52630201420100103

HEALTH QUARTERLY STATEMENT

As of September 30, 2014

of the Condition and Affairs of the

Molina Healthcare of Michigan, Inc.

NAIC Group Code.....1531, 1531 (Current Period) (Prior Period) NAIC Company Code..... 52630 Employer's ID Number..... 38-3341599

Organized under the Laws of Michigan State of Domicile or Port of Entry Michigan Country of Domicile US

Licensed as Business Type Health Maintenance Organization Is HMO Federally Qualified? Yes [ ] No [X]

Incorporated/Organized..... February 12, 1997 Commenced Business..... January 1, 1998

Statutory Home Office	880 W. Long Lake Rd., Suite 600….. Troy ..... MI ..... US ..... 48098-4504 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	880 W. Long Lake Rd., Suite 600….. Troy ..... MI ..... US ..... 48098-4504 *(Street and Number) (City or Town, State, Country and Zip Code)*	248-925-1700 *(Area Code) (Telephone Number)*
Mail Address	880 W. Long Lake Rd., Suite 600….. Troy ..... MI ..... US ..... 48098-4504 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Primary Location of Books and Records	880 W. Long Lake Rd., Suite 600….. Troy ..... MI ..... US ..... 48098-4504 *(Street and Number) (City or Town, State, Country and Zip Code)*	248-925-1700 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.molinahealthcare.com	
Statutory Statement Contact	Pamela Mary Gourwitz *(Name)*	888-562-5442-151701 *(Area Code) (Telephone Number) (Extension)*
	pamela.gourwitz@molinahealthcare.com *(E-Mail Address)*	248-925-1721 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Stephen Devon Harris	President	2. Stephen Blaney Whiting	Treasurer/VP Finance & Analytics
3. Jeffrey Don Barlow	Secretary	4.	

OTHER

DIRECTORS OR TRUSTEES

Stephen Devon Harris	Matthew Carter Schueren	Maritza Esther Borrajero	Juan Jose Orellana
Linda May Betts	Marissa Ann Morgan		

State of..... Michigan
County of..... Oakland

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

(Signature)	(Signature)	(Signature)
Stephen Devon Harris	Stephen Blaney Whiting	Jeffrey Don Barlow
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Treasurer/VP Finance & Analytics	Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This _____ day of _____

a. Is this an original filing? Yes [X] No [ ]

b. If no:
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Prior Year Net Admitted Assets
1. Bonds	61,665,313		61,665,313	31,737,053
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....6,664,662), cash equivalents ($.....9,759,425) and short-term investments ($.....132,877,767)	149,301,854		149,301,854	143,417,426
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives			0	
8. Other invested assets			0	
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	210,967,167	0	210,967,167	175,154,478
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued	362,330		362,330	688,997
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	15,847,178	5,304	15,841,874	12,030,697
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums	10,761		10,761	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	342,237		342,237	
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	5,933,474		5,933,474	2,184,169
18.1 Current federal and foreign income tax recoverable and interest thereon			0	104,812
18.2 Net deferred tax asset	4,828,413	1,458,352	3,370,061	1,549,302
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	2,128,609	2,128,609	0	
21. Furniture and equipment, including health care delivery assets ($.....0)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	2,842,608		2,842,608	
24. Health care ($.....1,197,085) and other amounts receivable	2,479,263	1,282,178	1,197,085	9,905
25. Aggregate write-ins for other than invested assets	332,797	44,941	287,856	1,948,734
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	246,074,837	4,919,384	241,155,453	193,671,094
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	246,074,837	4,919,384	241,155,453	193,671,094

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Expenses/Deposits	33,397	33,397	0	
2502. Intangible Assets (Goodwill/Patient Files)			0	1,141,458
2503. Deposits - Long Term	11,544	11,544	0	
2598. Summary of remaining write-ins for Line 25 from overflow page	287,856	0	287,856	807,276
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	332,797	44,941	287,856	1,948,734

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $.....0 reinsurance ceded)	99,844,029		99,844,029	81,119,512
2. Accrued medical incentive pool and bonus amounts	2,508,531		2,508,531	2,107,183
3. Unpaid claims adjustment expenses	1,212,112		1,212,112	933,684
4. Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act	615,690		615,690	615,690
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	39,763		39,763	2,753
9. General expenses due or accrued	5,219,738		5,219,738	2,814,883
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))	3,994,347		3,994,347	
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable			0	
12. Amounts withheld or retained for the account of others			0	
13. Remittances and items not allocated			0	
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates			0	1,078,544
16. Derivatives			0	
17. Payable for securities			0	
18. Payable for securities lending			0	
19. Funds held under reinsurance treaties with ($.....0 authorized reinsurers, $.....0 unauthorized reinsurers and certified $.....0 reinsurers)			0	
20. Reinsurance in unauthorized and certified ($.....0) companies			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	
22. Liability for amounts held under uninsured plans			0	
23. Aggregate write-ins for other liabilities (including $.....6,371,375 current)	6,426,302	0	6,426,302	2,340,328
24. Total liabilities (Lines 1 to 23)	119,860,512	0	119,860,512	91,012,577
25. Aggregate write-ins for special surplus funds	XXX	XXX	13,700,000	0
26. Common capital stock	XXX	XXX	159,000	159,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	62,404,971	62,404,971
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	45,030,970	40,094,546
32. Less treasury stock, at cost:				
32.1 .....0.000 shares common (value included in Line 26 $.....0)	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 $.....0)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	121,294,941	102,658,517
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	241,155,453	193,671,094

DETAILS OF WRITE-INS

2301. Premium/Use Taxes Due	6,426,302		6,426,302	2,340,328
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	6,426,302	0	6,426,302	2,340,328
2501. 2015 health insurer fee accrual estimate	XXX	XXX	13,700,000	
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above)	XXX	XXX	13,700,000	0
3001.				
3002.				
3003.				
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member months	XXX	2,077,362	1,940,758	2,581,007
2. Net premium income (including $.....0 non-health premium income)	XXX	781,679,206	661,544,110	883,384,967
3. Change in unearned premium reserves and reserve for rate credits	XXX			
4. Fee-for-service (net of $.....0 medical expenses)	XXX			
5. Risk revenue	XXX			
6. Aggregate write-ins for other health care related revenues	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	781,679,206	661,544,110	883,384,967
Hospital and Medical:				
9. Hospital/medical benefits		429,632,183	384,778,548	511,353,035
10. Other professional services		10,008,831	6,937,245	9,162,975
11. Outside referrals		41,178,987	44,306,639	57,872,611
12. Emergency room and out-of-area		44,137,983	36,109,980	48,350,435
13. Prescription drugs		102,703,696	90,877,975	122,078,930
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		5,538,048	4,492,256	6,257,562
16. Subtotal (Lines 9 to 15)	0	633,199,728	567,502,643	755,075,548
Less:				
17. Net reinsurance recoveries		695,746		
18. Total hospital and medical (Lines 16 minus 17)	0	632,503,982	567,502,643	755,075,548
19. Non-health claims (net)				
20. Claims adjustment expenses, including $.....15,589,561 cost containment expenses		17,731,531	17,445,585	22,354,521
21. General administrative expenses		93,191,053	55,763,065	77,645,947
22. Increase in reserves for life and accident and health contracts (including $.....0 increase in reserves for life only)				(670,310)
23. Total underwriting deductions (Lines 18 through 22)	0	743,426,566	640,711,293	854,405,706
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	38,252,640	20,832,817	28,979,261
25. Net investment income earned		372,558	340,660	456,333
26. Net realized capital gains (losses) less capital gains tax of $.....3,302		6,133		
27. Net investment gains or (losses) (Lines 25 plus 26)	0	378,691	340,660	456,333
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	0	(35,458)	0	(16,748)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	38,595,873	21,173,477	29,418,846
31. Federal and foreign income taxes incurred	XXX	18,647,857	7,863,881	10,868,720
32. Net income (loss) (Lines 30 minus 31)	XXX	19,948,016	13,309,596	18,550,126

DETAILS OF WRITE-INS

0601.	XXX			
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0	0
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0	0
2901. Fines and penalties		(35,458)		(16,748)
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	(35,458)	0	(16,748)

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year	102,658,517	80,540,423	80,540,423
34. Net income or (loss) from Line 32	19,948,016	13,309,596	18,550,126
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			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	2,117,696	(601,236)	(1,037,513)
39. Change in nonadmitted assets	(3,429,288)	3,206,165	4,605,481
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	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	18,636,424	15,914,525	22,118,094
49. Capital and surplus end of reporting period (Line 33 plus 48)	121,294,941	96,454,948	102,658,517

DETAILS OF WRITE-INS

4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0	0

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance	777,888,974	657,499,181	880,294,440
2. Net investment income	1,329,834	638,604	1,126,665
3. Miscellaneous income			
4. Total (Lines 1 through 3)	779,218,808	658,137,785	881,421,105
5. Benefit and loss related payments	616,189,712	563,640,943	753,229,331
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	107,938,090	74,179,269	100,381,147
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $.....3,302 tax on capital gains (losses)	14,552,000	3,709,000	8,861,000
10. Total (Lines 5 through 9)	738,679,802	641,529,212	862,471,478
11. Net cash from operations (Line 4 minus Line 10)	40,539,006	16,608,573	18,949,627
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	25,689,781	13,000,000	17,000,000
12.2 Stocks			
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			
12.7 Miscellaneous proceeds		1,202,964	
12.8 Total investment proceeds (Lines 12.1 to 12.7)	25,689,781	14,202,964	17,000,000
13. Cost of investments acquired (long-term only):			
13.1 Bonds	56,239,215	24,076,041	31,111,702
13.2 Stocks			
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	56,239,215	24,076,041	31,111,702
14. Net increase or (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(30,549,435)	(9,873,077)	(14,111,702)
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)	(4,105,143)	1,697,770	3,414,685
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(4,105,143)	1,697,770	3,414,685
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	5,884,428	8,433,266	8,252,610
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	143,417,426	135,164,816	135,164,816
19.2 End of period (Line 18 plus Line 19.1)	149,301,854	143,598,083	143,417,426

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at End of:										
1. Prior Year	212,837	4,202						10,409	198,226	
2. First Quarter	218,187	3,970						10,585	203,632	
3. Second Quarter	243,974	4,395						10,854	228,725	
4. Third Quarter	237,453	5,325						11,144	220,984	
5. Current Year	0									
6. Current Year Member Months	2,077,362	40,604						96,972	1,939,786	
Total Member Ambulatory Encounters for Period:										
7. Physician	889,294	9,025						112,924	767,345	
8. Non-Physician	1,352,976	9,141						153,965	1,189,870	
9. Total	2,242,270	18,166	0	0	0	0	0	266,889	1,957,215	0
10. Hospital Patient Days Incurred	104,671	231						25,622	78,818	
11. Number of Inpatient Admissions	15,901	58						2,467	13,376	
12. Health Premiums Written (a)	781,827,380	5,323,399						131,076,958	645,427,023	
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	781,827,380	5,323,399						131,076,958	645,427,023	
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	616,543,220	2,453,029						121,900,196	492,189,995	
18. Amount Incurred for Provision of Health Care Services	633,199,728	2,498,516						116,715,570	513,985,642	

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees $.....131,076,958.

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
CVS Caremark	7,056,561					7,056,561
Provider Payables	15,630,327	2,896,187	3,142,729	2,549,261	4,087,015	28,305,518
0199999. Individually Listed Claims Unpaid	22,686,888	2,896,187	3,142,729	2,549,261	4,087,015	35,362,079
0399999. Aggregate Accounts Not Individually Listed-Covered	1,676,625					1,676,625
0499999. Subtotals	24,363,513	2,896,187	3,142,729	2,549,261	4,087,015	37,038,704
0599999. Unreported Claims and Other Claim Reserves						62,805,325
0799999. Total Claims Unpaid						99,844,029
0899999. Accrued Medical Incentive Pool and Bonus Amounts						2,508,531

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		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)	220,115	2,226,102	2,864	377,191	222,979	334,550
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan					0	
6. Title XVIII - Medicare	13,576,858	107,589,342	233,184	17,410,913	13,810,042	20,928,578
7. Title XIX - Medicaid	58,429,506	428,668,851	686,734	81,133,143	59,116,240	59,856,384
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	72,226,479	538,484,295	922,782	98,921,247	73,149,261	81,119,512
10. Healthcare receivables (a)				2,479,263	0	9,905
11. Other non-health					0	
12. Medical incentive pools and bonus amounts	2,000,863	3,135,837		2,508,531	2,000,863	2,107,183
13. Totals (Lines 9-10+11+12)	74,227,342	541,620,132	922,782	98,950,515	75,150,124	83,216,790

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

NOTES TO FINANCIAL STATEMENTS

The interim financial information presented below has been prepared under the assumption that users of such interim financial information have either read or have access to the annual statement of Molina Healthcare of Michigan, Inc. (the "Company") for the fiscal year ended December 31, 2013. Accordingly, footnote disclosures that would substantially duplicate the disclosures contained in the December 31, 2013 annual statement or audited financial statements have been omitted.

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the State of Michigan, Department of Insurance and Financial Services ("DIFS").

The DIFS recognizes only statutory accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Michigan insurance law. The National Association of Insurance Commissioners' *Accounting Practices and Procedures Manual* ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the state of Michigan.

The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically,

Citation adopting the Manual: Bulletin 2001-02-INS Commissioner Orders 11-052-M, 11-051-M and 11-053-M		
SSAP or Appendices	**State Law or Regulation**	**Description**
Appendix C	Bulletin 2001-02-INS and Commissioner Order	Actuarial Guideline XXXV not adopted
SSAP No. 84	Commissioner Order	Loans and advances to hospitals and other providers are not permitted for HMOs, Limited Health Service Organizations, Dental Service Corporations

Such prescribed accounting practices have no significant effect on the Company's statutory basis financial statements for the periods presented.

	State of Domicile	September 30, 2014	December 31, 2013
NET INCOME			
(1) Company state basis (Page Q04, Line 32, Columns 2 & 4)	MI	$19,948,016	$18,550,126
(2) State Prescribed Practices that increase/(decrease) NAIC SAP			
	MI	0	0
(3) State Permitted Practices that increase/(decrease) NAIC SAP			
	MI	0	0
(4) NAIC SAP (1 – 2 – 3 = 4)	MI	$19,948,016	$18,550,126
SURPLUS			
(5) Company state basis (Page Q03, Line 33, Columns 3 & 4)	MI	$121,294,941	$102,658,517
(6) State Prescribed Practices that increase/(decrease) NAIC SAP			
	MI	0	0
(7) State Permitted Practices that increase/(decrease) NAIC SAP			
	MI	0	0
(8) NAIC SAP (5 – 6 – 7 = 8)	MI	$121,294,941	$102,658,517

C. Accounting Policy

Revenue Recognition: The Company arranges for the provision of health care services to Medicaid and Medicare recipients under contracts with the state of Michigan and the Centers for Medicare and Medicaid Services. The Company also serves members through Health Insurance Marketplaces (Marketplaces), which are discussed further in Note 21 C. below. Premium revenue is fixed in advance of the periods covered and, except as described below, is not generally subject to significant accounting estimates.

Medical Cost Floors and Corridors: Sanctions may be levied by the state if the amounts spent on medical care costs as a percentage of premiums are not within a specified range. These sanctions include the requirements to file a corrective action plan as well as an auto assignment freeze. Further, for certain premiums, amounts may be returned to the state if certain minimum amounts are not spent on defined medical care costs, or the Company may receive additional premiums if amounts spent on medical care costs exceed a defined maximum threshold.

The Company may be required to return a portion of Medicare and Marketplaces premiums if certain minimum amounts are not spent on defined medical care costs in accordance with requirements established by the Federal government.

Capitalization policy: The capitalization threshold for tangible assets was increased from $500 to $5,000 effective January 1, 2014.

Pharmacy rebate receivables: Upon reevaluation of the pharmacy benefit management contract, the Company has determined that it will admit estimated pharmacy rebate receivables relating to the 3 months immediately preceding the reporting date in accordance with SSAP No. 84, *Certain Health Care Receivables and Receivables Under Government Insured Plans*.

2. Accounting Changes and Corrections of Errors

In February 2014, the NAIC issued revisions to SSAP No. 35R, *Guaranty Fund and Other Assessments*. These revisions address accounting for the fees to be paid by health insurers to the federal government under the Affordable Care Act (ACA). The guidance was subsequently moved by the NAIC to SSAP No. 106, *Affordable Care Act Assessments*. The ACA imposes an annual fee, or excise tax, on health insurers for each calendar year beginning on or after January 1, 2014. The health insurer fee (HIF) is imposed in 2014 based on a company's share of the industry's net premiums written during the preceding calendar year, and is payable on September 30 of each year. SSAP No. 106 specifies that the liability and expense for the HIF should be recorded in full once the entity provides qualifying health insurance in the applicable calendar year in which the HIF is payable (the "fee year"). Effective January 1, 2014, the Company recorded its estimate of the 2014 liability. During the third quarter of 2014, the Company paid its 2014 HIF assessment which amounted to $12.9 million. The Company has included this amount in Page Q04, Statement of Revenue and Expenses, line 21, General administrative expenses. The guidance also requires the Company to reclassify from unassigned surplus to special surplus an amount equal to its estimated fee for the next year. The Company reclassified an amount equal to 75% of the estimated 2015 liability from Page Q03, Liabilities, Capital and Surplus, line 31, Unassigned funds (surplus) to Page Q03, Liabilities, Capital and Surplus, line 2501, 2015 health insurer fee accrual estimate.

3. Business Combinations and Goodwill

None

4. Discontinued Operations

Not applicable.

5. Investments

A. –C. No significant change.

D. Loan-Backed Securities: None

E. Repurchase Agreements and/or Securities Lending Transactions:

(3)b.: Not applicable.

F. Real Estate: None.

G. Investments in Low-Income Housing Tax Credits (LIHTC): None.

H. Restricted Assets: No significant change.

I. Working Capital Finance Investments:

(2) Not applicable.

(3) Not applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies
None.

7. Investment Income
No significant change.

8. Derivative Instruments
None.

9. Income Taxes
No significant change.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties
A.- D.

The Company has entered into a lease for office space from Molina Healthcare, Inc. (the "Parent"). Rental expense for this lease will commence in October 2014. Minimum future lease commitments for this lease are presented in Note 15.

E. - L. No significant change.

I. Investment in subsidiary, controlled or affiliated (SCA) entity that exceeds 10% of the admitted assets of the insurer: None

11. Debt
A. None.

B. FHLB (Federal Home Loan Bank) Agreements: Not applicable.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Post-retirement Benefit Plans
A.(4) The amount of net periodic benefit cost recognized: Not applicable.

13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations
(1) – (3) No significant change.

(4) None

(5) – (8) No significant change.

(9) Changes in balances of special surplus funds from the prior period: As disclosed in Note 2, the Company reclassified an amount equal to 75% its estimated 2015 ACA fee to special surplus funds in accordance with the SSAP No. 106 requirements effective January 1, 2014.

14. Contingencies
No significant change.

15. Leases
A. Lessee lease arrangements

(1) Operating leases: The Company leases office facilities and equipment under noncancelable long-term operating leases. Some of the leases contain escalation clauses and renewal options. Rental expense relating to these leases totaled $0.5 million for the period ended September 30, 2014 and $0.5 million for the year ended September 30, 2013.

(2) The minimum aggregate rental commitments are as follows:

	Year Ending December 31	Operating Leases
1.	2015	1,693,589
2.	2016	1,744,397
3.	2017	1,796,729
4.	2018	1,850,630
5.	2019	1,418,970
6.	Total	$ 8,504,315

(3) Sale-leaseback transactions: None

B. Lessor lease arrangements: None

16. Information About Financial Instruments With Off-Balance-Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No significant change.

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

B.(2)b. Not applicable.

B.(4)a. Not applicable.

B.(4)b. Not applicable.

C. There were no wash sales during the period ended September 30, 2014.

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

No significant change.

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

No significant change.

20. Fair Value Measurements

A.

(1) Assets Measured at Fair Value on a Recurring Basis: The Company's assets measured at fair value on a recurring basis are listed in the table below. The Company receives monthly statements from investment brokers that provide market pricing. There were no transfers between Level 1 and Level 2 of the fair value hierarchy.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Money Market Funds	$ 71,940,806	$ 0	$ 0	$ 71,940,806
Unaffiliated Domestic Securities		60,936,961		60,936,961
Total assets at fair value	$ 71,940,806	$ 60,936,961	$ 0	$ 132,877,767
b. Liabilities at fair value				
None	$ 0	$ 0	$ 0	$ 0

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

(3) Policy for determining when transfers between levels are recognized: The actual date of the event or change in circumstances that caused the transfer.

(4) For fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) follow:

Level 2: Level 2 financial instruments include investments that are traded frequently though not necessarily daily. Fair value for these securities is determined using a market approach based on quoted prices for similar securities in active markets or quoted prices for identical securities in inactive markets.

(5) Derivative assets and liabilities: None

B. In addition to Bonds (see below), the Company's statutory basis balance sheets typically include the following financial instruments: investment income due and accrued, federal income tax recoverable (payable), receivables, and current liabilities. The Company believes the carrying amounts of these financial instruments approximate the fair value of these financial instruments because of the relatively short period of time between the origination of the instruments and their expected realization or payment.

C.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	$61,589,344	$61,665,313	$ 0	$61,589,344	$ 0	$ 0

D. Not applicable.

21. Other Items

A. –B. No significant change.

C. Other Disclosures and Unusual Items:

Marketplaces became available for consumers to access coverage beginning January 1, 2014. In some instances, Marketplaces allow individuals to purchase health insurance that is federally subsidized. The Company is participating in the state of Michigan's Marketplaces primarily to serve members who have lost Medicaid eligibility. In accordance with the NAIC instructions, the Company reported the results for the Marketplaces under the Comprehensive (Hospital and Medical) line of business.

In the second quarter of 2014, the Michigan Department of Treasury (DOT) restored the Medicaid HMO Use Tax retroactive to April 1, 2014. The Use Tax is equal to 6% of Medicaid premiums earned. In addition, the DOT reduced the rate of the Health Insurance Claims Assessment (HICA) from 1.0% to 0.75% effective July 1, 2014.

D. –G. No significant change.

H. Offsetting and Netting of Assets and Liabilities: None

I. Joint and Several Liabilities: None

J. Risk Sharing Provisions of the Affordable Care Act:

As disclosed in Note 21 C. above, the Company is participating in the Marketplaces and wrote health insurance premium subject to the Affordable Care Act risk sharing provisions. The Company recorded the following amounts in relation to such provisions:

(1) Permanent Risk Adjustment Program

	Amount
Assets	
a. Premium adjustments receivable	$ 0
Liabilities	
b. Risk adjustment user fees payable	$ 27
c. Premium adjustments payable	$ 0
Operations (Revenue & Expense)	
d. Premium for accident and health contracts (written/collected)	$ 0
e. Risk adjustment user fees (incurred/paid)	$ 27

(2) Transitional Reinsurance Program

Assets	
a. Amounts recoverable for claims paid	$ 0
b. Amounts recoverable for claims unpaid	$ 6,812
c. Amounts receivable relating to uninsured plans	$ 0
Liabilities	
d. Contributions payable-not reported as ceded premium	$ 0
e. Ceded reinsurance premiums payable	$ 1,790
f. Liability for amounts held under uninsured plans	$ 0
Operations (Revenue & Expense)	
g. Ceded reinsurance premiums	$ 1,790
h. Reinsurance recoveries	$ 6,812
i. Contributions-not reported as ceded premium	$ 0

(3) Temporary Risk Corridors Program

Assets	
a. Accrued retrospective premium	$ 10,761
Liabilities	
b. Reserve for rate credits or policy experience rating refunds	$ 0
Operations (Revenue & Expense)	
c. Net premium income (paid/received)	$ 10,761
d. Change in reserves for rate credits	$ 0

(4) Have there been any material re-estimations and/or impairments for the reporting period: No

22. Events Subsequent

Subsequent events were considered through November 11, 2014, the date the statutory reporting statements were available to be issued.

23. Reinsurance

No significant change.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. –C. The Company began serving members though the Marketplaces in January 2014. The Company estimates accrued retrospective premium adjustments for its Marketplace business through a mathematical approach with inputs that may include premiums, claims costs, administrative expenses, reinsurance recoveries, and risk adjustment transfer payments. The Company records accrued retrospective premium as an adjustment to earned premium. The amount of net premiums written by the Company for its Marketplace business for the period ended September 30, 2014 that are subject to retrospective rating features was $0.1 million, which represented 0.02% of the total net premiums written.

There is no significant change to report for the Medicare retrospectively rated contracts and contracts subject to redetermination disclosed in the Company's 2013 annual statement.

D. Medical Loss Ratio Rebates Required Pursuant to the Public Health Service Act: None

25. Change in Incurred Claims and Claim Adjustment Expenses

The change in prior year estimated claims reserves represents favorable development in claims experience. Original estimates are increased or decreased as additional information becomes known regarding incurred reported claims. Claims unpaid activity during the periods indicated is summarized below:

	Nine months ended 9/30/2014	Year ended 12/31/2013
Unpaid claims liabilities, accrued medical incentives, and claims adjustment expenses, beginning of period	$ 84,160,379	$ 86,679,316
Add provision for claims, net of reinsurance:		
Current year	641,476,269	764,521,627
Prior years	(8,972,287)	(9,446,079)
Net incurred claims during the current year	632,503,982	755,075,548
Deduct paid claims, net of reinsurance:		
Current year	543,963,232	678,533,992
Prior years	72,226,480	74,695,339
Net paid claims during the current year	616,189,712	753,229,331
Current year change in claims adjustment expenses	278,428	(52,553)
Current year change in health care receivables	2,469,358	(4,312,601)
Current year change in amounts due from reinsurers	342,237	0
Unpaid claims liabilities, accrued medical incentives, and claims adjustment expenses, end of period	$ 103,564,672	$ 84,160,379

26. Intercompany Pooling Arrangements

No significant change.

27. Structured Settlements

No significant change.

28. Health Care Receivables

No significant change.

29. Participating Policies

No significant change.

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves	$ 0
2. Date of the most recent evaluation of this liability	9/30/2014
3. Was anticipated investment income utilized in the calculation?	Yes [X] No [ ]

31. Anticipated Salvage and Subrogation

No significant change.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

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 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] No [ ]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.
American Family Care, Inc.'s name was changed to Molina Medical Management, Inc. American Family Care Hospital Management, Inc.'s name was changed to Molina Hospital Management, Inc.

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

4.2 If yes, provide name of 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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [X] No [ ] N/A [ ]
If yes, attach an explanation.
A new health insurance providers fee payment consent and agreement between the Company and the Parent became effective, and was filed with the DIFS in the second quarter of 2014. An Amended and Restated Services Agreement effective 7/1/14 was filed with the DIFS in the third quarter of 2014.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .....12/31/2011.....

6.2 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. .....12/31/2011.....

6.3 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). .....5/1/2013.....

6.4 By what department or departments?
State of Michigan - Department of Insurance and Financial Services

6.5 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]

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

7.1 Has this 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]

7.2 If yes, give full information:

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

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

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

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

PART 1 - FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $.....2,842,608

PART 1 - INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $.....0

13. Amount of real estate and mortgages held in short-term investments: $.....0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 0	$ 0
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgage Loans on Real Estate	$ 0	$ 0
14.26 All Other	$ 0	$ 0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 0	$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:
16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $.....0
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $.....0
16.3 Total payable for securities lending reported on the liability page: $.....0

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

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

1 Name of Custodian(s)	2 Custodian Address
Oppenheimer Trust Company	18 Columbia Turnpike, Florham Park, NJ 07932
UBS Financial Services	1000 Harbor Blvd, Weehawken, NJ 07086

17.2 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)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes [ ] No [X]

17.4 If yes, give full and complete information relating thereto:

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

17.5 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	2 Name(s)	3 Address
249	Oppenheimer & Company	500 W. Madison, Ste 400, Chicago, IL 60661
8174	UBS Financial Services	1000 Harbor Blvd, Weehawken, NJ 07086

PART 1 - INVESTMENT

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

18.2 If no, list exceptions:

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH

1.	Operating Percentages:		
	1.1 A&H loss percent		82.9 %
	1.2 A&H cost containment percent		2.0 %
	1.3 A&H expense percent excluding cost containment expenses		12.2 %
2.1	Do you act as a custodian for health savings accounts?	Yes [ ]	No [X]
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.		0
2.3	Do you act as an administrator for health savings accounts?	Yes [ ]	No [X]
2.4	If yes, please provide the amount of funds administered as of the reporting date.		0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsuer Rating
A&H Non-Affiliates								
93572.....	43-1235868.....	01/01/2014	RGA Reinsurance Company.....	MO.....	SSL/A/G.....	Authorized.....	.....	.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 through 7	Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	N							0	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. District of Columbia DC	N							0	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	N							0	
18. Kentucky KY	N							0	
19. Louisiana LA	N							0	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	N							0	
23. Michigan MI	L	5,323,399	131,076,958	645,427,023				781,827,380	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	N							0	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	N							0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	N							0	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	5,323,399	131,076,958	645,427,023	0	0	0	781,827,380	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	5,323,399	131,076,958	645,427,023	0	0	0	781,827,380	0

DETAILS OF WRITE-INS

58001.								0	
58002.								0	
58003.								0	
58998. Summary of remaining write-ins for line 58 from overflow page		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 plus 58998) (Line 58 above)		0	0	0	0	0	0	0	0

(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

1531	DE	13-4204626	Molina Healthcare, Inc.
|-00000	CA	33-0342719	Molina Healthcare of California
|-52630	MI	38-3341599	Molina Healthcare of Michigan, Inc.
|-95502	UT	33-0617992	Molina Healthcare of Utah, Inc.
|-96270	WA	91-1284790	Molina Healthcare of Washington, Inc.
|-95739	NM	85-0408506	Molina Healthcare of New Mexico, Inc.
|-10757	TX	20-1494502	Molina Healthcare of Texas, Inc.
|-13778	TX	27-0522725	Molina Healthcare of Texas Insurance Company
|-12334	OH	20-0750134	Molina Healthcare of Ohio, Inc.
|-00000	CA	20-2714545	Molina Healthcare of California Partner Plan, Inc.
|-13128	FL	26-0155137	Molina Healthcare of Florida, Inc.
|-15133	VA	26-1769086	Molina Healthcare of Virginia, Inc.
|-00000	CA	27-1510177	Molina Information Systems, LLC (dba Molina Medicaid Solutions)
|-12007	WI	20-0813104	Molina Healthcare of Wisconsin, Inc.
|-14104	IL	27-1823188	Molina Healthcare of Illinois, Inc.
|-00000	DE	45-2854547	Molina Pathways, LLC
|-00000	NM	45-2634351	Molina Healthcare Data Center, Inc.
|-00000	CA	37-1652282	Molina Medical Management, Inc.
I-00000	GA	80-0800257	Molina Healthcare of Georgia, Inc.
I-00000	MS	26-4390042	Molina Healthcare of Mississippi, Inc.
I-00000	MD	46-0598968	Molina Healthcare of Maryland, Inc.
|-00000	CA	46-2821516	Molina Hospital Management, Inc.
|-15329	SC	46-2992125	Molina Healthcare of South Carolina, Inc.
I-00000	NC	46-4148278	Molina Healthcare of North Carolina, Inc.
I-15600	PR	66-0817946	Molina Healthcare of Puerto Rico, Inc.
I-00000	CA	46-5098489	Molina Youth Academy

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
Members														
1531	Molina Healthcare, Inc.	00000	13-4204626		0001179929	New York Stock Exchange	Molina Healthcare, Inc.	DE	UDP	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	00000	33-0342719				Molina Healthcare of California	CA	IA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	52630	38-3341599				Molina Healthcare of Michigan, Inc.	MI	RE	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	95502	33-0617992				Molina Healthcare of Utah, Inc.	UT	IA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	96270	91-1284790				Molina Healthcare of Washington, Inc.	WA	IA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	95739	85-0408506				Molina Healthcare of New Mexico, Inc.	NM	IA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	10757	20-1494502				Molina Healthcare of Texas, Inc.	TX	IA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	13778	27-0522725				Molina Healthcare of Texas Insurance Company	TX	IA	Molina Healthcare of Texas, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	12334	20-0750134				Molina Healthcare of Ohio, Inc.	OH	IA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	00000	20-2714545				Molina Healthcare of California Partner Plan, Inc.	CA	IA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	13128	26-0155137				Molina Healthcare of Florida, Inc.	FL	IA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	15133	26-1769086				Molina Healthcare of Virginia, Inc.	VA	NIA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	00000	27-1510177				Molina Information Systems, LLC (dba Molina Medicaid Solutions)	CA	NIA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	12007	20-0813104				Molina Healthcare of Wisconsin, Inc.	WI	IA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	14104	27-1823188				Molina Healthcare of Illinois, Inc.	IL	IA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	00000	45-2854547				Molina Pathways, LLC	DE	NIA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	00000	45-2634351				Molina Healthcare Data Center, Inc.	NM	NIA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	00000	37-1652282				Molina Medical Management, Inc.	CA	NIA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	00000	80-0800257				Molina Healthcare of Georgia, Inc.	GA	NIA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	00000	26-4390042				Molina Healthcare of Mississippi, Inc.	MS	NIA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	00000	46-0598968				Molina Healthcare of Maryland, Inc.	MD	NIA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	00000	46-2821516				Molina Hospital Management, Inc.	CA	NIA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	15329	46-2992125				Molina Healthcare of South Carolina, Inc.	SC	IA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	00000	46-4148278				Molina Healthcare of North Carolina, Inc.	NC	NIA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	15600	66-0817946				Molina Healthcare of Puerto Rico, Inc.	PR	IA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	
1531	Molina Healthcare, Inc.	00000	46-5098489				Molina Youth Academy	CA	NIA	Molina Healthcare, Inc.	Ownership	100.000	Molina Healthcare, Inc.	

Asterisk	Explanation

NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	SEE EXPLANATION

Explanation:

1. This line of business is not written by the company.

Bar Code:

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
2504. State Income Tax Recoverable	287,856		287,856	807,276
2597. Summary of remaining write-ins for Line 25	287,856	0	287,856	807,276

SCHEDULE A - VERIFICATION

Real Estate

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	31,737,053	18,249,760
2. Cost of bonds and stocks acquired	56,239,215	31,111,702
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	9,435	
6. Deduct consideration for bonds and stocks disposed of	25,689,781	17,000,000
7. Deduct amortization of premium	630,609	624,409
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	61,665,313	31,737,053
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	61,665,313	31,737,053

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	172,137,110	384,245,527	360,694,167	479,120	169,725,248	172,137,110	196,167,590	156,398,604
2. NAIC 2 (a)	8,427,045	1,507,293	1,500,000	(539,423)	11,856,153	8,427,045	7,894,915	13,101,065
3. NAIC 3 (a)								
4. NAIC 4 (a)		240,000					240,000	
5. NAIC 5 (a)								
6. NAIC 6 (a)	239,858			(239,858)	239,974	239,858		240,000
7. Total Bonds	180,804,014	385,992,820	362,194,167	(300,161)	181,821,375	180,804,014	204,302,506	169,739,668
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	180,804,014	385,992,820	362,194,167	(300,161)	181,821,375	180,804,014	204,302,506	169,739,668

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 $.....0; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	132,877,767	XXX	132,989,943	177,392	73,897

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	138,002,616	142,423,402
2. Cost of short-term investments acquired	935,523,834	1,111,148,133
3. Accrual of discount	72,732	17,333
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	939,925,598	1,113,976,267
7. Deduct amortization of premium	795,816	1,609,986
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	132,877,767	138,002,616
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	132,877,767	138,002,616

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
2. Cost of cash equivalents acquired	9,758,850	5,510,627
3. Accrual of discount	575	1,483
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		5,500,000
7. Deduct amortization of premium		12,110
8. Total foreign exchange change in book/ adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	9,759,425	0
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	9,759,425	0

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous									
0258M0 DG 1	AMERICAN EXPRESS CREDIT		08/26/2014	OPPENHEIMER & CO. INC.		2,528,000	2,500,000	2,708	1FE
05565Q BN 7	BP CAPITAL MARKETS PLC	R	09/05/2014	OPPENHEIMER & CO. INC.		2,094,443	2,037,000	28,115	1FE
066519 AE 9	BankUnited, National Association		09/22/2014	UBS		240,000	240,000		1
111320 AD 9	BROADCOM CORP		07/22/2014	OPPENHEIMER & CO. INC.		3,071,310	3,000,000	16,625	1FE
14147V EC 6	Cardinal Bank		08/15/2014	UBS		240,000	240,000		1
172967 GW 5	CITIGROUP INC		09/19/2014	OPPENHEIMER & CO. INC.		1,721,573	1,700,000	4,736	1FE
191216 AU 4	COCA-COLA CO/THE		08/26/2014	OPPENHEIMER & CO. INC.		2,048,580	2,000,000	17,800	1FE
24422E SH 3	JOHN DEERE CAPITAL CORP		08/01/2014	OPPENHEIMER & CO. INC.		1,814,706	1,800,000	2,678	1FE
320844 NZ 2	Firstmerit Bank, National Association		07/02/2014	UBS		240,000	240,000		1FE
370334 BN 3	GENERAL MILLS INC		09/05/2014	OPPENHEIMER & CO. INC.		1,005,170	1,000,000	997	2FE
46176P DC 6	Investors Bank		08/15/2014	UBS		240,000	240,000		1
69478Q BV 1	Pacific Premier Bank		09/22/2014	UBS		240,000	240,000		1
69506Y BB 4	Pacific Western Bank		09/22/2014	UBS		240,000	240,000		4FE
71270Q EH 5	People's United Bank		07/10/2014	UBS		240,000	240,000		1
72663Q ZJ 1	PlainsCapital Bank		08/15/2014	UBS		240,000	240,000		1
74256L AB 5	PRINCIPAL LFE GLB FND II		09/15/2014	UBS		3,021,960	3,000,000		1FE
74432Q AJ 4	PRUDENTIAL FINANCIAL INC		08/26/2014	OPPENHEIMER & CO. INC.		502,123	467,000	11,701	2FE
76720A AL 0	RIO TINTO FIN USA PLC	R	09/02/2014	OPPENHEIMER & CO. INC.		1,012,830	1,000,000	2,979	1FE
89213T LD 2	Town North Bank, N. A.		07/10/2014	UBS		240,000	240,000		1
949746 QU 8	WELLS FARGO & COMPANY		09/02/2014	OPPENHEIMER & CO. INC.		1,464,779	1,391,000	24,146	1FE
981996 AL 5	WORLD FINL NETWORK NATL		08/12/2014	UBS		200,000	200,000		1
3899999. Total Bonds - Industrial and Miscellaneous						22,645,474	22,255,000	112,485	XXX
8399997. Total Bonds - Part 3						22,645,474	22,255,000	112,485	XXX
8399999. Total Bonds						22,645,474	22,255,000	112,485	XXX
9999999. Total Bonds, Preferred and Common Stocks						22,645,474	XXX	112,485	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value At Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
Bonds - U.S. Special Revenue and Special Assessment																					
01354P CP 7	ALBUQUERQUE RCPT-RF-A		09/01/2014	VARIOUS		1,000,000	1,000,000	1,063,250	1,022,903		(22,903)		(22,903)		1,000,000			0	49,900	07/01/2014	1FE
3199999. Total Bonds - U.S. Special Revenue and Special Assessment						1,000,000	1,000,000	1,063,250	1,022,903	0	(22,903)	0	(22,903)	0	1,000,000	0	0	0	49,900	XXX	XXX
Bonds - Industrial and Miscellaneous																					
079860 AG 7	BELLSOUTH CORP		09/01/2014	VARIOUS		2,016,480	2,000,000	2,092,420	2,064,005		(48,623)		(48,623)		2,015,382		1,098	1,098	86,667	09/15/2014	1FE
111320 AD 9	BROADCOM CORP		08/28/2014	Redemption		3,070,284	3,000,000	3,071,310			(5,291)		(5,291)		3,066,019		4,266	4,266	23,354	11/01/2015	1FE
173457 BP 6	Citizens Bank and Trust Company		09/18/2014	Maturity		240,000	240,000	240,000	240,000				0		240,000			0	450	09/18/2014	1
20701P BB 9	Conestoga Bank		09/26/2014	Maturity		240,000	240,000	240,000	240,000				0		240,000			0	449	09/26/2014	1
20786A AG 0	Connectone Bank		09/18/2014	Maturity		240,000	240,000	240,000	240,000				0		240,000			0	600	09/18/2014	1
22549T TS 7	Credit Suisse Group AG	R	08/28/2014	UBS		2,001,580	2,000,000	2,002,200			(1,293)		(1,293)		2,000,907		673	673	6,174	01/26/2015	1FE
29367R FY 7	Enterprise Bank		09/19/2014	Maturity		240,000	240,000	240,000	240,000				0		240,000			0	449	09/19/2014	1
301074 BF 6	Exchange Bank		09/19/2014	Maturity		240,000	240,000	240,000	240,000				0		240,000			0	449	09/19/2014	1
30246A CM 8	F&M Bank		09/26/2014	Maturity		240,000	240,000	240,000	240,000				0		240,000			0	449	09/26/2014	1
307327 EG 7	Far East National Bank	R	09/01/2014	VARIOUS		240,000	240,000	240,000	240,000				0		240,000			0	718	08/29/2014	1
31931T CU 7	First Bank		09/19/2014	Maturity		240,000	240,000	240,000	240,000				0		240,000			0	539	09/19/2014	1
51507L AJ 3	Landmark Community Bank		09/30/2014	Maturity		240,000	240,000	240,000	240,000				0		240,000			0	450	09/30/2014	1
74765J EA 2	Quantum National Bank		09/26/2014	Maturity		240,000	240,000	240,000	240,000				0		240,000			0	598	09/26/2014	1
872278 AU 0	TCF National Bank		09/05/2014	Maturity		240,000	240,000	240,000	240,000				0		240,000			0	600	09/05/2014	1
3899999. Total Bonds - Industrial and Miscellaneous						9,728,344	9,640,000	9,805,930	4,704,005	0	(55,208)	0	(55,208)	0	9,722,307	0	6,037	6,037	121,946	XXX	XXX
8399997. Total Bonds - Part 4						10,728,344	10,640,000	10,869,180	5,726,909	0	(78,111)	0	(78,111)	0	10,722,307	0	6,037	6,037	171,846	XXX	XXX
8399999. Total Bonds						10,728,344	10,640,000	10,869,180	5,726,909	0	(78,111)	0	(78,111)	0	10,722,307	0	6,037	6,037	171,846	XXX	XXX
9999999. Total Bonds, Preferred and Common Stocks						10,728,344	XXX	10,869,180	5,726,909	0	(78,111)	0	(78,111)	0	10,722,307	0	6,037	6,037	171,846	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues: 0.

Sch. DB-Pt A-Sn 1
NONE

Sch. DB-Pt A-Sn 1-Footnote A
NONE

Sch. DB-Pt A-Sn 1-Footnote B
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1-Footnote A
NONE

Sch. DB-Pt B-Sn 1-Footnote B
NONE

Sch. DB-Pt B-Sn 1B-Broker List
NONE

Sch. DB-Pt D-Sn 1
NONE

Sch. DB-Pt D-Sn 2
NONE

Sch. DL-Pt. 1
NONE

Sch. DL-Pt. 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
						6	7	8	
Depository		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories									
JP Morgan Chase	Detroit, Michigan					12,104,072	10,280,717	3,581,060	XXX
JP Morgan Chase	Detroit, Michigan					557,003	(1,894)	(2,769)	XXX
JP Morgan Chase	San Antonio, Texas					51,420	68,496	70,394	XXX
JP Morgan Chase	San Antonio, Texas					157	175	175	XXX
US Bank	St. Paul, MI					(6,877,213)	(8,757,532)	(7,173,342)	XXX
US Bank	St. Paul, MI					(662,206)	(2,285,278)	(653,470)	XXX
Bank of America	Tampa, Florida					6,459	6,434	6,409	XXX
BNP Paribas	New York, NY		0.321		8,103	3,003,915	3,003,403	3,002,908	XXX
BNP Paribas	New York, NY		0.301		11,962	3,252,862	3,252,308	3,251,592	XXX
0199998. Deposits in 21 depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories		XXX	XXX	393	2,705	4,560,000	7,173,796	4,580,705	XXX
0199999. Total Open Depositories		XXX	XXX	393	22,770	15,996,469	12,740,625	6,663,662	XXX
0399999. Total Cash on Deposit		XXX	XXX	393	22,770	15,996,469	12,740,625	6,663,662	XXX
0499999. Cash in Company's Office		XXX	XXX	XXX	XXX	1,000	1,000	1,000	XXX
0599999. Total Cash		XXX	XXX	393	22,770	15,997,469	12,741,625	6,664,662	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
Bonds - U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivision - Issuer Obligations							
FED HOME LN DISCOUNT NT		09/05/2014		11/12/2014	3,759,825		96
FARMER MAC DISCOUNT NOTE		09/05/2014		10/10/2014	3,999,970		77
2599999. U.S. Special Revenue & Special Assessment Obligations - Issuer Obligations					7,759,795	0	173
3199999. Total - U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations					7,759,795	0	173
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
CNPC Finance (HK) Limited		09/05/2014		11/03/2014	999,698		211
CNPC Finance (HK) Limited		09/05/2014		10/09/2014	999,933		192
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					1,999,631	0	402
3899999. Total - Industrial and Miscellaneous (Unaffiliated)					1,999,631	0	402
Total Bonds							
7799999. Subtotals - Issuer Obligations					9,759,425	0	575
8399999. Subtotals - Bonds					9,759,425	0	575
8699999. Total - Cash Equivalents					9,759,425	0	575