



ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2013
 OF THE CONDITION AND AFFAIRS OF THE

WellCare Health Insurance Company of Kentucky, Inc.

NAIC Group Code 01199 , 01199 NAIC Company Code 64467 Employer's ID Number 36-6069295
(Current Period) (Prior Period)

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

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
 Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization []
 Other [] Is HMO, Federally Qualified? Yes [] No []

Incorporated/Organized 03/27/1962 Commenced Business 08/31/1962

Statutory Home Office 13551 Triton Park Blvd, Suite 1800 , Louisville, KY, US 40223
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 8735 Henderson Road
(Street and Number)
Tampa, FL, US 33634 813-290-6200
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 31391 , Tampa, FL, US 33631-3391
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 8735 Henderson Road
(Street and Number)
Tampa, FL, US 33634 813-290-6200
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.wellcare.com

Statutory Statement Contact Mike Wasik , 813-206-2725
(Name) (Area Code) (Telephone Number) (Extension)
michael.wasik@wellcare.com 813-675-2899
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Kelly Ann Munson #</u>	<u>State President</u>	<u>Thomas Lacy Tran</u>	<u>CFO and Treasurer</u>
<u>Lisa Gonzalez Iglesias</u>	<u>Secretary</u>	<u>Maurice Sebastian Hebert</u>	<u>Asst Treasurer and CAO</u>

OTHER OFFICERS

DIRECTORS OR TRUSTEES

<u>Thomas Lacy Tran</u>	<u>Maurice Sebastian Hebert</u>	<u>Lisa Gonzalez Iglesias</u>
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State of Florida
 County of Hillsborough

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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.

Kelly Ann Munson
 State President

Thomas Lacy Tran
 CFO and Treasurer

Maurice Sebastian Hebert
 Asst Treasurer and CAO

Subscribed and sworn to before me this _____ day of _____, _____

- a. Is this an original filing? Yes [] No []
 b. If no:
 1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WellCare Health Insurance Company of Kentucky, 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).....	3,666,366		3,666,366	178,411
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
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$149,862,550 , Schedule E-Part 1), cash equivalents (\$25,555,703 , Schedule E-Part 2) and short-term investments (\$72,871,890 , Schedule DA).....	248,290,143		248,290,143	155,351,502
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	251,956,510	0	251,956,510	155,529,913
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	163,452		163,452	39,515
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	8,687,445		8,687,445	9,554,499
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	2,199,482		2,199,482	8,579,588
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans	2,309,596		2,309,596	149,644
18.1 Current federal and foreign income tax recoverable and interest thereon	2,475,868		2,475,868	0
18.2 Net deferred tax asset.....	6,097,215		6,097,215	3,043,768
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	9,675,337	9,675,337	0	0
24. Health care (\$13,937,309) and other amounts receivable.....	14,050,167	112,577	13,937,590	7,729,580
25. Aggregate write-ins for other than invested assets	6,005,519	2,480,065	3,525,454	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	303,620,591	12,267,979	291,352,612	184,626,507
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	303,620,591	12,267,979	291,352,612	184,626,507
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Other Non-Admitted Assets (Prepays).....	709,604	709,604	0	0
2502. ASO Prepayments.....	5,045,000	1,770,461	3,274,539	0
2503. State and Other Taxes Recoverable.....	250,915		250,915	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	6,005,519	2,480,065	3,525,454	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	139,031,713		139,031,713	92,687,693
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	1,461,883		1,461,883	1,359,556
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act	691,840		691,840	4,202,704
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	1,898,459		1,898,459	3,372,380
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	2,449,042
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	357,562		357,562	3,838,479
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	257,115
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	24,110,056		24,110,056	7,874,822
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	253,758	0	253,758	0
24. Total liabilities (Lines 1 to 23)	167,805,271	0	167,805,271	116,041,791
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	2,500,000	2,500,000
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	137,298,516	117,298,516
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(16,251,175)	(51,213,800)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	123,547,341	68,584,716
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	291,352,612	184,626,507
DETAILS OF WRITE-INS				
2301. Unclaimed Property Payable	253,758		253,758	
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	253,758	0	253,758	0
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 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
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 through 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	3,871,440	2,596,797
2. Net premium income (including \$0 non-health premium income).....	XXX	1,403,689,103	743,682,796
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	1,403,689,103	743,682,796
Hospital and Medical:			
9. Hospital/medical benefits		869,292,267	515,125,151
10. Other professional services		18,964,842	25,350,060
11. Outside referrals			0
12. Emergency room and out-of-area		75,184,521	59,972,914
13. Prescription drugs		277,759,418	195,522,445
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15)	0	1,241,201,048	795,970,570
Less:			
17. Net reinsurance recoveries		14,660,131	38,451,956
18. Total hospital and medical (Lines 16 minus 17)	0	1,226,540,917	757,518,614
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$18,389,695 cost containment expenses.....		43,011,615	26,691,688
21. General administrative expenses.....		74,134,413	38,143,523
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22)	0	1,343,686,945	822,353,825
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	60,002,158	(78,671,029)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		584,527	364,517
26. Net realized capital gains (losses) less capital gains tax of \$			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	584,527	364,517
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		0	0
29. Aggregate write-ins for other income or expenses	0	0	0
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	60,586,685	(78,306,512)
31. Federal and foreign income taxes incurred	XXX	21,712,641	(27,651,976)
32. Net income (loss) (Lines 30 minus 31)	XXX	38,874,044	(50,654,536)
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
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 through 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 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	68,584,716	42,381,546
34. Net income or (loss) from Line 32	38,874,044	(50,654,536)
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	3,053,447	1,443,484
39. Change in nonadmitted assets	(7,117,889)	(4,679,431)
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
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	20,000,000	80,000,000
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	153,023	93,653
48. Net change in capital and surplus (Lines 34 to 47)	54,962,625	26,203,170
49. Capital and surplus end of reporting year (Line 33 plus 48)	123,547,341	68,584,716
DETAILS OF WRITE-INS		
4701. Prior Period Adjustments, Net of Tax		93,653
4702. Correction of Error – Revised CMS Risk Corridor Calculation Related to Prior Years	153,023	
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	153,023	93,653

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	1,397,564,377	736,674,348
2. Net investment income	486,348	336,476
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	1,398,050,725	737,010,824
5. Benefit and loss related payments	1,180,024,520	732,279,460
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	.....	.....
7. Commissions, expenses paid and aggregate write-ins for deductions	120,422,041	55,825,171
8. Dividends paid to policyholders .....	.....	.....
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	26,637,551	(27,953,849)
10. Total (Lines 5 through 9)	1,327,084,112	760,150,782
11. Net cash from operations (Line 4 minus Line 10)	70,966,613	(23,139,958)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	175,000	500,000
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	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	175,000	500,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds	3,688,715	180,375
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	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	3,688,715	180,375
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)	(3,513,715)	319,625
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	20,000,000	80,000,000
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	.....	.....
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	5,485,743	5,249,576
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	25,485,743	85,249,576
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	92,938,641	62,429,243
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	155,351,502	92,922,259
19.2 End of year (Line 18 plus Line 19.1)	248,290,143	155,351,502

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WellCare Health Insurance Company of Kentucky, 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 Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	1,403,689,103	95,017,958	0	0	0	0	23,479,112	1,223,272,050	61,919,983	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	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)	1,403,689,103	95,017,958	0	0	0	0	23,479,112	1,223,272,050	61,919,983	0
8. Hospital/medical benefits	869,292,267	52,870,642					16,351,076	800,070,549		XXX
9. Other professional services	18,964,842	11,037,099					67,051	7,860,692		XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	75,184,521	3,565,095					742,135	70,877,291		XXX
12. Prescription drugs	277,759,418	3,966,039					1,825,513	221,085,105	50,882,761	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	0									XXX
15. Subtotal (Lines 8 to 14)	1,241,201,048	71,438,875	0	0	0	0	18,985,775	1,099,893,637	50,882,761	XXX
16. Net reinsurance recoveries	14,660,131	976,117						13,684,014		XXX
17. Total hospital and medical (Lines 15 minus 16)	1,226,540,917	70,462,758	0	0	0	0	18,985,775	1,086,209,623	50,882,761	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ cost containment expenses	43,011,615	2,916,651					758,132	37,392,957	1,943,875	
20. General administrative expenses	74,134,413	5,734,550					4,080,028	58,607,865	5,711,970	
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	1,343,686,945	79,113,959	0	0	0	0	23,823,935	1,182,210,445	58,538,606	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	60,002,158	15,903,999	0	0	0	0	(344,823)	41,061,605	3,381,377	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 through 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 through 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 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WellCare Health Insurance Company of Kentucky, 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)	95,849,067		831,109	95,017,958
2. Medicare Supplement .....				.0
3. Dental only.....				.0
4. Vision only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare	22,730,342	759,651	10,881	23,479,112
7. Title XIX - Medicaid.....	1,224,303,940		1,031,890	1,223,272,050
8. Other health.....	61,919,983			61,919,983
9. Health subtotal (Lines 1 through 8)	1,404,803,332	759,651	1,873,880	1,403,689,103
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	1,404,803,332	759,651	1,873,880	1,403,689,103

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WellCare Health Insurance Company of Kentucky, 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	1,201,064,758	67,179,503					15,813,926	1,064,728,386	53,342,943	
1.2 Reinsurance assumed	354,331						354,331			
1.3 Reinsurance ceded	21,394,568	1,294,914						20,099,654		
1.4 Net	1,180,024,521	65,884,589	0	0	0	0	16,168,257	1,044,628,732	53,342,943	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	139,031,713	9,027,707	0	0	0	0	3,578,787	125,486,919	938,300	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	139,031,713	9,027,707	0	0	0	0	3,578,787	125,486,919	938,300	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a).....	6,207,730	379,967					406,938	3,234,152	2,186,673	
7. Amounts recoverable from reinsurers December 31, current year	2,199,482	359,399					354,331	1,485,752		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	92,687,693	4,388,368	0	0	0	0	0	87,087,516	1,211,809	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	92,687,693	4,388,368	0	0	0	0	0	87,087,516	1,211,809	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	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	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	8,579,588	678,196	0	0	0	0	0	7,901,392	0	0
12. Incurred benefits:										
12.1 Direct	1,241,201,048	71,438,875	0	0	0	0	18,985,775	1,099,893,637	50,882,761	0
12.2 Reinsurance assumed	354,331	0	0	0	0	0	354,331	0	0	0
12.3 Reinsurance ceded	15,014,462	976,117	0	0	0	0	354,331	13,684,014	0	0
12.4 Net	1,226,540,917	70,462,758	0	0	0	0	18,985,775	1,086,209,623	50,882,761	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WellCare Health Insurance Company of Kentucky, 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 and 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	32,531,829	2,847,627					623,966	28,121,936	938,300	
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	32,531,829	2,847,627	0	0	0	0	623,966	28,121,936	938,300	0
2. Incurred but Unreported:										
2.1. Direct	106,499,884	6,180,080					2,954,821	97,364,983		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	106,499,884	6,180,080	0	0	0	0	2,954,821	97,364,983	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	139,031,713	9,027,707	0	0	0	0	3,578,787	125,486,919	938,300	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	139,031,713	9,027,707	0	0	0	0	3,578,787	125,486,919	938,300	0

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WellCare Health Insurance Company of Kentucky, 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 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	5,889,747	59,933,674	340,071	8,687,635	6,229,818	4,388,368
2. Medicare Supplement					0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	(53,117)	15,460,105	0	3,578,787	(53,117)	0
7. Title XIX - Medicaid.....	80,696,286	967,113,934	35,016	125,451,904	80,731,302	87,087,517
8. Other health	(232,282)	51,388,552	0	938,300	(232,282)	1,211,809
9. Health subtotal (Lines 1 to 8).....	86,300,634	1,093,896,265	375,087	138,656,626	86,675,721	92,687,694
10. Healthcare receivables (a).....					0	0
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9-10+11+12)	86,300,634	1,093,896,265	375,087	138,656,626	86,675,721	92,687,694

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

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WellCare Health Insurance Company of Kentucky, Inc.

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

Section A – Paid Health Claims - Hospital and Medical

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	6,108	10,555	10,555
5. 2012	XXX	XXX	XXX	183,163	189,053
6. 2013	XXX	XXX	XXX	XXX	59,934

Section B – Incurred Health Claims - Hospital and 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 .....	.0	.0	.0	.0	.0
2. 2009 .....	.0	.0	.0	.0	.0
3. 2010	XXX	.0	.0	.0	.0
4. 2011	XXX	XXX	33,327	10,366	10,555
5. 2012	XXX	XXX	XXX	187,740	189,393
6. 2013	XXX	XXX	XXX	XXX	68,622

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009.....	.0	.0		0.0	.0	0.0			.0	0.0
2. 2010.....	.0	.0		0.0	.0	0.0			.0	0.0
3. 2011.....	33,548	10,555		0.0	10,555	31.5			10,555	31.5
4. 2012.....	97,769	189,053		0.0	189,053	193.4	340		189,393	193.7
5. 2013.....	95,018	59,934	2,465	4.1	62,399	65.7	8,688	81	71,168	74.9

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ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WellCare Health Insurance Company of Kentucky, Inc.

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

Section A - Paid Health Claims - Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior	495,185	495,185	495,185	.0	.0
2. 2009	356,572	409,952	409,952	.0	.0
3. 2010	XXX	730	3,186	.0	.0
4. 2011	XXX	XXX	.0	267	267
5. 2012	XXX	XXX	XXX	.0	(53)
6. 2013	XXX	XXX	XXX	XXX	15,460

Section B - Incurred Health Claims - Medicare

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	496,789	495,185	495,185	.0	.0
2. 2009	424,135	413,632	409,952	.0	.0
3. 2010	XXX	730	3,196	.0	.0
4. 2011	XXX	XXX	.0	267	267
5. 2012	XXX	XXX	XXX	.0	(53)
6. 2013	XXX	XXX	XXX	XXX	19,039

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009.....	474,545	.0		0.0	.0	0.0			.0	0.0
2. 2010.....	701	.0		0.0	.0	0.0			.0	0.0
3. 2011.....	191	267		0.0	267	139.8			267	139.8
4. 2012.....	453	(53)		0.0	(53)	(11.7)			(53)	(11.7)
5. 2013	23,479	15,460	664	4.3	16,124	68.7	3,579	41	19,744	84.1

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WellCare Health Insurance Company of Kentucky, Inc.

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

Section A - Paid Health Claims - Title XIX Medicaid

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	27,897	79,210	79,210
5. 2012	XXX	XXX	XXX	435,252	515,948
6. 2013	XXX	XXX	XXX	XXX	967,114

Section B – Incurred Health Claims - Title XIX Medicaid

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	55,145	77,914	79,210
5. 2012	XXX	XXX	XXX	523,636	515,983
6. 2013	XXX	XXX	XXX	XXX	1,092,566

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009 .....	.0	.0		0.0	.0	0.0			.0	0.0
2. 2010 .....	.0	.0		0.0	.0	0.0			.0	0.0
3. 2011	52,697	79,210		0.0	79,210	150.3			79,210	150.3
4. 2012	584,334	515,948		0.0	515,948	88.3	35		515,983	88.3
5. 2013	1,223,272	967,114	38,000	3.9	1,005,114	82.2	125,452	1,339	1,131,905	92.5

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WellCare Health Insurance Company of Kentucky, Inc.

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	53,847	54,752	54,752	54,752	54,752
3. 2010	XXX	40,508	41,376	41,376	41,376
4. 2011	XXX	XXX	49,816	51,288	51,288
5. 2012	XXX	XXX	XXX	45,382	45,150
6. 2013	XXX	XXX	XXX	XXX	51,389

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	54,752	54,752	54,752	54,752	54,752
3. 2010	XXX	41,850	41,919	41,376	41,376
4. 2011	XXX	XXX	51,262	51,288	51,288
5. 2012	XXX	XXX	XXX	46,594	45,150
6. 2013	XXX	XXX	XXX	XXX	52,327

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 Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009	56,915	54,752		0.0	54,752	96.2			54,752	96.2
2. 2010	51,325	41,376		0.0	41,376	80.6			41,376	80.6
3. 2011	69,021	51,288		0.0	51,288	74.3			51,288	74.3
4. 2012	61,127	45,150		0.0	45,150	73.9			45,150	73.9
5. 2013	61,920	51,389	1,780	3.5	53,169	85.9	938		54,107	87.4

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ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WellCare Health Insurance Company of Kentucky, 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	495,185	495,185	495,185	0	0
2. 2009	410,419	464,704	464,704	54,752	54,752
3. 2010	XXX	41,238	44,562	41,376	41,376
4. 2011	XXX	XXX	83,821	141,320	141,320
5. 2012	XXX	XXX	XXX	663,797	750,098
6. 2013	XXX	XXX	XXX	XXX	1,093,897

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	496,789	495,185	495,185	0	0
2. 2009	478,887	468,384	464,704	54,752	54,752
3. 2010	XXX	42,580	45,115	41,376	41,376
4. 2011	XXX	XXX	139,734	139,835	141,320
5. 2012	XXX	XXX	XXX	757,970	750,473
6. 2013	XXX	XXX	XXX	XXX	1,232,554

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 Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2009	531,460	54,752	0	0.0	54,752	10.3	0	0	54,752	10.3
2. 2010	52,026	41,376	0	0.0	41,376	79.5	0	0	41,376	79.5
3. 2011	155,457	141,320	0	0.0	141,320	90.9	0	0	141,320	90.9
4. 2012	743,683	750,098	0	0.0	750,098	100.9	375	0	750,473	100.9
5. 2013	1,403,689	1,093,897	42,909	3.9	1,136,806	81.0	138,657	1,461	1,276,924	91.0

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ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WellCare Health Insurance Company of Kentucky, 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 Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	.0								
2. Additional policy reserves (a).....	.0								
3. Reserve for future contingent benefits.....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ for investment income).....	691,840								691,840
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross)	691,840	.0	.0	.0	.0	.0	.0	.0	691,840
7. Reinsurance ceded .....	.0								
8. Totals (Net) (Page 3, Line 4)	691,840	0	0	0	0	0	0	0	691,840
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	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 through 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 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building)	346,899	464,463	1,510,341		2,321,703
2. Salaries, wages and other benefits	7,442,626	9,964,915	24,923,508		42,331,049
3. Commissions (less \$ceded plus \$assumed)	285	382	1,130,984		1,131,651
4. Legal fees and expenses	1,582,282	2,118,514	5,036,992		8,737,788
5. Certifications and accreditation fees	0	0	0		0
6. Auditing, actuarial and other consulting services	132,212	177,019	450,253		759,484
7. Traveling expenses	144,050	192,868	535,562		872,480
8. Marketing and advertising	30,059	40,245	369,242		439,546
9. Postage, express and telephone	834,942	1,117,903	2,876,900		4,829,745
10. Printing and office supplies	697,349	933,679	2,379,531		4,010,559
11. Occupancy, depreciation and amortization	944,294	1,264,313	3,043,255		5,251,862
12. Equipment	826,801	1,107,002	2,634,833		4,568,636
13. Cost or depreciation of EDP equipment and software	0	0	0		0
14. Outsourced services including EDP, claims, and other services	4,405,355	5,898,319	21,727,081		32,030,755
15. Boards, bureaus and association fees	262,307	351,202	1,263,541		1,877,050
16. Insurance, except on real estate	148,541	198,882	536,613		884,036
17. Collection and bank service charges	42,091	56,356	261,739		360,186
18. Group service and administration fees	0	0	0		0
19. Reimbursements by uninsured plans	0	0	0		0
20. Reimbursements from fiscal intermediaries	0	0	0		0
21. Real estate expenses	0	0	0		0
22. Real estate taxes	0	0	7,537		7,537
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	48,945	65,532	1,653,849		1,768,326
23.2 State premium taxes	0	0	0		0
23.3 Regulatory authority licenses and fees	0	0	0		0
23.4 Payroll taxes	494,577	662,185	1,652,626		2,809,388
23.5 Other (excluding federal income and real estate taxes)	6,080	8,141	2,140,011		2,154,232
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	0	15	0	15
26. Total expenses incurred (Lines 1 to 25)	18,389,695	24,621,920	74,134,413	0 (a)	117,146,028
27. Less expenses unpaid December 31, current year		1,461,883	1,898,459		3,360,342
28. Add expenses unpaid December 31, prior year	0	1,359,556	3,372,780	0	4,732,336
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	18,389,695	24,519,593	75,608,734	0	118,518,022
DETAILS OF WRITE-INS					
2501. Fines and Penalties			15		15
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598) (Line 25 above)	0	0	15	0	15

(a) Includes management fees of \$101,450,528 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) 2,808	9,008
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a) 0	
2.1 Preferred stocks (unaffiliated)	(b) 0	
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)	0	
2.21 Common stocks of affiliates	0	
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 483,540	575,519
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	486,348	584,527
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		0
17. Net investment income (Line 10 minus Line 16)		584,527
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

- (a) Includes \$ 0 accrual of discount less \$ 25,759 amortization of premium and less \$ 5,340 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 \$ 117 accrual of discount less \$ 142,522 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds			0		
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)			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	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans			0		
6. Cash, cash equivalents and short-term investments			0	0	0
7. Derivative instruments			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)	0	0	0	0	0
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	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.....	0	0	0
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	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	9,675,337	102,792	(9,572,545)
24. Health care and other amounts receivable.....	112,577	392,663	280,086
25. Aggregate write-ins for other-than-invested assets	2,480,065	4,654,635	2,174,570
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	12,267,979	5,150,090	(7,117,889)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	12,267,979	5,150,090	(7,117,889)
DETAILS OF WRITE-INS			
1101.			0
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Other Non-Admitted Assets (Prepays).....	709,604	4,654,635	3,945,031
2502. ASO Prepayments.....	1,770,461		(1,770,461)
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,480,065	4,654,635	2,174,570

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WellCare Health Insurance Company of Kentucky, Inc.

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.....	206,763	229,706	227,032	293,825	294,858	3,137,548
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	55,032	59,447	61,016	62,322	63,689	733,892
7. Total	261,795	289,153	288,048	356,147	358,547	3,871,440
DETAILS OF WRITE-INS						
0601. Medicare Part D.....	55,032	59,447	61,016	62,322	63,689	733,892
0602. ....	.0					
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	55,032	59,447	61,016	62,322	63,689	733,892

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of WellCare Health Insurance Company of Kentucky, Inc. (formerly known as WellCare Health Insurance of Illinois, Inc.) (the “Company”), domiciled in the state of Kentucky, are presented on the basis of accounting practices prescribed or permitted by the Kentucky Department of Insurance (the “Department”).

The Department 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 Kentucky insurance law. The National Association of Insurance Commissioners Accounting Practices and Procedures manual, (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the state of Kentucky. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. These modifications had no effect on statutory surplus.

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:

	For the year ended December 31,	
	<u>2013</u>	<u>2012</u>
Net Income (Loss) - Kentucky Basis	\$ 38,874,044	\$ (50,654,536)
State Prescribed Practices - None	-	-
State Permitted Practices - None	-	-
Net Income (Loss) - NAIC SAP	<u>\$ 38,874,044</u>	<u>\$ (50,654,536)</u>
	Balance at December 31,	
	<u>2013</u>	<u>2012</u>
Statutory Capital and Surplus - Kentucky Basis	\$ 123,547,341	\$ 68,584,716
State Prescribed Practices - None	-	-
State Permitted Practices - None	-	-
Statutory Capital and Surplus - NAIC SAP	<u>\$ 123,547,341</u>	<u>\$ 68,584,716</u>

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

The preparation of financial statements in accordance with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The primary use of estimates are related to the Company’s reserve for claims unpaid. Actual results could differ significantly from those estimates.

C. Accounting Policy

Premiums from subscribers are recognized in the month that the members are entitled to health care services.

Premiums paid by subscribers in advance are recorded on the balance sheet as premiums received in advance and are subsequently credited to income as earned during the coverage period. Expenses incurred in connection with acquiring new insurance business are charged to operations as incurred. All other costs are charged to operations as incurred.

Amounts received from state agencies related to enhanced payments to primary care physicians pursuant to the Affordable Care Act are accounted for as an increase to liabilities since the Company’s arrangement with the state is based on a “pass-through” methodology. Enhanced payments made to primary care physicians are accounted for as a reduction to liabilities.

1. *Short Term Investments* – are stated at amortized cost.
2. *Bonds* – Bonds not backed by other loans are stated at amortized cost using a straight line method of amortization (accretion) of discounts or premiums.
3. *Common Stocks* – None.
4. *Preferred Stocks* – None.
5. *Mortgage Loans* – None.
6. *Loan Backed Securities* – None.
7. *Investments in Subsidiaries, Controlled and Affiliated Companies* – None.
8. *Investments in Joint Ventures, Partnerships and Limited Liability Companies* – None.

NOTES TO FINANCIAL STATEMENTS

9. *Derivatives* – None.

10. *Premium Deficiency* – None.

11. *Unpaid Losses and Loss Adjustment Expenses* – We recognize the cost of medical benefits in the period in which services are provided, including an estimate of the cost of hospital and medical benefits incurred but not reported ("IBNR"). Unpaid losses and loss adjustment expenses include direct medical expenses and certain medically-related administrative costs. Hospital and medical expenses include amounts paid or payable to hospitals, physicians and providers of ancillary services, such as laboratories and pharmacies. The Company contracts with these providers on a fee-for-service or capitated basis. Capitation costs represent contractual monthly fees paid to participating providers on a per-member-per-month basis, regardless of the medical services provided to members. We also record direct medical expenses for estimated referral claims related to health care providers under contract with us who are financially troubled or insolvent and who may not be able to honor their obligations for the costs of medical services provided by others. In these instances, we may be required to honor these obligations for legal or business reasons. Based on our current assessment of providers under contract with us, such losses have not been and are not expected to be significant. We record direct medical expense for our estimates of provider settlements due to clarification of contract terms, out-of-network reimbursement, claims payment differences and amounts due to contracted providers under risk-sharing arrangements as a reduction of direct medical expenses.

Unpaid losses include amounts for claims fully adjudicated but not yet paid and estimates for IBNR. Our estimate of IBNR is the most significant estimate included in our financial statements. We determine our best estimate of the base liability for IBNR utilizing consistent standard actuarial methodologies based upon key assumptions which vary by product. Our assumptions include current payment experience, trend factors, and completion factors. Trend factors used in our standard actuarial methodologies include contractual requirements, historic utilization trends, the interval between the date services are rendered and the date claims are paid, denied claims activity, disputed claims activity, benefits changes, expected health care cost inflation, seasonality patterns, maturity of lines of business, changes in membership and other factors.

After determining an estimate of the base liability for IBNR, we make an additional estimate, also using standard actuarial techniques, to account for adverse conditions that may cause actual claims to be higher than the estimated base reserve. We refer to this additional liability as the provision for moderately adverse conditions. Our estimate of the provision for moderately adverse conditions captures the potential adverse development from factors such as:

- our entry into new geographical markets;
- our provision of services to new populations such as the aged, blind and disabled;
- variations in utilization of benefits and increasing medical costs;
- changes in provider reimbursement arrangements;
- variations in claims processing speed and patterns, claims payment and the severity of claims; and
- health epidemics or outbreaks of disease such as the flu.

We consider the base actuarial model liability and the provision for moderately adverse conditions as part of our overall assessment of our IBNR estimate to properly reflect the complexity of our business and the need to account for different health care benefit packages among those states. We evaluate our estimates of unpaid losses and loss adjustment expenses as we obtain more complete claims information and medical expense trend data over time. Volatility in members' needs for medical services, provider claims submissions and our payment processes result in identifiable patterns emerging several months after the causes of deviations from our assumed trends occur. Changes in our estimates of unpaid losses and loss adjustment expenses cannot typically be explained by any single factor, but are the result of a number of interrelated variables, all of which influence the resulting medical cost trend. We record differences between actual experience and estimates used to establish the liability, which we refer to as favorable and unfavorable prior period developments, as increases or decreases to unpaid losses and loss adjustment expense in the period we identify the differences.

12. *Capitalization Policy* – N/A

13. *Pharmacy Rebates* - Pharmacy rebates are recorded on an accrual basis and are estimated based on invoices that have been prepared using actual prescriptions filled, historical utilization and contract terms and records such amounts as a reduction of total hospital and medical cost.

2. Accounting Changes and Correction of Errors

During the current year's financial statement preparation, an error was discovered in the calculation historically used to determine the Medicare Part D risk corridor liability, which resulted in overstatement of the Company's liability to CMS for years 2008-2012. In December 2013, the Company recorded an adjustment to correct the error and revise the calculation of the Medicare Part D risk corridor liability related to these prior years. The correction amounted to \$153,023, net of tax, and was reported as an adjustment directly increasing unassigned funds (surplus) in accordance with SSAP No. 3, *Accounting Changes and Correction of Errors*. There was no impact to 2012 as the correction relates to years 2008-2011.

3. Business Combinations and Goodwill

None.

NOTES TO FINANCIAL STATEMENTS

4. Discontinued Operations

None.

5. Investments

As of December 31, 2013 the Company does not possess or reflect any mortgage loans, debt restructuring, reverse mortgages or loan-backed securities.

6. Joint Ventures, Partnerships and Limited Liability Companies

None.

7. Investment Income

A. All investment income due and accrued with amounts that are over 90 days past due is considered non-admitted.

B. At December 31, 2013 and 2012 there was no non-admitted accrued interest income.

8. Derivative Instruments

None.

9. Income Taxes

A. Deferred Tax Assets

The components of the net deferred tax asset at December 31 are as follows:

(1)	2013			2012		
	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross Deferred Tax Assets	\$ 6,097,215	\$ -	\$ 6,097,215	\$ 3,043,769	\$ -	\$ 3,043,769
(b) Statutory Valuation Allowance Adjustments	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets	6,097,215	-	6,097,215	3,043,769	-	3,043,769
(d) Deferred Tax Assets Nonadmitted	-	-	-	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset	6,097,215	-	6,097,215	3,043,769	-	3,043,769
(f) Deferred Tax Liabilities	-	-	-	-	-	-
(g) Net Admitted Deferred Tax Asset/Liability	<u>\$ 6,097,215</u>	<u>\$ -</u>	<u>\$ 6,097,215</u>	<u>\$ 3,043,769</u>	<u>\$ -</u>	<u>\$ 3,043,769</u>
(2)						
Admission Calculation Components						
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ 6,097,215	\$ -	\$ 6,097,215	\$ 265,670	\$ -	\$ 265,670
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized After Application of the Threshold Limitation	-	-	-	2,778,099	-	2,778,099
1. Adjusted Gross Deferred Tax Asset Expected to be Realized Following the Balance Sheet Date	-	-	-	2,778,099	-	2,778,099
2. Adjusted Gross Deferred Tax Asset Allowed per Limitation Threshold	-	-	11,695,250	-	-	6,851,061
(c) Adjusted Gross Deferred Tax Assets Offset by Gross Deferred Tax Liabilities	-	-	-	-	-	-
(d) Deferred Tax Assets Admitted as the result of application of SSAP No 101	<u>\$ 6,097,215</u>	<u>\$ -</u>	<u>\$ 6,097,215</u>	<u>\$ 3,043,769</u>	<u>\$ -</u>	<u>\$ 3,043,769</u>

NOTES TO FINANCIAL STATEMENTS

	Change		
	Ordinary	Capital	Total
(1)			
(a) Gross Deferred Tax Assets	\$ 3,053,447	\$ -	\$ 3,053,447
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets	3,053,447	-	3,053,447
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset	3,053,447	-	3,053,447
(f) Deferred Tax Liabilities	-	-	-
(g) Net Admitted Deferred Tax Asset/Liability	<u>\$ 3,053,447</u>	<u>\$ -</u>	<u>\$ 3,053,447</u>

(2)			
Admission Calculation Components			
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ 5,831,545	\$ -	\$ 5,831,545
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized After Application of the Threshold Limitation	(2,788,099)	-	(2,788,099)
1. Adjusted Gross Deferred Tax Asset Expected to be Realized Following the Balance Sheet Date	(2,778,099)	-	(2,778,099)
2. Adjusted Gross Deferred Tax Asset Allowed per Limitation Threshold	-	-	5,114,190
(c) Adjusted Gross Deferred Tax Assets Offset by Gross Deferred Tax Liabilities	-	-	-
(d) Deferred Tax Assets Admitted as the result of application of SSAP No 101	<u>\$ 3,053,447</u>	<u>\$ -</u>	<u>\$ 3,053,447</u>

	2013	2012
(3)		
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation in 2(b)2 above	228%	294%
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 above	\$ 116,952,504	\$ 65,810,606

(4)	12/31/2013		12/31/2012	
	Ordinary	Capital	Ordinary	Capital
Impact of Tax-Planning Strategies				
(a) Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character as a Percentage				
(1) Adjusted Gross DTA Amount From Note 9A1c	6,097,215	-	3,043,769	-
(2) Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact of Tax Planning Strategies	0%	0%	0%	0%
(3) Net Admitted Adjusted Gross DTAs Amount From Note 9A1c	6,097,215	-	3,043,769	-
(4) Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because of The Impact of Tax Planning Strategies	0%	0%	0%	0%
(b) Does the Company's tax-planning strategies include the use of reinsurance?			Yes	No X

NOTES TO FINANCIAL STATEMENTS

	Change	
	Ordinary	Capital
(4)		
Impact of Tax-Planning Strategies		
(a) Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character as a Percentage		
(1) Adjusted Gross DTA Amount From Note 9A1c	3,053,447	-
(2) Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact of Tax Planning Strategies	0%	0%
(3) Net Admitted Adjusted Gross DTAs Amount From Note 9A1e	3,053,447	-
(4) Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because of The Impact of Tax Planning Strategies	0%	0%

B. Unrecognized Deferred Tax Liabilities – None.

C. Current income taxes incurred consist of the following major components:

(1) Current Income Tax	<u>12/31/2013</u>	<u>12/31/2012</u>	<u>Change</u>
(a) Federal	\$ 21,712,641	\$ (27,651,976)	\$ 49,364,617
(b) Foreign	-	-	-
(c) Subtotal	\$ 21,712,641	\$ (27,651,976)	\$ 49,364,617
(d) Federal income tax on net capital gains	-	-	-
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	<u>\$ 21,712,641</u>	<u>\$ (27,651,976)</u>	<u>\$ 49,364,617</u>

(2) Deferred Tax Assets	<u>12/31/2013</u>	<u>12/31/2012</u>	<u>Change</u>
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 1,920,759	1,287,241	633,518
(2) Unearned premium reserve	-	-	-
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	245	38	207
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	3,425,770	173,409	3,252,361
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other	750,441	1,583,080	(832,639)
Subtotal	<u>\$ 6,097,215</u>	<u>\$ 3,043,768</u>	<u>\$ 3,053,447</u>
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets	<u>\$ 6,097,215</u>	<u>\$ 3,043,768</u>	<u>\$ 3,053,447</u>

NOTES TO FINANCIAL STATEMENTS

(e) Capital			
(1) Investments	\$ -	-	\$ -
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other	-	-	-
Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets	-	-	-
(i) Admitted deferred tax assets	\$ 6,097,215	\$ 3,043,768	\$ 3,053,447

(3) Deferred Tax Liabilities:

(a) Ordinary			
(1) Investments	-	-	-
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
(b) Capital			
(1) Investments	-	-	-
(2) Real estate	-	-	-
(3) Other	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
(c) Deferred tax liabilities	-	-	-
(4) Net deferred tax assets/liabilities	<u>\$ 6,097,215</u>	<u>\$ 3,043,768</u>	<u>\$ 3,053,447</u>

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate - The Company's provision for federal income taxes incurred for the year ended December 31, 2013 differs from the amount obtained by applying the federal statutory rate of 35% to net loss before federal income taxes. The significant items causing this difference are as follows:

	<u>2013</u>	<u>% of Pre-tax Income</u>
Provision computed at statutory rate	21,205,339	35.00%
Intangibles	(51,579)	-0.09%
Change in non-admitted assets	(2,491,261)	-4.11%
Nondeductible expenses	558	0.00%
Other	(3,863)	0.00%
Total statutory income tax	<u>18,659,194</u>	<u>30.80%</u>

	<u>2013</u>	<u>% of Pre-tax Income</u>
Federal income taxes incurred	\$ 21,712,641	35.84%
Change in net deferred income taxes	(3,053,447)	-5.04%
Total statutory income tax	<u>\$ 18,659,194</u>	<u>30.80%</u>

E. Net Operating Loss Carryforwards

1. At December 31, 2013, the Company had no federal operating loss carryforwards.

2. The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

12/31/2013 (current year)	\$21,715,238
12/31/2012 (first prior year)	-0-

3. As of December 31, 2013, there were no aggregate amounts of deposits reported as admitted assets under Section 6603 of the Internal Revenue Services (IRS) Code.

NOTES TO FINANCIAL STATEMENTS

F. Consolidated Federal Income Tax Return

1. The Company and its affiliated entities (as listed on Schedule Y, Part 1) are included in the consolidated federal income tax return of WellCare Health Plans, Inc. ("WellCare").
2. Federal Income Tax Allocation - The Company is included in the consolidated federal income tax return of WellCare and its includable subsidiaries. Estimated tax payments are made quarterly, at which time intercompany tax settlements are made. In the subsequent year, additional settlements are made on the unextended due date of the return and at the time that the return is filed. The method of allocation among affiliates of the Company is subject to a written agreement approved by the Board of Directors and based upon separate tax return calculation with current credit for net losses to the extent the losses provide a benefit in the consolidated tax return.

G. The Company has no federal or foreign income tax loss contingencies as of December 31, 2013. The Company is not expecting any increase in its income tax loss contingency within the next 12 months.

10. Information Concerning Parent, Subsidiaries, Affiliates and Related Parties

A.B. and C. Relationship/Transactions and Amounts.

Credit Agreement

WellCare and certain of its subsidiaries, not including the Company, entered into a credit agreement (the "Credit Agreement") in November 2013 which provides for a senior unsecured revolving loan facility (the "Revolving Credit Facility") of up to \$300,000,000. The Revolving Credit Facility provides for up to \$75,000,000 for letters of credit. The Credit Agreement also provides that WellCare may, at their option, increase the aggregate amount of the Revolving Credit Facility and/or obtain incremental term loans in an amount up to \$75,000,000 without the consent of any lenders not participating in such increase, subject to certain customary conditions and lenders committing to provide the increase in funding. The commitments under the Revolving Credit Facility expire on November 14, 2018 and any amounts outstanding under the facility will be payable in full at that time. Unutilized commitments under the Credit Agreement are subject to a fee of 0.25% to 0.375% depending upon WellCare's ratio of total debt to cash flow.

As of December 31, 2013, WellCare has not drawn upon the revolving credit facility and they remain in compliance with all covenants.

Additionally, in November 2013, WellCare terminated its senior secured credit facility dated August 1, 2011, as amended to date, (the "2011 Credit Agreement") in connection with their entry into the Credit Agreement described above. All amounts outstanding under the 2011 Credit Agreement as of November 14, 2013, which amounted to \$336,500,000, were paid in full upon termination of the agreement.

Affiliated Management Agreement

The Company has an affiliated management agreement with Comprehensive Health Management Inc., ("CHMI") to provide certain management, administrative services, claims processing services, utilization review, payroll services and the majority of the administrative functions of the Company, excluding certain sales and marketing functions and other professional consulting expenses. Additionally, CHMI is responsible for maintaining the claims related data processing equipment and software.

The management agreement provides for charges of 9.5% to 11% of gross premium revenue earned depending on the Company's membership and a flat 7% for the Kentucky Medicaid lines of business. Based on the current membership level of the Company, management fees charged for the year ended December 31, 2013 were 10.5% of gross premiums earned for the Part D premiums and 7% for the Kentucky premiums. Management believes this established range to be an approximation of current market rates; however, adjustments to these rates may be necessary as changes in regulations, scopes of services and market dynamics occur. It is unknown at this time if any changes in the management fee rates would have a material impact on the Company's financial condition, results of operations and cash flows in past, current and future periods reported.

During 2013 and 2012, respectively, the Company incurred \$101,450,528 and \$55,395,647 for services under the management agreement with CHMI. At December 31, 2013 and 2012, respectively, the amount due (to)/from CHMI was \$930,547 and (\$2,185,146) related to the management fee agreement.

In addition to the management services agreement, CHMI also processes and pays: salary related expenses related to the Company's sales and marketing personnel, trade payables and other direct expenses incurred by the Company. The Company reimburses CHMI for these expenses processed and paid on the Company's behalf. Amounts due from CHMI related to these transactions were \$8,734,335 as of December 31, 2013 and \$1,926,533 as of December 31, 2012 and are combined with the liability due to CHMI related to the management fee agreement. Any balances resulting in a net amount due from CHMI are non-admitted in accordance with statutory accounting principles. Amounts due to (from) CHMI are normally settled within 30 days.

Affiliated Reinsurance Agreements

The Company assumes reinsurance coverage from its affiliate, WellCare of Texas, Inc. Coverage is provided for out-of-network claims only on Medicare Point-of-Service products. Total reinsurance premium income received by the Company during the periods ending December 31, 2013 and 2012, respectively, was \$759,651 and \$452,864. Total reinsurance claims paid out during the period by the Company was \$513,806 for 2013 and \$412,330 for 2012.

NOTES TO FINANCIAL STATEMENTS

The Company has an affiliated joint enterprise agreement with WellCare Prescription Insurance, Inc. The two Parties to this agreement provide Medicare prescription drug plan services to Medicare Part D beneficiaries in their respective service areas.

Capital Contributions

The Company received capital contributions of \$7,000,000 on March 28, 2013, \$8,000,000 on March 29, 2013 and \$5,000,000 on December 30, 2013 from its Parent Company, The WellCare Management Group, Inc (“WMG”).

D. Intercompany Balances - At December 31, 2013, the Company reported a non-admitted \$9,675,337 receivable from parent, subsidiaries and affiliates and a \$24,110,056 payable to parent, subsidiaries and affiliates. (See Pages 21 and 22).

E. Guarantees on Undertakings for the Benefit of an Affiliate – None.

F. Management/Cost Sharing Agreements - See Note 10A, B, and C above.

G. Control/Ownership - All outstanding shares of the Company are owned by the Parent Company, The WellCare Management Group, Inc. which is owned by WCG Health Management, Inc. which is in turned owned by WellCare Health Plans, Inc., an insurance holding company domiciled in the State of Delaware. The capital stock of the Company is pledged as collateral to secure a Credit Agreement obligation held by WellCare (see Note 10A).

H. I. J. K. and L. Controlled Entities/Investments in SCA/Foreign Insurance Subsidiary/Downstream Noninsurance Holding Company – None.

11. Debt

None.

12. Retirement Plans, Deferred Compensation, Etc.

None.

13. Capital and Surplus, Shareholder' Dividend Restrictions and Quasi-Reorganizations

1. *Number of Shares* - The Company has 2,500,000 shares of \$1 par value common stock issued and outstanding.
2. *Preferred Stock Issues* – None.
3. *Dividend Restrictions* - Without prior approval of its domiciliary commissioner or department of insurance, dividends to shareholders must be paid from earned surplus amounts and are limited to the greater of ten percent of the companies surplus or the net income for the 12 month period ending as of the prior year as set forth in the laws of the Company’s state of incorporation, Kentucky.
4. *Dividends Paid* - Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholder. There were no dividends paid for the year ended December 31, 2013.
5. *Dividend Capacity and Required Minimum Capital* – No amounts are available for dividend distribution during 2014 due to the net loss incurred in 2013. Kentucky Statutes require that each Kentucky Health entity maintain a minimum surplus equal to the greater of the Company Action Level Risk Based Capital (“RBC”) Calculation or \$2,000,000. At December 31, 2013, the Company’s required minimum capital and surplus was \$90,234,836 and the total actual capital and surplus was \$123,547,341. The Company received capital contributions of \$7,000,000 on March 28, 2013, \$8,000,000 on March 29, 2013 and \$5,000,000 on December 30, 2013 from its Parent Company, The WellCare Management Group, Inc.
6. *Restrictions on Unassigned Funds* – None.
7. *Amount of Advances to Surplus, Not Repaid* – None.
8. *Stock Held of Affiliated Entities* – None.
9. *Changes in Balances of Any Special Surplus Funds* – None.
10. *Unrealized Gains and Losses* - The portion of unassigned funds (surplus) reduced by non-admitted assets was \$12,267,979. There are no cumulative unrealized gains or losses included in unassigned funds (surplus).
11. *Surplus Notes* – None.
12. *Quasi-Reorganizations* – None.
13. *Effective Date of Quasi-Reorganization* – N/A

14. Contingencies

- A. Contingent Commitments – None.
- B. Assessments – None.
- C. Gain Contingencies – None.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming From Lawsuits

Medical Expense/Liability Estimates

The Company’s profitability depends in large part on accurately predicting and effectively managing medical expenses. The liability for claims unpaid is impacted by various factors, including changes in healthcare utilization practices, medical cost inflation and new medical technologies, which could adversely affect the Company’s ability to accurately predict and effectively control healthcare costs. Costs in excess of those anticipated could have a material adverse effect on the Company’s results of operations.

New Business Regulations

NOTES TO FINANCIAL STATEMENTS

The Company is subject to substantial federal and state government regulations, including licensing and other requirements relating to the offering of the Company's existing products in new markets and offerings of new products, both of which may restrict the Company's ability to expand its business.

Medicare and Medicaid Contracts

The Company's Medicare Part D and Medicaid/CHP revenues were 4% and 94% of total revenues, respectively. The Company expects that its Medicare and Medicaid contracts, which expire on December 31, 2014 and November 1, 2014, will be renewed. The Company's operating results could be significantly constrained in the event that the compensation provided under its Medicare and Medicaid contracts are adjusted or if the contracts are not renewed.

E. All Other Contingencies

Summary:

The Company's ultimate parent, WellCare, is a party to a number of legal actions and regulatory investigations. These matters do not directly involve the Company and management does not expect the matters to have an impact on the Company's financial position.

Corporate Integrity Agreement

In April 2011, WellCare entered into a Corporate Integrity Agreement (the "Corporate Integrity Agreement") with Office of Inspector General of the Department of Health and Human Services ("OIG-HHS"). The Corporate Integrity Agreement has a term of five years and concludes the previously disclosed matters relating to WellCare under review by OIG-HHS. The Corporate Integrity Agreement requires various ethics and compliance programs designed to help ensure WellCare's ongoing compliance with federal health care program requirements. The terms of the Corporate Integrity Agreement include certain organizational structure requirements, internal monitoring requirements, compliance training, screening processes for new employees, reporting requirements to OIG-HHS, and the engagement of an independent review organization to review and prepare written reports regarding, among other things, WellCare's reporting practices and bid submissions to federal health care programs.

Other Lawsuits and Claims

Based on the nature of our business, we are subject to regulatory reviews or other investigations by state insurance and health care regulatory authorities and other state and federal regulatory authorities. These authorities regularly scrutinize the business practices of health insurance and benefits companies and their reviews focus on numerous facets of our business, including claims payment practices, provider contracting, competitive practices, commission payments, privacy issues and utilization management practices, among others. Some of these reviews have historically resulted in fines imposed on us and some have required changes to our business practices. We continue to be subject to such reviews, which may result in additional fines and/or sanctions being imposed or additional changes in our business practices.

Separate and apart from the legal matters described above, we are also involved in other legal actions in the normal course of our business, including, without limitation, wage and hour claims and provider disputes regarding payment of claims. Some of these actions seek monetary damages, including claims for liquidated or punitive damages, which are not covered by insurance. We review relevant information with respect to litigation matters and we update our estimates of reasonably possible losses and related disclosures. We accrue an estimate for contingent liabilities, including attorney's fees related to these matters, if a loss is deemed probable and is estimable. Currently, we do not expect that the resolution of any currently pending actions, either individually or in the aggregate, will differ materially from our current estimates or have a material adverse effect on our results of operations, financial position, and cash flows. However, the outcome of any legal actions cannot be predicted, and therefore, actual results may differ from those estimates.

15. Leases

At December 31, 2013, the Company is the named lessee on certain non-cancelable operating leases. Rental expenses paid by CHMI for operating leases used in the Company's operations for the years ended December 31, 2013 and 2012 were \$406,031 and \$699,598, respectively.

Future minimum lease payments under noncancelable operating leases with initial lease terms in excess of one year at December 31, 2013 were:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2014	\$704,170
2015	706,035
2016	638,306
2017	545,635
2018	345,870
2019 and after	272,846

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

None.

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

None.

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

None.

NOTES TO FINANCIAL STATEMENTS

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

None.

20. Fair Value Measurement

A. Assets that are measured at fair value on a recurring basis subsequent to initial recognition - None

B. Assets Measured on a Fair Value on a Nonrecurring Basis:

Our Statutory-Basis Statements of Admitted Assets, Liabilities, and Capital and Surplus includes certain financial instruments carried at amounts which approximate fair value, such as, cash, cash equivalents, short-term investments and receivables. The carrying amount approximates fair value because of the short-term nature of these items. The Company has no assets or liabilities measured or reported at fair value as of December 31, 2013 and 2012.

The estimated fair value of financial instruments presented in Note 5 were determined by the Company using market information available as of December 31, 2013 and 2012 and appropriate valuation methodologies. The estimates presented are not necessarily indicative of the amounts the Company could realize in a market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

Level 1 — Quoted (unadjusted) prices for identical assets or liabilities in active markets: Investments included in Level 1 consist of money market funds, cash, U.S. government securities and the variable rate bond fund. The carrying amounts of money market funds and cash approximate fair value because of the short-term nature of these instruments. Fair values of the other investments included in Level 1 are based on unadjusted quoted market prices for identical securities in active markets.

Level 2 — Inputs other than quoted prices in active markets: Investments in Level 2 consist of certain certificates of deposit, corporate debt, commercial paper, asset-backed and other municipal securities for which fair market valuations are based on quoted prices for identical securities in markets that are not active, quoted prices for similar securities in active markets, broker or dealer quotations, or alternative pricing sources or for which all significant inputs are observable, either directly or indirectly, including interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates.

In addition to using market data, the Company makes assumptions when valuing assets and liabilities, including assumptions about risks inherent in the inputs to the valuation technique. When there is not an observable market price for an identical or similar asset or liability, management uses an income approach reflecting our best assumptions regarding expected cash flows, discounted using a commensurate risk-adjusted discount rate.

Level 3 — Unobservable inputs that cannot be corroborated by observable market data

Our bonds measured at amounts which approximate Fair Value on a Nonrecurring Basis were as follows:

<u>Description</u>	Quoted Prices			Total
	in Active Markets for Identical Assets (Level 1)	Significat Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Bonds	\$ 3,666,366	-	-	\$ 3,666,366
Cash, Cash Equivalent & Short Term Investments	239,323,602	8,966,541	-	248,290,143
Total	\$ 242,989,968	\$ 8,966,541	\$ -	\$ 251,956,509

There have been no movements between levels during the years ended December 31, 2013 or 2012.

21. Other Items

Redomestication

All required regulatory approval was received, effective August 1, 2013, for the Company's redomestication from Illinois to Kentucky. In accordance with the amended and restated articles of incorporation, the new legal name of the entity is WellCare Health Insurance Company of Kentucky, Inc. Subsequent to the redomestication, the Company has presented its financial statements on the basis of accounting practices prescribed or permitted by the Kentucky Department of Insurance.

Kentucky Medicaid Rate Increase

Effective January 1, 2013, the Company received a premium rate increase of approximately 7.0% for the Kentucky Medicaid program. The Commonwealth also accelerated to July 1, 2013 our 3.0% rate increase previously scheduled for October 1, 2013. These rate increases apply to all Medicaid geographic regions of the Commonwealth, other than Region 3.

Centene Membership Transfer

Effective July 5, 2013, Centene terminated its Medicaid contract with the Commonwealth of Kentucky and is no longer servicing members. Consequently, on July 6, 2013, approximately 57,000 members were transferred to the Company as part of the Commonwealth's transition process and we began servicing the members as of that date.

NOTES TO FINANCIAL STATEMENTS

Unclaimed Property Payable

Due to a change in presentation for 2013, Unclaimed Property Payable is reported as a write in on Page 3, Line 2301. The amount of Unclaimed Property Payable at 12/31/12 was \$506,448 and was included on Page 3, Line 9 (General Expenses Due or Accrued).

22. Events Subsequent

Beginning 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 and its impact to the risk-based capital ("RBC") ratio to be as follows:

A.	ACA fee assessment payable	\$	19,500,000
B.	Assessment expected to impact RBC		-4.8%

Our estimates are subject to change based on the ultimate determination of total 2013 industry premiums, and the final fee amount will not be known until August 2014. The RBC impact disclosed above reflects reimbursement that we expect to receive from the state for the impact of the fee on our Medicaid plan, including its non-deductibility for income tax purposes. However, the timing of revenue recognition for such reimbursement may be delayed and not match the expense recognition of the fee, depending on the timing of contractual agreements. Medicare Advantage and Prescription Drug Plan premium rates have not been adjusted to offset the impact of the fee.

23. Reinsurance

The Company enters into reinsurance agreements with affiliated and non-affiliated companies to limit the net loss arising from large risks and to maintain its exposure to loss within its capital resources. Reinsurance premium expense incurred by the Company is accounted for as a reduction of net premium revenue earned. Reinsurance recoveries are offset against medical expense in the period of such recoveries. The Company remains liable to its policyholders to the extent that its reinsurers do not meet their obligations.

The Company's current reinsurance agreement with Westport Insurance Corporation, a Swiss Re subsidiary, has a retention limit of \$1,000,000 up to \$2,000,000 for the year ended December 31, 2013. Premiums paid under this non-affiliated reinsurance agreement were \$1,848,497 and \$931,947 for the years ending December 31, 2013 and 2012, respectively. Recoveries under non-affiliated reinsurance policies are \$868,839 for 2013 and \$963,772 for 2012.

The Company had a reinsurance agreement with an affiliate, Comprehensive Reinsurance, Ltd. ("CompRe") that was termed effective December 31, 2012. Under statutory accounting principles, this contract is considered to be with an unauthorized reinsurer and the Company has not taken any reserve credits for claims reported or unreported and not yet paid in its statement of revenues and expenses. Reinsurance recoveries reported represent only claims paid in excess of the retention limit during the period. Premiums paid under the affiliated reinsurance agreement were \$41,634,478 for the year ending December 31, 2012. Recoveries under this affiliated reinsurance policy are \$13,791,292 for the year ending December 31, 2013 and \$37,488,184 for the year ending December 31, 2012.

The Company assumes risk on out-of-network claims incurred on MA point-of-service products offered by an affiliate, WellCare of Texas, Inc. Premiums assumed under these reinsurance agreements were \$759,651 and \$452,864 for the years ending December 31, 2013 and 2012, respectively. Claims incurred under the reinsurance agreements were \$513,806 for 2013 and \$412,330 for 2012.

24. Retrospectively Rated Contracts

None.

25. Change in Incurred Claims and Claim Adjustment Expenses

The estimated cost of claims expense attributable to insured events of the prior year decreased by \$6,011,973 during 2013. This is approximately 6% of unpaid claims expenses of \$92,687,693 as of December 31, 2012. Excluding the prior period development related to the release of the provision for moderately adverse conditions, medical benefits expense for the period ending December 31, 2013 was impacted by approximately \$7,165,888 of net unfavorable development related to prior periods. This development is primarily the result of higher than anticipated utilization in the Company's Kentucky Medicaid program.

Statement of Statutory Accounting Principles (SSAP) No. 85 – *Claim Adjustment Expenses* requires that claim adjustment expenses, including legal expenses, be subdivided into cost containment expenses and other claim adjustment expenses. Cost containment expenses are intended to reduce the number of health services provided or the cost of such services. Other claim adjustment expenses are all other costs which do not meet the definition of cost containment expenses. Cost containment expenses were \$18,389,695 and \$11,358,929, respectively, for the years ended December 31, 2013 and 2012.

26. Intercompany Pooling

None.

27. Structured Settlements

None.

NOTES TO FINANCIAL STATEMENTS

28. Healthcare Receivables

Healthcare receivables principally represent pharmacy rebates. Healthcare receivables are subject to various limits based on the nature of the receivable balance. Pharmacy rebates are recorded on an accrual basis and estimated using invoices that have been prepared using actual prescriptions filled. Pharmacy rebates receivable at December 31, 2013 total \$14,049,886 of which \$112,577 is aged ninety days or older and is non-admitted.

The following is a summary of pharmacy rebates by quarter:

Quarter Ending	Estimated Rebates	Rebates Invoiced	Collected Within 90 days of Invoicing	Collected Within 91 to 180 days of Invoicing	Collected More than 180 days of Invoicing
31-Dec-2013	7,564,215				
30-Sep-2013	6,491,042	6,979,194	606,111		
30-Jun-2013	4,829,793	4,824,690	4,066,819	1,252,678	
31-Mar-2013	4,464,267	4,490,980	1,642,488	3,252,529	69,343
31-Dec-2012	4,232,399	4,272,220	3,138,815	1,187,757	
30-Sep-2012	3,728,615	4,097,376	3,739,321	122,884	75,339
30-Jun-2012	4,138,761	4,162,737	3,093,190	993,015	205,137
31-Mar-2012	3,920,605	4,220,570	3,503,841	632,161	5,990
31-Dec-2011	3,224,456	3,286,878	2,854,336	480,669	5,214
30-Sep-2011	2,365,559	2,366,216	2,439,246	31,127	5,312
30-Jun-2011	2,199,080	2,190,118	2,164,461		
31-Mar-2011	1,793,501	1,767,837	1,135,790	617,840	

29. Participating Policies

None.

30. Premium Deficiency Reserves

None.

31. Anticipated Salvage and Subrogation

None.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes 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 No N/A
 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
 2.2 If yes, date of change:08/01/2013
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2012
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2007
- 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).05/15/2009
- 3.4 By what department or departments? Illinois 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 No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes 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
 4.12 renewals? Yes No
- 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
 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
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- 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
- 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
- 7.2 If yes,
 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
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.....
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.....
.....

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 Deloitte & Touche LLP, 201 E. Kennedy Blvd, Suite 1200, Tampa FL 33634.....
- 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?
 Don Zhang (Employee), WellCare Health Plans, Inc, 8735 Henderson Road, Tampa FL 33634.....
- 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

12.13 Total book/adjusted carrying value \$.....
- 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 []
- 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 [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s)
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [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 [X]
- 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

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 [X] 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 [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] 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 [X]
- 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 [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|--|----------------------------|---------|
| | 21.21 Rented from others | \$..... |
| | 21.22 Borrowed from others | \$..... |
| | 21.23 Leased from others | \$..... |
| | 21.24 Other | \$..... |
- 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 [X]
- 22.2 If answer is yes:
- | | | |
|--|--|---------|
| | 22.21 Amount paid as losses or risk adjustment | \$..... |
| | 22.22 Amount paid as expenses | \$..... |
| | 22.23 Other amounts paid | \$..... |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....

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 [X] 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 [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....
- 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 [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] NA [X]
- 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 [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- | | | |
|--------|---|---------|
| 24.101 | Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$..... |
| 24.102 | Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 | \$..... |
| 24.103 | Total payable for securities lending reported on the liability page | \$..... |

GENERAL INTERROGATORIES

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	\$
	25.22 Subject to reverse repurchase agreements	\$
	25.23 Subject to dollar repurchase agreements	\$
	25.24 Subject to reverse dollar repurchase agreements	\$
	25.25 Pledged as collateral	\$
	25.26 Placed under option agreements	\$
	25.27 Letter stock or securities restricted as to sale	\$
	25.28 On deposit with state or other regulatory body	\$3,716,392
	25.29 Other	\$

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

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 broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address

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 [X]
- 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.....	77,093,960	77,089,925	(4,035)
30.2 Preferred Stocks.....	0		0
30.3 Totals	77,093,960	77,089,925	(4,035)

- 30.4 Describe the sources or methods utilized in determining the fair values:
 Fair market values are obtained from a third party pricing source.....
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []
- 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 market values are obtained from a third party pricing source.....
- 32.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No []
- 32.2 If no, list exceptions:

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? \$0

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
.....	\$.....
.....	\$.....
.....	\$.....

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? \$
- 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. \$
- 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 lives0
- 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 lives0
- 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 lives0
- 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 lives0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$1,403,689,103	\$	.....682,555,838
2.2	Premium Denominator	\$1,403,689,103	\$	.....743,682,796
2.3	Premium Ratio (2.1/2.2)	.....1.000		.....0.918
2.4	Reserve Numerator	\$139,723,553	\$	.....96,890,397
2.5	Reserve Denominator	\$139,723,553	\$	.....96,890,397
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 [X] 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 \$
- 5.32 Medical Only \$100,000
- 5.33 Medicare Supplement \$
- 5.34 Dental and Vision \$
- 5.35 Other Limited Benefit Plan \$
- 5.36 Other \$
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:
The Company is required by the Department of Insurance to have a restricted bank account funded for the specific event of insolvency. Additionally, all provider contracts include provisions for continuity of care to its subscribers.
- 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 year21,200
- 8.2 Number of providers at end of reporting year25,000
- 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
- 9.22 Business with rate guarantees over 36 months

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [] No [X]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$.....
- 10.22 Amount actually paid for year bonuses \$.....
- 10.23 Maximum amount payable withholds \$.....
- 10.24 Amount actually paid for year withholds \$.....
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No [X]
- 11.13 An Individual Practice Association (IPA), or, Yes [] No [X]
- 11.14 A Mixed Model (combination of above) ? Yes [] No [X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No []
- 11.3 If yes, show the name of the state requiring such net worth. Kentucky.....
- 11.4 If yes, show the amount required. \$.....90,234,836
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]
- 11.6 If the amount is calculated, show the calculation.
 Minimum Net Worth = Greater of \$1,500,000 or Company Action Level Risk Based Capital ("RBC") Calculation.
12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Alabama.....
Alaska.....
Arizona.....
Arkansas.....
California.....
Colorado.....
Connecticut.....
Delaware.....
District of Columbia.....
Georgia.....
Hawaii.....
Idaho.....
Illinois.....
Indiana.....
Iowa.....
Kansas.....
Kentucky.....
Louisiana.....
Maryland.....
Massachusetts.....
Minnesota.....
Mississippi.....
Missouri.....
Montana.....
Nebraska.....
Nevada.....
New Jersey.....
New Mexico.....
North Dakota.....
Ohio.....
Oklahoma.....
Oregon.....
Pennsylvania.....
Rhode Island.....
South Carolina.....
South Dakota.....
Tennessee.....
Utah.....
Virginia.....
Washington.....
West Virginia.....
Wisconsin.....
Wyoming.....

- 13.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....
- 13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....

FIVE - YEAR HISTORICAL DATA

	1 2013	2 2012	3 2011	4 2010	5 2009
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	291,352,612	184,626,507	112,629,330	56,269,389	105,352,323
2. Total liabilities (Page 3, Line 24)	167,805,271	116,041,791	70,247,784	14,430,734	74,798,836
3. Statutory surplus	90,234,836	55,743,788	9,964,824	3,498,798	34,980,888
4. Total capital and surplus (Page 3, Line 33)	123,547,341	68,584,716	42,381,546	41,838,655	30,553,487
Income Statement (Page 4)					
5. Total revenues (Line 8)	1,403,689,103	743,682,796	155,457,477	52,026,238	531,460,051
6. Total medical and hospital expenses (Line 18)	1,226,540,917	757,518,614	138,589,527	30,472,585	468,249,969
7. Claims adjustment expenses (Line 20)	43,011,615	26,691,688	6,472,854	207,138	9,227,375
8. Total administrative expenses (Line 21)	74,134,413	38,143,523	12,159,180	6,929,376	56,140,362
9. Net underwriting gain (loss) (Line 24)	60,002,158	(78,671,029)	(1,764,084)	14,417,139	(2,157,655)
10. Net investment gain (loss) (Line 27)	584,527	364,517	142,775	184,113	253,480
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income or (loss) (Line 32)	38,874,044	(50,654,536)	(1,900,836)	10,773,696	(2,477,053)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	70,966,613	(23,139,958)	56,530,070	(54,748,472)	(9,307,337)
Risk-Based Capital Analysis					
14. Total adjusted capital	123,547,341	68,584,716	42,381,546	41,838,655	30,553,487
15. Authorized control level risk-based capital	45,117,418	27,871,894	4,982,412	1,749,399	17,490,444
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	358,547	261,795	195,963	50,630	90,759
17. Total members months (Column 6, Line 7)	3,871,440	2,596,797	1,022,957	597,216	1,175,121
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	87.4	101.9	89.1	58.6	88.1
20. Cost containment expenses	1.3	1.5	1.3	1.2	0.6
21. Other claims adjustment expenses	1.8	2.1	2.8	(0.8)	1.2
22. Total underwriting deductions (Line 23)	95.7	110.6	101.1	72.3	100.4
23. Total underwriting gain (loss) (Line 24)	4.3	(10.6)	(1.1)	27.7	(0.4)
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	86,675,721	56,013,978	3,877,551	57,964,721	60,317,479
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	92,687,694	56,466,068	5,021,726	70,071,679	70,954,352
Investments In Parent, Subsidiaries and Affiliates					
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)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. 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	0	0	0	0	0
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

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE WellCare Health Insurance Company of Kentucky, Inc.

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama	AL	L	13,472,524						13,472,524	0
2. Alaska	AK	L							0	0
3. Arizona	AZ	L							0	0
4. Arkansas	AR	L	15,495,103						15,495,103	0
5. California	CA	L							0	0
6. Colorado	CO	L	8,059,334						8,059,334	0
7. Connecticut	CT	L	13,142,586						13,142,586	0
8. Delaware	DE	L							0	0
9. District of Columbia	DC	L							0	0
10. Florida	FL	L							0	0
11. Georgia	GA	L							0	0
12. Hawaii	HI	L							0	0
13. Idaho	ID	L							0	0
14. Illinois	IL	L							0	0
15. Indiana	IN	L							0	0
16. Iowa	IA	L							0	0
17. Kansas	KS	L							0	0
18. Kentucky	KY	L	95,849,067	22,730,342	1,224,303,940				1,342,883,349	0
19. Louisiana	LA	L							0	0
20. Maine	ME	L							0	0
21. Maryland	MD	L							0	0
22. Massachusetts	MA	L							0	0
23. Michigan	MI	L							0	0
24. Minnesota	MN	L	4,670,610						4,670,610	0
25. Mississippi	MS	L							0	0
26. Missouri	MO	L							0	0
27. Montana	MT	L	1,779,551						1,779,551	0
28. Nebraska	NE	L							0	0
29. Nevada	NV	L							0	0
30. New Hampshire	NH	L							0	0
31. New Jersey	NJ	L							0	0
32. New Mexico	NM	L							0	0
33. New York	NY	L							0	0
34. North Carolina	NC	L							0	0
35. North Dakota	ND	L							0	0
36. Ohio	OH	L							0	0
37. Oklahoma	OK	L							0	0
38. Oregon	OR	L							0	0
39. Pennsylvania	PA	L							0	0
40. Rhode Island	RI	L	5,300,275						5,300,275	0
41. South Carolina	SC	L							0	0
42. South Dakota	SD	L							0	0
43. Tennessee	TN	L							0	0
44. Texas	TX	L							0	0
45. Utah	UT	L							0	0
46. Vermont	VT	L							0	0
47. Virginia	VA	L							0	0
48. Washington	WA	L							0	0
49. West Virginia	WV	L							0	0
50. Wisconsin	WI	L							0	0
51. Wyoming	WY	L							0	0
52. American Samoa	AS								0	0
53. Guam	GU								0	0
54. Puerto Rico	PR								0	0
55. U.S. Virgin Islands	VI								0	0
56. Northern Mariana Islands	MP								0	0
57. Canada	CAN								0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX		157,769,050	22,730,342	1,224,303,940	0	0	0	1,404,803,332	0
60. Reporting entity contributions for Employee Benefit Plans	XXX								0	0
61. Total (Direct Business)	(a) 43		157,769,050	22,730,342	1,224,303,940	0	0	0	1,404,803,332	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

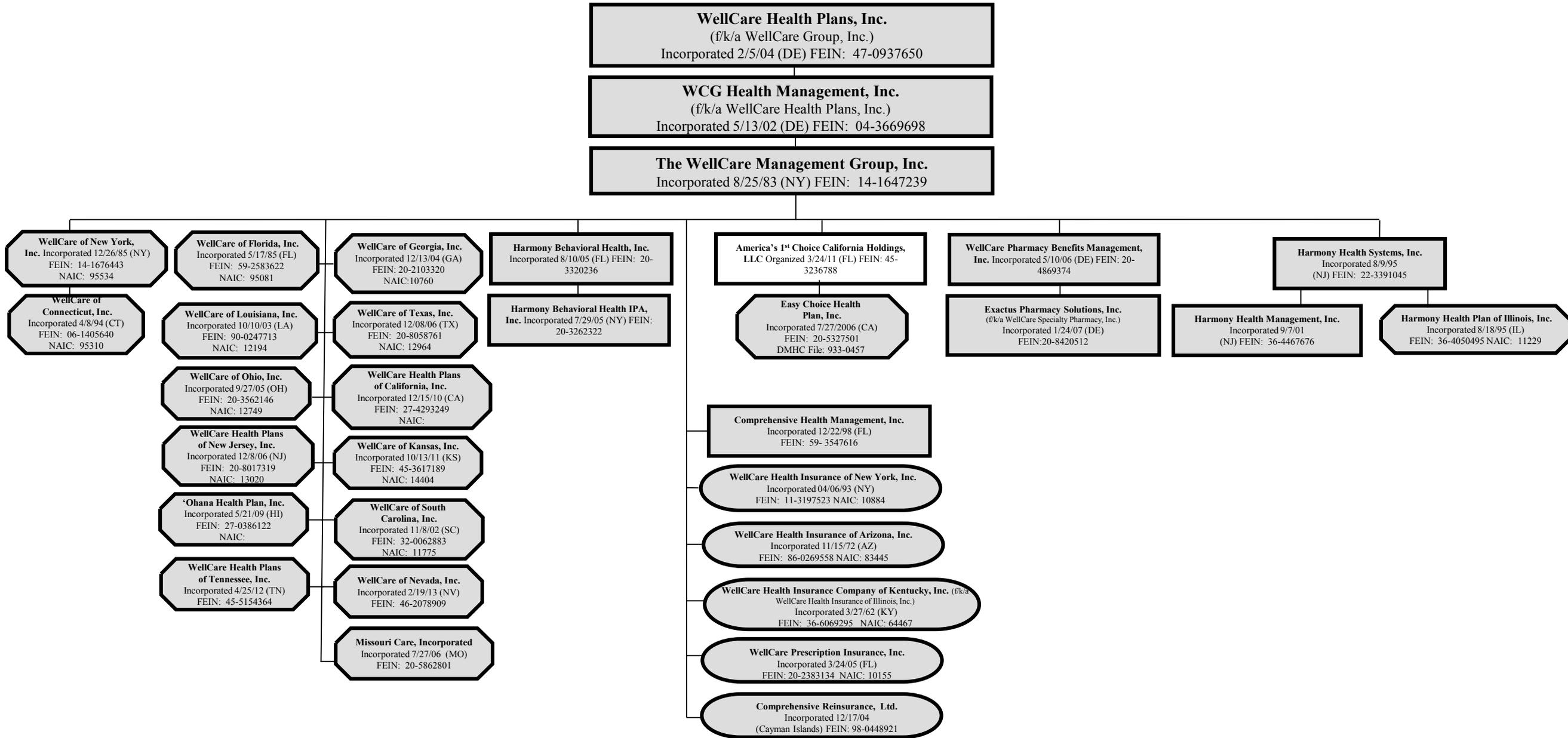
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc. Allocated according to residence of member.

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

The WellCare Group of Companies

(as of December 31, 2013)



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ANNUAL STATEMENT BLANK

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