



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2013  
OF THE CONDITION AND AFFAIRS OF THE

## Humana Health Plan, Inc.

NAIC Group Code 0119 0119 NAIC Company Code 95885 Employer's ID Number 61-1013183  
(Current) (Prior)

Organized under the Laws of Kentucky, State of Domicile or Port of Entry Kentucky

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [  ] No [  ]

Incorporated/Organized 08/23/1982 Commenced Business 09/23/1983

Statutory Home Office 321 West Main Street - 12th Floor, Louisville, KY, US 40202  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 321 West Main Street - 12th Floor  
(Street and Number)  
Louisville, KY, US 40202, 502-580-1000  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 740036, Louisville, KY, US 40201-7436  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 321 West Main Street - 12th Floor  
(Street and Number)  
Louisville, KY, US 40202, 502-580-1000  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.humana.com

Statutory Statement Contact Elizabeth Young, 502-580-3025  
(Name) (Area Code) (Telephone Number)  
DOIINQUIRIES@humana.com, 502-580-2099  
(E-mail Address) (FAX Number)

### OFFICERS

President & CEO Bruce Dale Broussard Sr. VP, CFO & Treasurer James Harry Bloem-Resigned 12/31/2013  
VP & Corporate Secretary Joan Olliges Lenahan Appointed Actuary Jonathan Albert Canine

### OTHER

<u>Randa Lynn Anderson-Stice Reg.Pres. - Sr. Prod/Central Reg.</u>	<u>Brendan Andrew Baker # Reg.Pres.-Sr.Prod/Desert Pacific Region</u>	<u>George Grant Bauernfeind Vice President</u>
<u>Elizabeth Diane Bierbower Pres., Employer Group Segment</u>	<u>Jeffrey Bergin Bringardner Market President - Kentucky</u>	<u>John Ellis Brown VP - Medicare Service Operations</u>
<u>John Gregory Catron VP &amp; Chief Compliance Officer</u>	<u>Steven James DeRaleau # President, HumanaONE</u>	<u>Peter James Edwards VP-HealthcareServicesSegment</u>
<u>Mark Sobhi El-Tawil VP &amp; Div. Leader - Western Div.</u>	<u>Jeffrey Carl Fernandez Reg.Pres.-Sr.Prod/Gulf States Reg</u>	<u>Roy Goldman Ph.D VP &amp; Chief Actuary</u>
<u>Gary Edward Goldstein M.D. VP &amp; Div. Leader - Central Div.</u>	<u>Paul Francis Kraemer Regional CEO - East Region</u>	<u>Charles Frederic Lambert III Vice President</u>
<u>Brian Phillip LeClaire Sr.VP&amp;Chief Service&amp;Info Officer</u>	<u>Thomas Joseph Liston President, Retail Segment</u>	<u>Clarence Evans Looney Market President - Tennessee</u>
<u>Kenneth Scott Malcolmson Regional CEO - West Region</u>	<u>Heidi Suzanne Margulis Sr. Vice President</u>	<u>Kevin Ross Meriwether VP &amp; Div. Leader - Eastern Div.</u>
<u>Daniel Joseph Oftedahl Market President - Great Plains</u>	<u>Timothy Patrick O'Rourke RegPres-SrProd/Great Lakes Reg</u>	<u>Bruce Devereau Perkins Pres.,Healthcare Services Seg.</u>
<u>Bruno Roger Piquin # VP &amp; Div. Leader - Northern Div.</u>	<u>Richard Donald Remmers VP, Employer Group Segment</u>	<u>George Renaudin VP &amp; Div. Leader - Southern Div.</u>
<u>Oraida Maria Roman RegPresSrProd/IntermountainReg</u>	<u>Larry Dale Savage Regional CEO - Midwest Region</u>	<u>Debra Anne Smith VP-Sr.Prod Strategy &amp; Prod Dev</u>
<u>Praveen Gope Thadani # Market President - Illinois</u>	<u>Pattie Dale Tye President, Large Group</u>	<u>Joseph Christopher Ventura Assistant Corporate Secretary</u>
<u>Timothy Alan Wheatley VP - Senior Products</u>	<u>Ralph Martin Wilson Vice President</u>	

### DIRECTORS OR TRUSTEES

James Harry Bloem-Resigned 12/31/2013 Bruce Dale Broussard James Elmer Murray

State of Kentucky SS:  
County of Jefferson

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.

\_\_\_\_\_  
Bruce Dale Broussard  
President & CEO

\_\_\_\_\_  
Joan Olliges Lenahan  
VP & Corporate Secretary

\_\_\_\_\_  
Alan James Bailey  
Assistant Treasurer

Subscribed and sworn to before me this  
\_\_\_\_ 21st \_\_\_\_\_ day of \_\_\_\_\_ February 2014 \_\_\_\_\_

- 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.....

\_\_\_\_\_  
Michele Sizemore  
Notary Public  
January 3, 2015

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	570,084,505	0	570,084,505	468,096,042
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0	0	0	0
2.2 Common stocks .....	29,233,357	0	29,233,357	31,508,729
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	27,600,000	0	27,600,000	27,600,000
3.2 Other than first liens .....	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....0 encumbrances) .....	0	0	0	0
4.2 Properties held for the production of income (less \$ .....0 encumbrances) .....	0	0	0	0
4.3 Properties held for sale (less \$ .....0 encumbrances) .....	0	0	0	0
5. Cash (\$ .....(21,831,151) , Schedule E - Part 1), cash equivalents (\$ .....54,997,206 , Schedule E - Part 2) and short-term investments (\$ .....11,064,752 , Schedule DA) .....	44,230,807	0	44,230,807	21,576,719
6. Contract loans, (including \$ .....0 premium notes) .....	0	0	0	0
7. Derivatives (Schedule DB) .....	0	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0	0
9. Receivables for securities .....	1,700,000	0	1,700,000	0
10. Securities lending reinvested collateral assets (Schedule DL) .....	0	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	672,848,669	0	672,848,669	548,781,490
13. Title plants less \$ .....0 charged off (for Title insurers only) .....	0	0	0	0
14. Investment income due and accrued .....	4,642,733	0	4,642,733	4,168,134
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	21,161,860	1,201,407	19,960,453	15,361,821
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....0 earned but unbilled premiums) .....	0	0	0	0
15.3 Accrued retrospective premiums .....	49,427,462	0	49,427,462	24,985,232
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	0	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	1,619,057	0	1,619,057	0
17. Amounts receivable relating to uninsured plans .....	19,271,461	127,765	19,143,696	17,986,955
18.1 Current federal and foreign income tax recoverable and interest thereon .....	25,199,601	0	25,199,601	10,200,662
18.2 Net deferred tax asset .....	70,870,163	70,870,163	0	9,073,246
19. Guaranty funds receivable or on deposit .....	0	0	0	0
20. Electronic data processing equipment and software .....	190,267	166,142	24,125	88,910
21. Furniture and equipment, including health care delivery assets (\$ .....0 ) .....	5,219,435	5,219,435	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0	0
24. Health care (\$ .....16,851,571 ) and other amounts receivable .....	38,105,880	19,345,347	18,760,533	14,562,349
25. Aggregate write-ins for other than invested assets .....	108,041,787	108,020,683	21,104	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	1,016,598,375	204,950,942	811,647,433	645,208,799
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0	0
28. Total (Lines 26 and 27) .....	1,016,598,375	204,950,942	811,647,433	645,208,799
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
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. Goodwill .....	80,261,152	80,261,152	0	0
2502. Prepaid Commissions .....	25,077,808	25,077,808	0	0
2503. Deposits .....	2,252,358	2,252,358	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	450,469	429,365	21,104	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	108,041,787	108,020,683	21,104	0

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 11,912,148 reinsurance ceded)	288,399,912	30,761,113	319,161,025	248,969,854
2. Accrued medical incentive pool and bonus amounts	142,557	0	142,557	1,387,294
3. Unpaid claims adjustment expenses	5,862,896	0	5,862,896	4,620,707
4. Aggregate health policy reserves, including the liability of \$ 8,633,808 for medical loss ratio rebate per the Public Health Service Act	28,696,828	0	28,696,828	33,851,417
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserves	0	0	0	0
7. Aggregate health claim reserves	145,483	15,517	161,000	205,000
8. Premiums received in advance	10,334,806	0	10,334,806	14,143,527
9. General expenses due or accrued	7,889,368	0	7,889,368	10,658,735
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized capital gains (losses))	0	0	0	0
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	409,836	0	409,836	167,352
12. Amounts withheld or retained for the account of others	0	0	0	20,044
13. Remittance and items not allocated	3,140,938	0	3,140,938	2,528,969
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	28,320,214	0	28,320,214	979,245
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers, \$ 10,874,684 unauthorized reinsurers and \$ 0 certified reinsurers)	10,874,684	0	10,874,684	0
20. Reinsurance in unauthorized and certified (\$ 0 ) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	17,258,524	0	17,258,524	15,310,174
23. Aggregate write-ins for other liabilities (including \$ 150,584 current)	150,584	0	150,584	4,424,705
24. Total liabilities (Lines 1 to 23)	401,626,630	30,776,630	432,403,260	337,267,023
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	2,248,000	2,248,000
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	606,255,377	476,255,377
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(229,259,204)	(170,561,601)
32. Less treasury stock, at cost:				
32.1 0 shares common (value included in Line 26 \$ 0 )	XXX	XXX	0	0
32.2 0 shares preferred (value included in Line 27 \$ 0 )	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	379,244,173	307,941,776
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	811,647,433	645,208,799
<b>DETAILS OF WRITE-INS</b>				
2301. Medicare Risk Adjustment Premium Payable	150,584	0	150,584	4,146,938
2302. Deferred Lease Credits	0	0	0	271,348
2303. Accrued Other	0	0	0	6,419
2308. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2309. Totals (Lines 2301 thru 2303 plus 2308)(Line 23 above)	150,584	0	150,584	4,424,705
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
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	0	0
3001. ....	XXX	XXX	0	0
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
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		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	6,847,876	5,619,511
2. Net premium income ( including \$ .....0 non-health premium income).....	XXX	3,683,105,426	3,000,472,810
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	11,143,941	(8,163,449)
4. Fee-for-service (net of \$ .....0 medical expenses).....	XXX	0	0
5. Risk revenue.....	XXX	0	0
6. Aggregate write-ins for other health care related revenues.....	XXX	0	2,427
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	3,694,249,367	2,992,311,788
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits.....	294,856,264	2,805,528,785	2,226,427,949
10. Other professional services.....	0	14,901,186	4,769,587
11. Outside referrals.....	0	0	0
12. Emergency room and out-of-area.....	11,331,388	105,226,956	62,910,575
13. Prescription drugs.....	0	335,259,841	265,180,000
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments, and bonus amounts.....	0	(737,746)	476,197
16. Subtotal (Lines 9 to 15).....	306,187,652	3,260,179,022	2,559,764,308
<b>Less:</b>			
17. Net reinsurance recoveries.....	0	81,908,122	443
18. Total hospital and medical (Lines 16 minus 17).....	306,187,652	3,178,270,900	2,559,763,865
19. Non-health claims (net).....	0	0	0
20. Claims adjustment expenses, including \$ .....146,574,725 cost containment expenses.....	0	173,071,151	168,321,705
21. General administrative expenses.....	0	421,461,917	302,032,654
22. Increase in reserves for life and accident and health contracts (including \$ .....0 increase in reserves for life only).....	0	(1,429,861)	12,001,855
23. Total underwriting deductions (Lines 18 through 22).....	306,187,652	3,771,374,107	3,042,120,079
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	(77,124,740)	(49,808,291)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	0	17,392,542	14,654,432
26. Net realized capital gains (losses) less capital gains tax of \$ .....608,036.....	0	1,129,210	1,273,183
27. Net investment gains (losses) (Lines 25 plus 26).....	0	18,521,752	15,927,615
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ .....0 ) (amount charged off \$ .....0 )].....	0	0	0
29. Aggregate write-ins for other income or expenses.....	0	218,201	9,818
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	(58,384,787)	(33,870,858)
31. Federal and foreign income taxes incurred.....	XXX	(19,857,862)	(4,979,093)
32. Net income (loss) (Lines 30 minus 31).....	XXX	(38,526,925)	(28,891,765)
<b>DETAILS OF WRITE-INS</b>			
0601. Other Healthcare Revenue.....	XXX	0	2,427
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above).....	XXX	0	2,427
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above).....	XXX	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above).....	0	0	0
2901. Miscellaneous Income.....	0	218,201	9,818
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above).....	0	218,201	9,818

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year.....	307,941,776	265,477,101
34. Net income or (loss) from Line 32.....	(38,526,925)	(28,891,765)
35. Change in valuation basis of aggregate policy and claim reserves.....	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ ..... (2,242,663) .....	(70,139)	553,953
37. Change in net unrealized foreign exchange capital gain or (loss).....	0	0
38. Change in net deferred income tax.....	2,873,013	1,103,584
39. Change in nonadmitted assets.....	(22,971,125)	4,748,039
40. Change in unauthorized and certified reinsurance.....	0	0
41. Change in treasury stock.....	0	0
42. Change in surplus notes.....	0	0
43. Cumulative effect of changes in accounting principles.....	0	1,846,160
44. Capital Changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....	0	0
45. Surplus adjustments:		
45.1 Paid in.....	130,000,000	60,000,000
45.2 Transferred to capital (Stock Dividend).....	0	0
45.3 Transferred from capital.....	0	0
46. Dividends to stockholders.....	0	0
47. Aggregate write-ins for gains or (losses) in surplus.....	(2,427)	3,104,704
48. Net change in capital and surplus (Lines 34 to 47).....	71,302,397	42,464,675
49. Capital and surplus end of reporting period (Line 33 plus 48)	379,244,173	307,941,776
<b>DETAILS OF WRITE-INS</b>		
4701. Correction of Prior Period.....	(2,427)	2,425,099
4702. Tax Correction.....	0	679,605
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	(2,427)	3,104,704

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	3,650,513,213	3,002,479,496
2. Net investment income .....	22,189,509	18,142,414
3. Miscellaneous income .....	0	2,427
4. Total (Lines 1 through 3) .....	3,672,702,722	3,020,624,337
5. Benefit and loss related payments .....	3,129,631,021	2,507,693,751
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	596,266,960	472,198,963
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ .....380,641 tax on capital gains (losses) .....	(4,250,889)	977,615
10. Total (Lines 5 through 9) .....	3,721,647,092	2,980,870,329
11. Net cash from operations (Line 4 minus Line 10) .....	(48,944,370)	39,754,008
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	205,852,058	106,023,522
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	6,728	(2,306)
12.7 Miscellaneous proceeds .....	0	1
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	205,858,786	106,021,217
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	311,419,000	222,516,064
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	1,700,000	2
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	313,119,000	222,516,066
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(107,260,214)	(116,494,849)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	130,000,000	60,000,000
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	48,858,672	(614,426)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	178,858,672	59,385,574
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	22,654,088	(17,355,267)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	21,576,719	38,931,986
19.2 End of year (Line 18 plus Line 19.1) .....	44,230,807	21,576,719

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

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ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	3,683,105,426	759,108,447	0	4,807,518	1,069,103	122,733,831	2,793,721,631	1,619,057	45,839	0
2. Change in unearned premium reserves and reserve for rate credit	11,143,941	11,177,061	0	0	0	0	(33,120)	0	0	0
3. Fee-for-service (net of \$ 0 medical expenses)	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	3,694,249,367	770,285,508	0	4,807,518	1,069,103	122,733,831	2,793,688,511	1,619,057	45,839	0
8. Hospital/medical benefits	2,805,528,785	460,310,491	(326)	0	0	95,505,942	2,183,899,082	65,813,054	542	XXX
9. Other professional services	14,901,186	499,968	0	3,159,628	780,762	43,898	3,658,801	6,759,185	(1,056)	XXX
10. Outside referrals	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area	105,226,956	44,294,640	0	0	0	0	60,932,316	0	0	XXX
12. Prescription drugs	335,259,841	101,209,245	0	0	0	15,241,720	209,472,667	9,336,209	0	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	(737,746)	0	0	0	0	0	(737,746)	0	0	XXX
15. Subtotal (Lines 8 to 14)	3,260,179,022	606,314,344	(326)	3,159,628	780,762	110,791,560	2,457,225,120	81,908,448	(514)	XXX
16. Net reinsurance recoveries	81,908,122	0	(326)	0	0	0	0	81,908,448	0	XXX
17. Total medical and hospital (Lines 15 minus 16)	3,178,270,900	606,314,344	0	3,159,628	780,762	110,791,560	2,457,225,120	0	(514)	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 146,574,725 cost containment expenses	173,071,151	41,656,447	0	78,652	1,902	2,090,254	128,277,889	17,414	948,593	0
20. General administrative expenses	421,461,917	112,629,107	0	1,123,901	176,664	6,104,488	267,009,983	(452,283)	34,870,057	0
21. Increase in reserves for accident and health contracts	(1,429,861)	(1,429,861)	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	3,771,374,107	759,170,037	0	4,362,181	959,328	118,986,302	2,852,512,992	(434,869)	35,818,136	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	(77,124,740)	11,115,471	0	445,337	109,775	3,747,529	(58,824,481)	2,053,926	(35,772,297)	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	760,183,399	0	1,074,952	759,108,447
2. Medicare Supplement .....	857	0	857	0
3. Dental only .....	4,807,518	0	0	4,807,518
4. Vision only .....	1,069,103	0	0	1,069,103
5. Federal Employees Health Benefits Plan .....	122,840,544	0	106,713	122,733,831
6. Title XVIII - Medicare .....	2,793,830,774	0	109,143	2,793,721,631
7. Title XIX - Medicaid .....	88,223,650	0	86,604,593	1,619,057
8. Other health .....	45,839	0	0	45,839
9. Health subtotal (Lines 1 through 8) .....	3,771,001,684	0	87,896,258	3,683,105,426
10. Life .....	0	0	0	0
11. Property/casualty .....	0	0	0	0
12. Totals (Lines 9 to 11)	3,771,001,684	0	87,896,258	3,683,105,426

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - CLAIMS INCURRED DURING THE YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	3,186,740,496	605,962,651	.0	3,111,300	780,762	110,470,586	2,395,992,048	69,996,300	426,849	.0
1.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded	69,996,300	.0	.0	.0	.0	.0	.0	69,996,300	.0	.0
1.4 Net	3,116,744,196	605,962,651	.0	3,111,300	780,762	110,470,586	2,395,992,048	.0	426,849	.0
2. Paid medical incentive pools and bonuses	506,992	.0	.0	.0	.0	.0	506,992	.0	.0	.0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	331,073,173	59,567,652	.0	217,551	.0	10,577,847	248,797,975	11,912,148	.0	.0
3.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded	11,912,148	.0	.0	.0	.0	.0	.0	11,912,148	.0	.0
3.4 Net	319,161,025	59,567,652	.0	217,551	.0	10,577,847	248,797,975	.0	.0	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	161,000	161,000	.0	.0	.0	.0	.0	.0	.0	.0
4.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	161,000	161,000	.0	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year	142,557	1,963	.0	.0	.0	.0	140,594	.0	.0	.0
6. Net healthcare receivables (a)	7,882,721	1,095,798	.0	.0	.0	(855,085)	7,215,262	.0	426,746	.0
7. Amounts recoverable from reinsurers December 31, current year	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	248,970,180	58,076,161	326	169,223	.0	11,111,958	179,611,895	.0	617	.0
8.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded	326	.0	326	.0	.0	.0	.0	.0	.0	.0
8.4 Net	248,969,854	58,076,161	.0	169,223	.0	11,111,958	179,611,895	.0	617	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	205,000	205,000	.0	.0	.0	.0	.0	.0	.0	.0
9.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.4 Net	205,000	205,000	.0	.0	.0	.0	.0	.0	.0	.0
10. Accrued medical incentive pools and bonuses, prior year	1,387,295	1,963	.0	.0	.0	.0	1,385,332	.0	.0	.0
11. Amounts recoverable from reinsurers December 31, prior year	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Incurred Benefits:										
12.1 Direct	3,260,916,768	606,314,344	(326)	3,159,628	780,762	110,791,560	2,457,962,866	81,908,448	(514)	.0
12.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded	81,908,122	.0	(326)	.0	.0	.0	.0	81,908,448	.0	.0
12.4 Net	3,179,008,646	606,314,344	.0	3,159,628	780,762	110,791,560	2,457,962,866	.0	(514)	.0
13. Incurred medical incentive pools and bonuses	(737,746)	.0	.0	.0	.0	.0	(737,746)	.0	.0	.0

(a) Excludes \$ 19,258,019 loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	73,141,153	21,150,539	0	93,235	0	721,085	51,176,294	0	0	0
1.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
1.4 Net .....	73,141,153	21,150,539	0	93,235	0	721,085	51,176,294	0	0	0
2. Incurred but Unreported:										
2.1 Direct .....	196,849,675	37,069,928	0	124,316	0	9,754,945	137,988,338	11,912,148	0	0
2.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded .....	11,912,148	0	0	0	0	0	0	11,912,148	0	0
2.4 Net .....	184,937,527	37,069,928	0	124,316	0	9,754,945	137,988,338	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	61,082,345	1,347,185	0	0	0	101,817	59,633,343	0	0	0
3.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
3.4 Net .....	61,082,345	1,347,185	0	0	0	101,817	59,633,343	0	0	0
4. TOTALS:										
4.1 Direct .....	331,073,173	59,567,652	0	217,551	0	10,577,847	248,797,975	11,912,148	0	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	11,912,148	0	0	0	0	0	0	11,912,148	0	0
4.4 Net .....	319,161,025	59,567,652	0	217,551	0	10,577,847	248,797,975	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	55,383,432	549,608,784	130,202	59,598,450	55,513,634	58,281,161
2. Medicare Supplement .....	0	0	0	0	0	0
3. Dental Only .....	146,925	2,964,374	1,253	216,298	148,178	169,223
4. Vision Only .....	0	780,762	0	0	0	0
5. Federal Employees Health Benefits Plan .....	14,067,179	100,000,676	1,483,637	9,094,210	15,550,816	11,111,958
6. Title XVIII - Medicare .....	156,687,964	2,245,733,428	2,458,509	246,339,466	159,146,473	179,611,895
7. Title XIX - Medicaid .....	0	0	0	0	0	0
8. Other health .....	232	426,617	0	0	232	617
9. Health subtotal (Lines 1 to 8) .....	226,285,732	2,899,514,641	4,073,601	315,248,424	230,359,333	249,174,854
10. Healthcare receivables (a) .....	0	16,938,897	0	0	0	0
11. Other non-health .....	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts .....	0	506,992	0	142,557	0	1,387,294
13. Totals (Lines 9 - 10 + 11 + 12)	226,285,732	2,883,082,736	4,073,601	315,390,981	230,359,333	250,562,148

(a) Excludes \$ .....19,258,019 loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)**

**Section A - Paid Health Claims - Comprehensive (Hospital & Medical)**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....	65,019	64,165	(604,545)	(1,829,002)	(1,829,349)
2. 2009 .....	563,654	521,515	668,710	668,527	668,383
3. 2010 .....	XXX	531,879	521,515	520,987	520,889
4. 2011 .....	XXX	XXX	570,482	622,778	623,156
5. 2012 .....	XXX	XXX	XXX	532,681	588,276
6. 2013 .....	XXX	XXX	XXX	XXX	549,609

**Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior .....	(600,769)	(604,424)	(604,545)	(1,829,002)	(1,829,349)
2. 2009 .....	1,316,449	671,402	668,765	668,527	668,383
3. 2010 .....	XXX	1,371,869	622,122	521,053	520,889
4. 2011 .....	XXX	XXX	628,774	623,025	623,262
5. 2012 .....	XXX	XXX	XXX	590,651	588,300
6. 2013 .....	XXX	XXX	XXX	XXX	609,208

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009 .....	708,857	668,383	6,096	0.9	674,479	95.2	0	0	674,479	95.2
2. 2010 .....	727,113	520,889	4,751	0.9	525,640	72.3	0	0	525,640	72.3
3. 2011 .....	793,513	623,156	5,683	0.9	628,839	79.2	106	1	628,946	79.3
4. 2012 .....	762,498	588,276	5,365	0.9	593,641	77.9	24	0	593,665	77.9
5. 2013 .....	759,108	549,609	5,013	0.9	554,622	73.1	59,599	1,107	615,328	81.1

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)**

**Section A - Paid Health Claims - Medicare Supplement**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	<b>NONE</b>				
2. 2009					
3. 2010					
4. 2011					
5. 2012					
6. 2013					

**Section B - Incurred Health Claims - Medicare Supplement**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	<b>NONE</b>				
2. 2009					
3. 2010					
4. 2011					
5. 2012					
6. 2013					

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Medicare Supplement**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payment (Col. 3/2)	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009	<b>NONE</b>									
2. 2010										
3. 2011										
4. 2012										
5. 2013										

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)**

**Section A - Paid Health Claims - Dental Only**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	0	0	0	0	0
2.	2009	0	0	0	0	0
3.	2010	XXX	802	0	0	0
4.	2011	XXX	XXX	1,635	1,709	1,709
5.	2012	XXX	XXX	XXX	2,880	3,027
6.	2013	XXX	XXX	XXX	XXX	2,964

**Section B - Incurred Health Claims - Dental Only**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	0	0	0	0	0
2.	2009	0	0	0	0	0
3.	2010	XXX	0	0	0	0
4.	2011	XXX	XXX	1,737	1,710	1,709
5.	2012	XXX	XXX	XXX	3,048	3,028
6.	2013	XXX	XXX	XXX	XXX	3,180

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Dental Only**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2010	1,635	0	0	0.0	0	0.0	0	0	0	0.0
3. 2011	3,065	1,709	16	0.9	1,725	56.3	0	0	1,725	56.3
4. 2012	4,778	3,027	28	0.9	3,055	63.9	1	0	3,056	64.0
5. 2013	4,808	2,964	27	0.9	2,991	62.2	216	4	3,211	66.8

## UNDERWRITING AND INVESTMENT EXHIBIT

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)**

**Section A - Paid Health Claims - Vision Only**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	0	0	0	0	0
2.	2009 .....	0	0	0	0	0
3.	2010 .....	XXX	249	0	0	0
4.	2011 .....	XXX	XXX	346	346	346
5.	2012 .....	XXX	XXX	XXX	456	456
6.	2013 .....	XXX	XXX	XXX	XXX	781

**Section B - Incurred Health Claims - Vision Only**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	0	0	0	0	0
2.	2009 .....	0	0	0	0	0
3.	2010 .....	XXX	0	0	0	0
4.	2011 .....	XXX	XXX	346	346	346
5.	2012 .....	XXX	XXX	XXX	456	456
6.	2013 .....	XXX	XXX	XXX	XXX	781

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Vision Only**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009 .....	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2010 .....	303	0	0	0.0	0	0.0	0	0	0	0.0
3. 2011 .....	609	346	3	0.9	349	57.3	0	0	349	57.3
4. 2012 .....	805	456	4	0.9	460	57.1	0	0	460	57.1
5. 2013 .....	1,069	781	7	0.9	788	73.7	0	0	788	73.7

## UNDERWRITING AND INVESTMENT EXHIBIT

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)**

**Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	6,422	6,823	(85,815)	(278,540)	(278,540)
2.	2009 .....	88,360	97,381	92,368	92,368	92,368
3.	2010 .....	XXX	94,303	97,381	97,381	97,381
4.	2011 .....	XXX	XXX	106,102	114,678	114,678
5.	2012 .....	XXX	XXX	XXX	108,789	122,856
6.	2013 .....	XXX	XXX	XXX	XXX	100,001

**Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	(85,217)	(85,775)	(85,815)	(278,540)	(278,540)
2.	2009 .....	96,626	92,799	92,374	92,368	92,368
3.	2010 .....	XXX	100,111	97,613	97,383	97,381
4.	2011 .....	XXX	XXX	115,386	115,658	114,678
5.	2012 .....	XXX	XXX	XXX	118,919	124,340
6.	2013 .....	XXX	XXX	XXX	XXX	109,095

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009 .....	103,900	92,368	842	0.9	93,210	89.7	0	0	93,210	89.7
2. 2010 .....	126,463	97,381	888	0.9	98,269	77.7	0	0	98,269	77.7
3. 2011 .....	128,706	114,678	1,046	0.9	115,724	89.9	0	0	115,724	89.9
4. 2012 .....	128,241	122,856	1,120	0.9	123,976	96.7	1,484	14	125,474	97.8
5. 2013 .....	122,734	100,001	912	0.9	100,913	82.2	9,094	156	110,163	89.8

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)**

**Section A - Paid Health Claims - Title XVIII**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	41,423	40,064	(627,120)	(1,610,755)	(1,610,191)
2.	2009	742,993	814,761	667,184	667,102	667,040
3.	2010	XXX	852,710	814,761	812,752	813,489
4.	2011	XXX	XXX	1,115,270	1,219,287	1,217,730
5.	2012	XXX	XXX	XXX	1,698,467	1,855,472
6.	2013	XXX	XXX	XXX	XXX	2,246,240

**Section B - Incurred Health Claims - Title XVIII**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	(624,782)	(626,951)	(627,120)	(1,610,755)	(1,610,191)
2.	2009	662,933	670,248	667,310	667,102	667,040
3.	2010	XXX	1,230,713	815,762	812,831	813,489
4.	2011	XXX	XXX	1,230,713	1,220,786	1,217,836
5.	2012	XXX	XXX	XXX	1,877,886	1,857,825
6.	2013	XXX	XXX	XXX	XXX	2,492,722

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009	954,477	667,040	6,083	0.9	673,123	70.5	0	0	673,123	70.5
2. 2010	1,111,020	813,489	7,419	0.9	820,908	73.9	0	0	820,908	73.9
3. 2011	1,427,242	1,217,730	11,106	0.9	1,228,836	86.1	106	1	1,228,943	86.1
4. 2012	2,104,142	1,855,472	16,922	0.9	1,872,394	89.0	2,353	21	1,874,768	89.1
5. 2013	2,793,722	2,246,240	20,486	0.9	2,266,726	81.1	246,482	4,559	2,517,767	90.1

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(000 Omitted)

**Section A - Paid Health Claims - Title XIX**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior		0	0	0	(1,161)	0
2. 2009		0	0	0	0	0
3. 2010		XXX	0	0	0	0
4. 2011		XXX	XXX	0	0	0
5. 2012		XXX	XXX	XXX	0	0
6. 2013		XXX	XXX	XXX	XXX	0

**Section B - Incurred Health Claims - Title XIX**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior		0	0	0	(1,161)	0
2. 2009		0	0	0	0	0
3. 2010		XXX	0	0	0	0
4. 2011		XXX	XXX	0	0	0
5. 2012		XXX	XXX	XXX	0	0
6. 2013		XXX	XXX	XXX	XXX	0

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2010	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2011	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2012	0	0	0	0.0	0	0.0	0	0	0	0.0
5. 2013	1,619	0	0	0.0	0	0.0	0	0	0	0.0

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(000 Omitted)

**Section A - Paid Health Claims - Other**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	0	0	0	0	0
2.	2009	0	0	0	0	0
3.	2010	XXX	0	0	0	0
4.	2011	XXX	XXX	166	166	166
5.	2012	XXX	XXX	XXX	7	8
6.	2013	XXX	XXX	XXX	XXX	427

**Section B - Incurred Health Claims - Other**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	0	0	0	0	0
2.	2009	0	0	0	0	0
3.	2010	XXX	0	0	0	0
4.	2011	XXX	XXX	166	166	166
5.	2012	XXX	XXX	XXX	8	8
6.	2013	XXX	XXX	XXX	XXX	427

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2010	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2011	0	166	2	1.2	168	0.0	0	0	168	0.0
4. 2012	9	8	0	0.0	8	88.9	0	0	8	88.9
5. 2013	46	427	4	0.9	431	937.0	0	0	431	937.0

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ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)**

**Section A - Paid Health Claims - Grand Total**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	112,864	111,052	(1,317,480)	(3,719,458)	(3,718,080)
2.	2009 .....	1,395,007	1,433,657	1,428,262	1,427,997	1,427,791
3.	2010 .....	XXX	1,479,943	1,433,657	1,431,120	1,431,759
4.	2011 .....	XXX	XXX	1,794,001	1,958,964	1,957,785
5.	2012 .....	XXX	XXX	XXX	2,343,280	2,570,095
6.	2013 .....	XXX	XXX	XXX	XXX	2,900,022

**Section B - Incurred Health Claims - Grand Total**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	(1,310,768)	(1,317,150)	(1,317,480)	(3,719,458)	(3,718,080)
2.	2009 .....	2,076,008	1,434,449	1,428,449	1,427,997	1,427,791
3.	2010 .....	XXX	2,702,693	1,535,497	1,431,267	1,431,759
4.	2011 .....	XXX	XXX	1,977,122	1,961,691	1,957,997
5.	2012 .....	XXX	XXX	XXX	2,590,968	2,573,957
6.	2013 .....	XXX	XXX	XXX	XXX	3,215,413

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009 .....	1,767,234	1,427,791	13,021	0.9	1,440,812	81.5	0	0	1,440,812	81.5
2. 2010 .....	1,966,534	1,431,759	13,058	0.9	1,444,817	73.5	0	0	1,444,817	73.5
3. 2011 .....	2,353,135	1,957,785	17,856	0.9	1,975,641	84.0	212	2	1,975,855	84.0
4. 2012 .....	3,000,473	2,570,095	23,439	0.9	2,593,534	86.4	3,862	35	2,597,431	86.6
5. 2013 .....	3,683,106	2,900,022	26,449	0.9	2,926,471	79.5	315,391	5,826	3,247,688	88.2

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ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	198,301	165,181	0	0	0	0	33,120	0	0
2. Additional policy reserves (a) .....	14,543,171	14,543,171	0	0	0	0	0	0	0
3. Reserve for future contingent benefits .....	0	0	0	0	0	0	0	0	0
4. Reserve for rate credits or experience rating refunds (including \$ .....0 ) for investment income .....	13,955,356	9,929,670	0	0	0	0	4,025,686	0	0
5. Aggregate write-ins for other policy reserves .....	0	0	0	0	0	0	0	0	0
6. Totals (gross) .....	28,696,828	24,638,022	0	0	0	0	4,058,806	0	0
7. Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
8. Totals (Net)(Page 3, Line 4) .....	28,696,828	24,638,022	0	0	0	0	4,058,806	0	0
9. Present value of amounts not yet due on claims .....	0	0	0	0	0	0	0	0	0
10. Reserve for future contingent benefits .....	161,000	161,000	0	0	0	0	0	0	0
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0
12. Totals (gross) .....	161,000	161,000	0	0	0	0	0	0	0
13. Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
14. Totals (Net)(Page 3, Line 7) .....	161,000	161,000	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	0	0	0	0	0	0	0	0	0
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above) .....	0	0	0	0	0	0	0	0	0

(a) Includes \$ .....1,460,000 premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ .....0 for occupancy of own building) .....	1,253,095	250,116	9,993,379	0	11,496,590
2. Salary, wages and other benefits .....	36,864,822	10,177,519	219,052,252	205,888	266,300,481
3. Commissions (less \$ .....0 ceded plus \$ .....0 assumed) .....	0	0	72,333,706	0	72,333,706
4. Legal fees and expenses .....	4,157	3	5,062,513	0	5,066,673
5. Certifications and accreditation fees .....	415	4,009	100,233	0	104,657
6. Auditing, actuarial and other consulting services .....	9,374	1,377	2,988,140	0	2,998,891
7. Traveling expenses .....	1,099,737	87,641	7,558,567	1,562	8,747,507
8. Marketing and advertising .....	454,720	2,829	28,765,670	0	29,223,219
9. Postage, express and telephone .....	1,377,400	30,393	14,569,335	525	15,977,653
10. Printing and office supplies .....	1,054,556	12,951	6,877,122	1,397	7,946,026
11. Occupancy, depreciation and amortization .....	179,372	54,436	1,144,799	0	1,378,607
12. Equipment .....	160,802	33,402	1,399,969	0	1,594,173
13. Cost or depreciation of EDP equipment and software .....	800,766	11,463	28,932,438	6,928	29,751,595
14. Outsourced services including EDP, claims, and other services .....	100,253,489	11,905,967	85,268,011	0	197,427,467
15. Boards, bureaus and association fees .....	30,508	3,879	516,837	490	551,714
16. Insurance, except on real estate .....	52,379	10,620	2,641,351	0	2,704,350
17. Collection and bank service charges .....	1,147	3,091,046	4,284,766	0	7,376,959
18. Group service and administration fees .....	293	75	89,097	0	89,465
19. Reimbursements by uninsured plans .....	0	0	(123,171,249)	0	(123,171,249)
20. Reimbursements from fiscal intermediaries .....	0	0	0	0	0
21. Real estate expenses .....	698,384	131,723	6,625,969	228	7,456,304
22. Real estate taxes .....	33,756	6,978	281,012	0	321,746
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....	178	27	(1,276,075)	0	(1,275,870)
23.2 State premium taxes .....	0	0	4,910,363	0	4,910,363
23.3 Regulatory authority licenses and fees .....	114,639	6,477	7,638,135	98	7,759,349
23.4 Payroll taxes .....	2,287,240	652,860	13,173,017	11,784	16,124,901
23.5 Other (excluding federal income and real estate taxes) .....	0	0	(1,455,406)	0	(1,455,406)
24. Investment expenses not included elsewhere .....	23,920	4,949	(47,691)	0	(18,822)
25. Aggregate write-ins for expenses .....	(180,424)	15,686	23,205,657	1,184	23,042,103
26. Total expenses incurred (Lines 1 to 25) .....	146,574,725	26,496,426	421,461,917	230,084	(a) 594,763,152
27. Less expenses unpaid December 31, current year .....	3,840,164	2,022,733	7,889,368	0	13,752,265
28. Add expenses unpaid December 31, prior year .....	3,055,084	1,565,623	10,658,735	0	15,279,442
29. Amounts receivable relating to uninsured plans, prior year .....	0	0	18,168,511	0	18,168,511
30. Amounts receivable relating to uninsured plans, current year .....	0	0	19,271,461	0	19,271,461
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	145,789,645	26,039,316	425,334,234	230,084	597,393,279
<b>DETAILS OF WRITE-INS</b>					
2501. Miscellaneous Administrative Expenses .....	(180,424)	15,686	23,205,657	1,184	23,042,103
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	(180,424)	15,686	23,205,657	1,184	23,042,103

(a) Includes management fees of \$ .....473,599,235 to affiliates and \$ .....0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 593,752	460,702
1.1 Bonds exempt from U.S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 16,042,995	16,680,917
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	0	0
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c) 324,300	324,300
4. Real estate	(d) 0	0
5. Contract Loans	0	0
6. Cash, cash equivalents and short-term investments	(e) 145,441	145,181
7. Derivative instruments	(f) 0	0
8. Other invested assets	0	0
9. Aggregate write-ins for investment income	11,526	11,526
10. Total gross investment income	17,118,014	17,622,626
11. Investment expenses		(g) 218,202
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 11,882
13. Interest expense		(h) 0
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		230,084
17. Net investment income (Line 10 minus Line 16)		17,392,542
<b>DETAILS OF WRITE-INS</b>		
0901. Miscellaneous Investment Income	11,526	11,526
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	11,526	11,526
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 151,107 accrual of discount less \$ 5,422,673 amortization of premium and less \$ 1,107,283 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 50,877 accrual of discount less \$ 540 amortization of premium and less \$ 80,282 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 230,084 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	19,765	0	19,765	0	0
1.1 Bonds exempt from U.S. tax	0	0	0	0	0
1.2 Other bonds (unaffiliated)	1,710,752	0	1,710,752	(37,430)	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	(2,275,372)	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	6,728	0	6,728	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	1,737,245	0	1,737,245	(2,312,802)	0
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

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**EXHIBIT OF NON-ADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....	0	0	0
6. Contract loans .....	0	0	0
7. Derivatives (Schedule DB) .....	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0
9. Receivables for securities .....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only) .....	0	0	0
14. Investment income due and accrued .....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	1,201,407	842,360	(359,047)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	0	0	0
15.3 Accrued retrospective premiums .....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0
17. Amounts receivable relating to uninsured plans .....	127,765	181,556	53,791
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2 Net deferred tax asset .....	70,870,163	56,681,243	(14,188,920)
19. Guaranty funds receivable or on deposit .....	0	0	0
20. Electronic data processing equipment and software .....	166,142	56,441	(109,701)
21. Furniture and equipment, including health care delivery assets .....	5,219,435	5,956,954	737,519
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
23. Receivable from parent, subsidiaries and affiliates .....	0	0	0
24. Health care and other amounts receivable .....	19,345,347	1,995,185	(17,350,162)
25. Aggregate write-ins for other than invested assets .....	108,020,683	116,266,078	8,245,395
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	204,950,942	181,979,817	(22,971,125)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	0	0	0
28. Total (Lines 26 and 27) .....	204,950,942	181,979,817	(22,971,125)
<b>DETAILS OF WRITE-INS</b>			
1101. ....	0	0	0
1102. ....	0	0	0
1103. ....	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. Goodwill .....	80,261,152	98,755,957	18,494,805
2502. Prepaid Commissions .....	25,077,808	15,506,697	(9,571,111)
2503. Deposits .....	2,252,358	1,364,152	(888,206)
2598. Summary of remaining write-ins for Line 25 from overflow page .....	429,365	639,272	209,907
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	108,020,683	116,266,078	8,245,395

**EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY**

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....	397,670	412,141	412,024	412,526	477,051	5,643,120
2. Provider Service Organizations .....	0	0	0	0	0	0
3. Preferred Provider Organizations .....	56,529	56,789	57,896	58,403	61,546	698,150
4. Point of Service .....	0	66,507	68,250	69,891	14,318	155,583
5. Indemnity Only .....	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business .....	22,579	25,622	29,676	32,756	33,088	351,023
7. Total	476,778	561,059	567,846	573,576	586,003	6,847,876
<b>DETAILS OF WRITE-INS</b>						
0601. Dental .....	17,741	17,254	20,388	22,850	22,980	240,327
0602. Vision .....	4,838	8,368	9,288	9,906	10,108	110,696
0603. ....	0	0	0	0	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	22,579	25,622	29,676	32,756	33,088	351,023

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

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 Kentucky Department of Insurance.

The Kentucky Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Kentucky for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Kentucky Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Kentucky. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices. No deviations exist.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Kentucky is shown below:

	State of Domicile	2013	2012
Net Income			
1. Humana Health Plan, Inc. Kentucky basis	KY	\$ (38,526,925)	\$ (28,891,765)
2. State Prescribed Practices that increase/(decrease) NAIC SAP	KY	-	-
3. State Permitted Practices that increase/(decrease) NAIC SAP	KY	-	-
4. NAIC SAP	KY	\$ <u>(38,526,925)</u>	\$ <u>(28,891,765)</u>
Surplus			
5. Humana Health Plan, Inc. Kentucky basis	KY	\$ 379,244,173	\$ 307,941,776
6. State Prescribed Practices that increase/(decrease) NAIC SAP	KY	-	-
7. State Permitted Practices that increase/(decrease) NAIC SAP	KY	-	-
8. NAIC SAP	KY	\$ <u>379,244,173</u>	\$ <u>307,941,776</u>

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates are based on knowledge of current events and anticipated future events, and accordingly, actual results could differ from those estimates.

C. Accounting Policy

Premiums are reported as earned in the period in which members are entitled to receive services, and are net of retroactive membership adjustments. Retroactive membership adjustments result from enrollment changes not yet processed, or not yet reported by an employer group or the government. Premiums received prior to such period are recorded as advance premiums.

Benefits incurred and loss adjustment expenses include claim payments, capitation payments, pharmacy costs net of rebates, allocations of certain centralized expenses, legal and administrative costs to settle claims, and various other costs incurred to provide health insurance coverage to members, as well as estimates of future payments to hospitals and others for medical care provided prior to the date of the statements of admitted assets, liabilities and surplus. Capitation payments represent monthly contractual fees disbursed to participating primary care physicians, and other providers who are responsible for providing medical care to members. Pharmacy costs represent payments for members' prescription drug benefits, net of rebates from drug manufacturers.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments include investments mainly in U.S. Government obligations with a maturity of twelve months or less from the date of purchase. Short-term investments are recorded at amortized cost. The carrying value of short-term investments approximates fair value due to the short-term maturities of the investments.
- (2)-(4) Investments are valued and classified in accordance with methods prescribed by the NAIC. Bonds with an NAIC rating of 1 or 2 are carried at amortized cost, with all other bonds being recorded at the lower of amortized cost or fair value; redeemable preferred stocks are carried at amortized cost; and non-redeemable preferred stocks are carried at fair value.

The Company regularly evaluates investment securities for impairment. For all securities other than loan-backed and structured securities, the Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value, the near term prospects for recovery to carrying value, and the Company's intent and ability to hold the investment until maturity or market recovery is realized. If and when a determination is made that a decline in fair value below the cost basis is other-than-temporary, the related investment is written down to its estimated fair value through earnings.

Amortization of bond premium or discount is computed using the scientific interest method.

STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.

NOTES TO THE FINANCIAL STATEMENTS

Income from investments is recorded on an accrual basis. For the purpose of determining realized gains and losses, the cost of securities sold is based upon specific identification. Investment income due and accrued over 90 days past due is nonadmitted.

- (5) The Company estimates the fair value of its investments in mortgage loans on real estate using a discounted cash flow method based on rating, maturity and future income when compared to the expected yield for mortgages having similar characteristics. The rating for mortgages in good standing is based on property type, location, market conditions, occupancy, debt service coverage, loan to value, caliber of tenancy, borrower and payment record. Problem mortgages are priced to reflect their monetary value to the Company, considering such things as the degree of default, whether or not the payments are still being made, interest rate, maturity and operating performance of the underlying collateral.
- (6) For loan backed and structured securities where the securities fair value is less than the amortized cost, the Company considers several factors to determine if the security's impairment is other-than-temporary. If the Company has the intent to sell the security or if the Company does not have the intent and ability to retain the security until recovery of its fair value, the related investment is written down to its estimated fair value through earnings. If, however, the Company has the intent and ability to retain the security until recovery of its fair value, the Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value and the near term prospects for recovery to carrying value. If the determination is made, based on these factors, that the Company does expect to recover the entire amortized cost of the security, then an other-than-temporary impairment has not occurred. If, however, the determination is made that the Company does not expect to recover the entire amortized cost of the security based on the factors noted above, the Company recognizes a realized loss in earnings for the non-interest related decline. No loss is recognized for the interest impairment.
- (7) The Company accounts for its investments in subsidiaries using the audited statutory equity method of accounting.
- (8) The Company accounts for its investments in joint ventures, partnerships, and LLC's using the audited statutory equity method of accounting.
- (9) Not Applicable.
- (10)-(11) The estimates of future medical benefit payments are developed using actuarial methods and assumptions based upon claim payment patterns, medical cost inflation, historical development such as claim inventory levels and claim receipt patterns, and other relevant factors. Corresponding administrative costs to process outstanding claims are estimated and accrued. Estimates of future payments relating to services incurred in the current and prior periods are continually reviewed by management and adjusted as necessary.

The Company assesses the profitability of its contracts for providing health insurance coverage to its members when current operating results or forecasts indicate probable future losses. The Company records a premium deficiency liability in current operations to the extent that the sum of expected future medical costs, claim adjustment expenses and maintenance costs exceed related future premiums. Investment income is not contemplated in the calculation of the premium deficiency liability.

Management believes the Company's benefits payable and loss adjustment expense are adequate to cover future claims and loss adjustment expense payments required, however, such estimates are based on knowledge of current events and anticipated future events and, therefore, the actual liability could differ from the amounts provided.

- (12) The Company does not have real estate held for the production of income.

Equipment is stated at cost less accumulated depreciation. Depreciation expense is computed using the straight-line method over estimated useful lives generally ranging from three to five years. Improvements to leased facilities are depreciated over the shorter of the remaining lease term or the anticipated life of the improvement.

The Company recognizes an asset or liability for the deferred tax consequences of temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. The temporary differences will result in taxable or deductible amounts in future years when the reported amounts of the assets or liabilities are recovered or settled.

- (13) The Company estimates anticipated Pharmacy Rebate Receivables using the analysis of historical recovery patterns.

2. Accounting Changes and Corrections of Errors

The Company adopted the provisions of SSAP No. 101 *Income Taxes A Replacement of SSAP10R and SSAP 10* in 2012 ("SSAP 101"). SSAP 101 provides new requirements for tax loss contingencies and the calculation and admissibility of deferred tax assets. The difference between the recalculated amounts as of January 1, 2012, and the amount actually reported in the prior year financial statements is treated as a change in accounting principle in accordance with SSAP No. 3 *Accounting Changes and Correction Errors* ("SSAP 3"). The cumulative effect of this change in accounting principle resulted in a \$1,846,160 increase in surplus.

In 2012, the Company determined that certain shared administrative contra expenses related to another Humana subsidiary had been improperly allocated in 2011. This resulted in a \$2,425,099 understatement of the 2011 administrative expenses for the Company. The error had no impact on net admitted assets or total liabilities at December 31, 2011. Consistent with SSAP 3, the prior period expense was recorded as an adjustment to surplus on line 47 of the capital and surplus account rollforward. There is no tax impact in this adjustment. The adjustment is 0.08 percent of earned premiums and 7.16 percent of pretax earnings.

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

In 2012, the Company determined that the 2011 and prior deferred tax provisions included certain items that were not realizable in one year. This error resulted in a \$679,605 understatement of both the 2011 net admitted deferred tax asset and ending capital surplus. The error had no impact on total liabilities or net income at December 31, 2011. Consistent with SSAP 3, an adjustment to surplus has been recorded in the fourth quarter of 2012 as an aggregate write-in on line 47 of the capital and surplus account rollforward. The adjustment is 0.11 percent of earned premiums and 7.16 percent of pretax earnings.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not Applicable.

B. Statutory Merger

Not Applicable.

C. Assumption Reinsurance

Not Applicable.

D. Impairment Loss

Not Applicable.

4. Discontinued Operations

Not Applicable.

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

(1) The maximum and minimum lending rates for the mortgage loan in 2013 were 1.13 percent and 1.40 percent.

(2) The maximum percentage of the loan to the value of the security at any time of the loan, exclusive of insured or guaranteed or purchase-money mortgages was 100 percent.

(3) Taxes, assessments and any amounts advanced and not included in the mortgage loan total	<u>Current Year</u>	<u>Prior Year</u>
	\$ -	\$ -

(4) Age Analysis of Mortgage Loans:

	Residential			Commercial		Mezzanine	Total
	Farm	Insured	All Other	Insured	All Other		
<b>a. Current Year</b>							
1. Recorded Investment (All)							
(a) Current	\$ -	\$ -	\$ -	\$ -	\$ 27,600,000	\$ -	\$ 27,600,000
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	-	-	-
(e) 180+ Days Past Due	-	-	-	-	-	-	-
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Number of Loans	-	-	-	-	-	-	-
(c) Percent Reduced	- %	- %	- %	- %	- %	- %	- %
<b>b. Prior Year</b>							
1. Recorded Investment (All)							
(a) Current	\$ -	\$ -	\$ -	\$ -	\$ 27,600,000	\$ -	\$ 27,600,000
(b) 30-59 Days Past Due	-	-	-	-	-	-	-
(c) 60-89 Days Past Due	-	-	-	-	-	-	-
(d) 90-179 Days Past Due	-	-	-	-	-	-	-
(e) 180+ Days Past Due	-	-	-	-	-	-	-
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Interest Accrued	-	-	-	-	-	-	-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Interest Accrued	-	-	-	-	-	-	-
4. Interest Reduced							
(a) Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Number of Loans	-	-	-	-	-	-	-
(c) Percent Reduced	- %	- %	- %	- %	- %	- %	- %

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

(5) Investment in Impaired Loans With or Without Allowance for Credit Losses:

	Residential		Commercial		Mezzanine	Total
	Farm	Insured	All Other	Insured		
a. Current Year						
1. With Allowance for Credit Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. No Allowance for Credit Losses	-	-	-	-	-	-
b. Prior Year						
1. With Allowance for Credit Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. No Allowance for Credit Losses	-	-	-	-	-	-

(6) Investment in Impaired Loans – Average Recorded Investment, Interest Income Recognized, Recorded Investment on Nonaccrual Status and Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting:

	Residential		Commercial		Mezzanine	Total
	Farm	Insured	All Other	Insured		
a. Current Year						
1. Average Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest Income Recognized	-	-	-	-	-	-
3. Recorded Investments on Nonaccrual Status	-	-	-	-	-	-
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	-	-
b. Prior Year						
1. Average Recorded Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Interest Income Recognized	-	-	-	-	-	-
3. Recorded Investments on Nonaccrual Status	-	-	-	-	-	-
4. Amount of Interest Income Recognized Using a Cash-Basis Method of Accounting	-	-	-	-	-	-

	<u>Current Year</u>	<u>Prior Year</u>
(7) Allowance for Credit Losses		
a. Balance at beginning of period	\$ -	\$ -
b. Additions charged to operations	\$ -	\$ -
c. Direct write-downs charged against the allowances	\$ -	\$ -
d. Recoveries of amounts previously charged off	\$ -	\$ -
e. Balance at end of period	\$ -	\$ -

(8) Not Applicable.

B. Debt Restructuring

Not Applicable.

C. Reverse Mortgages

Not Applicable.

D. Loan-Backed Securities

(1) Not Applicable.

(2) Not Applicable.

(3) Not Applicable.

(4) The Company does not have any investments in an other-than-temporary impairment position at December 31, 2013

Gross unrealized losses and related fair value of temporarily impaired securities that have been in a continuous unrealized loss position were as follows at December 31, 2013:

(a) The aggregate amount of unrealized losses:	
1. Less than 12 Months	\$ (6,783,680)
2. 12 Months or Longer	\$ (943,020)

(b) The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 Months	\$ 159,366,884
2. 12 Months or Longer	\$ 19,341,567

(5) The unrealized losses at December 31, 2013 were primarily due to increases in market interest rates and tighter liquidity conditions in the current markets than when the securities were purchased. All issuers of securities trading at an unrealized loss remain current on all contractual payments and the Company believes it is probable that all amounts due according to the contractual terms of the debt securities are collectible. After taking into account these and other factors, including the severity of the decline and the Company's ability and intent to hold these securities until recovery or maturity, the Company determined the unrealized losses on these investment securities were temporary and, as such, no impairment was required.

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

E. Repurchase Agreements and/or Securities Lending Transactions

- (1) The Company has no repurchase agreements or securities lending transactions.
- (2) The Company has not pledged any of its assets as collateral.
- (3-7) Not Applicable.

F. Real Estate

Not Applicable.

G. Low-Income Housing Tax Credits (LIHTC)

Not Applicable.

H. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/ (Decrease)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	- %	- %
b. Collateral held under security lending agreements	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-
h. Letter stock or securities restricted to sale	-	-	-	-	-	-
i. On deposit with states	16,009,445	15,582,101	427,344	16,009,445	1.57	1.97
j. On deposit with other regulatory bodies	-	-	-	-	-	-
k. Pledged as collateral not captured in other categories	-	-	-	-	-	-
l. Other restricted assets	-	-	-	-	-	-
m. Total Restricted Assets	\$ 16,009,445	\$ 15,582,101	\$ 427,344	\$ 16,009,445	1.57%	1.97%

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Not Applicable.

(3) Detail of Other Restricted Assets Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

Not Applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10.0 percent of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

A. Due and accrued income was excluded from surplus on the following basis:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans default.

B. The total amount excluded was \$0.

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

8. Derivative Instruments

Not Applicable.

9. Income Taxes

A. Deferred Tax Assets/(Liabilities)

(1) The components of the net admitted deferred tax asset/(liability) by tax character were as follows:

	December 31, 2013		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
(a) Gross deferred tax assets	\$ 70,891,735	\$ 37,822	\$ 70,929,557
(b) Statutory valuation allowance adjustments	-	(37,822)	(37,822)
(c) Adjusted gross deferred tax assets	70,891,735	-	70,891,735
(d) Deferred tax assets nonadmitted	(70,870,163)	-	(70,870,163)
(e) Net admitted deferred tax assets	21,572	-	21,572
(f) Deferred tax liabilities	(21,572)	-	(21,572)
(g) Net admitted deferred tax asset/(liability)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	December 31, 2012		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
(a) Gross deferred tax assets	\$ 65,778,131	\$ 38,658,955	\$ 104,437,086
(b) Statutory valuation allowance adjustments	-	(38,658,955)	(38,658,955)
(c) Adjusted gross deferred tax assets	65,778,131	-	65,778,131
(d) Deferred tax assets nonadmitted	(56,681,243)	-	(56,681,243)
(e) Net admitted deferred tax assets	9,096,888	-	9,096,888
(f) Deferred tax liabilities	(23,642)	-	(23,642)
(g) Net admitted deferred tax asset/(liability)	<u>\$ 9,073,246</u>	<u>\$ -</u>	<u>\$ 9,073,246</u>

	Change		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
(a) Gross deferred tax assets	\$ 5,113,604	\$(38,621,133)	\$ (33,507,529)
(b) Statutory valuation allowance adjustments	-	38,621,133	38,621,133
(c) Adjusted gross deferred tax assets	5,113,604	-	5,113,604
(d) Deferred tax assets nonadmitted	(14,188,920)	-	(14,188,920)
(e) Net admitted deferred tax assets	(9,075,316)	-	(9,075,316)
(f) Deferred tax liabilities	2,070	-	2,070
(g) Net admitted deferred tax asset/(liability)	<u>\$ (9,073,246)</u>	<u>\$ -</u>	<u>\$ (9,073,246)</u>

(2) The amount of admitted adjusted gross deferred tax assets under SSAP No. 101 were as follows:

	December 31, 2013		
	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ -	\$ -	\$ -
(b) Adjusted gross deferred tax assets expected to be realized after	-	-	-
1. Adjusted gross deferred tax assets expected to be realized following the Balance Sheet date	XXX	XXX	-
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	53,925,157
(c) Adjusted gross deferred tax assets offset by gross deferred tax liabilities	21,572	-	21,572
(d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total	<u>\$ 21,572</u>	<u>\$ -</u>	<u>\$ 21,572</u>

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

	December 31, 2012		
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 3,196,911	\$ -	\$ 3,196,911
(b) Adjusted gross deferred tax assets expected to be realized after	5,876,335	-	5,876,335
1. Adjusted gross deferred tax assets expected to be realized following the Balance Sheet date	XXX	XXX	5,876,336
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	44,415,430
(c) Adjusted gross deferred tax assets offset by gross deferred tax liabilities	23,642	-	23,642
(d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total	<u>\$ 9,096,888</u>	<u>\$ -</u>	<u>\$ 9,096,888</u>

	Change		
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ (3,196,911)	\$ -	\$ (3,196,911)
(b) Adjusted gross deferred tax assets expected to be realized after	(5,876,335)	-	(5,876,335)
1. Adjusted gross deferred tax assets expected to be realized following the Balance Sheet date	XXX	XXX	(5,876,336)
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	9,509,727
(c) Adjusted gross deferred tax assets offset by gross deferred tax liabilities	(2,070)	-	(2,070)
(d) Deferred tax assets admitted as the result of application of SSAP No. 101. Total	<u>\$ (9,075,316)</u>	<u>\$ -</u>	<u>\$ (9,075,316)</u>

(3) The ratio percentage used to determine recovery period and threshold limitation amount was as follows:

	December 31, 2013	December 31, 2012
(a) Ratio percentage used to determine recovery period and threshold limitation amount	385%	354%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2 b.2 above	379,220,047	298,779,618

(4) The impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs was as follows:

	December 31, 2013		December 31, 2012		Change	
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage						
1. Adjusted gross DTAs amount from note 9A1(c)	70,891,735	-	65,778,131	-	5,113,604	-
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0%	0%	0%	0%	0%	0%
3. Net admitted adjusted gross DTAs amount from note 9A1(e)	21,572	-	9,096,888	-	(9,075,316)	-
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0%	0%	0%	0%	0%	0%
(b) Does the Company's tax planning strategies include the use of reinsurance?	Yes [ ]	No [X]				

B. There are no temporary differences for which a DTL has not been established.

C. Current and deferred income taxes

(1) Current income taxes incurred consist of the following major components:

	December 31, 2013	December 31, 2012	Change
(a) Federal	\$ (20,053,977)	\$ (6,329,846)	\$ (13,724,131)
(b) Foreign	-	-	-
(c) Subtotal	(20,053,977)	(6,329,846)	(13,724,131)
(d) Federal income tax on net capital gains	608,036	685,560	(77,524)
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	196,115	1,350,753	(1,154,638)
(g) Federal and foreign income taxes incurred	<u>\$ (19,249,826)</u>	<u>\$ (4,293,533)</u>	<u>\$ (14,956,293)</u>

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

(2)-(3) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

DTAs resulting from Book/Tax Differences in:

(a) Ordinary	December 31, 2013	December 31, 2012	Change
1. Discounting of unpaid losses	\$ 10,370,961	\$ 9,480,321	\$ 890,640
2. Unearned premium reserve	669,643	942,659	(273,016)
3. Policyholder reserves	4,455,046	2,616,980	1,838,066
4. Investments	-	-	-
5. Deferred acquisition costs	4,504,855	3,450,030	1,054,825
6. Policyholder dividends accrual	-	-	-
7. Fixed assets	2,506,571	2,170,410	336,161
8. Compensation and benefit accruals	-	-	-
9. Pension accruals	-	-	-
10. Receivables - nonadmitted	-	-	-
11. Net operating loss carry-forward	-	-	-
12. Tax credit carry-forward	-	-	-
13. Other	112,490	214,353	(101,863)
14. Bad debts	6,921,802	807,690	6,114,112
15. Accrued litigation	-	2,100	(2,100)
16. Risk corridor	132,906	314,917	(182,011)
17. Medicare risk adjustment data	-	649,755	(649,755)
18. Miscellaneous reserves	882,363	472,061	410,302
19. Intangibles	40,335,098	44,656,855	(4,321,757)
99. Subtotal	70,891,735	65,778,131	5,113,604
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	(70,870,163)	(56,681,243)	(14,188,920)
(d) Admitted ordinary DTAs	21,572	9,096,888	(9,075,316)
(e) Capital			
1. Investments	37,822	38,658,955	(38,621,133)
2. Net capital loss carryforward	-	-	-
3. Real estate	-	-	-
4. Other	-	-	-
99. Subtotal	37,822	38,658,955	(38,621,133)
(f) Statutory valuation allowance adjustment	(37,822)	(38,658,955)	38,621,133
(g) Nonadmitted	-	-	-
(h) Admitted capital DTAs	-	-	-
(i) Admitted DTAs	\$ 21,572	\$ 9,096,888	\$ (9,075,316)

DTLs resulting from Book/Tax Differences in:

(a) Ordinary	December 31, 2013	December 31, 2012	Change
1. Investments	\$ -	\$ -	\$ -
2. Fixed assets	-	-	-
3. Deferred and uncollected premium	-	-	-
4. Policyholder reserves	-	-	-
5. Other	-	-	-
6. Premium acquisition expense	(21,572)	(23,642)	2,070
99. Subtotal	(21,572)	(23,642)	2,070
(b) Capital			
1. Investments	-	-	-
2. Real estate	-	-	-
3. Other	-	-	-
99. Subtotal	-	-	-
(c) DTLs	(21,572)	(23,642)	2,070
(4) Net deferred tax asset/(liability)	\$ -	\$ 9,073,246	\$ (9,073,246)

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:

	Amount	Tax Effect	Effective Tax Rate
Income before Taxes	\$ (57,776,751)	\$ (20,221,863)	35.00%
Tax-exempt Interest	(2,749,360)	(962,276)	1.67%
Dividends Received Deduction	-	-	0.00%
Proration	412,404	144,341	-0.25%
Meals & Entertainment	478	167	0.00%
Statutory Valuation Allowance Adjustment	(110,346,093)	(38,621,133)	66.85%
Foreign Taxes	-	-	0.00%
Change to NonAdmit & Deferred tax true-up	100,767,128	35,268,495	-61.04%
Other, Including Prior Year True-Up	76,483	26,769	-0.05%
Total	\$ (69,615,711)	\$ (24,365,500)	42.17%
Federal income taxes incurred [expense/(benefit)]		\$ (19,857,862)	34.37%
Tax on capital gains/(losses)		608,036	-1.05%
Change in net deferred income tax [charge/(benefit)]		(5,115,674)	8.85%
Total statutory income taxes		\$ (24,365,500)	42.17%

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

E. Operating loss and tax credit carryforwards and protective tax deposits

(1) At December 31, 2013, the Company had no net operating loss carryforwards.

At December 31, 2013, the Company had no capital loss carryforwards.

At December 31, 2013, the Company had an AMT credit carryforwards, which does not expire, in the amount of \$0.

(2) The following table demonstrates the income tax expense for 2011, 2012 and 2013 that is available for the recoupment in the event of future net losses:

	Ordinary	Capital	Total
2011	\$ -	\$ -	\$ -
2012	-	-	-
2013	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(3) There are no deposits admitted under IRC § 6603.

F. The Company is included in a consolidated federal income tax return with its parent Company, Humana Inc. The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to be paid for future net losses it may incur. The Company has no contingent income tax liabilities. The Company has not adjusted gross deferred tax assets due to changes in judgment about the reliability of the related deferred tax asset. The Company has no deposits under Section 6603 of the Internal Revenue Code.

**HUMANA INC. AND SUBSIDIARIES INCLUDED IN 2013 CONSOLIDATED FEDERAL INCOME TAX RETURN**

**CALENDAR YEAR ENDED DECEMBER 31, 2013**

**AFFILIATIONS SCHEDULE**

**CORPORATE NAME AND EMPLOYER IDENTIFICATION NUMBER**

**THE ADDRESS OF EACH COMPANY IS: P. O. BOX 740026, LOUISVILLE, KY 40201**

CORP. NO.	CORPORATION NAME	EMPLOYER IDENTIFICATION NUMBER
1	HUMANA INC.	61-0647538
2	154TH STREET MEDICAL PLAZA, INC.	65-0851053
3	516-526 WEST MAIN STREET CONDOMINIUM COUNCIL OF CO-OWNERS, INC.	20-5309363
4	54TH STREET MEDICAL PLAZA, INC.	65-0293220
5	AGILE TECHNOLOGY SOLUTIONS, INC.	46-1225873
6	AMBULATORY CARE SOLUTIONS OF ARKANSAS, LLC	27-0200477
7	AMBULATORY CARE SOLUTIONS OF OHIO, LLC	26-4179617
8	AMBULATORY CARE SOLUTIONS, LLC	37-1485812
9	AMERICAN DENTAL PLAN OF NORTH CAROLINA, INC.	56-1796975
10	AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.	58-2302163
11	AMERICAN ELDERCARE, INC.	65-0380198
12	AMERICAN INSTITUTE FOR SLEEP PERFORMANCE, INC.	52-2413969
13	ANVITA HEALTH (ANVITA, INC.)	77-0540040
14	ARCADIAN CHOICE, INC.	27-3387971
15	ARCADIAN HEALTH PLAN OF GEORGIA, INC.	20-5089611
16	ARCADIAN HEALTH PLAN OF LOUISIANA, INC.	20-8688983
17	ARCADIAN HEALTH PLAN OF NORTH CAROLINA, INC.	26-0500828
18	ARCADIAN HEALTH PLAN, INC.	20-1001348
19	ARCADIAN MANAGEMENT SERVICES, INC.	86-0836599
20	AUTO INJURY SOLUTIONS, INC.	26-2681597
21	CAC MEDICAL CENTERS HOLDINGS, INC. (fka CPHP Holdings, Inc.)	30-0117876
22	CAC-FLORIDA MEDICAL CENTERS, LLC	26-0010657
23	CARENETWORK, INC.	39-1514846
24	CAREPLUS HEALTH PLANS, INC.	59-2598550
25	CARITEN HEALTH PLAN, INC.	62-1579044
26	CARITEN INSURANCE COMPANY	62-0729865
27	CERTIFY DATA SYSTEMS, INC.	80-0072760
28	CHA HMO, INC.	61-1279717

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

29	CHA SERVICE COMPANY, INC.	61-1279716
30	COMPBENEFITS COMPANY	59-2531815
31	COMPBENEFITS CORPORATION	04-3185995
32	COMPBENEFITS DENTAL, INC.	36-3686002
33	COMPBENEFITS DIRECT, INC.	58-2228851
34	COMPBENEFITS INSURANCE COMPANY	74-2552026
35	COMPBENEFITS OF ALABAMA, INC.	63-1063101
36	COMPBENEFITS OF GEORGIA, INC.	58-2198538
37	COMPLEX CLINICAL MANAGEMENT, INC.	45-3713941
38	COMPREHENSIVE HEALTH INSIGHTS, INC. (fka Competitive Health Analytics, Inc.)	42-1575099
39	CONCENTRA HEALTH SERVICES, INC.	75-2510547
40	CONCENTRA INC.	26-4823524
41	CONCENTRA INTEGRATED SERVICES, INC.	04-2658593
42	CONCENTRA OPERATING CORPORATION	04-3363415
43	CONCENTRA SOLUTIONS, INC.	75-2678146
44	CONTINUUCARE CORPORATION	59-2716023
45	CONTINUUCARE MSO, INC.	65-0780986
46	CONTINUUCARE CLINICS, INC.	20-5398379
47	CONTINUUCARE MANAGED CARE, INC.	65-0796178
48	CONTINUUCARE MEDICAL MANAGEMENT, INC.	65-0791417
49	CONTINUUCARE PAYMENT CORP.	65-0938586
50	CONTINUUCARE PHYSICIAN PRACTICE MANAGEMENT, INC.	65-0748363
51	CORPHEALTH PROVIDER LINK, INC.	20-8236655
52	CORPHEALTH, INC.	75-2043865
53	DEFENSEWEB TECHNOLOGIES, INC.	33-0916248
54	DENTAL CARE PLUS MANAGEMENT, CORP.	36-3512545
55	DENTICARE, INC.	76-0039628
56	ELDER HEALTH CARE OF VOLUSIA, INC.	59-3657970
57	EMPHEYSYS INSURANCE COMPANY	31-0935772
58	EMPHEYSYS, INC.	61-1237697
59	HARRIS, ROTHENBERG INTERNATIONAL, INC.	27-1649291
60	HARTE PLACEMENTS, INC.	11-2795529
61	HEALTH VALUE MANAGEMENT, INC.	61-1223418
62	HOMECARE HEALTH SOLUTIONS, INC.	45-3116348
63	HUMANA ACTIVE OUTLOOK, INC.	20-4835394
64	HUMANA ADVANTAGECARE PLAN, INC.	65-1137990
65	HUMANA BENEFIT PLAN OF ILLINOIS, INC.	37-1326199
66	HUMANA DENTAL COMPANY	59-1843760
67	HUMANA EMPLOYERS HEALTH PLAN OF GEORGIA, INC.	58-2209549
68	HUMANA GOVERNMENT BUSINESS, INC.	61-1241225
69	HUMANA HEALTH BENEFIT PLAN OF LOUISIANA, INC.	72-1279235
70	HUMANA HEALTH COMPANY OF NEW YORK, INC. (fka ArcadianHealth Plan of New York, Inc.)	26-2800286
71	HUMANA HEALTH INSURANCE COMPANY OF FLORIDA, INC.	61-1041514
72	HUMANA HEALTH PLAN INTERESTS, INC.	71-0732385
73	HUMANA HEALTH PLAN OF CALIFORNIA, INC.	26-3473328
74	HUMANA HEALTH PLAN OF OHIO, INC.	31-1154200
75	HUMANA HEALTH PLAN OF TEXAS, INC.	61-0994632
76	HUMANA HEALTH PLAN, INC.	61-1013183
77	HUMANA INNOVATION ENTERPRISES, INC.	61-1343791
78	HUMANA INSURANCE COMPANY	39-1263473
79	HUMANA INSURANCE COMPANY OF KENTUCKY	61-1311685
80	HUMANA INSURANCE COMPANY OF NEW YORK	20-2888723
81	HUMANA MARKETPOINT, INC.	61-1343508
82	HUMANA MEDICAL PLAN OF MICHIGAN, INC.	27-3991410
83	HUMANA MEDICAL PLAN OF PENNSYLVANIA, INC.	27-4460531
84	HUMANA MEDICAL PLAN OF UTAH, INC.	20-8411422
85	HUMANA MEDICAL PLAN, INC.	61-1103898
86	HUMANA PHARMACY SOLUTIONS, INC.	45-2254346
87	HUMANA PHARMACY, INC.	61-1316926
88	HUMANA REGIONAL HEALTH PLAN, INC. (fka Arkansas Community Care, Inc.)	20-2036444
89	HUMANA VETERANS HEALTHCARE SERVICES, INC.	20-8418853
90	HUMANA WISCONSIN HEALTH ORGANIZATION INSURANCE CO.	39-1525003
91	HUMANACARES, INC.	65-0274594
92	HUMANADENTAL INSURANCE COMPANY	39-0714280
93	HUMANADENTAL, INC.	61-1364005
94	HUMCO, INC.	61-1239538
95	HUM-e-FL, INC.	61-1383567

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

96	HUM-HOLDINGS INTERNATIONAL, INC.	26-3583438
97	KANAWHA HEALTHCARE SOLUTIONS, INC.	62-1245230
98	KANAWHA INSURANCE COMPANY	57-0380426
99	KMG AMERICA CORPORATION	20-1377270
100	MANAGED CARE INDEMNITY, INC.	61-1232669
101	MD CARE, INC.,	20-1981339
102	METCARE OF FLORIDA, INC.	65-0879131
103	METROPOLITAN HEALTH NETWORKS, INC.	65-0635748
104	NATIONAL HEALTHCARE RESOURCES, INC.	11-3273542
105	OMP INSURANCE COMPANY, LTD.	98-0445802
106	PHP COMPANIES, INC.	62-1552091
107	PREFERRED HEALTH PARTNERSHIP OF TENNESSEE, INC.	62-1546662
108	PREFERRED HEALTH PARTNERSHIP, INC.	62-1250945
109	PRESERVATION ON MAIN, INC.	20-1724127
110	PROFESSIONAL SLEEP DIAGNOSTICS, INC.	55-0756296
111	SENIORBRIDGE (NC), INC.	56-2593719
112	SENIORBRIDGE (UT), INC.	56-2593718
113	SENIORBRIDGE (WA), INC.	57-1226890
114	SENIORBRIDGE CARE MANAGEMENT, INC.	80-0581269
115	SENIORBRIDGE FAMILY COMPANIES (AZ), INC.	46-0702349
116	SENIORBRIDGE FAMILY COMPANIES (CA), INC.	45-3039782
117	SENIORBRIDGE FAMILY COMPANIES (CT), INC.	27-0452360
118	SENIORBRIDGE FAMILY COMPANIES (FL), INC.	65-1096853
119	SENIORBRIDGE FAMILY COMPANIES (GA), INC.	80-0828590
120	SENIORBRIDGE FAMILY COMPANIES (IL), INC.	02-0660212
121	SENIORBRIDGE FAMILY COMPANIES (KY), INC.	34-2067248
122	SENIORBRIDGE FAMILY COMPANIES (LA), INC.	45-5299341
123	SENIORBRIDGE FAMILY COMPANIES (MA), INC.	04-3580066
124	SENIORBRIDGE FAMILY COMPANIES (MD), INC.	81-0557727
125	SENIORBRIDGE FAMILY COMPANIES (MN), INC.	52-2460048
126	SENIORBRIDGE FAMILY COMPANIES (MO), INC.	46-0677759
127	SENIORBRIDGE FAMILY COMPANIES (NJ), INC.	36-4484449
128	SENIORBRIDGE FAMILY COMPANIES (NY), INC.	36-4484443
129	SENIORBRIDGE FAMILY COMPANIES (OH), INC.	20-0260501
130	SENIORBRIDGE FAMILY COMPANIES (PA), INC.	38-3643832
131	SENIORBRIDGE FAMILY COMPANIES (TN), INC.	45-5299154
132	SENIORBRIDGE FAMILY COMPANIES (TX), INC.	01-0766084
133	SENIORBRIDGE FAMILY COMPANIES (VA), INC.	46-0691871
134	SENIORBRIDGE FAMILY COMPANIES (WI), INC.	46-0764555
135	SENIORBRIDGE FAMILY COMPANIES, INC.	13-4036798
136	SEREDOR CENTERS, INC.	80-0494470
137	SEREDOR CORPORATION	27-0338595
138	ST MARY'S MEDICAL PARK PHARMACY, INC.	86-0597187
139	SUNSET HARBOR HOME HEALTH, INC.	65-0583910
140	SYMPHONY HEALTH PARTNERS, INC.	45-5032192
141	TEXAS DENTAL PLANS, INC.	74-2352809
142	THE DENTAL CONCERN, INC.	52-1157181
143	THE DENTAL CONCERN, LTD	36-3654697
144	UNITED SLEEP DIAGNOSTICS, INC.	52-2209930
145	VALOR HEALTHCARE, INC.	20-3585174

10. Information Concerning Parent, Subsidiaries and Affiliates

A.-F. The Company has a management contract with Humana and other related parties whereby the Company is provided with medical and executive management, information systems, claims processing, billing and enrollment, and telemarketing and other services as required by the Company. Management fees charged to operations for the years ended December 31, 2013 and 2012 were approximately \$473.6 million and \$400.6 million respectively. As a part of this agreement, Humana makes cash disbursements on behalf of the Company which includes, but is not limited to, medical related items, general and administrative expenses, commissions and payroll. Humana is reimbursed by the Company weekly, based upon historical pattern of amounts and timing. Each month, these estimates are adjusted to ultimately settle upon actual disbursements made on behalf of the Company. As a result, any residual inter-company balances are immediately settled in the following month. The Company continues to be primarily liable for any outstanding payments made on behalf of the Company, should Humana not be able to fulfill its obligations. No dividends were paid in 2013. The Company received a \$130 million capital contribution from Humana Inc. on December 17, 2013. At December 31, 2013, the Company reported \$28.3 amounts due to Humana Inc. Amounts due to or from parent are generally settled within 30 days.

- G. All outstanding shares of the Company are owned by the Parent Company.
- H. Not Applicable.
- I. Not Applicable.
- J. Not Applicable.
- K. Not Applicable.
- L. Not Applicable.

NOTES TO THE FINANCIAL STATEMENTS

11. Debt

A. Debt Including Capital Notes

The Company has no debentures outstanding.

The Company has no capital notes outstanding.

The Company does not have any reverse repurchase agreements.

B. Federal Home Loan Bank (FHLB) Agreements

The Company does not have any FHLB agreements.

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

A-D. Defined Benefit Plans

Not Applicable.

E. Defined Contribution Plans

Not Applicable.

F. Multiemployer Plans

Not Applicable.

G. Consolidated/Holding Company Plans

The Company employees are eligible to participate in the Humana Retirement and Savings Plan (“the Plan”), a defined contribution plan, sponsored by Humana Inc. The Plan maintains two accounts, the Savings Account and the Retirement Account.

Humana Inc.’s total contributions paid to the Savings and Retirement accounts of the Humana Retirement Savings Plan were \$149.0 million and \$136.8 million for the years ended December 31, 2013 and 2012, respectively. As of December 31, 2013 and 2012, the fair market value of the Humana Retirement Savings Plan’s assets was \$2.8 billion and \$2.1 billion, respectively.

H. Postemployment Benefits and Compensated Absences

Not Applicable.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not Applicable

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

(1) The Company has \$1 par value common stock with 5,000,000 shares authorized and 2,248,000 shares issued and outstanding. All shares are common stock shares.

(2) The Company has no preferred stock outstanding.

(3-5) Dividends are noncumulative and are paid as determined by the Board of Directors. Dividends are subject to the approval of the Department of Insurance if such dividend distribution exceeds the lesser of the Company’s prior year net operating profits or 10 percent of policyholders surplus funds derived from realized net operating profits.

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

No dividends were paid as of December 31, 2013.

(6) There were no restrictions placed on the Company’s surplus, including for whom the surplus is being held.

(7) Not Applicable.

(8) Not Applicable.

(9) Not Applicable.

(10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$(70,139).

(11) Not Applicable.

(12) Not Applicable.

(13) Not Applicable.

14. Contingencies

A. Contingent Commitments

Not Applicable.

B. Assessments

Not Applicable.

STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.

NOTES TO THE FINANCIAL STATEMENTS

C. Gain Contingencies

Not Applicable.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

Not Applicable.

E. All Other Contingencies

During the ordinary course of business, the Company is subject to pending and threatened legal actions. Management of the Company does not believe that any of these actions will have a material adverse effect on the Company's surplus, results of operations or cash flows. However, the likelihood or outcome of current or future legal proceedings cannot be accurately predicted, and they could adversely affect the Company's surplus, results of operations and cash flows.

The Company is not aware of any other material contingent liabilities as of December 31, 2013.

15. Leases

A. Lessee Operating Lease

(1) The Company has entered into operating leases for medical and administrative office space and equipment with lease terms ranging from one to ten years. Operating lease rental payments charged to expenses for the years ended December 31, 2013 and 2012 was approximately \$5.1 million and \$6.1 million, respectively.

(2) Noncancelable Lease Terms:

a) At January 1, 2014, the minimum aggregate rental commitments are as follows:

Year ending December 31,	
2014	\$ 3,679,775
2015	3,401,189
2016	3,159,122
2017	345,661
2018	234,420
Thereafter	437,417
Total Minimum Lease Payments	\$ <u>11,257,584</u>

b) Certain rental commitments have renewal options extending through the year 2020. Some of these renewals are subject to adjustments in future periods.

(3) The Company is not involved in any sales-leaseback transactions.

B. Lessor Leases

Not Applicable.

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

The Company has no investment in Financial Instruments with Off Balance Sheet Risk or Concentrations of Credit Risk.

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

A. Transfers of Receivables Reported as Sales

Not Applicable.

B. Transfer and Servicing of Financial Assets

Not Applicable.

C. Wash Sales

Not Applicable.

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

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

A. ASO Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2013:

	ASO Uninsured Plans		Uninsured Portion of Partially Insured Plans		Total ASO	
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$	(32,841,765)	\$	-	\$	(32,841,765)
b. Total net other income or expenses (including interest paid to or received from plans)	\$	(3,563,075)	\$	-	\$	(3,563,075)
c. Net gain or (loss) from operations	\$	(36,404,840)	\$	-	\$	(36,404,840)
d. Total claim payment volume	\$	1,485,658,558	\$	-	\$	1,485,658,558

B. ASC Plans

Not Applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

- a. The Company records no revenue explicitly attributable to the cost share and reinsurance components of administered Medicare products.
- b. As of December 31, 2013, the Company has recorded a receivable from CMS of \$6.0 million related to the cost share and reinsurance components of administered Medicare products. As of December 31, 2013, the Company has recorded receivables from the following payors whose account balances are greater than 10% of the Company's amounts receivable from uninsured accident and health plans or \$10,000:

Hillsborough County Government	2,142,970
University of Cincinnati	968,438
Blount County	399,721
Rouse's Enterprises, LLC	299,893
Acuity	268,013
Covenant Health	250,207
Anderson County Government	237,063
The Christ Hospital	236,276
DeRoyal Industries Inc	224,161
SouthWest Key Program	163,353
Methodist Medical Center	149,611
Rackspace US	124,204
The Rawlings Company LLC	115,727
All Children's Hospital	114,851
City of DePere	102,044
Concentra Operating Corporation	98,112
PGA Tour Inc	84,043
Jeff Wyler Dealer Group	74,708
Grothues Brothers Holding	71,589
KCEOC Community Action	71,409
Hubert Col	70,097
Summitt Trucking LLC	66,494
Pflugerville Independent	65,576
Non AFSCME POS Actives	49,661
AFSCME Pos Actives	48,639
Syntel	41,676
The C. W. Zumbiel Company	37,836
Superior Die	37,429
Occupational Health Centers	33,205
University Health System	32,417
Clermont County Board	30,922
Citizen's Inc	27,443
SeniorBridge Family Company	27,256
Clayton County Board	25,128
TriHealth	22,822
The City of Bowling Green	20,043
Parkway Products	19,943
JTS Enterprises of Tampa LTD	17,312
Sevier County Adult Inmat	16,499
Occupational Health Centers	14,459

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

The Proctor & Gamble Company	14,254
Florida Medical Clinic	13,799
Gustman	13,610
Ace Precision	13,421
Nliven systems	12,455
Teller County	12,013
Robert W Baird & Co. Inc.	11,218

- c. As no revenue is recorded in connection with the cost share and reinsurance components of the Company's Medicare contracts, the Company has recorded no allowances and reserves for adjustment of recorded revenues and receivables.
- d. The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

Not Applicable.

20. Fair Value Measurements

- A. (1) The fair value of financial assets at December 31, 2013 were as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Tax-exempt municipal bonds	\$ -	\$ 805,744	\$ -	\$ 805,744
Total invested assets	\$ -	\$ 805,744	\$ -	\$ 805,744

- (2) Rollforward of Level 3 Items

Not Applicable.

- (3) There were no fair value measurements using significant unobservable inputs. The Company reports transfers between fair value hierarchy levels at the end of the reporting period. There were no transfers between the fair value hierarchy levels between December 31, 2012 and 2013.

- (4) Fair value of actively traded debt securities are based on quoted market prices. Fair value of other debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates generally using a market valuation approach, or, less frequently, an income valuation approach and are generally classified as Level 2. The Company generally obtains one quoted price for each security from a third party pricing service. These prices are generally derived from recently reported trades for identical or similar securities, including adjustments through the reporting date based upon observable market information. When quoted prices are not available, the third party pricing service may use quoted market prices of comparable securities or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include benchmark yields, reported trades, credit spreads, broker quotes, default rates and prepayment speeds. The Company is responsible for the determination of fair value and as such, the Company performs analysis on the prices received from the third party pricing service to determine whether the prices are reasonable estimates of fair value. The Company's analysis includes a review of monthly price fluctuations as well as a quarterly comparison of the prices received from the pricing service to prices reported by the Company's third party investment advisor. Based on the Company's internal price verification procedures and review of fair value methodology documentation provided by the third party pricing service, there were no material adjustments to the prices obtained from the third party pricing service during the year ended December 31, 2013.

- (5) Derivative Fair Values

Not Applicable.

- B. Other Fair Value Disclosures

Not Applicable.

- C. Fair Values for All Financial Instruments by Levels 1,2 and 3

Not Applicable.

- D. Financial Instruments for which Not Practicable to Estimate Fair Values

Not Applicable.

21. Other Items

- A. Extraordinary Items

Not Applicable.

NOTES TO THE FINANCIAL STATEMENTS

B. Troubled Debt Restructuring: Debtors

Not Applicable.

C. Other Disclosures and Unusual Items

Not Applicable.

D. Business Interruption Insurance Recoveries

Not Applicable.

E. State Transferable and Non-transferable Tax Credits

Not Applicable.

F. Subprime Mortgage Related Risk Exposure

(1) The Company consults with its external investment managers to assess its subprime mortgage related risk exposure. Certain characteristics are utilized to determine if a mortgage-backed security has subprime exposure. The main characteristics reviewed when determining this are the collateral and structure of the security, the loan purpose, loan documentation, occupancy, geographical location, loan size and type. Subprime mortgage borrowers typically have lower credit scores, lower loan balances and higher loan-to-values than other conforming loans. Management's practices include reviewing quantitative and qualitative credit models that analyze loan-level collateral composition, historical underwriter performance trends, the impact of macroeconomic factors, and issuer risks; as well as reviewing the estimation of security cash flows and monthly model calibrations.

(2) Direct exposure through investments in sub-prime mortgage loans.

The Company has no direct exposure through investment to sub-prime mortgage loans.

(3) Direct exposure through other investments:

- a. Residential mortgage backed securities – No substantial exposure noted.
- b. Commercial mortgage backed securities – No substantial exposure noted.
- c. Collateralized debt obligations – No substantial exposure noted.
- d. Structured securities – No substantial exposure noted.
- e. Equity investments in SCAs – No substantial exposure noted.
- f. Other assets – No substantial exposure noted.
- g. Total – No substantial exposure noted.

(4) Underwriting exposure to sub-prime mortgage risk through Mortgage Guaranty coverage, Financial Guaranty coverage, Directors and Officers liability coverage, or Errors and Omissions liability coverage.

Not Applicable.

Classification of mortgage related securities is primarily based on information from outside data services, including rating agency actions. When considering our exposure, the Company evaluated the percentage of full documentation loans, percent of owner occupied properties, FICO scores, average margin for ARM loans, percent of loans with prepayment penalties, the existence of non-traditional underwriting standards, among other factors.

G. Retained Assets

Not Applicable.

H. Offsetting and Netting of Assets and Liabilities

Not Applicable.

I. Joint and Several Liabilities

Not Applicable.

22. Events Subsequent

On January 1, 2014, the Company will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014. As of December 31, 2013, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2014, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2014 to be \$66.7 million. Had the 2014 annual health insurance fee accrual been accelerated into 2013, this assessment would have lowered 2013 capital and surplus and the risk based capital ratio by 17.6%. The Company expects to offset the impact of the health insurance industry fee on its results of operations in 2014 through pretax income improvement; however, there can be no assurance that it will be able to do so.

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

If the ACA assessment had been recorded as of December 31, 2013, the impact on the Company's operations, not considering any premium and/or benefits adjustments, would have been as follows (in millions):

	Total Capital and Surplus	Net Income	Total Liabilities
2013 Annual Statement Balances	\$ 379.2	\$ (38.5)	\$ 432.4
Estimated ACA Fee Assessment	(66.7)	(66.7)	66.7
Pro Forma 2013 Balances	<u>\$ 312.5</u>	<u>\$ (105.2)</u>	<u>\$ 499.1</u>

The Company is not aware of any other events occurring subsequent to the close of the books for this statement which may have a material effect on its financial condition. Subsequent events have been considered through February 22, 2014 for the Statutory Statement issued on February 22, 2014.

- A. ACA fee assessment payable \$66.7 million
- B. Assessment expected to impact RBC (17.6)%

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10.0 percent or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes ( ) No (X)

If yes, give full details.

- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10.0 percent or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes ( ) No (X)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$0

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (X)

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes ( ) No (X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$0

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

B. Uncollectible Reinsurance

Not Applicable.

C. Commutation of Ceded Reinsurance

Not Applicable.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not Applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. The Company estimates accrued retrospective premium adjustments for its Medicare business through a mathematical approach using an algorithm based upon settlement procedures defined by contracts with CMS.

B. The Company records accrued retrospective premium as an adjustment to earned premiums.

C. The amount of net premiums written by the Company at December 31, 2013 that are subject to retrospective rating features was \$49.4 million, or 1.34 percent of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act.

	Individual	Small Group Employer	Large Group Employer	Other Categories with rebates	Total
Prior Reporting Year:					
Medical loss ratio rebates incurred	\$ 21,153	\$ 4,456,831	\$ 3,639,829	\$ -	\$ 8,117,813
Medical loss ratio rebates paid	-	7,190,399	6,161,317	-	13,351,716
Medical loss rebates unpaid	30,852	4,331,398	1,881,804	-	6,244,054
Plus reinsurance assumed amounts	-	-	-	-	-
Less reinsurance ceded amounts	-	-	-	-	-
Rebates unpaid net of reinsurance	\$ -	\$ -	\$ -	\$ -	6,244,054

Current Reporting Year-to-date:					
Medical loss ratio rebates incurred	\$ 968,823	\$ 4,534,211	\$ 2,220,846	\$ -	\$ 7,723,880
Medical loss ratio rebates paid	108,526	3,863,101	1,362,499	-	5,334,126
Medical loss rebates unpaid	891,149	5,002,508	2,740,151	-	8,633,808
Plus reinsurance assumed amounts	-	-	-	-	-
Less reinsurance ceded amounts	-	-	-	-	-
Rebates unpaid net of reinsurance	\$ -	\$ -	\$ -	\$ -	8,633,808

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2012 were \$251.3 million. As of December 31, 2013, \$228.2 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$4.1 million as a result of reestimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$19.0 million favorable prior-year development since December 31, 2012. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The company did not experience any material prior year claim development on retrospectively rated policies.

26. Intercompany Pooling Arrangements

Not Applicable.

27. Structured Settlements

The Company has no structured settlements.

**STATEMENT AS OF December 31, 2013 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimate Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More than 181 Days after Billing
12/31/2013	\$ 16,836,020	\$ 16,836,020	\$ -	\$ -	\$ -
9/30/2013	\$ 17,943,495	\$ 17,943,495	\$ 17,916,641	\$ -	\$ -
6/30/2013	\$ 19,291,477	\$ 19,291,477	\$ 19,291,319	\$ -	\$ -
3/31/2013	\$ 23,419,618	\$ 23,419,618	\$ 23,315,266	\$ -	\$ 104,352
12/31/2012	\$ 17,054,563	\$ 17,054,563	\$ 16,985,769	\$ -	\$ 58,966
9/30/2012	\$ 16,969,271	\$ 16,969,271	\$ 14,974,086	\$ 1,924,320	\$ 57,230
6/30/2012	\$ 17,988,759	\$ 17,988,759	\$ 14,805,257	\$ 3,114,363	\$ 51,879
3/31/2012	\$ 14,796,155	\$ 14,796,155	\$ 5,911,727	\$ 8,794,415	\$ 70,422
12/31/2011	\$ 6,238,730	\$ 6,238,730	\$ 6,238,730	\$ -	\$ -
9/30/2011	\$ 6,145,560	\$ 6,145,560	\$ 6,145,560	\$ -	\$ -
6/30/2011	\$ 7,248,706	\$ 7,248,706	\$ 7,248,706	\$ -	\$ -
3/31/2011	\$ 6,319,618	\$ 6,319,618	\$ 6,319,618	\$ -	\$ -

B. Risk Sharing Receivables

Risk Sharing receivables include estimated recoveries on plan to plan and state to plan adjustments attributable to benefits paid for Medicare beneficiaries. These estimated recoveries from other Medicare carriers and state Medicaid plans are recorded based upon reported overpayments, adjusted for historical recovery patterns.

29. Participating Policies

The Company has no participating policies.

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves \$ 1,460,000
2. Date of the most recent evaluation of this liability December 31, 2013
3. Was anticipated investment income utilized in the calculation? Yes ( ) No ( X )

The Company did recognize the time value of money by discounting future losses at an annual interest rate of 0.10 percent.

31. Anticipated Salvage and Subrogation

Not Applicable.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]  
If yes, complete Schedule Y, Parts 1, 1A and 2
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [ X ] No [ ] N/A [ ]
- 1.3 State Regulating? ..... Kentucky
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2013
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2008
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 12/20/2010
- 3.4 By what department or departments?  
Kentucky Department of Insurance .....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ X ] No [ ] N/A [ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ X ] No [ ] N/A [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? ..... Yes [ ] No [ X ]  
4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? ..... Yes [ ] No [ X ]  
4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1              | 2                 | 3                 |
|----------------|-------------------|-------------------|
| Name of Entity | NAIC Company Code | State of Domicile |
|                |                   |                   |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [ X ]
- 6.2 If yes, give full information:  
.....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [ X ]
- 7.2 If yes,  
7.21 State the percentage of foreign control; ..... 0.0 %  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1	2
Nationality	Type of Entity

**GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]
- 8.4 If response to 8.3 is yes, please provide 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. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
PricewaterhouseCoopers LLC, 500 West Main Street, Suite 1800, Louisville, Kentucky 40202-4264
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain  
.....
- 11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Jonathan Albert Canine, Actuarial Director and Appointed Actuary, 500 West Main Street, Louisville, KY 40202 .....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [ X ]
  - 12.11 Name of real estate holding company .....
  - 12.12 Number of parcels involved .....0
  - 12.13 Total book/adjusted carrying value .....\$ .....0
- 12.2 If, yes provide explanation:  
.....
- 13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ X ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]
  - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - (c) Compliance with applicable governmental laws, rules and regulations;
  - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:  
.....
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ X ] No [ ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
Revised based on general policy and regulatory changes .....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....

**GENERAL INTERROGATORIES**

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes  No
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
122241132	Pacific Western Bank	N/A	135,000
122241912	American Security Bank	N/A	100,000
071925334	Lake Forest Bank	N/A	50,000
071026408	Metropolitan Capital Bank	N/A	50,000

**BOARD OF DIRECTORS**

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes  No
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes  No
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes  No

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes  No
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$ 0
  - 20.12 To stockholders not officers \$ 0
  - 20.13 Trustees, supreme or grand (Fraternal Only) \$ 0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$ 0
  - 20.22 To stockholders not officers \$ 0
  - 20.23 Trustees, supreme or grand (Fraternal Only) \$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes  No
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$ 0
  - 21.22 Borrowed from others \$ 0
  - 21.23 Leased from others \$ 0
  - 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes  No
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ 0
  - 22.22 Amount paid as expenses \$ 1,054,552
  - 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes  No
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

**INVESTMENT**

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes  No
- 24.02 If no, give full and complete information relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes  No  N/A
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes  No  N/A
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes  No  N/A
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes  No  N/A

**GENERAL INTERROGATORIES**

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

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

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). ..... Yes  No

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements .....	\$ .....	0
25.22 Subject to reverse repurchase agreements .....	\$ .....	0
25.23 Subject to dollar repurchase agreements .....	\$ .....	0
25.24 Subject to reverse dollar repurchase agreements .....	\$ .....	0
25.25 Pledged as collateral .....	\$ .....	0
25.26 Placed under option agreements .....	\$ .....	0
25.27 Letter stock or other securities restricted as to sale .....	\$ .....	0
25.28 On deposit with state or other regulatory body .....	\$ .....	16,009,445
25.29 Other .....	\$ .....	0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes  No

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes  No  N/A   
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? ..... Yes  No

27.2 If yes, state the amount thereof at December 31 of the current year. .... \$ .....

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

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase .....	4 Metro Tech Center, 16th Floor, Mail Code NY 1-C512, Brooklyn, NY 11245 Attn: Barbara Walsh ...

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?..... Yes  No

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

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

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
107105 .....	Blackrock, Inc. ....	55 East 52nd Street, New York, NY, 10055 .....

## GENERAL INTERROGATORIES

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

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	636,146,463	634,977,880	(1,168,583)
30.2 Preferred stocks .....	0	0	0
30.3 Totals	636,146,463	634,977,880	(1,168,583)

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

Fair value of actively traded debt and equity securities are based on quoted market prices. Fair value of inactively traded debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates using either a market or income valuation. ....

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ ] No [  ]

- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ ] No [ ]

- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
 Fair value of actively traded debt and equity securities are based on quoted market prices. Fair value of inactively traded debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates using either a market or income valuation. ....

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

- 32.2 If no, list exceptions:  
 .....

**GENERAL INTERROGATORIES**

**OTHER**

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid

34.1 Amount of payments for legal expenses, if any? .....\$ .....3,290,510

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

1 Name	2 Amount Paid
Berkeley Research Group, LLC .....	1,487,423

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

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

# GENERAL INTERROGATORIES

## PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [ X ]

1.2 If yes, indicate premium earned on U.S. business only. .... \$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ 0

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above ..... \$ 0

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. .... \$ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned ..... \$ 0

1.62 Total incurred claims ..... \$ 0

1.63 Number of covered lives ..... 0

All years prior to most current three years:

1.64 Total premium earned ..... \$ 0

1.65 Total incurred claims ..... \$ 0

1.66 Number of covered lives ..... 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned ..... \$ 0

1.72 Total incurred claims ..... \$ 0

1.73 Number of covered lives ..... 0

All years prior to most current three years:

1.74 Total premium earned ..... \$ 0

1.75 Total incurred claims ..... \$ 0

1.76 Number of covered lives ..... 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	3,683,105,426	3,000,472,810
2.2 Premium Denominator .....	3,683,105,426	3,000,472,810
2.3 Premium Ratio (2.1/2.2) .....	1.000	1.000
2.4 Reserve Numerator .....	348,161,410	284,413,565
2.5 Reserve Denominator .....	348,161,410	284,413,565
2.6 Reserve Ratio (2.4/2.5) .....	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? ..... Yes [ ] No [ X ]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? ..... Yes [ X ] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? ..... Yes [ ] No [ ]

5.1 Does the reporting entity have stop-loss reinsurance? ..... Yes [ X ] No [ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical ..... \$ 2,000,000

5.32 Medical Only ..... \$ 0

5.33 Medicare Supplement ..... \$ 0

5.34 Dental & Vision ..... \$ 0

5.35 Other Limited Benefit Plan ..... \$ 0

5.36 Other ..... \$ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
 Provider contracts include hold harmless and continuation of benefits provisions. HMO has an indemnity agreement with the parent company.  
 .....

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? ..... Yes [ X ] No [ ]

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year ..... 597,788

8.2 Number of providers at end of reporting year ..... 712,559

9.1 Does the reporting entity have business subject to premium rate guarantees? ..... Yes [ ] No [ X ]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months. \$ 0

9.22 Business with rate guarantees over 36 months ..... \$ 0

**GENERAL INTERROGATORIES**

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes  No

10.2 If yes:

10.21 Maximum amount payable bonuses.....	\$	142,557
10.22 Amount actually paid for year bonuses.....	\$	506,992
10.23 Maximum amount payable withholds.....	\$	0
10.24 Amount actually paid for year withholds.....	\$	0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, .....	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
11.13 An Individual Practice Association (IPA), or, .....	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
11.14 A Mixed Model (combination of above)? .....	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? ..... Yes  No

11.3 If yes, show the name of the state requiring such net worth. .... Indiana 27-13-12-3

11.4 If yes, show the amount required. .... \$ 206,973,434

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes  No

11.6 If the amount is calculated, show the calculation  
See RBC calculation or state regulation.

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Arizona: Apache, Cochise, Gila, Graham, Greenlee, LaPaz, Maricopa, Mohave, Navajo, Pima, Pinal, Santa Cruz, Yavapai, Yuma. ....
Colorado: Adams, Arapahoe, Broomfield, Denver, Douglas, Jefferson, Boulder, Elbert, El Paso, Teller .....
Illinois: Cook, Dupage, Kane, Kankakee, Kendall, Lake, McHenry, Will, Boone, Brown, Bureau, Cass, DeKalb, Dewitt, Fulton, Grundy, Hancock, Henderson, Henry, Knox, .....
LaSalle, Lee, Livingston, Marshall, McDonough, McLean, Mercer, Ogle, Peoria, Putman, Schuyler, Stark, Stephenson, Tazewell, Warren, Winnebago, Woodford .....
Indiana: Boone, Clark, Crawford, Dearborn, Dubois, Franklin, Floyd, Gibson, Hamilton, Hancock, Harrison, Hendricks, Howard, Jackson, Jennings, Johnson, Knox, Lake, .....
LaPorte, Madison, Marion, Morgan, Ohio, Orange, Pike, Porter, Ripley, Scott, Shelby, Spencer, Tipton, Union, Vanderburgh, Warrick, Washington, Delaware, Jefferson, Posey .....
Kansas: Atchison, Jefferson, Johnson, Leavenworth, Linn, Miami, Wyandotte .....
Kentucky: Adair, Allen, Anderson, Ballard, Barren, Bath, Bell, Boone, Bourbon, Boyd, Boyle, Bracken, Breathitt, Breckinridge, Bullitt, Butler, Caldwell, Calloway, Campbell, .....
Carlisle, Carroll, Carter (p), Casey, Christian, Clark, Clay, Clinton, Crittenden, Cumberland, Daviess, Edmonson, Elliott, Estill, Fayette, Fleming, Floyd, Franklin, .....
Fulton, Gallatin, Garrard, Grant, Graves, Grayson, Greene, Greenup, Hancock, Hardin, Harlan, Harrison, Hart, Henderson, Henry, Hickman, Hopkins, Jackson .....
Jefferson, Jessamine, Johnson, Kenton, Knott, Knox, Larue, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, Livingston, Logan, Lyon, Madison, Magoffin .....
Marion, Marshall, Martin, Mason, McCracken, McCreary, McLean, Meade, Menifee, Mercer, Metcalf, Monroe, Montgomery, Morgan, Muhlenberg, Nelson .....
Nicholas, Ohio, Oldham, Owen, Owsley, Pendleton, Perry, Pike, Powell, Pulaskie, Robertson, Rockcastle, Rowan, Russell, Scott, Shelby, Simpson, Spencer, Taylor, Todd, Trigg, Trimble, Union, Warren, Washington, Wayne, Webster, Whitley, Wolfe, Woodford .....
Missouri: Bates, Buchanan, Caldwell, Carroll, Cass, Clay, Clinton, Henry, Jackson, Johnson, Lafayette, Platte, Ray .....
Nevada: Carson City, Clark, Lyon(p), Douglas(p), Nye(p), Storey, Washoe(p) .....
Tennessee: Anderson, Bledsoe, Blount, Bradley, Campbell, Carter, Claiborne, Cocke, Davidson, DeKalb, Fayette, Grainger, Greene, Hamblen, Hamilton, Hancock, Hawkins .....
Jefferson, Johnson, Knox, Loudon, Macon, Marshall, McMinn, Meigs, Morgan, Rhea, Roane, Scott, Sequatchie, Sevier, Shelby, Smith, Sullivan, Tipton, Trousdale, Unicoi, Union, Washington, Wilson .....

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

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. .... \$ 0

13.3 Do you act as an administrator for health savings accounts? ..... Yes  No

13.4 If yes, please provide the balance of funds administered as of the reporting date. .... \$ 0

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**FIVE-YEAR HISTORICAL DATA**

	1 2013	2 2012	3 2011	4 2010	5 2009
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	811,647,433	645,208,799	528,760,277	509,907,987	405,427,583
2. Total liabilities (Page 3, Line 24) .....	432,403,260	337,267,023	263,283,176	229,026,143	229,812,569
3. Statutory surplus .....	206,973,434	168,810,496	129,122,104	105,925,748	108,234,224
4. Total capital and surplus (Page 3, Line 33) .....	379,244,173	307,941,776	265,477,101	280,881,844	175,615,014
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	3,694,249,367	2,992,311,788	2,341,599,022	1,966,525,462	1,767,214,459
6. Total medical and hospital expenses (Line 18) .....	3,178,270,900	2,559,763,865	1,958,710,479	1,621,855,792	1,514,220,353
7. Claims adjustment expenses (Line 20) .....	173,071,151	168,321,705	112,108,245	62,755,032	36,956,531
8. Total administrative expenses (Line 21) .....	421,461,917	302,032,654	279,379,780	251,823,102	219,225,645
9. Net underwriting gain (loss) (Line 24) .....	(77,124,740)	(49,808,291)	(4,576,343)	44,517,865	216,384
10. Net investment gain (loss) (Line 27) .....	18,521,752	15,927,615	12,882,000	10,298,805	9,604,693
11. Total other income (Lines 28 plus 29) .....	218,201	9,818	11,923	12,712	(18,287,474)
12. Net income or (loss) (Line 32) .....	(38,526,925)	(28,891,765)	5,460,925	30,421,797	(8,901,986)
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	(48,944,370)	39,754,008	53,285,969	(6,227,652)	13,303,957
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	379,244,173	307,941,776	265,477,101	280,881,844	175,615,014
15. Authorized control level risk-based capital .....	98,431,454	84,434,629	64,561,052	52,901,134	54,117,112
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	586,003	476,778	397,622	392,524	365,674
17. Total members months (Column 6, Line 7) .....	6,847,876	5,619,511	4,793,106	4,661,923	4,688,908
<b>Operating Percentage</b> (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	86.0	85.5	83.6	82.5	85.7
20. Cost containment expenses .....	4.0	4.5	3.8	2.6	0.3
21. Other claims adjustment expenses .....	0.7	1.1	1.0	0.6	1.8
22. Total underwriting deductions (Line 23) .....	102.1	101.7	100.2	97.7	100.0
23. Total underwriting gain (loss) (Line 24) .....	(2.1)	(1.7)	(0.2)	2.3	0.0
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	230,359,333	164,342,580	147,945,813	139,650,778	140,538,331
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	250,562,148	186,490,178	160,116,927	155,464,640	149,374,018
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	29,233,357	31,508,729	30,779,448	27,886,723	26,798,974
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....	0	0	0	0	0
31. All other affiliated .....	0	0	0	0	0
32. Total of above Lines 26 to 31 .....	29,233,357	31,508,729	30,779,448	27,886,723	26,798,974
33. Total investment in parent included in Lines 26 to 31 above .....	0	0	0	0	0

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

**SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS**

**Allocated by States and Territories**

1	Direct Business Only								
	2	3	4	5	6	7	8	9	
States, etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	L	141,382	116,247,997	0	0	0	116,389,379	0
2. Alaska	AK	N	0	0	0	0	0	0	0
3. Arizona	AZ	L	40,114,889	249,426,813	0	0	0	289,541,702	0
4. Arkansas	AR	L	927,978	210,540,149	0	0	0	211,468,127	0
5. California	CA	N	0	0	0	0	0	0	0
6. Colorado	CO	L	82,617,283	107,655,015	0	0	0	190,272,298	0
7. Connecticut	CT	N	0	0	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0	0	0
9. District of Columbia	DC	N	0	0	0	0	0	0	0
10. Florida	FL	N	0	0	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0	0	0
13. Idaho	ID	L	264,030	28,933,589	0	0	0	29,197,619	0
14. Illinois	IL	L	122,420,356	369,936,935	0	86,468,631	0	578,825,922	0
15. Indiana	IN	L	17,163,251	92,084,286	0	0	0	109,247,537	0
16. Iowa	IA	N	0	0	0	0	0	0	0
17. Kansas	KS	L	3,808,904	151,782,360	0	29,317,533	0	184,908,797	0
18. Kentucky	KY	L	423,825,725	95,697,355	88,223,650	6,438,201	0	614,184,931	0
19. Louisiana	LA	N	0	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0	0
26. Missouri	MO	L	3,162,685	291,194,807	0	1,694	0	294,359,186	0
27. Montana	MT	N	0	0	0	0	0	0	0
28. Nebraska	NE	L	83,432	34,622,458	0	0	0	34,705,890	0
29. Nevada	NV	L	3,910,067	482,092,801	0	0	0	486,002,868	0
30. New Hampshire	NH	N	0	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0	0
32. New Mexico	NM	L	96,127	29,798,675	0	0	0	29,894,802	0
33. New York	NY	N	0	0	0	0	0	0	0
34. North Carolina	NC	N	0	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0	0
36. Ohio	OH	N	0	0	0	0	0	0	0
37. Oklahoma	OK	N	0	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0	0
41. South Carolina	SC	L	460,000	146,875,014	0	0	0	147,335,014	0
42. South Dakota	SD	N	0	0	0	0	0	0	0
43. Tennessee	TN	L	66,049,941	0	0	614,485	0	66,664,426	0
44. Texas	TX	N	0	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0	0
47. Virginia	VA	L	210,416	286,006,111	0	0	0	286,216,527	0
48. Washington	WA	L	850,250	100,936,409	0	0	0	101,786,659	0
49. West Virginia	WV	L	0	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0
59. Subtotal	XXX	766,106,716	2,793,830,774	88,223,650	122,840,544	0	0	3,771,001,684	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0
61. Total (Direct Business)	(a) 18	766,106,716	2,793,830,774	88,223,650	122,840,544	0	0	3,771,001,684	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	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.

Explanation of basis of allocation by states, premiums by state, etc.

The company allocates group premiums to the situs of the contract and individual premiums based on residence.

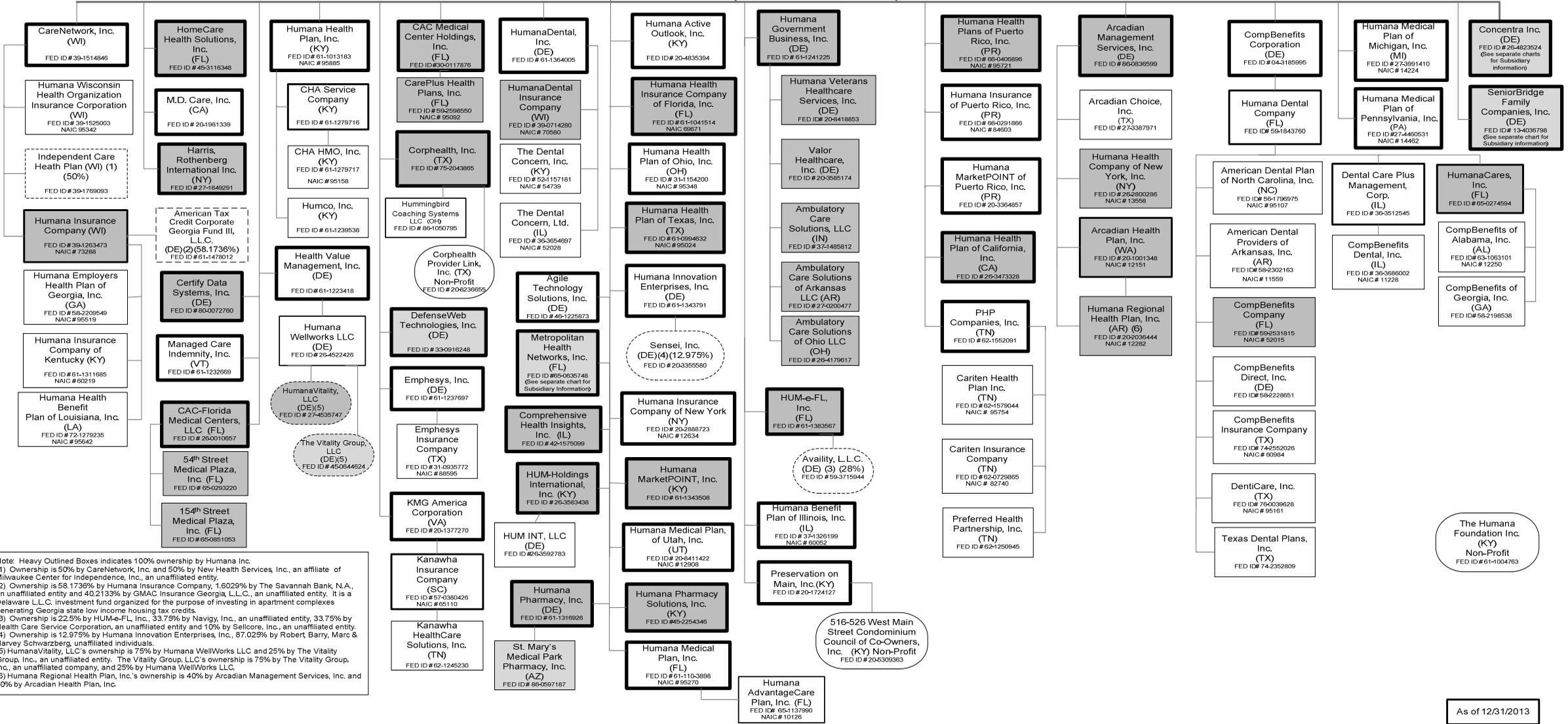
(a) Insert the number of L responses except for Canada and Other Alien.

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**Humana Inc.**  
(DE)  
FED ID# 61-0647538

Blue boxes indicate companies with employees

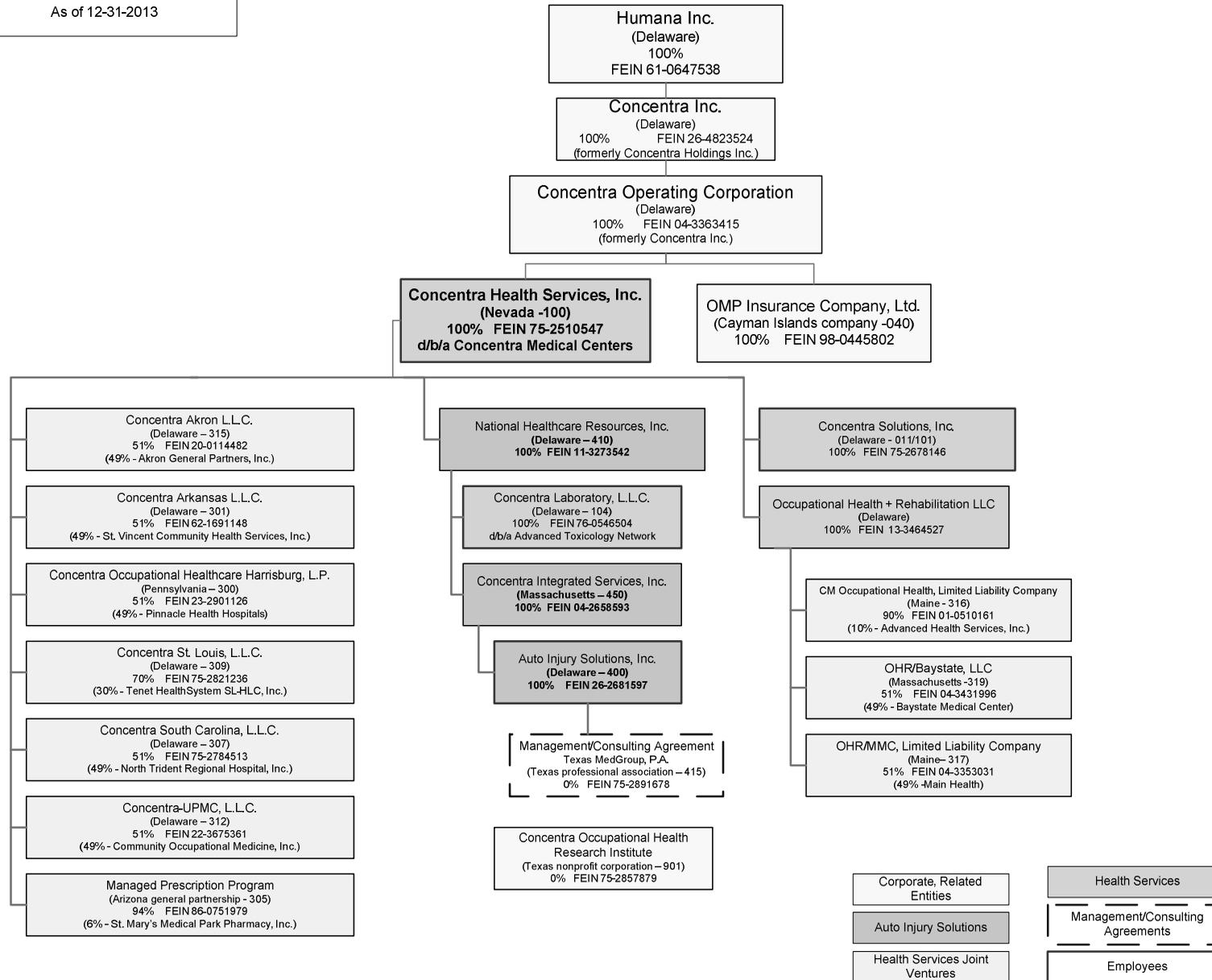
Green boxes indicate companies with employees not on Humana payroll



Note: Heavy Outlined Boxes indicates 100% ownership by Humana Inc.  
 (1) Ownership is 50% by CareNetwork, Inc. and 50% by New Health Services, Inc., an affiliate of Milwaukee Center for Independence, Inc., an unaffiliated entity.  
 (2) Ownership is 58.1736% by Humana Insurance Company, 1.6029% by The Savannah Bank, N.A., an unaffiliated entity and 40.2133% by GMAC Insurance Georgia, L.L.C., an unaffiliated entity. It is a Delaware L.L.C. investment fund organized for the purpose of investing in apartment complexes generating Georgia state low income housing tax credits.  
 (3) Ownership is 22.5% by HUM-e-FL, Inc., 33.75% by Navigy, Inc., an unaffiliated entity, 33.75% by Health Care Service Corporation, an unaffiliated entity and 10% by Selcore, Inc., an unaffiliated entity.  
 (4) Ownership is 12.975% by Humana Innovation Enterprises, Inc., 87.029% by Robert, Barry, Marc & Harvey Schwarzberg, unaffiliated individuals.  
 (5) HumanaVitality, LLC's ownership is 75% by Humana WellWorks LLC and 25% by The Vitality Group, Inc., an unaffiliated entity. The Vitality Group, LLC's ownership is 75% by The Vitality Group, Inc., an unaffiliated company, and 25% by Humana WellWorks LLC.  
 (6) Humana Regional Health Plan, Inc.'s ownership is 40% by Arcadian Management Services, Inc. and 60% by Arcadian Health Plan, Inc.

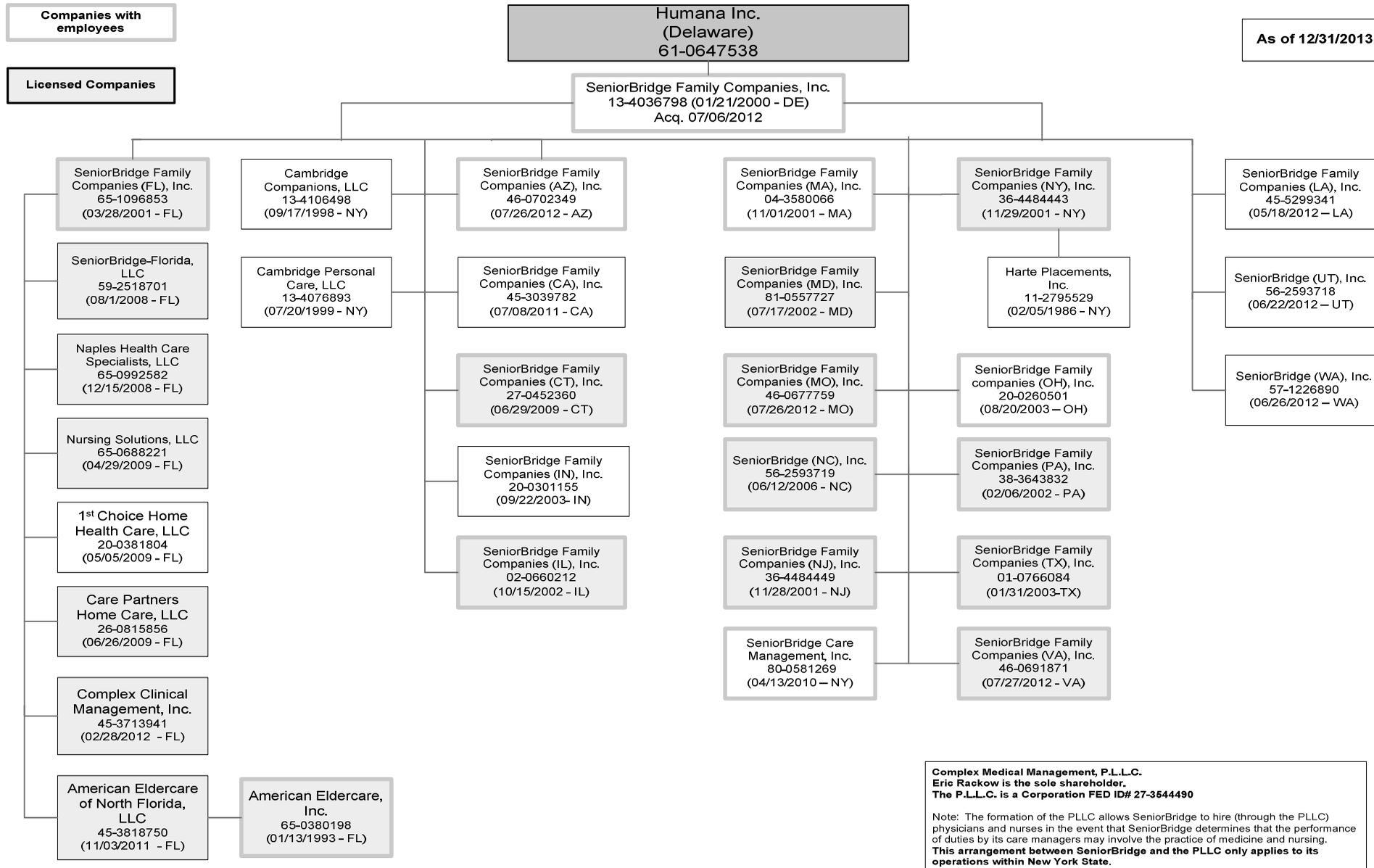
ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

As of 12-31-2013



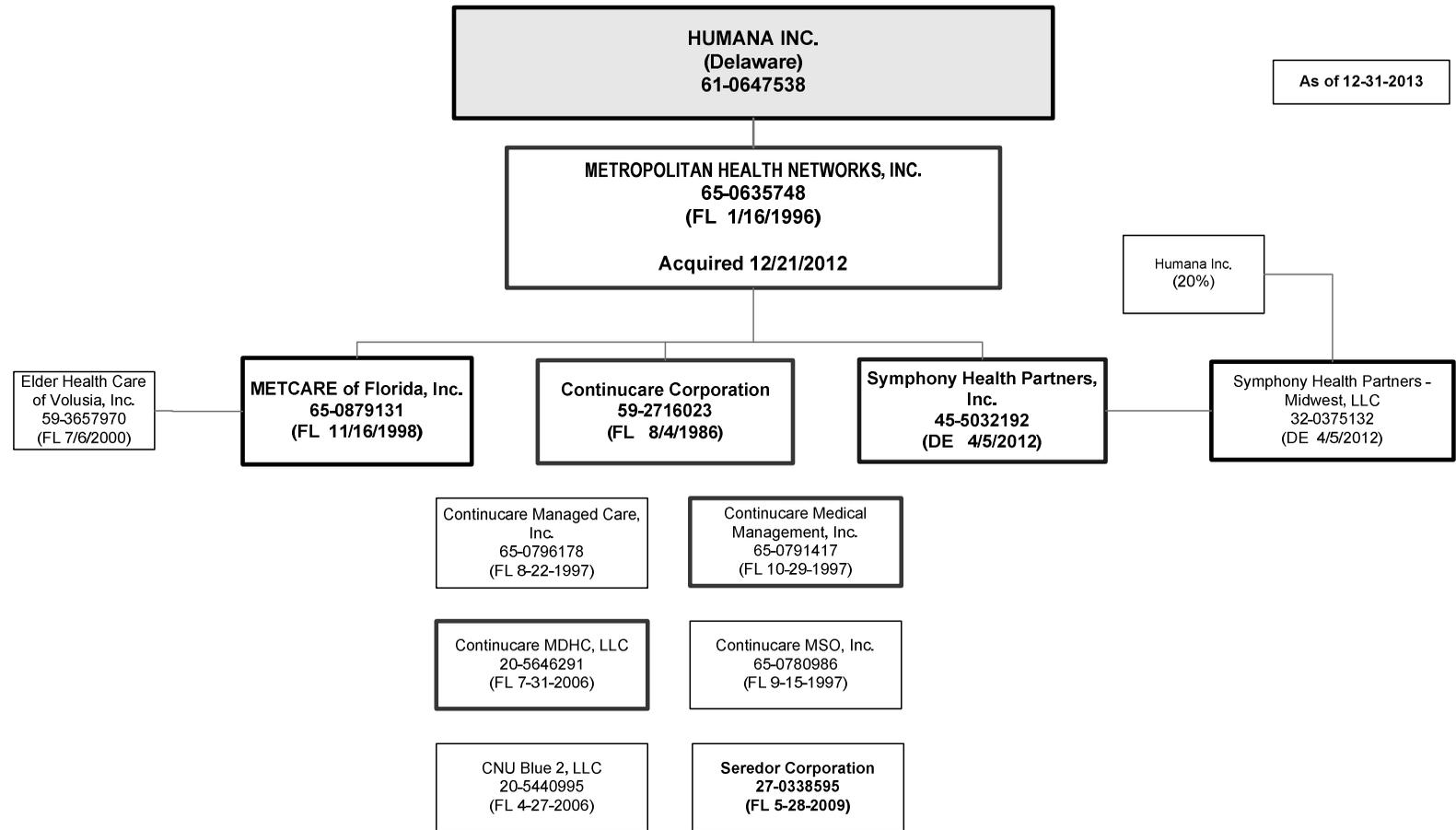
40.1

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.



40.2

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.



40.3

Employees

**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
2504. Prepaid Expenses .....	429,365	429,365	0	0
2505. Federal Contingency Reserves .....	21,104	0	21,104	0
2597. Summary of remaining write-ins for Line 25 from overflow page	450,469	429,365	21,104	0

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Prepaid Expenses .....	429,365	639,272	209,907
2597. Summary of remaining write-ins for Line 25 from overflow page	429,365	639,272	209,907

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE Humana Health Plan, Inc.

**OVERFLOW PAGE FOR WRITE-INS**

Additional Write-ins for Exhibit 1 Line 6

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
0604. ....	0	0	0	0	0	0
0605. ....	0	0	0	0	0	0
0606. ....	0	0	0	0	0	0
0697. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0

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