



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2014
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 Tampa, FL, US 33634 813-290-6200
(Street and Number) (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 Tampa, FL, US 33634 813-290-6200
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

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>Kenneth Alan Burdick #</u>	<u>President</u>	<u>Thomas Lacy Tran</u>	<u>CFO and Treasurer</u>
<u>Lisa Gonzalez Iglesias</u>	<u>Secretary and General Counsel</u>	<u>Maurice Sebastian Hebert</u>	<u>Asst Treasurer and Chief Accounting Officer</u>

OTHER OFFICERS

<u>Kelly Ann Munson</u>	<u>Region President</u>		

DIRECTORS OR TRUSTEES

<u>Thomas Lacy Tran</u>	<u>Maurice Sebastian Hebert</u>	<u>Lisa Gonzalez Iglesias</u>	<u>Kenneth Alan Burdick #</u>

State ofFlorida.....

ss

County ofHillsborough.....

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.

Kenneth Alan Burdick
President

Thomas Lacy Tran
CFO and Treasurer

Maurice Sebastian Hebert
Asst Treasurer and Chief Accounting Officer

a. Is this an original filing? Yes No

b. If no:

1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

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

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE WellCare Health Insurance Company of Kentucky, Inc.

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	13,552,545		13,552,545	3,666,366
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
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 (\$174,907,365), cash equivalents (\$8,302,309) and short-term investments (\$154,115,166)	337,324,839		337,324,839	248,290,143
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets	0		0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	350,877,384	0	350,877,384	251,956,510
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	149,310		149,310	163,452
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	45,200,627		45,200,627	8,687,445
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	6,452,604		6,452,604	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,988,591		1,988,591	2,199,482
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	20,462,965		20,462,965	2,309,596
18.1 Current federal and foreign income tax recoverable and interest thereon			0	2,475,868
18.2 Net deferred tax asset	10,982,432		10,982,432	6,097,215
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	13,110,188	13,110,188	0	0
24. Health care (\$26,231,718) and other amounts receivable	29,216,752	2,984,673	26,232,079	13,937,590
25. Aggregate write-ins for other-than-invested assets	3,260,629	1,274,011	1,986,618	3,525,454
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	481,701,482	17,368,872	464,332,610	291,352,612
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	481,701,482	17,368,872	464,332,610	291,352,612
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 (prepaids)	559,160	559,160	0	0
2502. ASO prepayments	671,275	671,275	0	3,274,539
2503. State and other taxes recoverable	1,986,618		1,986,618	250,915
2598. Summary of remaining write-ins for Line 25 from overflow page	43,576	43,576	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,260,629	1,274,011	1,986,618	3,525,454

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded).....	263,364,608		263,364,608	139,031,713
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	2,323,878		2,323,878	1,461,883
4. Aggregate health policy reserves including the liability of \$ for medical loss ratio rebate per the Public Health Service Act			0	691,840
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	2,098,567		2,098,567	1,898,459
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))	4,717,078		4,717,078	0
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable	94,721		94,721	357,562
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	8,333,727		8,333,727	24,110,056
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)	272,018	0	272,018	253,758
24. Total liabilities (Lines 1 to 23).....	281,204,597	0	281,204,597	167,805,271
25. Aggregate write-ins for special surplus funds	XXX	XXX	33,288,750	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	137,298,516
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	10,040,747	(16,251,175)
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	183,128,013	123,547,341
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	464,332,610	291,352,612
DETAILS OF WRITE-INS				
2301. Unclaimed property payable.....	272,018		272,018	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)	272,018	0	272,018	253,758
2501. 2015 ACA Industry Fee payable.....	XXX	XXX	33,288,750	
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	33,288,750	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 To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	4,335,925	2,797,963	3,871,440
2. Net premium income (including \$ non-health premium income).....	XXX	1,773,090,153	1,016,193,927	1,403,689,103
3. Change in unearned premium reserves and reserve for rate credits	XXX		0	0
4. Fee-for-service (net of \$ medical expenses)	XXX		0	0
5. Risk revenue	XXX		0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	1,773,090,153	1,016,193,927	1,403,689,103
Hospital and Medical:				
9. Hospital/medical benefits		945,209,989	624,129,559	869,292,267
10. Other professional services		118,630,215	12,130,094	18,964,842
11. Outside referrals			0	0
12. Emergency room and out-of-area		104,484,530	54,746,863	75,184,521
13. Prescription drugs		340,871,663	200,496,610	277,759,418
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts			0	0
16. Subtotal (Lines 9 to 15)	0	1,509,196,397	891,503,126	1,241,201,048
Less:				
17. Net reinsurance recoveries		389,266	16,125,195	14,660,131
18. Total hospital and medical (Lines 16 minus 17)	0	1,508,807,131	875,377,931	1,226,540,917
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ 22,626,856 cost containment expenses.....		53,657,992	30,865,366	43,011,615
21. General administrative expenses.....		103,539,653	60,788,523	74,134,413
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	1,666,004,776	967,031,820	1,343,686,945
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	107,085,377	49,162,107	60,002,158
25. Net investment income earned		679,915	423,455	584,527
26. Net realized capital gains (losses) less capital gains tax of \$			0	0
27. Net investment gains (losses) (Lines 25 plus 26)	0	679,915	423,455	584,527
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	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	107,765,292	49,585,562	60,586,685
31. Federal and foreign income taxes incurred	XXX	47,968,944	17,845,241	21,712,641
32. Net income (loss) (Lines 30 minus 31)	XXX	59,796,348	31,740,321	38,874,044
DETAILS OF WRITE-INS				
0601.	XXX			
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0	0
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0	0
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	123,547,341	68,584,716	68,584,716
34. Net income or (loss) from Line 32	59,796,348	31,740,321	38,874,044
35. Change in valuation basis of aggregate policy and claim reserves		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0	0
37. Change in net unrealized foreign exchange capital gain or (loss)		0	0
38. Change in net deferred income tax	4,885,217	(432,822)	3,053,447
39. Change in nonadmitted assets	(5,100,893)	2,755,117	(7,117,889)
40. Change in unauthorized and certified reinsurance	0	0	0
41. Change in treasury stock		0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles		0	0
44. Capital Changes:			
44.1 Paid in		0	0
44.2 Transferred from surplus (Stock Dividend)		0	0
44.3 Transferred to surplus		0	0
45. Surplus adjustments:			
45.1 Paid in		15,000,000	20,000,000
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital		0	0
46. Dividends to stockholders		0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0	153,023
48. Net change in capital and surplus (Lines 34 to 47)	59,580,672	49,062,616	54,962,625
49. Capital and surplus end of reporting period (Line 33 plus 48)	183,128,013	117,647,332	123,547,341
DETAILS OF WRITE-INS			
4701. Correction of error - Revised CMS risk corridor calculation related to prior years.....		0	153,023
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	153,023

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance.....	1,729,169,685	1,006,647,537	1,397,564,377
2. Net investment income	820,656	327,275	486,348
3. Miscellaneous income	0	0	0
4. Total (Lines 1 to 3)	1,729,990,341	1,006,974,812	1,398,050,725
5. Benefit and loss related payments	1,396,557,754	815,144,571	1,180,024,520
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	176,024,615	87,990,079	120,422,041
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	40,775,998	20,122,988	26,637,551
10. Total (Lines 5 through 9)	1,613,358,367	923,257,638	1,327,084,112
11. Net cash from operations (Line 4 minus Line 10)	116,631,974	83,717,174	70,966,613
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0	175,000	175,000
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	175,000	175,000
13. Cost of investments acquired (long-term only):			
13.1 Bonds	10,012,776	3,688,715	3,688,715
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	10,012,776	3,688,715	3,688,715
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(10,012,776)	(3,513,715)	(3,513,715)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	15,000,000	20,000,000
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied).....	(17,584,502)	5,108,726	5,485,743
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(17,584,502)	20,108,726	25,485,743
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)	89,034,696	100,312,185	92,938,641
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	248,290,143	155,351,502	155,351,502
19.2 End of period (Line 18 plus Line 19.1)	337,324,839	255,663,687	248,290,143

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE WellCare Health Insurance Company of Kentucky, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	358,547	31,753	.0	.0	.0	.0	.0	2,751	260,354	63,689
2. First Quarter	468,998	30,701	.0	.0	.0	.0	.0	3,733	341,411	93,153
3. Second Quarter	493,924	21,458	.0	.0	.0	.0	.0	4,319	370,255	97,892
4. Third Quarter	515,299	12,405						4,725	395,800	102,369
5. Current Year	0									
6. Current Year Member Months	4,335,925	214,476						37,009	3,218,338	866,102
Total Member Ambulatory Encounters for Period:										
7. Physician	1,971,227	23,310						36,213	1,911,704	
8. Non-Physician	1,296,684	28,810						12,206	1,255,668	
9. Total	3,267,911	52,120	0	0	0	0	0	48,419	3,167,372	0
10. Hospital Patient Days Incurred	249,194	15,687						8,958	224,549	
11. Number of Inpatient Admissions	49,112	1,343						1,248	46,521	
12. Health Premiums Written (a).....	1,774,036,631	76,000,773						33,328,465	1,597,618,159	67,089,234
13. Life Premiums Direct.....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned	1,774,036,631	76,000,773						33,328,465	1,597,618,159	67,089,234
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services	1,397,157,911	70,661,368						26,352,032	1,235,641,427	64,503,084
18. Amount Incurred for Provision of Health Care Services	1,509,196,397	68,326,655						28,984,213	1,353,412,178	58,473,351

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 100,417,699

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE WellCare Health Insurance Company of Kentucky, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec. 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	6,317,301	64,530,301	590,398	5,916,405	6,907,699	9,027,706
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	3,602,738	22,241,211	170,345	6,548,706	3,773,083	3,578,787
7. Title XIX - Medicaid	109,542,506	1,120,717,197	17,883,509	230,366,576	127,426,015	125,486,920
8. Other health	551,498	56,971,484		1,888,669	551,498	938,300
9. Health subtotal (Lines 1 to 8).....	120,014,043	1,264,460,193	18,644,252	244,720,356	138,658,295	139,031,713
10. Health care 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)	120,014,043	1,264,460,193	18,644,252	244,720,356	138,658,295	139,031,713

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of WellCare Health Insurance Company of Kentucky, 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 nine month period ended September 30,	
	<u>2014</u>	<u>2013</u>
Net Income - Kentucky Basis	\$ 59,796,348	\$ 31,740,321
State Prescribed Practices - None	-	-
State Permitted Practices - None	-	-
Net Income - NAIC SAP	<u>\$ 59,796,348</u>	<u>\$ 31,740,321</u>
Balance at		
	<u>September 30, 2014</u>	<u>December 31, 2013</u>
Statutory Capital and Surplus - Kentucky Basis	\$ 183,128,013	\$ 123,547,341
State Prescribed Practices - None	-	-
State Permitted Practices - None	-	-
Statutory Capital and Surplus - NAIC SAP	<u>\$ 183,128,013</u>	<u>\$ 123,547,341</u>

B. Uses of Estimates in the Preparation of the Financial Statements.
No significant change.

C. Accounting Policy
No significant change.

2. Accounting Changes and Correction of Errors
None.

3. Business Combinations and Goodwill
None.

4. Discontinued Operations
No significant change.

5. Investments
No significant change.

D. Loan-Backed Securities – None.

E. Repurchase Agreements and/or Securities Lending Transactions - None.

I. Working Capital Finance Investments – None.

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

7. Investment Income
No significant change.

8. Derivative Instruments
None.

9. Income Taxes
No significant change.

NOTES TO FINANCIAL STATEMENTS

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

No significant change.

11. Debt

- A. Debt – None.
- B. Federal Home Loan Bank Agreements – None.

12. Retirement Plans, Deferred Compensation, Etc.

No significant change.

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

No significant change.

14. Contingencies

- A. Contingent Commitments – No significant change.
- B. Assessments – No significant change.
- C. Gain Contingencies – No significant change.
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming From Lawsuits - No significant change.
- E. All Other Contingencies – 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.

15. Leases

No significant change.

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

No significant change.

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

- A. Transfers of Receivables Reported as Sales – None.
- B. Transfer and Servicing of Financial Assets – None.
- C. Wash Sales – None.

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

No significant change.

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

No significant change.

20. Fair Value Measurement

The company has no assets disclosed at fair value at September 30, 2014.

21. Other Items

ACA Annual Fee

The Affordable Care Act imposes an annual fee on health insurers, payable to the U.S. government, calculated on net premiums and third-party administrative agreement fees. The accounting guidance states the liability and expense are recognized on January 1, 2014 and each year thereafter. By September 30, 2014 and each year thereafter the liability must be paid. In accordance with SSAP No. 35R, *Guaranty Fund and Other Assessments*, the Company paid and expensed \$20,593,412 in 2014. The expense is included on Page 4, Line 21, General administrative expenses, of the Statement of Revenues and Expenses.

Beginning January 31, 2014 and each year thereafter, the estimate for the following years fee is accrued monthly and separately segregated within surplus as an aggregate write-in. The estimated 2015 fee of \$33,288,750, which is subject to change based on the actual outcome of the Company's and the industry's total taxable premiums for 2014, is reported on Line 25 of Page 3, Liabilities, Capital and Surplus, Aggregate write-ins for special surplus funds.

We have received a signed amendment from our state Medicaid customer in Kentucky which provides for them to reimburse us for the portion of the ACA industry fee attributable to the Medicaid programs in that state, including the related state and federal income tax gross-ups. The execution of these amendments and agreements enabled us to recognize approximately \$22.3 million reimbursement as premium revenue for the nine month period ending September 30, 2014.

Minimum Medical Loss Ratio ("MLR")

Our contract with Kentucky for the ACA Medicaid expansion membership requires us to expend a minimum percentage of premiums on eligible medical benefits expense. To the extent that we expend less than the minimum percentage of the premiums on

NOTES TO FINANCIAL STATEMENTS

eligible medical benefits expense, we are required to refund to Kentucky 80% of the difference between the minimum and our actual allowable medical benefits expense. To the extent that we expend more than the minimum percentage of the premiums on eligible medical benefits expense, we will receive additional premium from Kentucky amounting to 80% of the difference between the minimum and our actual allowable medical benefits expense. At September 30, 2014, we are not required to accrue a premium refund for the 2014 plan year associated with these contract provisions.

Medicaid Contract

In Kentucky, we have received approximately 104,000 new members through September 30, 2014 as a result of the expansion of Medicaid eligibility. In addition, for coverage beginning July 1, 2014, members are able to choose among five statewide plans, instead of the previous two; however, our members will not be passively reassigned.

ACA Medicaid Expansion

Effective January 1, 2014, our Kentucky program began serving new members associated with Kentucky's participation in the 2014 ACA Medicaid expansion. Such membership totaled 104,000 as of September 30, 2014.

H. Offsetting and Netting of Assets and Liabilities – None.

22. Events Subsequent

None.

23. Reinsurance.

No significant change.

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 decrease by \$373,418 during 2014. This is approximately 0.3% of unpaid claims expenses of \$139,031,713 as of December 31, 2013. Excluding the prior period development related to the release of the provision for moderately adverse conditions, medical benefits expense for the period ending September 30, 2014 was impacted by approximately \$11,006,479 of net unfavorable development related to prior periods. This development is primarily the result of higher than anticipated claims 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 \$22,626,856 for the nine month period ending September 30, 2014.

26. Intercompany Pooling.

None.

27. Structured Settlements

None.

28. Health Care Receivables.

No significant change.

29. Participating Policies

None.

30. Premium Deficiency Reserves

None.

31. Anticipated Salvage and Subrogation.

No significant change.

NOTES TO FINANCIAL STATEMENTS

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
.....
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] NA []
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2012
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2012
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).06/11/2014
- 6.4 By what department or departments?
Illinois Department of Insurance.....
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] NA [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?..... Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

GENERAL INTERROGATORIES

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes No

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.

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

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

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

Minor revisions and clarifications of existing provisions. Adopted by Board of Directors on September 25, 2014.....

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

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

FINANCIAL

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

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

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

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

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

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No

If no, attach a description with this statement.

GENERAL INTERROGATORIES

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

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

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

1 Name of Custodian(s)	2 Custodian Address

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

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

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

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:
- | | |
|--|--------|
| 1.1 A&H loss percent..... | 86.4 % |
| 1.2 A&H cost containment percent | 1.3 % |
| 1.3 A&H expense percent excluding cost containment expenses..... | 7.6 % |
- 2.1 Do you act as a custodian for health savings accounts?..... Yes No
- 2.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$ _____
- 2.3 Do you act as an administrator for health savings accounts?..... Yes No
- 2.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$ _____

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
NONE								

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

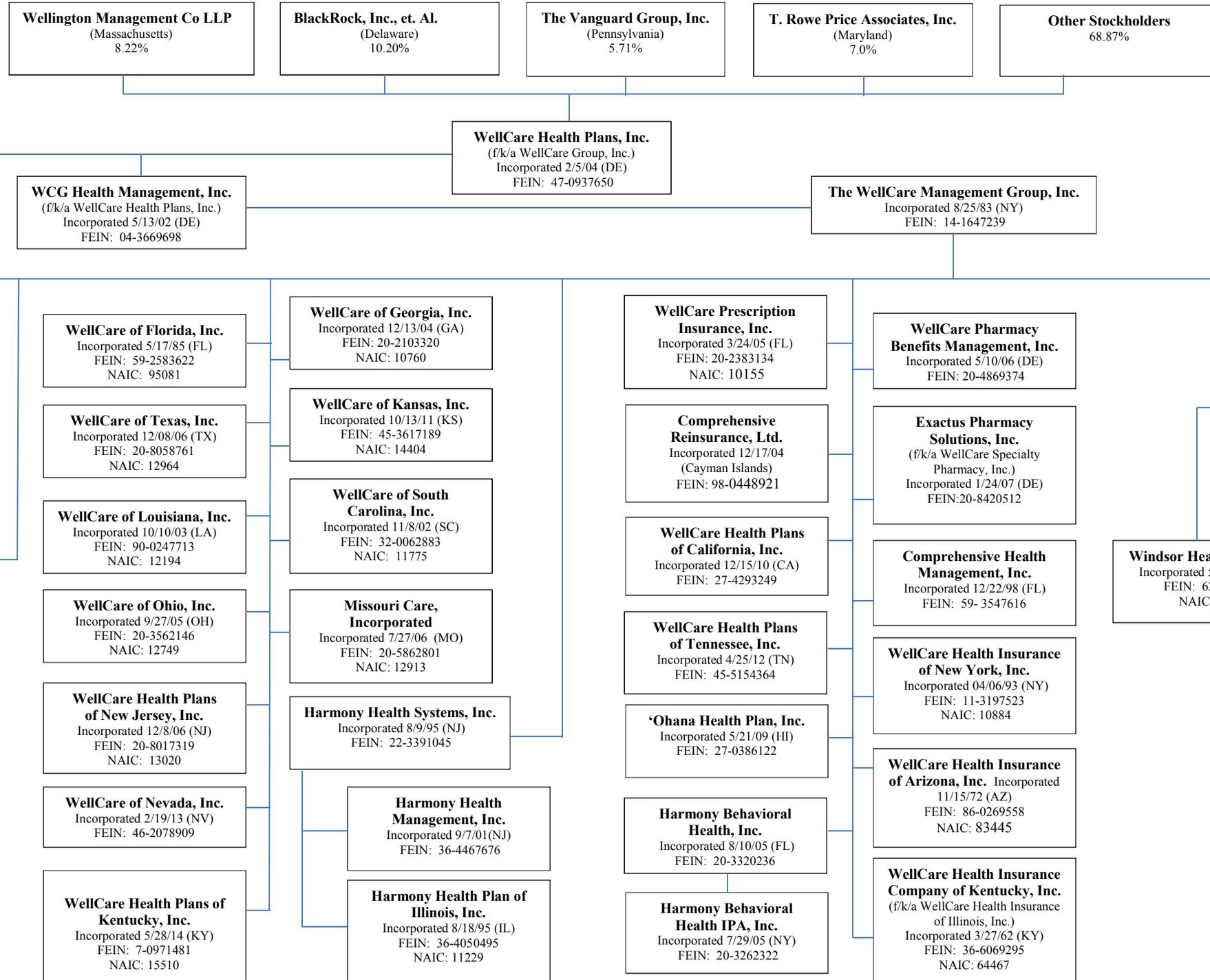
Current Year to Date - Allocated by States and Territories

States, 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 Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama	AL	L	13,975,397						13,975,397	
2. Alaska	AK	L							0	
3. Arizona	AZ	L							0	
4. Arkansas	AR	L	15,923,910						15,923,910	
5. California	CA	L							0	
6. Colorado	CO	L	9,757,940						9,757,940	
7. Connecticut	CT	L	11,864,509						11,864,509	
8. Delaware	DE	L							0	
9. Dist. Columbia	DC	L							0	
10. Florida	FL	L							0	
11. Georgia	GA	L							0	
12. Hawaii	HI	L							0	
13. Idaho	ID	L							0	
14. Illinois	IL	L							0	
15. Indiana	IN	L							0	
16. Iowa	IA	L							0	
17. Kansas	KS	L							0	
18. Kentucky	KY	L	76,000,773	33,328,465	1,597,618,159				1,706,947,397	
19. Louisiana	LA	L							0	
20. Maine	ME	L							0	
21. Maryland	MD	L							0	
22. Massachusetts	MA	L							0	
23. Michigan	MI	L							0	
24. Minnesota	MN	L	7,968,222						7,968,222	
25. Mississippi	MS	L							0	
26. Missouri	MO	L							0	
27. Montana	MT	L	2,640,725						2,640,725	
28. Nebraska	NE	L							0	
29. Nevada	NV	L							0	
30. New Hampshire	NH	L							0	
31. New Jersey	NJ	L							0	
32. New Mexico	NM	L							0	
33. New York	NY	L							0	
34. North Carolina	NC	L							0	
35. North Dakota	ND	L							0	
36. Ohio	OH	L							0	
37. Oklahoma	OK	L							0	
38. Oregon	OR	L							0	
39. Pennsylvania	PA	L							0	
40. Rhode Island	RI	L	4,958,531						4,958,531	
41. South Carolina	SC	L							0	
42. South Dakota	SD	L							0	
43. Tennessee	TN	L							0	
44. Texas	TX	L							0	
45. Utah	UT	L							0	
46. Vermont	VT	L							0	
47. Virginia	VA	L							0	
48. Washington	WA	L							0	
49. West Virginia	WV	L							0	
50. Wisconsin	WI	L							0	
51. Wyoming	WY	L							0	
52. American Samoa	AS	L							0	
53. Guam	GU	L							0	
54. Puerto Rico	PR	L							0	
55. U.S. Virgin Islands	VI	L							0	
56. Northern Mariana Islands	MP	L							0	
57. Canada	CAN	L							0	
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX		143,090,007	33,328,465	1,597,618,159	0	0	0	1,774,036,631	0
60. Reporting entity contributions for Employee Benefit Plans	XXX								0	
61. Total (Direct Business)	(a) 43		143,090,007	33,328,465	1,597,618,159	0	0	0	1,774,036,631	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.

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

The WellCare Group of Companies as of September 30, 2014



STATEMENT AS OF SEPTEMBER 30, 2014 OF THE WellCare Health Insurance Company of Kentucky, Inc.

SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
01199	WellCare Health Plans Inc.	95310	14-1647239				WellCare of Connecticut Inc.	CT	IA	WellCare of New York, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	95081	59-2583622				WellCare of Florida Inc.	FL	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	00000	59-3547616				Comprehensive Health Management Inc.	FL	NIA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	00000	14-1647239				The WellCare Management Group, Inc.	NY	UDP	WCG Health Management, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	95534	14-1676443				WellCare of New York Inc.	NY	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	00000	20-3320236				Harmony Behavioral Health Inc.	FL	NIA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	11229	36-4050495				Harmony Health Plan of Illinois Inc.	IL	IA	Harmony Health Systems, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	12194	90-0247713				WellCare of Louisiana Inc.	LA	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	00000	22-3391045				Harmony Health Systems Inc.	IL	NIA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	00000	36-4467676				Harmony Health Management Inc.	IL	NIA	Harmony Health Systems, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	00000	47-0937650			NYSE	WellCare Health Plans Inc.	FL	UIP	Shareholders.		0.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	00000	04-3669698				WCG Health Management Inc.	FL	UIP	WellCare Health Plans, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	10760	20-2103320				WellCare of Georgia Inc.	GA	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	00000	98-0448921				Comprehensive Reinsurance Ltd.	CYM	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	10155	20-2383134				WellCare Prescription Insurance Inc.	FL	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	12749	20-3562146				WellCare of Ohio Inc.	OH	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	00000	20-3262322				Harmony Behavioral Health IPA Inc.	NY	NIA	Harmony Behavioral Health, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	00000	20-4869374				WellCare Pharmacy Benefits Management In.	DE	NIA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	83445	86-0269558				WellCare Health Insurance of Arizona Inc.	AZ	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	64467	36-6069295				WellCare Health Insurance Company of Kentucky Inc.	KY	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	12956	11-3197523				WellCare Health Insurance of New York Inc.	NY	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	13020	20-8017319				WellCare Health Plans of New Jersey Inc.	NJ	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	12964	20-8058761				WellCare of Texas Inc.	TX	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	0
01199	WellCare Health Plans Inc.	00000	20-8420512				Exactus Pharmacy Solutions, Inc.	DE	NIA	WellCare Pharmacy Benefits Management	Ownership	100.0	WellCare Health Plans, Inc.	0

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE WellCare Health Insurance Company of Kentucky, Inc.

SCHEDULE Y
PART 1A – DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/ Person(s)	*
01199	WellCare Health Plans Inc.	00000	27-0386122				Ohana Health Plans, Inc.	HI	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	00000	27-4293249				WellCare Health Plans of California, Inc.	CA	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	14404	45-3617189				WellCare of Kansas, Inc.	KS	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	00000	45-5154364				WellCare Health Plans of Tennessee, Inc.	TN	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	00000	45-3236788				America's 1st Choice California Holdings, LLC	FL	NIA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	00000	20-5327501				Easy Choice Health Plan, Inc.	CA	IA	America's 1st Choice California Holdings, LLC	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	11775	32-0062883				WellCare of South Carolina, Inc.	SC	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	00000	46-2078909				WellCare of Nevada, Inc.	NV	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	12913	20-5862801				Missouri Care, Incorporated	MO	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	00000	27-4212954				The WellCare Community Foundation	DE	NIA	WellCare Health Plans, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	00000	62-1832645				Windsor Health Group, Inc.	TN	NIA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	00000	62-1530448				Windsor Management Services, Inc.	TN	NIA	Windsor Health Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	95792	62-1531881				Windsor Health Plans, Inc.	TN	IA	Windsor Health Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	77399	13-1867829				Sterling Life Insurance Company	IL	IA	Windsor Health Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	00000	91-1500758				Olympic Health Management Systems, Inc.	WA	NIA	Sterling Life Insurance Company	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	00000	91-1599329				Olympic Health Management Services, Inc.	WA	NIA	Sterling Life Insurance Company	Ownership	100.0	WellCare Health Plans, Inc.	.0
01199	WellCare Health Plans Inc.	15510	47-0971481				WellCare Health Plans of Kentucky, Inc.	KY	IA	The WellCare Management Group, Inc.	Ownership	100.0	WellCare Health Plans, Inc.	.0

16.1

Asterisk	Explanation

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

RESPONSE

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

.....YES.....

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

MQ002 Additional Aggregate Lines for Page 02 Line 25.

*ASSETS

	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31 Prior Year Net Admitted Assets
2504. Deposits with providers.....	43,576	43,576	0	
2597. Summary of remaining write-ins for Line 25 from Page 02	43,576	43,576	0	0

SCHEDULE A – VERIFICATION

Real Estate

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

SCHEDULE B – VERIFICATION

Mortgage Loans

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

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

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

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	3,666,366	178,411
2. Cost of bonds and stocks acquired	10,012,776	3,688,715
3. Accrual of discount	0	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration for bonds and stocks disposed of	0	175,000
7. Deduct amortization of premium	126,597	25,759
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other-than-temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	13,552,545	3,666,366
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	13,552,545	3,666,366

STATEMENT AS OF SEPTEMBER 30, 2014 OF THE WellCare Health Insurance Company of Kentucky, Inc.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a).....	25,928,259	487,010,406	345,933,636	662,681	92,274,922	25,928,259	167,667,710	76,492,349
2. NAIC 2 (a).....	725,470	0	0	(725,470)	781,489	725,470	0	601,611
3. NAIC 3 (a).....	0	0	0	0	0	0	0	0
4. NAIC 4 (a).....	0	0	0	0	0	0	0	0
5. NAIC 5 (a).....	0	0	0	0	0	0	0	0
6. NAIC 6 (a).....	0	0	0	0	0	0	0	0
7. Total Bonds	26,653,730	487,010,406	345,933,636	(62,789)	93,056,411	26,653,730	167,667,710	77,093,960
PREFERRED STOCK								
8. NAIC 1.....	0	0	0	0	0	0	0	0
9. NAIC 2.....	0	0	0	0	0	0	0	0
10. NAIC 3.....	0	0	0	0	0	0	0	0
11. NAIC 4.....	0	0	0	0	0	0	0	0
12. NAIC 5.....	0	0	0	0	0	0	0	0
13. NAIC 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	26,653,730	487,010,406	345,933,636	(62,789)	93,056,411	26,653,730	167,667,710	77,093,960

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

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SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	154,115,166	XXX	154,118,324	9,258	1,700

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	72,871,890	35,861,787
2. Cost of short-term investments acquired	1,027,973,825	892,177,943
3. Accrual of discount	68	106
4. Unrealized valuation increase (decrease).....	0	0
5. Total gain (loss) on disposals	0	331
6. Deduct consideration received on disposals	946,604,295	855,033,623
7. Deduct amortization of premium.....	126,323	134,654
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other-than-temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	154,115,166	72,871,890
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	154,115,166	72,871,890

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	25,555,703	25,000,000
2. Cost of cash equivalents acquired	95,701	1,698,559
3. Accrual of discount	0	11
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals	17,347,691	1,135,000
7. Deduct amortization of premium	1,404	7,868
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	8,302,309	25,555,703
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	8,302,309	25,555,703

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2014 OF THE WellCare Health Insurance Company of Kentucky, Inc.

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code.....01199

NAIC Company Code.....64467

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected.....	60,074,982	XXX		XXX	60,074,982
2. Earned Premiums	74,233,678	XXX		XXX	XXX
3. Claims Paid.....	64,503,084	XXX		XXX	64,503,084
4. Claims Incurred.....	58,473,351	XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing – Claims Paid Net of Reimbursements Applied (a)	XXX		XXX		.0
6. Aggregate Policy Reserves - Change.....	7,144,443	XXX		XXX	XXX
7. Expenses Paid.....	7,116,364	XXX		XXX	7,116,364
8. Expenses Incurred.....	7,116,364	XXX		XXX	XXX
9. Underwriting Gain or Loss.....	1,499,520	XXX	.0	XXX	XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	(11,544,466)

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$20,450,350 due from CMS or \$ due to CMS