,297
25. Aggregate write-ins for other than invested assets			
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,665,712	1,020,817	(3,644,894)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. TOTAL (Lines 26 and 27)	4,665,712	1,020,817	(3,644,894)
DETAILS OF WRITE-INS			
1101. INVENTORY	17,772	20,087	2,315
1102. DEFERRED CHARGES EQUIP FEES	33,736	16,493	(17,243)
1103. PREPAID EXPENSES	1,397,409	236,798	(1,160,611)
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	1,448,917	273,379	(1,175,539)
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	126,007	130,094	156,966	154,641	155,743	1,758,948
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service	32,568	33,512	35,279	34,900	35,970	419,416
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. TOTAL	158,575	163,606	192,245	189,541	191,713	2,178,364
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

McLaren Health Plan, Inc.
December 31, 2014

Note 1 - Summary of Significant Accounting Policies

A. The financial statements have been prepared in accordance with NAIC Accounting Practices and Procedures manual and statutory accounting principles as prescribed by the Michigan Department of Insurance and Financial Services. Statutory accounting principles differ from generally accepted accounting principles (“GAAP”) in certain respects and include the following accounting practices:

Certain assets designated as “non-admitted assets” are excluded from the statement of admitted asset, liabilities, and capital and surplus by a direct charge to surplus. Such items include intangible assets, prepaid assets, and certain deferred tax assets and receivables.

Deferred federal income taxes are calculated in accordance with Statement of Statutory Accounting Principles (SSAP) 101, which requires changes in deferred tax assets and deferred tax liabilities to be recorded as a direct adjustment to surplus.

Bonds are valued at amortized cost regardless of the level of portfolio activity

Adjustments reflecting the revaluation of stocks and bonds are carried to the surplus account as unrealized investment gains or losses, net of applicable taxes.

The statement of cash flows is prepared in the prescribed statutory format.

The Plan adopted the NAIC’s Codification of Statutory Accounting Principles on January 1, 2003 at the direction of the Michigan Department of Insurance and Financial Services. There are no significant differences between statutory accounting principles prescribed by the NAIC and the State of Michigan accounting requirements that are applicable to the Plan, except for the prescribed practice for SSAP 84, Certain Health Care Receivables and Receivables under Government Insured Plans. There is no impact on statutory surplus of the differences in accounting principles prescribed by the NAIC and the State of Michigan, due to the prescribed practice referenced above.

Description	State of Domicile	2014	2013
<u>Net Income</u>			
1 State Basis	MI	12,231,260	(174,147)
2 State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
3 State Permitted Practices that increase/(decrease) NAIC SAP		-	-
4 NAIC SAP	MI	12,231,260	(174,147)
<u>Surplus</u>			
5 State Basis	MI	58,087,717	44,150,636
6 State Prescribed Practices that increase/(decrease) NAIC SAP		-	-
7 State Permitted Practices that increase/(decrease) NAIC SAP		-	-
8 NAIC SAP	MI	58,087,707	44,150,636

B. Preparation of financial statements in conformity with the Annual Statement Instructions and Accounting Practices and Procedures Manual requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates exist relating to accrued health care costs. These estimates are actuarially determined and represent the Plan’s best estimate of the level of claims to be paid applicable to 2014 or prior periods. Any future adjustments to these amounts will affect the reported results in the future periods.

C. **Short-term investments** are all highly liquid investments purchased with an original maturity of three months or less.

Bonds: Bonds are stated at amortized cost using the interest method.

Notes to Financial Statements

Common Stock: Common stocks are stated at fair market value, as prescribed by the NAIC Securities Valuation Office.

Preferred Stock: None

Mortgage Loans: None

Loan-Backed Securities: None

Investments in Subsidiaries, Controlled and Affiliated Companies: The Plan is the parent corporation of Health Advantage, Inc., a licensed Michigan TPA. The Plan carries Health Advantage, Inc., at SSAP equity basis.

During 2010, the Plan became the Parent Corporation of McLaren Health Plan Insurance Company. The Plan carries McLaren Health Plan Insurance Company at SSAP equity basis. In 2014, McLaren Health Plan Insurance Company was dissolved.

During 2011, the plan became the Parent Corporation for McLaren Health Plan Community. The Plan carries McLaren Health Plan Community at SSAP equity basis.

Investments in Joint Ventures, Partnerships, and Limited Liability Companies: None

Derivatives: None

Anticipated investment income is not a factor in the premium deficiency calculation.

Estimates of liabilities for losses and loss/claim adjustment expenses are made by our independent actuary and are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principals, are based on actuarial assumptions relevant to contract provisions, and include appropriate provision for all actuarial terms that ought to be established.

Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss/lag reports, based on past experience, for losses incurred but not reported. The methods for making such estimates and for establishing the resulting liability, are continually reviewed and any adjustments are reflected in the period determined.

Capitalization policy and the resultant predefined thresholds did not change from the prior period.

Pharmaceutical rebates receivables are derived from actual confirmed receipts from the PBM.

Note 2 - Accounting Changes and Corrections of Errors: None

Note 3 - Business Combinations and Goodwill: None

Note 4 - Discontinued Operations: The McLaren Health Plan Insurance Company was dissolved in 2014.

Note 5 - Investments

- A. Mortgage Loans: None
- B. Debt Restructuring: None
- C. Reverse Mortgage: None
- D. Loan Backed Securities: None
- E. Repurchase Agreements and/or Securities Lending Transactions (1-5): None
- F. Real Estate: None
- G. Low-Income Housing Tax Credits (LIHTC): None
- H. Restricted Assets: None

Notes to Financial Statements

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies: None

Note 7 - Investment Income: Not applicable

Note 8 - Derivative Investments: None

Note 9 - Income Taxes:

- A. Components of Net Deferred Income Tax Asset: N/A
- B. Extent That DTL's Are Not Recognized: N/A
- C. Disclosure of Significant Components of Income Taxes Incurred: N/A
- D. Sum of Reporting Entity's Income Tax Incurred: N/A
- E. Reporting Entity Additional Disclosure: N/A
- F. Consolidated Federal Income Tax: N/A
- G. McLaren Health Care Corporation is subject to routine audits by taxing jurisdictions. McLaren Health Care Corporation, McLaren Health Plan's parent company and its subsidiaries completed an audit in 2014, covering the tax periods of 2010, 2011, and 2012. McLaren Health Plan has received a notice from the IRS dated 01/21/15 stating the Plan is exempt from Federal income tax under section 501 (c) (4) of the internal revenue code.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

- A. McLaren Health Plan is a wholly owned subsidiary of a holding company, McLaren Health Care Corporation, a Michigan non-profit corporation and holding company of various health care entities. The parent company initially invested into McLaren Health Plan gross paid in and contributed surplus of \$1,140,000.

McLaren Regional Medical Center— subsidiary of McLaren Health Care Corporation.

PHNS was purchased by CONJOIN in November 2010. The merged entity changed its name to Anthelio HealthCare Solutions in early 2011. MHCC still maintained its ownership as a shareholder.

Health Advantage Inc., a wholly owned subsidiary of McLaren Health Plan.

McLaren Health Plan Insurance Company, a wholly owned subsidiary of McLaren Health Plan. (Dissolved in 2014)

McLaren Health Plan Community, a wholly owned subsidiary of McLaren Health Plan.

B. No Change

C. No Change

- D. Due from Affiliates: \$1,594,436 amounts due from affiliate for administrative services and information system operations support. The amounts are settled monthly.

Due to Affiliates: \$2,510,716 amounts due to affiliate per contract for various administrative support, including personnel and information system operations support. The amounts are settled monthly.

E. Guarantees or undertakings: No Change

F. Management & Service Agreements:

(1) McLaren Health Plan and McLaren Health Care Corporation:

There are two agreements between the 2 companies.

- The Management Agreement states McLaren Health Care Corporation agrees to provide certain operational services and other

Notes to Financial Statements

resources to McLaren Health Plan. Amount for 2014 was \$4,291,216

- The Service Agreement states McLaren Health Care Corporation agrees to provide a Leased Employee to perform certain operational, personnel services, and other resources to McLaren Health Plan.

(2) McLaren Health Plan and McLaren Regional Medical Center:

MRMC agrees to provide certain accounting / resource services to McLaren Health Plan. Amount for 2014 was \$12,733

(3) McLaren Health Plan and Anthelio HealthCare Solutions:

Anthelio HealthCare Solutions agrees to provide certain information technology and telephony services to McLaren Health Plan. Amount for 2014 was \$391,621

(4) McLaren Health Plan and Health Advantage:

McLaren Health Plan agrees to provide certain operational, personnel services and other resources to Health Advantage. Amount for 2014 was \$9,263,475

(5) McLaren Health Plan and McLaren Health Plan Insurance Company:

There was an agreement in place in which McLaren Health Plan agreed to provide certain operational, personnel services and other resources to MHPIC. Amount for 2014 was \$0

(6) McLaren Health Plan and McLaren Health Plan Community:

McLaren Health Plan agrees to provide certain operational, personnel services and other resources to MHPC. Amount for 2014 was \$0

- G. Guarantees or undertakings: None
- H. Control relationship: None
- I. Upstream/downstream activity: None
- J. Investment in SCA: None
- K. Investments in impaired SCA: None
- L. Investment in foreign insurance subsidiary: None
- M. Investment in downstream noninsurance holding company: None

Note 11 - Debt - None

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

A. Defined Benefit Plan

See G Below

B. Narrative Description of Investment Policies and Strategies: N/A

C. Fair Value of each class of Plan Assets: N/A

D. Narrative Description: N/A

E. Defined Contribution Plans:

McLaren Health Plan employees hired on or after October 1, 2004 will be covered by a qualified defined contribution pension plan sponsored by McLaren Health Plan. Vesting period for contribution matching by McLaren Health Plan is 1 year (previous to 2014, was 2 year vesting period). For 2014, the employer contribution was \$1,151,883.

F. Multiemployer Plans: None

Notes to Financial Statements

- G. Consolidated/Holding Company Plans: McLaren Health Plan is a wholly owned subsidiary of McLaren Health Care Corporation, which sponsors a defined benefit pension plan covering substantially all of McLaren Health Plan employees whose employment began prior to Oct 1, 2004. The benefits under the plan are based on years of service and the employee's termination of employment. The plan has no legal obligation for benefits under this plan. The funding policy is to contribute annually an amount in accordance with the standards of the Employee Retirement Income Security Act of 1974. Contributions are intended to provide not only the benefits attributed to services to date, but also those expected to be earned in the future. As of 10/01/12, the pension plan has been frozen.
- H. Postemployment Benefits and Compensated Absences: They are accrued.
- I. The impact of Medicare Modernization Act on Post-Retirement Benefits are not reflected in the financial statements or accompanying notes.

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

Capital stock: None

Preferred stock: None

Dividend restrictions: Subject to other regulatory limitations on capital and surplus and working capital, the Plan is limited by statute to paying dividends no greater than 10 percent of surplus without prior approval of the Michigan Department of Insurance and Financial Services.

Date and amount of dividends issued: None

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

Restrictions placed on unassigned funds (surplus): None

Advances of surplus not paid: None

Amount of stock held for special purposes: None

Special surplus funds: None

Unassigned funds (surplus) represented or reduced: None

Surplus notes: None

Quasi-reorganization: None

Note 14 - Liabilities, Contingencies and Assessments

Not applicable

Note 15 - Leases

McLaren Health Plan currently holds two building leases:

The lease for the East Lansing office was executed on September 30, 2009 and is effective for five years and two months from the commencement date with an option to extend the lease for two three year terms. This lease was assumed from CareSource Management Group effective August 1, 2012.

The lease for the Auburn Hills office was executed on May 21, 2012, commenced on July 1, 2012 and is for ten years.

The future minimum lease payments under all non-cancelable leases are as follows:

Notes to Financial Statements

2015	\$284,822
2016	\$206,807
2017	\$212,830
2018	\$218,854
2019-2022	\$853,329

Note 16 - Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk
None

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
None

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans
A. ASO plans – N/A
B. ASC plans – N/A
C. Medicare or similarly structured cost based reimbursed contracts

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators
None

Note 20 - Fair Value Measurement

Accounting standards require certain assets and liabilities be reported or disclosed at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following table presents information about the Plan's assets and liabilities measured at fair value at December 31, 2014, and the valuation techniques used by the Plan to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active market for identical assets or liabilities that the Plan has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Notes to Financial Statements

Assets measured or disclosed at Fair Value at December 31, 2014					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value	Total Carrying Value
Cash, Cash Equivalents, and Short-term Investments	\$129,460,002			\$129,460,002	\$129,460,002
Mutual funds - Industrial and miscellaneous	\$21,647,618			\$21,647,618	\$21,647,618
Total	\$151,107,620			\$151,107,620	\$151,107,620
Assets measured or disclosed at Fair Value at December 31, 2013					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value	Total Carrying Value
Cash, Cash Equivalents, and Short-term Investments	\$85,229,484			\$85,229,484	\$85,229,484
Mutual funds - Industrial and miscellaneous	\$21,063,886			\$21,063,886	\$21,063,886
Total	\$106,293,370			\$106,293,370	\$106,293,370

The following summarizes the valuation methodology used in determining fair value measurements of significant classes of the Plan's financial instruments:

Level 1 Measurements

Cash and Cash Equivalents – the fair value of cash is the Plan's reported cash balances.

Short-term Investments – Short-term investments are comprised solely of money market funds. The fair value of these funds is based on the net asset value of the funds.

Mutual Funds – the fair value of these stocks and funds is based upon the unadjusted quoted prices for the identical security in active markets that the Plan can access.

Note 21 - Other Items

- A. Extraordinary Items: None
- B. Troubled Debt Restructuring: Debtors: None
- C. Other Disclosures and Unusual Items: Short-term investments in the amount of \$1,217,440 as of 12/31/14 are on deposit with the State of Michigan Treasury in a safekeeping account as required by regulation.
- D. Business Interruption Insurance Recoveries: None
- E. State Transferable Tax Credits: None
- F. Subprime Mortgage Related Risk Exposure: None
- G. Retained Assets: None

Note 22 - Events Subsequent

Note 23 - Reinsurance

The Plan cedes reinsurance under a specific excess loss reinsurance agreement. During 2014 the Plan's specific deductible per covered person is \$350,000 for commercial and \$250,000 for Medicaid, up to a maximum per covered person of \$1,000,000 for Medicaid and \$2,000,000 for commercial.

Uncollectible Reinsurance: None

Commutation of Ceded Reinsurance: None

Certified Reinsurer Rating Downgraded or Status Subject to Revocation: None

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The Plan provides Medicare Advantage Health Coverage to approximately 407 members including 353 Special Needs Program members. Retrospective premiums are estimated based on members risk score adjustments submitted to CMS.
- B. The Plan records accrued retrospective premium as an adjustment to earned premium.

Notes to Financial Statements

- C. The amount of net premiums written by the Plan at December 31, 2014 that are subject to retrospective rating features was \$7,343,578 representing less than 1% of total net premiums written.
- D. Medical loss rebates required pursuant to the Public Health Service Act – None
- E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions - Yes

(2)

IMPACT OF RISK-SHARING PROVISIONS OF THE ACA		
		<u>AMOUNT</u>
Permanent ACA Risk Adjustment Program		
Assets		
	Premium adjustments receivable due to ACA Risk Adjustment	
Liabilities		
	Risk adjustment user fees payable for ACA Risk Adjustment	\$ 7,582.80
	Premium adjustments payable due to ACA Risk Adjustment	\$ 1,494,664.00
Operations (Revenue & Expense)		
	Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ (1,494,664.00)
	Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ 7,582.80
Transitional ACA Reinsurance Program		
Assets		
	Amounts recoverable for claims paid due to ACA Reinsurance	\$ 1,307,754.47
	Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$ -
	Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$ -
Liabilities		
	Liabilities for contribution payable due to ACA Reinsurance - not reported as ceded premium	\$ -
	Ceded reinsurance premiums payable due to ACA Reinsurance	\$ 182,017.50
	Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$ -
Operations (Revenue & Expense)		
	Ceded reinsurance premiums due to ACA Reinsurance	\$ 182,017.50
	Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ 1,307,754.47
	ACA Reinsurance contributions - not reported as ceded premium	
Temporary ACA Risk Corridors Program		
Assets		
	Accrued retrospective premium due to ACA Risk Corridors	\$ 85,507.00
Liabilities		
	Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$ -
Operations (Revenue & Expense)		
	Effect of ACA Risk Corridors on net premium income (paid/received)	\$ 85,507.00
	Effect of ACA Risk Corridors on change in reserves for rate credits	\$ -

(3)

Notes to Financial Statements

ROLL-FORWARD OF PRIOR YEAR ACA RISK-SHARING PROVISIONS											
	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8	9	10	
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
Permanent ACA Risk Adjustment Program											
Premium adjustments receivable									A		
Premium adjustments (payable)									B		
Subtotal ACA Permanent Risk Adjustment Program											
Transitional ACA Reinsurance Program											
Amounts recoverable for claims paid									C		
Amounts recoverable for claims unpaid (contra liability)									D		
Amounts receivable relating to uninsured plans									E		
Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium									F		
Ceded reinsurance premiums payable									G		
Liability for amounts held under uninsured plans									H		
Subtotal ACA Transitional Reinsurance Program											
Temporary ACA Risk Corridors Program											
Accrued retrospective premium									I		
Reserve for rate credit or policy experience rating refunds									J		
Subtotal ACA Risk Corridors Program											
Total for ACA Risk Sharing Provisions											
Explanations of Adjustments											
A											
B											
C											
D											
E											
F											
G											
H											
I											
J											

Note 25 - Change in Incurred Claims and Claim Adjustment Expenses

An enrolled actuary has determined the estimated reserve for claims incurred but not reported. Although management believes that the provision for unpaid claims is adequate, no assurance can be given that the ultimate settlement of these liabilities may not be greater or less than such estimates. Any future adjustments to these amounts will affect the reported results of future periods.

Note 26 - Intercompany Pooling Arrangements

None

Note 27 - Structured Settlements

Not Applicable

Note 28 - Health Care Receivables

The Plan has no accounts receivable for pharmaceutical rebates. Pharmacy rebate receivables were as follows:

Notes to Financial Statements

*Section ID	Quarter	Estimated pharmacy rebates reported	Pharmacy rebates as billed	Actual rebates received <= 90 days	Actual rebates received 91 - 180 days	Actual rebates received > 180 days	Total Received
01	09/30/14					-	-
01	06/30/14					-	-
01	03/31/14					-	-
01	12/31/13			175,096	75,406	79,156	329,658
01	09/30/13	-	-	468	766	311,235	312,469
01	06/30/13	-	-	2,912	73,481	222,814	299,207
01	03/31/13	-	-	28,551	197,634	51,207	277,393
01	12/31/12	-	8,425	-	55,771	180,197	235,968
01	09/30/12	42,732	154,893	(5)	55,655	179,564	235,214
01	06/30/12	128,332	189,075	48,477	1,460	186,734	236,671
01	03/31/12	62,960	209,367	86,310	87,095	47,706	221,111
01	12/31/11	60,274	251,590	139,785	71,128	48,432	259,345
01	09/30/11	97,862	256,932	136,490	120	129,417	266,027
01	06/30/11	84,424	237,911	108,307	102,649	28,255	239,211
01	03/31/11	43,801	226,171	112,403	-	110,096	222,499
01	12/31/10	56,775	230,629	90,940	33,646	106,037	230,623
01	09/30/10	-	253,100	68,852	41,677	143,914	254,443
01	06/30/10	78,319	269,341	72,513	132,182	64,646	269,341
01	03/31/10			-	-	343	343

B. Risk Sharing Receivables - None

Note 29 - Participating Policies

None

Note 30- Premium Deficiency Reserves

As of December 31, 2014 the Plan has liabilities of \$791,291 related to premium deficiency reserves for its commercial line of business. The Plan did not consider anticipated investment income when calculating its premium deficiency reserves.

Note 31 - Anticipated Salvage and Subrogation

None

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). 06/24/2014
- 3.4 By what department or departments?
Michigan Department of Insurance and Financial Services
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes, 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?
PLANTE AND MORAN LLP, 1111 MICHIGAN AVE. EAST LANSING MI 48823
- 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 17A 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?
JOHN VATAHA, ASA, MAAA ACTUARY CONSULTANT, 27627 North 168th Street, Scottsdale, AZ 85263

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
 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
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes No N/A
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes 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
 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
 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
 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

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 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 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 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
- 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
 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
 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 No
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 119,995

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 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
 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
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A

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 \$ 0
- 25.29 On deposit with other regulatory bodies \$ 1,217,440
- 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

- 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
JPMORGAN CHASE BANK, NA	1111 POLARIS PARKWAY, COLUMBUS OH 43240
FIFTH THIRD BANK	111 LYON ST SW, GRAND RAPIDS MI 49503

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

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

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

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

GENERAL INTERROGATORIES (Continued)

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

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds			
30.2 Preferred stocks			
30.3 Totals			

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

- 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 [X]
- 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 [X]
- 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 Securities Valuation Office been followed? Yes [X] 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	2
Name	Amount Paid

- 34.1 Amount of payments for legal expenses, if any? \$ 132,614
- 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	2
Name	Amount Paid

- 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	2
Name	Amount Paid

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	724,578,630	534,667,883
2.2 Premium Denominator	724,578,630	534,667,883
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	96,014,668	74,539,280
2.5 Reserve Denominator	96,014,668	74,539,280
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 \$ 515,000
- 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:
ALL ABOVE TOPICS ARE INCLUDED IN ALL PROVIDER CONTRACTS WITH LANGUAGE APPROVED BY OFIR
- 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 13,452
- 8.2 Number of providers at end of reporting year 17,055
- 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 \$ 0
- 10.22 Amount actually paid for year bonuses \$ 0
- 10.23 Maximum amount payable withholds \$ 355,387
- 10.24 Amount actually paid for year withholds \$ 0
- 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 Minimum Net Worth Requirements? Yes No
- 11.3 If yes, show the name of the state requiring such net worth.
MICHIGAN
- 11.4 If yes, show the amount required. \$ 36,968,278
- 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.
200% OF AUTHORIZED CONTROL LEVEL
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
Alcona County
Allegan County
Alpena County
Antrim County
Arenac County
Bay County
Berrien County
Branch County

GENERAL INTERROGATORIES (Continued)

1 Name of Service Area
Calhoun County
Cass County
Charlevoix County
Cheboygan County
Clare County
Clinton County
Eaton County
Emmet County
Genesee County
Gladwin County
Grand Traverse County
Griiot County
Hillsdale County
Huron County
Ingham County
Ionia County
Iosco County
Isabella County
Kalamazoo County
Kalkaska County
Kent County
Lapeer County
Leelanau County
Lenawee County
Macomb County
Mason County
Mecosta County
Midland County
Monroe County
Montcalm County
Montmorency County
Muskegon County
Newaygo County
Oakland County
Ogemaw County
Oscoda County
Otsego County
Ottawa County
Presque Isle County
Roscommon County
Saginaw County
St Clair County
St Joseph County
Sanilac County
Shiawassee County
Tuscola County
Van Buren County
Wayne County
Crawford County

- 13.1 Do you act as a custodian for health savings accounts? Yes[] No[X] 0
 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[X] 0
 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[X]
 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
.....

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 2014	2 2013	3 2012	4 2011	5 2010
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	171,355,699	130,311,691	116,686,972	164,137,552	124,315,304
2. TOTAL Liabilities (Page 3, Line 24)	118,295,667	86,161,056	74,301,622	61,952,615	46,219,861
3. Statutory surplus	36,968,278	36,968,278	28,871,724	18,551,600	17,925,214
4. TOTAL Capital and Surplus (Page 3, Line 33)	53,060,033	44,150,635	42,385,350	102,184,937	78,095,444
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	722,625,408	532,628,766	453,189,003	429,439,910	301,432,817
6. TOTAL Medical and Hospital Expenses (Line 18)	644,227,011	504,385,925	407,932,220	358,094,099	253,236,801
7. Claims adjustment expenses (Line 20)	6,029,099	4,542,149	9,236,841	7,423,154	2,084,395
8. TOTAL Administrative Expenses (Line 21)	58,844,327	23,354,449	22,874,030	40,273,457	27,284,835
9. Net underwriting gain (loss) (Line 24)	12,797,606	282,318	13,145,912	23,649,200	18,826,786
10. Net investment gain (loss) (Line 27)	(566,346)	(456,465)	1,675,494	302,763	(332,764)
11. TOTAL Other Income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	12,231,260	(174,147)	14,821,406	23,951,963	18,494,022
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	37,435,695	14,342,513	24,005,249	24,473,157	24,112,153
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	53,060,033	44,150,636	42,385,350	82,392,843	78,095,443
15. Authorized control level risk-based capital	22,553,720	18,432,870	14,418,474	9,275,800	8,962,117
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	191,713	158,575	144,029	93,427	91,918
17. TOTAL Members Months (Column 6, Line 7)	2,178,364	1,809,385	1,639,850	1,107,698	1,073,558
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)	88.9	94.3	89.6	83.1	83.7
20. Cost containment expenses	0.2	0.2	1.3	0.2	0.1
21. Other claims adjustment expenses	0.7	0.7	0.8	0.7	0.6
22. TOTAL Underwriting Deductions (Line 23)	98.0	99.6	96.7	94.2	93.4
23. TOTAL Underwriting Gain (Loss) (Line 24)	1.8	0.1	2.9	5.5	6.2
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	73,539,136	64,334,473	49,025,297	30,861,119	29,883,477
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	74,475,353	62,581,920	53,586,669	38,417,846	36,340,383
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)	5,804,255	13,098,942	12,536,934	12,861,713	9,793,521
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31	5,804,255	13,098,942	12,536,934	12,861,713	9,793,521
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

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

If no, please explain::

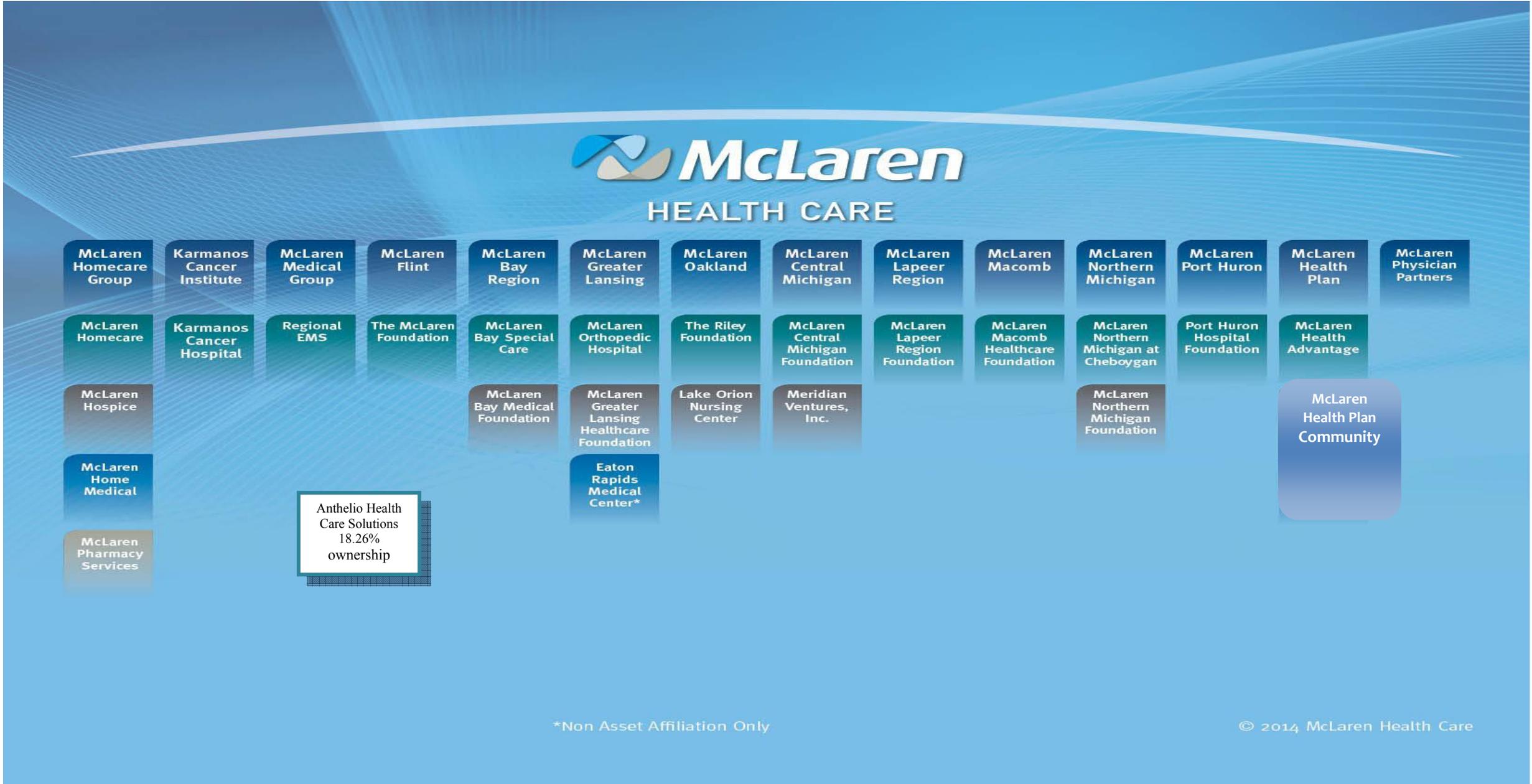
SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	L	119,580,981	7,360,967	600,619,646			727,561,594		
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X	119,580,981	7,360,967	600,619,646			727,561,594		
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	(a) ... 1	119,580,981	7,360,967	600,619,646			727,561,594		
DETAILS OF WRITE-INS									
58001	X X X								
58002	X X X								
58003	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

(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 written in the State of Michigan

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



Anthelio Health Care Solutions
18.26% ownership

*Non Asset Affiliation Only

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