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ANNUAL STATEMENT

For the Year Ended December 31, 2014

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 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..... 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	Nicholas Alan Rodammer *(Name)*	616-464-8837 *(Area Code) (Telephone Number) (Extension)*
	nick.rodammer@priorityhealth.com *(E-Mail Address)*	616-942-7916 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Michael P Freed	President / Chief Executive Officer	2. Mary Anne Jones	Treasurer / Chief Financial Officer
3. Kimberly L Thomas	Secretary	4.	

OTHER

DIRECTORS OR TRUSTEES

Richard C Breon	Georgia R Fojtasek	Michael P Freed	Rajesh U Kothari
Lynne Liddle	Christina MacInnes	Edward M Millermaier	Edwin Ness
Kathleen S Ponitz	Paul Saginaw	Thomas G Schwaderer	Hilary Snell
James J Stephanak	Michael Sytsma	Gary W Timmer	Bruce Ullery
Jody D Vanderwel	Michael Vredenburg	Wendy H Walker	Samuel L Wanner

State of..... Michigan
County of..... Kent

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)
Michael P Freed	Mary Anne Jones	Kimberly L 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 _____ 2015

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	1,157,272	209,057		500,698	500,698	1,366,329
State of Micihgan Public School Retirees	6,084,052	101,791				6,185,843
0299997. Group subscribers subtotal	6,084,052	101,791	0	0	0	6,185,843
0299998. Premiums due and unpaid not individually listed	8,994,634	979,011	60	1,250,357	1,250,357	9,973,705
0299999. Total group	15,078,686	1,080,802	60	1,250,357	1,250,357	16,159,548
0599999. Accident and health premiums due and unpaid (Page 2, Line 15)	16,235,958	1,289,859	60	1,751,055	1,751,055	17,525,877

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	2,558,709	2,558,709	2,558,709	1,866,298	1,866,298	7,676,127
Magellan	531,402	531,402	531,402	387,600	387,600	1,594,206
0199999. Total Pharmaceutical Rebate Receivables	3,090,111	3,090,111	3,090,111	2,253,898	2,253,898	9,270,333
Claim Overpayment Receivables						
0299998. Claim Overpayment Receivables Not Listed Individually	323,740	335,163	148,031			806,934
0299999. Total Claim Overpayment Receivables	323,740	335,163	148,031	0	0	806,934
Other Receivables						
Munson Medical Center	1,604,396					1,604,396
0699998. Other Receivables Not Listed Individually	16,705	16,705	16,705			50,115
0699999. Total Other Receivables	1,621,101	16,705	16,705	0	0	1,654,511
0799999. Gross Health Care Receivables	5,034,952	3,441,979	3,254,847	2,253,898	2,253,898	11,731,778

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	8,952,481	24,203,822		11,524,231	8,952,481	8,048,484
2. Claim overpayment receivables	543,547			806,934	543,547	543,548
3. Loans and advances to providers					0	
4. Capitation arrangement receivables					0	
5. Risk sharing receivables					0	
6. Other health care receivables	68,934			1,654,510	68,934	68,934
7. Totals (Lines 1 through 6)	9,564,962	24,203,822	0	13,985,675	9,564,962	8,660,966

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	2,415,028					2,415,028
0399999. Aggregate accounts not individually listed - covered	45,233,813					45,233,813
0499999. Subtotals	47,648,841	0	0	0	0	47,648,841
0599999. Unreported claim and other claim reserves						107,150,587
0699999. Total amounts withheld						30,503
0799999. Total claims unpaid						154,829,931
0899999. Accrued medical incentive pool and bonus amounts						27,960,776

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							
Spectrum Health	15,020,748			181,250	181,250	15,020,748	
Priority Health Insurance Company	4,772,011					4,772,011	
0199999. Individually listed receivables	19,792,759	0	0	181,250	181,250	19,792,759	0
0299999. Receivables not individually listed	3,967,822					3,967,822	
0399999. Total gross amounts receivable	23,760,581	0	0	181,250	181,250	23,760,581	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				
Spectrum Health System	Premium	15,491,126	15,491,126	
Spectrum Health System	Premium Risk Share	5,726,227	5,726,227	
Priority Health Managed Benefits	Trade	5,757,147	5,757,147	
0199999. Individually listed payables		26,974,500	26,974,500	0
0299999. Payables not individually listed		1,848,902	1,848,902	
0399999. Total gross payables		28,823,402	28,823,402	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	23,535	0.0			23,535	
2. Intermediaries	0	0.0				
3. All other providers	15,588,157	0.9			15,588,157	
4. Total capitation payments	15,611,692	0.9	0		15,611,692	0
Other Payments:						
5. Fee-for-service	68,189,945	4.1	XXX	XXX		68,189,945
6. Contractual fee payments	1,062,233,051	63.3	XXX	XXX	1,062,233,051	
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	532,209,049	31.7	XXX	XXX	532,209,049	
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	1,662,632,045	99.1	XXX	XXX	1,594,442,100	68,189,945
13. Total (Line 4 plus Line 12)	1,678,243,737	100.0	XXX	XXX	1,610,053,792	68,189,945

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	1,734,207		1,420,153	314,054	314,054	0
2. Medical furniture, equipment and fixtures						0
3. Pharmaceuticals and surgical supplies						0
4. Durable medical equipment						0
5. Other property and equipment	43,748,613		42,522,050	2,646,716	2,646,716	0
6. Total	45,482,820	0	43,942,203	2,960,770	2,960,770	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	362,130	929	273,178	6,910				81,113		
2. First quarter	363,581	4,052	264,848	7,168				87,513		
3. Second quarter	365,232	6,876	262,248	7,367				88,741		
4. Third quarter	363,726	7,097	258,683	7,770				90,176		
5. Current year	363,036	7,270	256,573	8,014				91,179		
6. Current year member months	4,358,026	69,861	3,130,585	89,617				1,067,963		
Total Member Ambulatory Encounters for Year:										
7. Physician	4,155,176	50,069	2,243,687	148,426				1,712,994		
8. Non-physician	564,691	6,804	304,919	20,171				232,797		
9. Totals	4,719,867	56,873	2,548,606	168,597	0	0	0	1,945,791	0	0
10. Hospital patient days incurred	214,516	1,073	48,085	1,376				163,982		
11. Number of inpatient admissions	34,668	260	11,673	334				22,401		
12. Health premiums written (b)	1,982,411,480	23,938,819	1,153,019,510	15,665,743				789,787,408		
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	1,981,391,839	23,610,443	1,152,374,548	15,662,158				789,744,690		
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	1,678,243,736	23,134,092	954,397,077	11,415,030				689,297,537		
18. Amount incurred for provision of health care services	1,692,189,164	29,403,019	950,335,841	12,055,704				700,394,600		

(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 $.....0

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Priority Health 2. Grand Rapids, MI

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
		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	362,130	929	273,178	6,910				81,113		
2. First quarter	363,581	4,052	264,848	7,168				87,513		
3. Second quarter	365,232	6,876	262,248	7,367				88,741		
4. Third quarter	363,726	7,097	258,683	7,770				90,176		
5. Current year	363,036	7,270	256,573	8,014				91,179		
6. Current year member months	4,358,026	69,861	3,130,585	89,617				1,067,963		
Total Member Ambulatory Encounters for Year:										
7. Physician	4,155,176	50,069	2,243,687	148,426				1,712,994		
8. Non-physician	564,691	6,804	304,919	20,171				232,797		
9. Totals	4,719,867	56,873	2,548,606	168,597	0	0	0	1,945,791	0	0
10. Hospital patient days incurred	214,516	1,073	48,085	1,376				163,982		
11. Number of inpatient admissions	34,668	260	11,673	334				22,401		
12. Health premiums written (b)	1,982,411,480	23,938,819	1,153,019,510	15,665,743				789,787,408		
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	1,981,391,839	23,610,443	1,152,374,548	15,662,158				789,744,690		
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	1,678,243,736	23,134,092	954,397,077	11,415,030				689,297,537		
18. Amount incurred for provision of health care services	1,692,189,164	29,403,019	950,335,841	12,055,704				700,394,600		

(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 $.....0

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						
10227	13-4924125	09/01/2013	Munich Reinsurance America, Inc.	NJ	2,269	
		01/01/2014	Department of Health and Human Services		3,443,006	413,408
1999999.	Total - Accident and Health Non-Affiliates - U.S. Non-Affiliates				3,445,275	413,408
2199999.	Total - Accident and Health Non-Affiliates				3,445,275	413,408
2299999.	Total - Accident and Health				3,445,275	413,408
2399999.	Total U.S.				3,445,275	413,408
9999999.	Total				3,445,275	413,408

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	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	09/01/2013	Munich Reinsurance America, Inc.	NJ	SSL/A/I		704,479						
		01/01/2014	Department of Health and Human Services				315,162						
0899999.	Total - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates						1,019,641	0	0	0	0	0	0
1099999.	Total - General Account - Authorized - Non-Affiliates						1,019,641	0	0	0	0	0	0
1199999.	Total - General Account - Authorized						1,019,641	0	0	0	0	0	0
3499999.	Total - General Account - Authorized, Unauthorized and Certified						1,019,641	0	0	0	0	0	0
6999999.	Total - U.S.						1,019,641	0	0	0	0	0	0
9999999.	Total						1,019,641	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 2014	2 2013	3 2012	4 2011	5 2010
A. OPERATIONS ITEMS					
1. Premiums	988	897	1,358	1,419	1,602
2. Title XVIII - Medicare	32	38	33	54	43
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. Total hospital and medical expenses	4,978	326	224	394	132
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable					
8. Reinsurance recoverable on paid losses	3,859	123	8	58	
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				XXX	XXX
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				XXX	XXX
18. Funds deposited by and withheld from (F)				XXX	XXX
19. Letters of credit (L)				XXX	XXX
20. Trust agreements (T)				XXX	XXX
21. Other (O)				XXX	XXX

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)	675,183,704	1,019,641	676,203,345
2.	Accident and health premiums due and unpaid (Line 15)	17,525,877		17,525,877
3.	Amounts recoverable from reinsurers (Line 16.1)	3,858,683		3,858,683
4.	Net credit for ceded reinsurance	XXX	(1,019,641)	(1,019,641)
5.	All other admitted assets (balance)	50,049,502		50,049,502
6.	Totals assets (Line 28)	746,617,766	0	746,617,766
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	154,829,931		154,829,931
8.	Accrued medical incentive pool and bonus payments (Line 2)	27,960,776		27,960,776
9.	Premiums received in advance (Line 8)	15,659,691		15,659,691
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)	77,579,230		77,579,230
15.	Total liabilities (Line 24)	276,029,628	0	276,029,628
16.	Total capital and surplus (Line 33)	470,588,138	XXX	470,588,138
17.	Total liabilities, capital and surplus (Line 34)	746,617,766	0	746,617,766
	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	(1,019,641)		
23.	Total ceded reinsurance recoverables	(1,019,641)		
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	(1,019,641)		

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 *
Members														
3383	Priority Health	95561	38-2715520				Priority Health	MI		Spectrum Health System	Ownership	93.900	Spectrum Health System	1
										Munson HealthCare	Ownership	5.500		1
										Healthshare DBA The Healthshare Group	Ownership	0.600		1
3383	Priority Health	11520	32-0016523				Priority Health Choice, Inc.	MI	DS	Priority Health	Ownership	100.000	Spectrum Health System	
3383	Priority Health	12208	20-1529553				Priority Health Insurance Company	MI	DS	Priority Health	Ownership	100.000	Spectrum Health System	
3383	Priority Health		38-2715520				PHMB Properties, LLC	MI	DS	Priority Health	Ownership	100.000	Spectrum Health System	
3383	Priority Health		38-2663747				Trinity Health Plans	MI	DS	Priority Health	Ownership	100.000	Spectrum Health System	
3383	Priority Health		38-3085182				Priority Health Managed Benefits, Inc.	MI	NIA	Spectrum Health System	Ownership	100.000	Spectrum Health System	

Asterisk	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					(18,025,402)				(18,025,402)	
	38-3085182	Priority Health Managed Benefits					164,769,907				164,769,907	
95561	38-2715520	Priority Health					(129,452,818)				(129,452,818)	
11520	32-0016523	Priority Health Government Programs					(17,291,687)				(17,291,687)	
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 Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile 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 partners 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:

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BAR CODE:

95561201420500000
95561201420700000
95561201442000000
95561201437100000
95561201437000000
95561201436500000
95561201422400000
95561201422500000
95561201422600000
95561201430600000
95561201421100000
95561201421300000

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	189,203	275,402	523,916		988,521
2597. Summary of remaining write-ins for Line 25	189,203	275,402	523,916	0	988,521

Overflow Page for Write-Ins

NONE

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2014
(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.....Nicholas Rodammer

NAIC Company Code.....95561

Title.....Senior Financial Analyst.....Telephone Number.....(616) 464-8837

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2011				Policies Issued in 2012, 2013 & 2014			
										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.....	2565.....	A.....	.....NO.....	....234.....	.10/06/2011	.....	.....	.....	Priority Health Medigap Plan A.....	.....	.....	.....0.0	.....	24,674	676,498	.....2,741.7	19
.....Yes.....	2566.....	D.....	.....NO.....	....234.....	.10/06/2011	.....	.....	.....	Priority Health Medigap Plan D.....	.....	.....	.....0.0	.....	62,734	38,028	.....60.6	42
.....Yes.....	2567.....	F.....	.....NO.....	....234.....	.10/06/2011	.....	.....	.....	Priority Health Medigap Plan F.....	.....	.....	.....0.0	.....	15,103,862	11,126,960	.....73.7	7,640
.....Yes.....	2568.....	N.....	.....NO.....	....234.....	.10/06/2011	.....	.....	.....	Priority Health Medigap Plan N.....	.....	.....	.....0.0	.....	470,888	214,218	.....45.5	313
0199999.	Total Policy Experience on Individual Policies.....									0	0	.....0.0	0	15,662,158	12,055,704	.....77.0	8,014

N/A

N/A

360

GENERAL INTERROGATORIES

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

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".
   N/A

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