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ANNUAL STATEMENT

For the Year Ended December 31, 2016

of the Condition and Affairs of the

Priority Health

NAIC Group Code.....3383, 3383 (Current Period) (Prior Period) NAIC Company Code..... 95561 Employer's ID Number..... 38-2715520

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

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

Incorporated/Organized..... March 7, 1986 Commenced Business..... October 15, 1986

Statutory Home Office	1231 East Beltline NE….. Grand Rapids ..... MI ..... UNI …. 49525-4501 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	1231 East Beltline NE….. Grand Rapids ..... MI ..... UNI …. 49525-4501 *(Street and Number) (City or Town, State, Country and Zip Code)*	616-942-0954 *(Area Code) (Telephone Number)*
Mail Address	1231 East Beltline NE….. Grand Rapids ..... MI ..... UNI …. 49525-4501 *(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)*	
Primary Location of Books and Records	1231 East Beltline NE….. Grand Rapids ..... MI ..... UNI …. 49525-4501 *(Street and Number) (City or Town, State, Country and Zip Code)*	616-464-8837 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.priorityhealth.com	
Statutory Statement Contact	Rachel Brandon *(Name)*	616-464-8205 *(Area Code) (Telephone Number) (Extension)*
	rachel.brandon@priorityhealth.com *(E-Mail Address)*	616-942-7916 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Joan Antaya Budden #	President / Chief Executive Officer	2. Mary Anne Jones	Treasurer / Chief Financial Officer
3. Kimberly Lynn Thomas	Secretary	4.	

OTHER

DIRECTORS OR TRUSTEES

Richard Breon	Christina Michelle Freese Decker #	Rajesh Ujamlal Kothari	Lynn Marie Liddle
Rodrick Tremain Miller #	Edwin Anders Ness	Paul Gerald Saginaw	Hilary Fred Snell
James Joseph Stephanak	Michael Frederic Sytsma	Gary Wade Timmer	Bruce Allen Ullery
Michael Clifton Vredenburg	Wendy Hansen Walker	Samuel Lynn Wanner	Seth William Wolk #
Elaine Coston Wood			

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

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)
Joan Antaya Budden	Mary Anne Jones	Kimberly Lynn Thomas
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President / Chief Executive Officer	Treasurer / Chief Financial Officer	Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This _____ day of _____ 2017

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

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
A&H Premiums Due and Unpaid						
0199999. Total individuals	1,620,489	388,213		1,569,349	1,569,349	2,008,702
State of Michigan	1,317,126	121,655		524,320	524,320	1,438,781
0299997. Group subscribers subtotal	1,317,126	121,655	0	524,320	524,320	1,438,781
0299998. Premiums due and unpaid not individually listed	41,146,172	167,727	85	2,577,039	2,577,039	41,313,984
0299999. Total group	42,463,298	289,382	85	3,101,359	3,101,359	42,752,765
0599999. Accident and health premiums due and unpaid (Page 2, Line 15)	44,083,787	677,595	85	4,670,709	4,670,708	44,761,467

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
Express Scripts	5,366,775	5,366,775	5,366,775	15,638,474	15,638,474	16,100,325
Magellan	979,059	979,059	979,059	2,852,922	2,852,922	2,937,177
0199999. Total Pharmaceutical Rebate Receivables	6,345,834	6,345,834	6,345,834	18,491,396	18,491,396	19,037,502
Claim Overpayment Receivables						
0299998. Claim Overpayment Receivables Not Listed Individually	769,964	308,343	314,688			1,392,995
0299999. Total Claim Overpayment Receivables	769,964	308,343	314,688	0	0	1,392,995
Other Receivables						
0699998. Other Receivables Not Listed Individually	1,319,610	25,251	25,251	20,725	20,725	1,370,112
0699999. Total Other Receivables	1,319,610	25,251	25,251	20,725	20,725	1,370,112
0799999. Gross Health Care Receivables	8,435,408	6,679,428	6,685,773	18,512,121	18,512,121	21,800,609

EXHIBIT 3A - ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Heath Care Receivables Accrued as of December 31 of Current Year		5	6
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year	Health Care Receivables in Prior Years (Columns 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
1. Pharmaceutical rebate receivables	27,307,906	38,644,360		37,528,899	27,307,906	23,226,155
2. Claim overpayment receivables	1,599,083			1,392,994	1,599,083	1,599,083
3. Loans and advances to providers					0	
4. Capitation arrangement receivables					0	
5. Risk sharing receivables					0	
6. Other health care receivables				1,390,837	0	366,953
7. Totals (Lines 1 through 6)	28,906,989	38,644,360	0	40,312,730	28,906,989	25,192,191

Note that the accrued amounts in Columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

EXHIBIT 4 - 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)						
0299999. Aggregate accounts not individually listed - uncovered	4,001,001					4,001,001
0399999. Aggregate accounts not individually listed - covered	63,840,643					63,840,643
0499999. Subtotals	67,841,644	0	0	0	0	67,841,644
0599999. Unreported claim and other claim reserves						170,436,829
0699999. Total amounts withheld						47,397
0799999. Total claims unpaid						238,325,870
0899999. Accrued medical incentive pool and bonus amounts						42,844,046

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Amounts Due From Parent, Subsidiaries and Affiliates							
Priority Health Insurance Company	10,893,735					10,893,735	
Priority Health Managed Benefits	6,109,026					6,109,026	
0199999. Individually listed receivables	17,002,761	0	0	0	0	17,002,761	0
0299999. Receivables not individually listed	24,518			91,899	91,899	24,518	
0399999. Total gross amounts receivable	17,027,279	0	0	91,899	91,899	17,027,279	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Amounts Due To Parent, Subsidiaries and Affiliates				
Priority Health Insurance Company	Premium	20,040,591	20,040,591	
Spectrum Health System	Premium Risk Share	5,329,999	5,329,999	
0199999. Individually listed payables		25,370,590	25,370,590	0
0299999. Payables not individually listed		3,131,080	3,131,080	
0399999. Total gross payables		28,501,670	28,501,670	0

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	71,859	0.0			71,859	
2. Intermediaries	0	0.0				
3. All other providers	2,809,606	0.1			2,809,606	
4. Total capitation payments	2,881,465	0.1	0		2,881,465	0
Other Payments:						
5. Fee-for-service	112,170,335	5.0	XXX	XXX		112,170,335
6. Contractual fee payments	1,419,412,013	62.8	XXX	XXX	1,419,412,013	
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	726,702,541	32.1	XXX	XXX	726,702,541	
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	2,258,284,889	99.9	XXX	XXX	2,146,114,554	112,170,335
13. Total (Line 4 plus Line 12)	2,261,166,354	100.0	XXX	XXX	2,148,996,019	112,170,335

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC

NONE

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	1,625,719		1,621,588	4,131	4,131	0
2. Medical furniture, equipment and fixtures						0
3. Pharmaceuticals and surgical supplies						0
4. Durable medical equipment						0
5. Other property and equipment						0
6. Total	1,625,719	0	1,621,588	4,131	4,131	0

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Priority Health 2. Michigan

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....3383

NAIC Company Code.....95561

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	411,670	45,873	253,817	10,650			244	101,086		
2. First quarter	476,440	85,604	267,471	11,754			1,206	110,405		
3. Second quarter	482,855	82,225	275,033	12,268			1,294	112,035		
4. Third quarter	491,076	79,481	283,465	12,762			1,363	114,005		
5. Current year	494,079	75,893	287,919	13,256			1,411	115,600		
6. Current year member months	5,760,228	934,102	3,313,716	147,789			15,362	1,349,259		
Total Member Ambulatory Encounters for Year:										
7. Physician	5,521,696	662,646	2,348,737	258,051			12,890	2,239,372		
8. Non-physician	712,531	85,509	303,086	33,299			1,663	288,974		
9. Totals	6,234,227	748,155	2,651,823	291,350	0	0	14,553	2,528,346	0	0
10. Hospital patient days incurred	244,688	14,507	51,419	2,295			282	176,185		
11. Number of inpatient admissions	43,073	3,343	11,850	529			65	27,286		
12. Health premiums written (b)	2,667,205,438	265,065,151	1,305,470,318	25,797,883			7,434,783	1,063,437,303		
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	2,661,318,869	263,122,118	1,304,661,635	25,797,883			7,434,783	1,060,302,450		
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	2,261,166,354	263,492,265	1,056,759,588	18,267,461			6,077,898	916,569,142		
18. Amount incurred for provision of health care services	2,350,935,685	277,726,573	1,107,441,334	18,905,422			6,077,898	940,784,458		

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....1,063,437,303

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Priority Health 2. Michigan

BUSINESS IN THE STATE OF MICHIGAN DURING THE YEAR (Location)

NAIC Group Code.....3383

NAIC Company Code.....95561

	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 Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	411,670	45,873	253,817	10,650			244	101,086		
2. First quarter	476,440	85,604	267,471	11,754			1,206	110,405		
3. Second quarter	482,855	82,225	275,033	12,268			1,294	112,035		
4. Third quarter	491,076	79,481	283,465	12,762			1,363	114,005		
5. Current year	494,079	75,893	287,919	13,256			1,411	115,600		
6. Current year member months	5,760,228	934,102	3,313,716	147,789			15,362	1,349,259		
Total Member Ambulatory Encounters for Year:										
7. Physician	5,521,696	662,646	2,348,737	258,051			12,890	2,239,372		
8. Non-physician	712,531	85,509	303,086	33,299			1,663	288,974		
9. Totals	6,234,227	748,155	2,651,823	291,350	0	0	14,553	2,528,346	0	0
10. Hospital patient days incurred	244,688	14,507	51,419	2,295			282	176,185		
11. Number of inpatient admissions	43,073	3,343	11,850	529			65	27,286		
12. Health premiums written (b)	2,667,205,438	265,065,151	1,305,470,318	25,797,883			7,434,783	1,063,437,303		
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	2,661,318,869	263,122,118	1,304,661,635	25,797,883			7,434,783	1,060,302,450		
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	2,261,166,354	263,492,265	1,056,759,588	18,267,461			6,077,898	916,569,142		
18. Amount incurred for provision of health care services	2,350,935,685	277,726,573	1,107,441,334	18,905,422			6,077,898	940,784,458		

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....1,063,437,303

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance

NONE

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses
Accident and Health - Non-Affiliates - U.S. Non-Affiliates						
00000	AA-9990032	01/01/2016	Department of Health & Human Services	DC	15,460,647	
1999999.	Total - Accident and Health Non-Affiliates - U.S. Non-Affiliates				15,460,647	0
2199999.	Total - Accident and Health Non-Affiliates				15,460,647	0
2299999.	Total - Accident and Health				15,460,647	0
2399999.	Total U.S.				15,460,647	0
9999999.	Total				15,460,647	0

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	Outstanding Surplus Relief		13	14
										11	12		
NAIC Company Code	ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type of Reinsurance Ceded	Type of Business Ceded	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other Than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates													
10227	13-4924125	09/01/2015	Munich Reinsurance America, Inc.	NJ	SSL/A/I	CMM	561,250						
10227	13-4924125	09/01/2016	Munich Reinsurance America, Inc.	NJ	SSL/A/I	CMM	404,800						
00000	AA-9990032	01/01/2016	Department of Health & Human Services	DC	SSL/A/I	CMM	1,741,254						
0899999.	Total - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates						2,707,304	0	0	0	0	0	0
1099999.	Total - General Account - Authorized - Non-Affiliates						2,707,304	0	0	0	0	0	0
1199999.	Total - General Account - Authorized						2,707,304	0	0	0	0	0	0
3499999.	Total - General Account - Authorized, Unauthorized and Certified						2,707,304	0	0	0	0	0	0
6999999.	Total - U.S.						2,707,304	0	0	0	0	0	0
9999999.	Total						2,707,304	0	0	0	0	0	0

Sch. S - Pt. 4
NONE

Sch. S - Pt. 5
NONE

SCHEDULE S - PART 6

Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2016	2 2015	3 2014	4 2013	5 2012
A. OPERATIONS ITEMS					
1. Premiums	2,667	2,096	988	897	1,358
2. Title XVIII - Medicare	41	33	32	38	33
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. Total hospital and medical expenses	15,785	15,515	4,978	326	224
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable					
8. Reinsurance recoverable on paid losses	15,461	14,266	3,859	123	8
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances due					
11. Unauthorized reinsurance offset					
12. Offset for reinsurance with certified reinsurers					
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
13. Funds deposited by and withheld from (F)					
14. Letters of credit (L)					
15. Trust agreements (T)					
16. Other (O)					
D. REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)					
17. Multiple beneficiary trust					
18. Funds deposited by and withheld from (F)					
19. Letters of credit (L)					
20. Trust agreements (T)					
21. Other (O)					

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

		1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 12)	885,128,690	2,792,305	887,920,995
2.	Accident and health premiums due and unpaid (Line 15)	44,761,466		44,761,466
3.	Amounts recoverable from reinsurers (Line 16.1)	15,460,647		15,460,647
4.	Net credit for ceded reinsurance	XXX	(2,792,305)	(2,792,305)
5.	All other admitted assets (balance)	55,089,281		55,089,281
6.	Totals assets (Line 28)	1,000,440,084	0	1,000,440,084
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	238,325,871		238,325,871
8.	Accrued medical incentive pool and bonus payments (Line 2)	42,844,046		42,844,046
9.	Premiums received in advance (Line 8)	17,084,768		17,084,768
10.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount)			0
11.	Reinsurance in unauthorized companies (Line 20 minus inset amount)			0
12.	Reinsurance with certified reinsurers (Line 20 inset amount)			0
13.	Funds held under reinsurance treaties with certified reinsurers (Line 19 third inset amount)			0
14.	All other liabilities (balance)	127,692,343		127,692,343
15.	Total liabilities (Line 24)	425,947,028	0	425,947,028
16.	Total capital and surplus (Line 33)	574,493,055	XXX	574,493,055
17.	Total liabilities, capital and surplus (Line 34)	1,000,440,083	0	1,000,440,083
	NET CREDIT FOR CEDED REINSURANCE			
18.	Claims unpaid	0		
19.	Accrued medical incentive pool	0		
20.	Premiums received in advance	0		
21.	Reinsurance recoverable on paid losses	0		
22.	Other ceded reinsurance recoverables	(2,792,305)		
23.	Total ceded reinsurance recoverables	(2,792,305)		
24.	Premiums receivable	0		
25.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
26.	Unauthorized reinsurance	0		
27.	Reinsurance with certified reinsurers	0		
28.	Funds held under reinsurance treaties with certified reinsurers	0		
29.	Other ceded reinsurance payables/offsets	0		
30.	Total ceded reinsurance payables/offsets	0		
31.	Total net credit for ceded reinsurance	(2,792,305)		

SCHEDULE T - PART 2
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

	Direct Business Only					
States, Etc.	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama AL						0
2. Alaska AK						0
3. Arizona AZ						0
4. Arkansas AR						0
5. California CA						0
6. Colorado CO						0
7. Connecticut CT						0
8. Delaware DE						0
9. District of Columbia DC						0
10. Florida FL						0
11. Georgia GA						0
12. Hawaii HI						0
13. Idaho ID						0
14. Illinois IL						0
15. Indiana IN						0
16. Iowa IA						0
17. Kansas KS						0
18. Kentucky KY						0
19. Louisiana LA						0
20. Maine ME						0
21. Maryland MD						0
22. Massachusetts MA						0
23. Michigan MI						0
24. Minnesota MN						0
25. Mississippi MS						0
26. Missouri MO						0
27. Montana MT						0
28. Nebraska NE						0
29. Nevada NV						0
30. New Hampshire NH						0
31. New Jersey NJ						0
32. New Mexico NM						0
33. New York NY						0
34. North Carolina NC						0
35. North Dakota ND						0
36. Ohio OH						0
37. Oklahoma OK						0
38. Oregon OR						0
39. Pennsylvania PA						0
40. Rhode Island RI						0
41. South Carolina SC						0
42. South Dakota SD						0
43. Tennessee TN						0
44. Texas TX						0
45. Utah UT						0
46. Vermont VT						0
47. Virginia VA						0
48. Washington WA						0
49. West Virginia WV						0
50. Wisconsin WI						0
51. Wyoming WY						0
52. American Samoa AS						0
53. Guam GU						0
54. Puerto Rico PR						0
55. US Virgin Islands VI						0
56. Northern Mariana Islands MP						0
57. Canada CAN						0
58. Aggregate Other Alien OT						0
59. Totals	0	0	0	0	0	0

NONE

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 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 Is an SCA Filing Required? (Y/N)	16 *
Members															
3383	Priority Health	95561	38-2715520				Priority Health	MI		Spectrum Health System	Ownership	93.900	Spectrum Health System	N	1
										Munson HealthCare	Ownership	5.500		N	1
										Healthshare DBA The Healthshare Group	Ownership	0.600		N	1
3383	Priority Health	11520	32-0016523				Priority Health Choice, Inc.	MI	DS	Priority Health	Ownership	100.000	Spectrum Health System	N	
3383	Priority Health	12208	20-1529553				Priority Health Insurance Company	MI	DS	Priority Health	Ownership	100.000	Spectrum Health System	N	
3383	Priority Health		38-2715520				PHMB Properties, LLC	MI	DS	Priority Health	Ownership	100.000	Spectrum Health System	N	
3383	Priority Health		38-2663747				Trinity Health Plans	MI	DS	Priority Health	Ownership	100.000	Spectrum Health System	N	
3383	Priority Health		38-3085182				Priority Health Managed Benefits, Inc.	MI	NIA	Spectrum Health System	Ownership	100.000	Spectrum Health System	N	

Aster	Explanation
1	Spectrum Health Systems (EIN 38-3382353), Class A Shareholder - 93.9%; Munson Healthcare (EIN 38-1362830), Class B Shareholder - 5.5%; Healthshare (EIN 38-2146751), Class B Shareholder - 0.6%

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
12208	20-1529553	Priority Health Insurance Company					(17,818,926)				(17,818,926)	
	38-3085182	Priority Health Managed Benefits					213,317,413				213,317,413	
95561	38-2715520	Priority Health					(171,970,317)				(171,970,317)	
11520	32-0016523	Priority Health Choice, Inc.					(23,528,170)				(23,528,170)	
9999999.	Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED 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.

	MARCH FILING	Responses
1.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2.	Will an actuarial opinion be filed by March 1?	YES
3.	Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?	YES
4.	Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?	YES
	APRIL FILING	
5.	Will the Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Supplemental Investment Risk Interrogatories be filed by April 1?	YES
7.	Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES
	JUNE FILING	
8.	Will an audited financial report be filed by June 1?	YES
9.	Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES
	AUGUST FILING	
10.	Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1?	YES

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.

	MARCH FILING	
11.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	YES
12.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	NO
13.	Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	NO
14.	Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	NO
15.	Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
16.	Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
17.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	NO
18.	Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?	NO
19.	Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	NO
20.	Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	NO
	APRIL FILING	
21.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO
22.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	NO
23.	Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?	NO
24.	Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	YES
25.	Will the regulator-only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?	YES
	AUGUST FILING	
26.	Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	YES

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

EXPLANATIONS:

BAR CODE:

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12. The data for this supplement is not required to be filed.

13. The data for this supplement is not required to be filed.

14. The data for this supplement is not required to be filed.

15. The data for this supplement is not required to be filed.

16. The data for this supplement is not required to be filed.

17. The data for this supplement is not required to be filed.

18. The data for this supplement is not required to be filed.

19. The data for this supplement is not required to be filed.

20. The data for this supplement is not required to be filed.

21. The data for this supplement is not required to be filed.

22. The data for this supplement is not required to be filed.

23. The data for this supplement is not required to be filed.

24.

25.

26.

95561201620500000
95561201620700000
95561201642000000
95561201637100000
95561201637000000
95561201636500000
95561201622400000
95561201622500000
95561201622600000
95561201630600000
95561201621100000
95561201621300000

Overflow Page for Write-Ins

Additional Write-ins for Underwriting and Investment Exhibit-Part 3:

	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	3 General Administrative Expenses	4 Investment Expenses	5 Total
2504. Other Corporate Management Fee	208,051	214,701	488,155		910,907
2597. Summary of remaining write-ins for Line 25	208,051	214,701	488,155	0	910,907

Overflow Page for Write-Ins

NONE

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2016
(To Be Filed by March 1)
FOR THE STATE OF.....Michigan

NAIC Group Code.....3383
Address (City, State and Zip Code).....Grand Rapids, MI 49525
Person Completing This Exhibit.....Rachel Brandon

NAIC Company Code.....95561

Title.....Senior Financial Analyst.....Telephone Number.....(616)464-8205

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2013				Policies Issued in 2014, 2015 & 2016			
										11	Incurred Claims		14	15	Incurred Claims		18
											12	13			16	17	
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives
Individual Policies																	
.....Yes.....	1955.....	A.....	.....NO.....	....234.....	.12/02/2009	.....	.....	.05/31/2010	Priority Health Medigap Plan A.....	.....	.....	.....0.0	.....	.....	.....	.....0.0	.....
.....Yes.....	1956.....	C.....	.....NO.....	....234.....	.12/02/2009	.....	.....	.05/31/2010	Priority Health Medigap Plan C.....	.....	.....	.....0.0	.....	.....	.....	.....0.0	.....
.....Yes.....	1957.....	F.....	.....NO.....	....234.....	.12/02/2009	.....	.....	.05/31/2010	Priority Health Medigap Plan F.....	.....	.....	.....0.0	.....	.....	.....	.....0.0	.....
.....Yes.....	4996-12.....	A.....	.....NO.....	....234.....	.10/06/2011	.....	.....	.....	Priority Health Medigap Plan A.....	.....	.....	.....0.0	.....	55,870	21,529	.....38.5	41
.....Yes.....	4997-12.....	D.....	.....NO.....	....234.....	.10/06/2011	.....	.....	.....	Priority Health Medigap Plan D.....	.....	.....	.....0.0	.....	152,271	96,843	.....63.6	73
.....Yes.....	4998-12.....	F.....	.....NO.....	....234.....	.10/06/2011	.....	.....	.....	Priority Health Medigap Plan F.....	.....	.....	.....0.0	.....	21,113,309	15,777,857	.....74.7	9,938
.....Yes.....	4999-12.....	N.....	.....NO.....	....234.....	.10/06/2011	.....	.....	.....	Priority Health Medigap Plan N.....	.....	.....	.....0.0	.....	1,227,805	646,152	.....52.6	868
.....Yes.....	5000-15.....	G.....	.....NO.....	....234.....	.09/18/2014	.....	.....	.....	Priority Health Medigap Plan G.....	.....	.....	.....0.0	.....	3,248,628	2,363,041	.....72.7	2,336
0199999.	Total Policy Experience on Individual Policies.....									0	0	.....0.0	0	25,797,883	18,905,422	.....73.3	13,256

360

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details.....

2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
   2.1 Address.....
   2.2 Contact person and phone number.....
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
   3.1 Address.....
   3.2 Contact person and phone number.....
4. Explain any policies identified as policy type "O".

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