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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2014

OF THE CONDITION AND AFFAIRS OF THE

Care Improvement Plus South Central Insurance Company

NAIC Group Code 0707 (Current) 0707 (Prior) NAIC Company Code 12567 Employer's ID Number 20-3888112

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized 01/13/2006 Commenced Business 01/01/2007

Statutory Home Office 11219 Financial Center Parkway, Suite 240 (Street and Number), Little Rock , AR, US 72211 (City or Town, State, Country and Zip Code)

Main Administrative Office 351 W. Camden Street, Suite 100 (Street and Number)

Baltimore , MD, US 21201 (City or Town, State, Country and Zip Code), (410)625-2200 (Area Code) (Telephone Number)

Mail Address 9700 Health Care Lane MN017-E900 (Street and Number or P.O. Box), Minnetonka , MN, US 55343 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 351 W. Camden Street, Suite 100 (Street and Number)

Baltimore , MD, US 21201 (City or Town, State, Country and Zip Code), (410)625-2200 (Area Code) (Telephone Number)

Internet Website Address www.careimprovementplus.com

Statutory Statement Contact Lisa Ann Mann (Name), 219-984-5155 (Area Code) (Telephone Number)

lisa_a_mann@uhc.com (E-mail Address), 952-979-7825 (FAX Number)

OFFICERS

President John Lawrence Larsen

Treasurer Robert Worth Oberrender

Secretary Kristine Marie Weikel #

Chief Financial Officer William Joseph Hnath #

OTHER

Daniel Jay Friedman Chief Legal Officer, Assistant Secretary

Michelle Marie Huntley Assistant Secretary

DIRECTORS OR TRUSTEES

William Joseph Hnath

Jay Stephen Matushak #

Timothy John Noel #

State of
County of

State of
County of

State of
County of

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

John Lawrence Larsen
President

William Joseph Hnath
Chief Financial Officer

Subscribed and sworn to before me this
day of

Subscribed and sworn to before me this
day of

Subscribed and sworn to before me this
day of

a. Is this an original filing?................................ Yes [X] No [ ]

b. If no,

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

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1.	Bonds (Schedule D)	477,441,521	0	477,441,521	387,900,811
2.	Stocks (Schedule D):				
	2.1 Preferred stocks	0	0	0	0
	2.2 Common stocks	0	0	0	0
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens	0	0	0	0
	3.2 Other than first liens	0	0	0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ 0 encumbrances)	0	0	0	0
	4.2 Properties held for the production of income (less $ 0 encumbrances)	0	0	0	0
	4.3 Properties held for sale (less $ 0 encumbrances)	0	0	0	0
5.	Cash ($ (66,734,706) , Schedule E - Part 1), cash equivalents ($ 0 , Schedule E - Part 2) and short-term investments ($ 1,917,698 , Schedule DA)	(64,817,008)	0	(64,817,008)	63,511,199
6.	Contract loans, (including $ 0 premium notes)	0	0	0	0
7.	Derivatives (Schedule DB)	0	0	0	0
8.	Other invested assets (Schedule BA)	0	0	0	0
9.	Receivables for securities	0	0	0	0
10.	Securities lending reinvested collateral assets (Schedule DL)	0	0	0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	412,624,513	0	412,624,513	451,412,010
13.	Title plants less $ 0 charged off (for Title insurers only)	0	0	0	0
14.	Investment income due and accrued	4,099,561	0	4,099,561	1,549,539
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	64,493,170	3,404,575	61,088,595	55,615,860
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ 0 earned but unbilled premiums)	0	0	0	0
	15.3 Accrued retrospective premiums	0	0	0	0
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	0	0	0	55,617
	16.2 Funds held by or deposited with reinsured companies	0	0	0	0
	16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17.	Amounts receivable relating to uninsured plans	65,937,164	137,294	65,799,870	4,012,909
18.1	Current federal and foreign income tax recoverable and interest thereon	16,133,524	0	16,133,524	0
18.2	Net deferred tax asset	14,070,437	705,996	13,364,441	19,241,697
19.	Guaranty funds receivable or on deposit	0	0	0	0
20.	Electronic data processing equipment and software	0	0	0	0
21.	Furniture and equipment, including health care delivery assets ($ 0)	0	0	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23.	Receivables from parent, subsidiaries and affiliates	0	0	0	0
24.	Health care ($ 71,455,313) and other amounts receivable	106,520,418	35,065,105	71,455,313	33,590,117
25.	Aggregate write-ins for other than invested assets	2,308,971	0	2,308,971	383,580
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	686,187,758	39,312,970	646,874,788	565,861,329
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28.	Total (Lines 26 and 27)	686,187,758	39,312,970	646,874,788	565,861,329
	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 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.	State Income Tax Receivable	2,308,971	0	2,308,971	383,580
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	2,308,971	0	2,308,971	383,580

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $ 0 reinsurance ceded)	192,421,311	0	192,421,311	178,794,554
2.	Accrued medical incentive pool and bonus amounts	6,269,772	0	6,269,772	3,810,276
3.	Unpaid claims adjustment expenses	1,900,801	0	1,900,801	3,277,977
4.	Aggregate health policy reserves, including the liability of $ 0 for medical loss ratio rebate per the Public Health Service Act	13,927,838	0	13,927,838	21,072,871
5.	Aggregate life policy reserves	0	0	0	0
6.	Property/casualty unearned premium reserves	0	0	0	0
7.	Aggregate health claim reserves	5,742	0	5,742	0
8.	Premiums received in advance	36,791	0	36,791	2,157
9.	General expenses due or accrued	3,876,821	0	3,876,821	0
10.1	Current federal and foreign income tax payable and interest thereon (including $ 0 on realized capital gains (losses))	0	0	0	6,809,675
10.2	Net deferred tax liability	0	0	0	0
11.	Ceded reinsurance premiums payable	0	0	0	0
12.	Amounts withheld or retained for the account of others	0	0	0	0
13.	Remittances and items not allocated	1,886,023	0	1,886,023	1,515,770
14.	Borrowed money (including $ 0 current) and interest thereon $ 0 (including $ 0 current)	0	0	0	0
15.	Amounts due to parent, subsidiaries and affiliates	72,323,600	0	72,323,600	2,349,925
16.	Derivatives	0	0	0	0
17.	Payable for securities	0	0	0	0
18.	Payable for securities lending	0	0	0	0
19.	Funds held under reinsurance treaties (with $ 0 authorized reinsurers, $ 0 unauthorized reinsurers and $ 0 certified reinsurers)	0	0	0	0
20.	Reinsurance in unauthorized and certified ($ 0) companies	0	0	0	0
21.	Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22.	Liability for amounts held under uninsured plans	5,641,198	0	5,641,198	7,683,295
23.	Aggregate write-ins for other liabilities (including $ 0 current)	48	0	48	0
24.	Total liabilities (Lines 1 to 23)	298,289,945	0	298,289,945	225,316,500
25.	Aggregate write-ins for special surplus funds	XXX	XXX	57,667,079	0
26.	Common capital stock	XXX	XXX	2,000,000	2,000,000
27.	Preferred capital stock	XXX	XXX	0	0
28.	Gross paid in and contributed surplus	XXX	XXX	181,562,960	181,562,960
29.	Surplus notes	XXX	XXX	0	0
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31.	Unassigned funds (surplus)	XXX	XXX	107,354,804	156,981,869
32.	Less treasury stock, at cost:				
	32.1 0 shares common (value included in Line 26 $ 0)	XXX	XXX	0	0
	32.2 0 shares preferred (value included in Line 27 $ 0)	XXX	XXX	0	0
33.	Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	348,584,843	340,544,829
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	646,874,788	565,861,329
	DETAILS OF WRITE-INS				
2301.	Unclaimed Property	48	0	48	0
2302.					
2303.					
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399.	Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	48	0	48	0
2501.	Section 9010 ACA Subsequent Fee Year Assessment	XXX	XXX	57,667,079	0
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	57,667,079	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 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1.	Member Months	XXX	2,879,915	2,269,423
2.	Net premium income (including $ 0 non-health premium income)	XXX	2,978,264,143	2,470,940,594
3.	Change in unearned premium reserves and reserve for rate credits	XXX	7,145,032	(6,567,719)
4.	Fee-for-service (net of $ 0 medical expenses)	XXX	0	0
5.	Risk revenue	XXX	0	0
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	2,985,409,175	2,464,372,875
	Hospital and Medical:			
9.	Hospital/medical benefits	0	2,300,976,061	1,780,093,900
10.	Other professional services	0	19,142,390	29,473,618
11.	Outside referrals	0	0	0
12.	Emergency room and out-of-area	0	0	0
13.	Prescription drugs	0	141,949,259	189,638,124
14.	Aggregate write-ins for other hospital and medical	0	0	11,328,401
15.	Incentive pool, withhold adjustments and bonus amounts	0	9,311,093	4,914,791
16.	Subtotal (Lines 9 to 15)	0	2,471,378,803	2,015,448,834
	Less:			
17.	Net reinsurance recoveries	0	(71)	(252,283)
18.	Total hospital and medical (Lines 16 minus 17)	0	2,471,378,874	2,015,701,117
19.	Non-health claims (net)	0	0	0
20.	Claims adjustment expenses, including $ 55,256,377 cost containment expenses	120,377,102	120,377,102	36,730,441
21.	General administrative expenses	264,514,431	264,514,431	287,128,013
22.	Increase in reserves for life and accident and health contracts (including $ 0 increase in reserves for life only)	0	0	0
23.	Total underwriting deductions (Lines 18 through 22)	384,891,533	2,856,270,407	2,339,559,571
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	129,138,768	124,813,304
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	7,412,770	799,953
26.	Net realized capital gains (losses) less capital gains tax of $ 13,660	0	1,318,944	(6,592)
27.	Net investment gains (losses) (Lines 25 plus 26)	0	8,731,714	793,361
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ 0) (amount charged off $ (1,620))]	0	(1,620)	(332,559)
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	137,868,862	125,274,106
31.	Federal and foreign income taxes incurred	XXX	59,901,816	43,731,976
32.	Net income (loss) (Lines 30 minus 31)	XXX	77,967,046	81,542,130
	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 thru 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 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.	Transportation Costs	0	0	11,328,401
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	11,328,401
2901.				
2902.				
2903				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	340,544,829	324,576,635
34.	Net income or (loss) from Line 32	77,967,046	81,542,130
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	0
37.	Change in net unrealized foreign exchange capital gain or (loss)	0	0
38.	Change in net deferred income tax	(6,044,067)	9,837,168
39.	Change in nonadmitted assets	17,117,035	(27,732,327)
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	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	0	0
	45.2 Transferred to capital (Stock Dividend)	0	0
	45.3 Transferred from capital	0	0
46.	Dividends to stockholders	(81,000,000)	(40,000,000)
47.	Aggregate write-ins for gains or (losses) in surplus	0	(7,678,777)
48.	Net change in capital and surplus (Lines 34 to 47)	8,040,014	15,968,194
49.	Capital and surplus end of reporting period (Line 33 plus 48)	348,584,843	340,544,829
	DETAILS OF WRITE-INS		
4701.	Post Audit Correction of Error	0	(7,678,777)
4702.			
4703.			
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0
4799.	Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	(7,678,777)

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	2,972,184,918	2,428,045,841
2.	Net investment income	12,144,541	2,390,579
3.	Miscellaneous income	0	0
4.	Total (Lines 1 through 3)	2,984,329,459	2,430,436,420
5.	Benefit and loss related payments	2,475,469,397	2,018,830,408
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7.	Commissions, expenses paid and aggregate write-ins for deductions	448,284,380	305,961,849
8.	Dividends paid to policyholders	0	0
9.	Federal and foreign income taxes paid (recovered) net of $ 0 tax on capital gains (losses)	82,703,568	41,482,965
10.	Total (Lines 5 through 9)	3,006,457,345	2,366,275,222
11.	Net cash from operations (Line 4 minus Line 10)	(22,127,886)	64,161,198
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	348,986,982	50,045,506
	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)	348,986,982	50,045,506
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	444,378,051	319,507,143
	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)	444,378,051	319,507,143
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)	(95,391,069)	(269,461,637)
	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	0	0
	16.3 Borrowed funds	0	0
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
	16.5 Dividends to stockholders	81,000,000	40,000,000
	16.6 Other cash provided (applied)	70,190,748	3,865,890
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(10,809,252)	(36,134,110)
	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)	(128,328,207)	(241,434,549)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	63,511,199	304,945,748
	19.2 End of year (Line 18 plus Line 19.1)	(64,817,008)	63,511,199

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	2,978,264,143	0	0	0	0	0	2,978,263,727	0	416	0
2. Change in unearned premium reserves and reserve for rate credit	7,145,032	0	0	0	0	0	7,145,433	0	(401)	0
3. Fee-for-service (net of $ 0 medical expenses)	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	2,985,409,175	0	0	0	0	0	2,985,409,160	0	15	0
8. Hospital/medical benefits	2,300,976,061	0	0	0	0	0	2,300,976,061	0	0	XXX
9. Other professional services	19,142,390	0	0	0	0	0	19,142,390	0	0	XXX
10. Outside referrals	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area	0	0	0	0	0	0	0	0	0	XXX
12. Prescription drugs	141,949,259	0	0	0	0	0	141,949,259	0	0	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	9,311,093	0	0	0	0	0	9,311,093	0	0	XXX
15. Subtotal (Lines 8 to 14)	2,471,378,803	0	0	0	0	0	2,471,378,803	0	0	XXX
16. Net reinsurance recoveries	(71)	0	0	0	0	0	(71)	0	0	XXX
17. Total medical and hospital (Lines 15 minus 16)	2,471,378,874	0	0	0	0	0	2,471,378,874	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including $ 55,256,377 cost containment expenses	120,377,102	0	0	0	0	0	120,377,102	0	0	0
20. General administrative expenses	264,514,431	0	0	0	0	0	264,514,431	0	0	0
21. Increase in reserves for accident and health contracts	0	0	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	2,856,270,407	0	0	0	0	0	2,856,270,407	0	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	129,138,768	0	0	0	0	0	129,138,753	0	15	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

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)	0	0	0	0
2. Medicare Supplement	0	0	0	0
3. Dental only	0	0	0	0
4. Vision only	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0
6. Title XVIII - Medicare	2,978,263,727	0	0	2,978,263,727
7. Title XIX - Medicaid	0	0	0	0
8. Other health	416	0	0	416
9. Health subtotal (Lines 1 through 8)	2,978,264,143	0	0	2,978,264,143
10. Life	0	0	0	0
11. Property/casualty	0	0	0	0
12. Totals (Lines 9 to 11)	2,978,264,143	0	0	2,978,264,143

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	2,468,673,346	0	0	0	0	0	2,468,673,346	0	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	55,546	0	0	0	0	0	55,546	0	0	0
1.4 Net	2,468,617,800	0	0	0	0	0	2,468,617,800	0	0	0
2. Paid medical incentive pools and bonuses	6,851,597	0	0	0	0	0	6,851,597	0	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	192,421,311	0	0	0	0	0	192,421,311	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	192,421,311	0	0	0	0	0	192,421,311	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	5,742	0	0	0	0	0	5,742	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	5,742	0	0	0	0	0	5,742	0	0	0
5. Accrued medical incentive pools and bonuses, current year	6,269,772	0	0	0	0	0	6,269,772	0	0	0
6. Net healthcare receivables (a)	20,238,135	0	0	0	0	0	20,238,135	0	0	0
7. Amounts recoverable from reinsurers December 31, current year	0	0	0	0	0	0	0	0	0	0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	178,794,554	0	0	0	0	0	178,794,554	0	0	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	178,794,554	0	0	0	0	0	178,794,554	0	0	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	3,810,276	0	0	0	0	0	3,810,276	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	55,617	0	0	0	0	0	55,617	0	0	0
12. Incurred Benefits:										
12.1 Direct	2,462,067,710	0	0	0	0	0	2,462,067,710	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	(71)	0	0	0	0	0	(71)	0	0	0
12.4 Net	2,462,067,781	0	0	0	0	0	2,462,067,781	0	0	0
13. Incurred medical incentive pools and bonuses	9,311,093	0	0	0	0	0	9,311,093	0	0	0

(a) Excludes $ 0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	21,117,767	0	0	0	0	0	21,117,767	0	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
1.4 Net	21,117,767	0	0	0	0	0	21,117,767	0	0	0
2. Incurred but Unreported:										
2.1 Direct	171,303,544	0	0	0	0	0	171,303,544	0	0	0
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
2.4 Net	171,303,544	0	0	0	0	0	171,303,544	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0	0	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	192,421,311	0	0	0	0	0	192,421,311	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	192,421,311	0	0	0	0	0	192,421,311	0	0	0

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	6
		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	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical)	0	0	0	0	0	0
2.	Medicare Supplement	0	0	0	0	0	0
3.	Dental Only	0	0	0	0	0	0
4.	Vision Only	0	0	0	0	0	0
5.	Federal Employees Health Benefits Plan	0	0	0	0	0	0
6.	Title XVIII - Medicare	118,605,877	2,350,067,540	(19,229,759)	211,656,812	99,376,118	178,794,554
7	Title XIX - Medicaid	0	0	0	0	0	0
8.	Other health	0	0	0	0	0	0
9.	Health subtotal (Lines 1 to 8)	118,605,877	2,350,067,540	(19,229,759)	211,656,812	99,376,118	178,794,554
10.	Healthcare receivables (a)	18,665,916	80,102,924	0	7,751,578	18,665,916	86,282,283
11.	Other non-health	0	0	0	0	0	0
12.	Medical incentive pools and bonus amounts	2,620,789	4,230,808	1,747,160	4,522,612	4,367,949	3,810,276
13.	Totals (Lines 9 - 10 + 11 + 12)	102,560,750	2,274,195,424	(17,482,599)	208,427,846	85,078,151	96,322,547

(a) Excludes $ 0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	102,327	91,707	78,842	78,842	78,075
2. 2010	653,218	785,694	771,983	771,983	770,596
3. 2011	XXX	857,213	996,253	996,253	993,629
4. 2012	XXX	XXX	1,067,769	1,136,613	1,132,332
5. 2013	XXX	XXX	XXX	1,949,986	2,080,216
6. 2014	XXX	XXX	XXX	XXX	2,354,298

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	102,538	91,707	78,842	78,842	78,075
2. 2010	774,845	786,010	771,983	771,983	770,596
3. 2011	XXX	1,010,374	998,131	996,253	993,629
4. 2012	XXX	XXX	1,210,155	1,139,531	1,132,332
5. 2013	XXX	XXX	XXX	2,129,673	2,062,734
6. 2014	XXX	XXX	XXX	XXX	2,570,478

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	924,037	770,596	78,718	10.2	849,314	91.9	0	0	849,314	91.9
2. 2011	1,350,723	993,629	103,406	10.4	1,097,035	81.2	0	0	1,097,035	81.2
3. 2012	1,650,933	1,132,332	88,247	7.8	1,220,579	73.9	0	0	1,220,579	73.9
4. 2013	2,464,373	2,080,216	50,841	2.4	2,131,057	86.5	(17,483)	(167)	2,113,407	85.8
5. 2014	2,985,409	2,354,298	107,026	4.5	2,461,324	82.4	216,180	2,068	2,679,572	89.8

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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	102,327	91,707	78,842	78,842	78,075
2.	2010	653,218	785,694	771,983	771,983	770,596
3.	2011	XXX	857,213	996,253	996,253	993,629
4.	2012	XXX	XXX	1,067,769	1,136,613	1,132,332
5.	2013	XXX	XXX	XXX	1,949,986	2,080,216
6.	2014	XXX	XXX	XXX	XXX	2,354,298

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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	102,538	91,707	78,842	78,842	78,075
2.	2010	774,845	786,010	771,983	771,983	770,596
3.	2011	XXX	1,010,374	998,131	996,253	993,629
4.	2012	XXX	XXX	1,210,155	1,139,531	1,132,332
5.	2013	XXX	XXX	XXX	2,129,673	2,062,734
6.	2014	XXX	XXX	XXX	XXX	2,570,478

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

	Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1.	2010	924,037	770,596	78,718	10.2	849,314	91.9	0	0	849,314	91.9
2.	2011	1,350,723	993,629	103,406	10.4	1,097,035	81.2	0	0	1,097,035	81.2
3.	2012	1,650,933	1,132,332	88,247	7.8	1,220,579	73.9	0	0	1,220,579	73.9
4.	2013	2,464,373	2,080,216	50,841	2.4	2,131,057	86.5	(17,483)	(167)	2,113,407	85.8
5.	2014	2,985,409	2,354,298	107,026	4.5	2,461,324	82.4	216,180	2,068	2,679,572	89.8

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	401	0	0	0	0	0	0	0	401
2. Additional policy reserves (a)	0	0	0	0	0	0	0	0	0
3. Reserve for future contingent benefits	0	0	0	0	0	0	0	0	0
4. Reserve for rate credits or experience rating refunds (including $ 0) for investment income	13,927,437	0	0	0	0	0	13,927,437	0	0
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	13,927,838	0	0	0	0	0	13,927,437	0	401
7. Reinsurance ceded	0	0	0	0	0	0	0	0	0
8. Totals (Net)(Page 3, Line 4)	13,927,838	0	0	0	0	0	13,927,437	0	401
9. Present value of amounts not yet due on claims	0	0	0	0	0	0	0	0	0
10. Reserve for future contingent benefits	5,742	0	0	0	0	0	5,742	0	0
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	5,742	0	0	0	0	0	5,742	0	0
13. Reinsurance ceded	0	0	0	0	0	0	0	0	0
14. Totals (Net)(Page 3, Line 7)	5,742	0	0	0	0	0	5,742	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes $ 0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($ 0 for occupancy of own building)	1,691,916	1,987,613	5,159,900	0	8,839,429
2. Salary, wages and other benefits	30,493,663	35,823,055	92,997,667	0	159,314,385
3. Commissions (less $ 0 ceded plus $ 0 assumed)	0	0	56,345,380	0	56,345,380
4. Legal fees and expenses	454,467	533,894	1,386,004	0	2,374,365
5. Certifications and accreditation fees	0	0	0	0	0
6. Auditing, actuarial and other consulting services	3,179,775	3,735,506	9,697,479	0	16,612,760
7. Traveling expenses	1,037,580	1,218,919	3,164,347	0	5,420,846
8. Marketing and advertising	2,354,046	2,765,463	7,179,221	0	12,298,730
9. Postage, express and telephone	1,938,128	2,276,855	5,910,780	0	10,125,763
10. Printing and office supplies	566,402	665,392	1,727,377	0	2,959,171
11. Occupancy, depreciation and amortization	756,510	888,725	2,307,156	0	3,952,391
12. Equipment	139,640	164,044	425,864	0	729,548
13. Cost or depreciation of EDP equipment and software	3,547,021	4,166,935	10,817,483	0	18,531,439
14. Outsourced services including EDP, claims, and other services	3,885,525	4,564,600	11,849,831	0	20,299,956
15. Boards, bureaus and association fees	58,074	68,224	177,111	0	303,409
16. Insurance, except on real estate	531,692	624,616	1,621,521	0	2,777,829
17. Collection and bank service charges	226,778	266,412	691,612	0	1,184,802
18. Group service and administration fees	73,575	86,433	264,451	0	424,459
19. Reimbursements by uninsured plans	0	0	0	0	0
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	0	0	0	0	0
22. Real estate taxes	80,316	106,630	392,165	0	579,111
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0	0	295,194	0	295,194
23.2 State premium taxes	0	0	0	0	0
23.3 Regulatory authority licenses and fees	0	0	36,801,838	0	36,801,838
23.4 Payroll taxes	1,275,020	1,692,745	6,177,260	0	9,145,025
23.5 Other (excluding federal income and real estate taxes)	0	0	(279)	0	(279)
24. Investment expenses not included elsewhere	0	0	0	315,669	315,669
25. Aggregate write-ins for expenses	2,966,249	3,484,664	9,125,069	0	15,575,982
26. Total expenses incurred (Lines 1 to 25)	55,256,377	65,120,725	264,514,431	315,669	(a) 385,207,202
27. Less expenses unpaid December 31, current year	872,520	1,028,281	3,777,891	98,930	5,777,622
28. Add expenses unpaid December 31, prior year	1,753,978	1,523,999	0	0	3,277,977
29. Amounts receivable relating to uninsured plans, prior year	0	0	4,112,610	0	4,112,610
30. Amounts receivable relating to uninsured plans, current year	0	0	65,799,870	0	65,799,870
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	56,137,835	65,616,443	322,423,800	216,739	444,394,817
DETAILS OF WRITE-INS					
2501. Information Technology	454,349	533,756	1,385,646	0	2,373,751
2502. Interest	18,283	21,479	132,292	0	172,054
2503. Managed Care & Network Access	20,762	24,390	63,318	0	108,470
2598. Summary of remaining write-ins for Line 25 from overflow page	2,472,855	2,905,039	7,543,813	0	12,921,707
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	2,966,249	3,484,664	9,125,069	0	15,575,982

(a) Includes management fees of $ 240,026,896 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) 1,970,549	2,001,929
1.1	Bonds exempt from U.S. tax	(a) 0	0
1.2	Other bonds (unaffiliated)	(a) 3,167,212	5,707,867
1.3	Bonds of affiliates	(a) 0	0
2.1	Preferred stocks (unaffiliated)	(b) 0	0
2.11	Preferred stocks of affiliates	(b) 0	0
2.2	Common stocks (unaffiliated)	0	0
2.21	Common stocks of affiliates	0	0
3.	Mortgage loans	(c) 0	0
4.	Real estate	(d) 0	0
5	Contract Loans	0	0
6	Cash, cash equivalents and short-term investments	(e) 38,080	21,080
7	Derivative instruments	(f) 0	0
8.	Other invested assets	0	0
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	5,175,841	7,730,876
11.	Investment expenses		(g) 315,669
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h) 2,437
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		318,106
17.	Net investment income (Line 10 minus Line 16)		7,412,770
	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 thru 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 thru 1503 plus 1598) (Line 15, above)		0

(a) Includes $ 231,267 accrual of discount less $ 7,414,230 amortization of premium and less $ 1,662,626 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 $ 696 accrual of discount less $ 27,990 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 $. 315,669 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	326,214	0	326,214	0	0
1.1	Bonds exempt from U.S. tax	0	0	0	0	0
1.2	Other bonds (unaffiliated)	1,006,390	0	1,006,390	0	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	0	0	0	0
6.	Cash, cash equivalents and short-term investments	0	0	0	0	0
7.	Derivative instruments	0	0	0	0	0
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	1,332,604	0	1,332,604	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 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

		1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 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	3,404,575	2,763,452	(641,123)
	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	137,294	99,701	(37,593)
18.1	Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2	Net deferred tax asset	705,996	872,807	166,811
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.	Receivable from parent, subsidiaries and affiliates	0	1,879	1,879
24.	Health care and other amounts receivable	35,065,105	52,692,166	17,627,061
25.	Aggregate write-ins for other than invested assets	0	0	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	39,312,970	56,430,005	17,117,035
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28.	Total (Lines 26 and 27)	39,312,970	56,430,005	17,117,035
	DETAILS OF WRITE-INS			
1101.				
1102.				
1103.				
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501.				
2502.				
2503.				
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

	Source of Enrollment	Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	0	0	0	0	0	0
2.	Provider Service Organizations	0	0	0	0	0	0
3.	Preferred Provider Organizations	210,819	235,260	238,298	243,630	249,982	2,879,911
4.	Point of Service	0	0	0	0	0	0
5.	Indemnity Only	0	0	0	0	4	4
6.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
7.	Total	210,819	235,260	238,298	243,630	249,986	2,879,915
	DETAILS OF WRITE-INS						
0601.							
0602.							
0603.							
0698.	Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

CARE IMPROVEMENT PLUS SOUTH CENTRAL INSURANCE COMPANY

NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation

Care Improvement Plus South Central Insurance Company (the "Company"), licensed as an accident and health insurer (limited to Medicare only products), offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is a wholly owned subsidiary of XLHealth Corporation ("XLHealth"). XLHealth is a wholly owned subsidiary of United HealthCare Services, Inc. ("UHS"), an HMO management. UHS is a wholly owned subsidiary of UnitedHealth Group Incorporated ("UnitedHealth Group"). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company was incorporated on January 13, 2006, as an accident and health insurer (limited to Medicare only products) in Arkansas and operations commenced in January 2007. The Company has since become certified as an accident and health insurer in 25 states, several certificates limiting the Company to health or Medicare business only. The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees.

The Company serves as a plan sponsor offering Medicare Advantage and Medicare Part D prescription drug insurance coverage ("Medicare Part D program") under a contract with the Centers for Medicare and Medicaid Services ("CMS"). Under the Medicare Part D program, there are seven separate elements of payment received by the Company during the plan year; these payment elements are CMS premium, member premium, CMS low-income premium subsidy, CMS catastrophic reinsurance subsidy, CMS low-income member cost-sharing subsidy, CMS risk share, and the CMS Coverage Gap Discount Program ("CDGP"). Each component of the Medicare Part D program is further defined throughout Note 1.

Effective December 2014, the Company began offering accident indemnity insurance policies in the state of Georgia.

A. Accounting Practices

The statutory basis financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Arkansas Insurance Department (the "Department").

The Department recognizes only statutory accounting practices, prescribed or permitted by the State of Arkansas, for determining and reporting the financial condition and results of operations of a life, accident, and health insurer, for determining its solvency under Arkansas Insurance Law. The state prescribes the use of the National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP") in effect for the accounting periods covered in the statutory basis financial statements.

No significant differences exist between the practices prescribed or permitted by the State of Arkansas and those prescribed or permitted by the NAIC SAP that materially affect the statutory basis net income and capital and surplus, as illustrated in the table below:

	State of Domicile	2014	2013
Net Income			
(1) Company state basis	Arkansas	$ 77,967,046	$ 81,542,130
(2) State prescribed practices that increase/(decrease) NAIC SAP: None	Arkansas	-	-
(3) State permitted practices that increase/(decrease) NAIC SAP: None	Arkansas	-	-
(4) NAIC SAP (1-2-3=4)	Arkansas	$ 77,967,046	$ 81,542,130
Surplus			
(5) Company state basis	Arkansas	$ 348,584,843	$ 340,544,829
(6) State prescribed practices that increase/(decrease) NAIC SAP: None	Arkansas	-	-
(7) State permitted practices that increase/(decrease) NAIC SAP: None	Arkansas	-	-
(8) NAIC SAP (5-6-7=8)	Arkansas	$ 348,584,843	$ 340,544,829

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

The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to hospital and medical benefits, claims unpaid, and aggregate health policy reserves and aggregate health claim reserves (collectively known as "aggregate health reserves"). The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income in the period in which the estimate is adjusted.

C. Accounting Policy

Basis of Presentation — The Company prepares its statutory basis financial statements on the basis of accounting practices prescribed or permitted by the Department. These statutory practices differ from accounting principles generally accepted in the United States of America ("GAAP").

Accounting policy disclosures that are required by the NAIC Annual Statement instructions are as follows:

(1–2) Bonds and short-term investments are stated at amortized cost if they meet NAIC designation of one or two and stated at the lower of amortized cost or fair value if they meet an NAIC designation of three or higher. Amortization of bond premium or accretion of discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the Securities Valuation Office of the NAIC ("SVO") in accordance with the NAIC Valuations of Securities manual prepared by the SVO or an external pricing service;

(3–4) The Company holds no common or preferred stock;

(5) The Company holds no mortgage loans on real estate;

(6) U.S. government and agency securities and corporate debt securities include loan-backed/mortgage-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of loan-backed/mortgage-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in nonagency residential loan-backed/mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets and total investments in loan-backed/mortgage-backed securities to 30% of total cash and invested assets;

(7) The Company holds no investments in subsidiaries, controlled, or affiliated entities;

(8) The Company has no investment interests with respect to joint ventures, partnerships, or limited liability companies;

(9) The Company holds no derivatives;

(10) Premium deficiency reserves and the related expenses are recognized when it is probable that expected future health care expenses, claim adjustment expenses (“CAE”), direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts, and are recorded as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts, and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, CAE, and direct administration costs are considered. The methods for making such estimates and for establishing the resulting reserves are periodically reviewed and updated, and any adjustments are reflected as an increase or decrease in reserves for accident and health contracts in the accompanying statutory basis statements of operations in the period in which the change in estimate is identified. The Company anticipates investment income as a factor in the premium deficiency calculation (see Note 30);

(11) CAE are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the management agreement (see Note 10), the Company pays a management fee to UHS and XLHealth, collectively known as the service providers in exchange for administrative and management services. A detailed review of the administrative expenses of the Company and the service providers is performed to determine the allocation between claims adjustment expenses and general administrative expenses to be reported in the statutory basis statement of operations. It is the responsibility of the service providers to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid claims adjustment expenses associated with incurred but unpaid claims, which is included in unpaid claims adjustment expenses in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid claims adjustment expenses as of December 31, 2014 is adequate to cover the Company’s cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid claims adjustment expenses are reflected in operating results in the period in which the change in estimate is identified;

(12) The Company does not carry any fixed assets on the statutory basis financial statements;

(13) Health care receivable consists of pharmacy rebates receivable estimated based on the most currently available data from the Company’s claims processing systems and from data provided by the Company’s unaffiliated pharmaceutical benefit manager, Express Scripts, formerly known as Medco Health Solutions, Inc. and affiliated pharmaceutical benefit manager, OptumRx, Inc. (“OptumRx”). Health care receivable also includes provider recoveries and risk share receivables. Provider recoveries consist of claim overpayments to providers, which are due back to the Company. Health care receivables are considered nonadmitted assets for statutory purposes if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

The Company has also deemed the following to be significant accounting policies and differences between statutory practices and GAAP:

ASSETS

Cash and Invested Assets

- Bonds include U.S. government and agency securities, state and agency municipalities, city and county municipalities, and corporate debt securities, with a maturity of greater than one year at the time of purchase;

- Certain debt investments categorized as available for sale or held to maturity are presented at the lower of amortized cost or fair value in accordance with the NAIC designations in the statutory basis financial statements, whereas under GAAP, these investments are shown at fair value or amortized cost, respectively;

- Cash overdrafts and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash, cash equivalents, and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;

- Cash represents cash held by the Company in disbursement accounts. Claims and other payments are made from the disbursement accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments;

- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;

- Short-term investments represent money-market funds with a maturity of greater than three months but less than one year at the time of purchase.

- Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses are reported as net realized capital gains (losses) less capital gains tax in the statutory basis statements of operations;

- The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, or if the Company has determined it will sell a security that is in an impaired status, the Company will record a realized loss in net realized capital gains (losses) less capital gains tax in the statutory basis statements of operations. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for mortgage-backed securities for periods subsequent to the loss recognition. The Company has not recorded any other-than-temporary impairments ("OTTI") for the years ended December 31, 2014 and 2013;

- The statutory basis statements of cash flows reconciles cash overdrafts and short-term investments with original maturities of one year or less from the time of acquisition; whereas under GAAP, cash flows reconcile the corresponding captions of cash and cash equivalents with maturities of three months or less. Short-term investments with a final maturity of one year or less from the balance sheet date are not included in the reconciliation of GAAP cash flows. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

Other Assets

- **Investment Income Due and Accrued** — Investment income earned and due as of the reporting date, in addition to investment income earned but not paid or collected until subsequent periods, is reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and amounts determined to be uncollectible are written off in the period in which the determination is made.

- **Uncollected Premiums —** The Company reports uncollected premium balances from its insured members as uncollected premium balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential.

- **Amounts Receivable Relating to Uninsured Plans** — Receivables for amounts held under uninsured plans represent the cost reimbursement under the Medicare Part D program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy. The Company is fully reimbursed by CMS for costs incurred for these contract elements, and accordingly, there is no insurance risk to the Company. Amounts received for these subsidies are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. The Patient Protection and Affordable Care Act and its related reconciliation act ("Health Reform Legislation") mandate consumer discounts of 50% on brand name prescription drugs for Part D plan participants in the CGDP. These discounts are pre-funded by CMS, and ultimately reimbursed by pharmaceutical manufacturers. The Company solely administers the application of these funds and has no insurance risk. If the Company incurs costs in excess of these subsidies, a corresponding receivable is recorded in amounts receivable relating to uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within cash (used in) provided by operations in the statutory basis statements of cash flows.

- **Net Deferred Tax Asset** — Statutory accounting provides for an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets and liabilities, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). In addition, under statutory accounting, the change in deferred tax assets and liabilities is recorded directly to unassigned surplus and deferred tax assets are subject to a valuation allowance and admissibility limitations of the assets in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets and liabilities is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under statutory accounting, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheets.

LIABILITIES

- **Claims Unpaid and Aggregate Health Reserves** — Claims unpaid and aggregate health reserves include claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

  The estimates for incurred but not yet reported claims are developed using an actuarial process that is consistently applied, centrally controlled, and automated. The actuarial models consider factors such as historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The Company estimates such liabilities for physician, hospital, and other medical cost disputes based upon an analysis of potential outcomes, assuming a combination of litigation and settlement strategies. These estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during 2014 and 2013. Management believes the amount of claims unpaid and aggregate health reserves is a best estimate for the Company's liability for unpaid claims and aggregate health reserves as of December 31, 2014; however, actual payments may differ from those established estimates. Adjustments to claims unpaid estimates and aggregate health reserves are reflected in the statutory basis statement of operations in the period in which the change in estimate is identified.

  The Company contracts with hospitals, physicians, and other providers of health care under capitated or discounted fee for service arrangements, including a hospital per diem to provide medical care services to enrollees. Some of these contracts are with related parties (see Note 10). Capitated providers are at risk for the cost of medical care services provided to the Company's enrollees; however, the Company is ultimately responsible for the provision of services to its enrollees should the capitated provider be unable to provide the contracted services.

- **Dental Risk Sharing** — The Company has an agreement with a third party administrator ("TPA") to provide dental and vision services to its members on a capitated basis. The agreement contains a dental risk share arrangement whereby the Company agrees to pay additional capitation to the TPA if the actual medical loss ratio ("MLR") exceeds an agreed upon targeted MLR. The TPA agrees to pay the Company excess capitation should the actual MLR fall below the targeted MLR. If the risk share results in a liability it is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus, and the corresponding expense is included in incentive pool, withhold adjustments, and bonus amounts in the statutory basis statements of operations. If the risk share results in a receivable it is included in health care and other receivables in the statutory basis statements of admitted assets, liabilities, and capital and surplus, and the corresponding reduction to expense is included in other professional services in the statutory basis statements of operations.

- **Medical Risk Share — Medicare Part D** — The Company has settlements with CMS based on whether the ultimate per member per month ("PMPM") benefit costs of any Medicare Part D program regional plan varies more than 5% above or below the level estimated in the original bid submitted by the Company and approved by CMS in 2014 and 2013. The estimated risk share adjustment of $13,927,437 and $21,072,870 in 2014 and 2013, respectively, is recorded as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus with the corresponding change in the balance reflected as an increase to change in reserve for rate credits in the statutory basis statements of operations.

- **Unearned Premiums** — Unearned premiums are established for the portion of premiums received during the current period that are partially unearned at the end of the period and are included in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Premiums Received in Advance** — Premiums received in full during the current period that are not due until future periods are recorded as premiums received in advance in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **General Expenses Due or Accrued** — General expenses that are due as of the reporting date in addition to general expenses that have been incurred but are not due until a subsequent period are reported as general expenses due in accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus

- **Remittances and Items Not Allocated** — Remittances and items not allocated generally represent monies received from providers voluntarily returned for medical claim billings that have not been entered into the billing system.

- **Amounts Due to Parent, Subsidiaries, and Affiliates, Net** — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts owed as amounts due to parent, subsidiaries, and affiliates, net, in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

- **Liability for Amounts Held under Uninsured Plans** — Liabilities for amounts held under uninsured plans represent the cost reimbursement under the Medicare Part D program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy. The Company is fully reimbursed by CMS for costs incurred for these contract elements, and accordingly, there is no insurance risk to the Company. Amounts received for these subsidies are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. The Health Reform Legislation mandate consumer discounts of 50% on brand name prescription drugs for Part D plan participants in the CGDP. These discounts are pre-funded by CMS, and ultimately reimbursed by pharmaceutical manufacturers. The Company solely administers the application of these funds and has no insurance risk. If the Company incurs costs less than these subsidies, a corresponding payable is recorded in liability for amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within cash (used in) provided operations in the statutory basis statements of cash flows.

CAPITAL AND SURPLUS AND MINIMUM STATUTORY REQUIREMENTS

- **Nonadmitted Assets** — Certain assets, including certain aged premium receivables, certain amounts receivable relating to uninsured plans, certain health care receivables, and certain components of the deferred tax asset are considered nonadmitted assets for statutory purposes and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus and charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheets.

- **Restricted Cash Reserves** — The Company held regulatory deposits in the amount of $4,331,190 and $4,485,118 as of December 31, 2014 and 2013, respectively, in compliance with the various states requirements for qualification purposes as a domestic insurer and foreign insurer. These restricted cash reserves consist principally of government obligations and are stated at amortized cost, which approximates fair value. These reserves are included in bonds and short-term investments in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on these deposits accrues to the Company.

- **Minimum Capital and Surplus** — Under the laws of the State of Arkansas, the Department requires the Company to maintain a minimum capital and surplus equal to the greater of $100,000 for the benefit of all policyholders and creditors in Arkansas or the company action level Risk-Based Capital (“RBC”) per the NAIC’s RBC calculation. The minimum capital and surplus requirement is $183,907,454 and $145,034,704, for December 31, 2014 and 2013, respectively, which was based on RBC as that produced the highest minimum requirement. The Company is in compliance with the required amount.

  RBC is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. The Department requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above or the level needed to avoid action pursuant to the trend test in the RBC formula. The Company is in compliance with the required amount.

- **Aggregate Write-ins for Special Surplus Funds -** The Company is subject to an annual fee under section 9010 of the Patient Protection and Affordable Care Act (“ACA”). Under statutory accounting, an amount equal to the estimated subsequent year fee must be apportioned out of unassigned surplus and reported as aggregate write-ins for special surplus funds, whereas under GAAP, no such special surplus designation is required.

STATEMENTS OF OPERATIONS

- **Net Premium Income and Change in Unearned Premium Reserves and Reserve for Rate Credits** — Revenues consist of net premium income that is recognized in the period in which enrollees are entitled to receive health care services. Net premium income is shown net of reinsurance premiums paid and incurred. The unexpired portion of accident and health insurance premiums received is recorded as unearned premium; the corresponding change in unearned premium from year to year is reflected as a change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations. Under GAAP, the change in unearned premium from year to year is reported through premium income.

  Net premium income includes the Medicare Advantage CMS premium, and the premium under the Medicare Part D program, which includes, CMS premium, member premium, and low-income premium subsidy for the Company's insurance risk coverage. Net premium income is recognized ratably over the period in which eligible individuals are entitled to receive health care services and prescription drug benefits. The Company estimates retrospective premium adjustments based on guidelines determined by CMS (see Note 24).

  Effective January 1, 2014, Medicare Advantage plans and Part D prescription drug plans are subject to MLR requirements under Health Reform Legislation. Plans with medical loss ratios that fall below certain targets are required to rebate ratable portions of premiums annually. The Company classifies its estimated rebates as change in unearned premium reserves and reserves for rate credits in the statutory basis statements of operations.

  CMS deploys a risk adjustment model that apportions premiums paid to all health plans according to health severity and certain demographic factors. The CMS risk adjustment model pays more for members whose medical history indicates they have certain medical conditions. Under this risk adjustment methodology, CMS calculates the risk-adjusted premium payment using diagnosis data from hospital inpatient, hospital outpatient, and physician treatment settings. The Company and health care providers collect, capture, and submit the necessary and available diagnosis data to CMS within prescribed deadlines. The Company estimates risk adjustment revenues based upon the diagnosis data submitted and expected to be submitted to CMS. The Company recognizes such changes when the amounts become determinable and supportable and collectability is reasonably assured. The estimated risk-adjusted payments due to the Company at December 31, 2014 and 2013, were $60,140,285 and $46,495,132, respectively, and are recorded as uncollected premiums in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company recognized $506,133 and ($9,689,729) for changes in prior year Medicare risk factor estimates during the years ended December 31, 2014 and 2013, respectively, which is recorded as net premium income (reduction to net premium income) within the statutory basis statements of operations.

- **Total Hospital and Medical Expenses** — Total hospital and medical expenses include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and payments and liabilities for physician, hospital, and other medical costs disputes.

  Total hospital and medical expenses also include amounts incurreds for incentive pool, withhold adjustments, and bonus amounts or other professional services for dental risk sharing that are based on the underlying contractual provisions.

- **General Administrative Expenses** — Pursuant to the terms of the management agreement (see Note 10), the Company pays a management fee to the service providers in exchange for administrative and management services. Costs for items not included within the scope of the management agreement are directly expensed as incurred. State income taxes are also a component of general administrative expenses. A detailed review of the administrative expenses of the Company and the provider services is performed to determine the allocation between claims adjustment expenses and general administrative expenses to be reported in the statutory basis statements of operations.

  The Company is subject to an annual fee under section 9010 of the ACA. A health insurance entity's 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. Under statutory accounting, the entire amount of the estimated annual fee expense is recognized on January 1 of the fee year in general administrative expenses in the statutory basis statements of operations, whereas under GAAP, a deferred asset is created on January 1 of the fee year which is amortized to expense on a straight-line basis.

- **Net Investment Income Earned** — Net investment income earned includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income earned (see Note 7).

- Comprehensive income and its components are not separately presented in the statutory basis financial statements, whereas under GAAP, it is a requirement to present comprehensive income and its components in the financial statements.

REINSURANCE

- **Reinsurance Ceded** — In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding premium to other insurance enterprises or reinsurers under excess coverage contracts or specific transfer of risk agreements. The Company remains primarily liable as the direct insurer on the risks reinsured. Reinsurance premiums paid and reinsurance premiums incurred, but not paid are deducted from net premium income in the accompanying statutory basis statements of operations. Any amounts due to the Company pursuant to this agreement are recorded as amounts recoverable from reinsurers in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 23).

- **Amounts Recoverable from Reinsurers** — The Company records amounts recoverable from reinsurers for its aggregate stop-loss reinsurance policy in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as net reinsurance recoveries in the statutory basis statements of operations.

OTHER

- **Vulnerability Due to Certain Concentrations** — The Company is subject to substantial federal and state government regulation, 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.

  Direct premiums written and uncollected premiums from members and CMS related to Medicare Advantage and the Medicare Part D program as a percentage of total direct premiums written and total uncollected premiums are 100% as of December 31, 2014 and 2013.

- **Recently Issued Accounting Standards** — In June 2014, the NAIC adopted Statement of Statutory Accounting Principles ("SSAP") No. 106, *Affordable Care Acts Assessments*, effective January 1, 2014. The new standard incorporates guidance previously included in SSAP No. 35R, *Guaranty Fund and Other Assessments* for the accounting and disclosure requirements of the ACA Section 9010 assessment. The Company adopted SSAP No. 106 in 2014 and the impact is disclosed in Note 22.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

No changes in accounting principles have been recorded during the year ending December 31, 2014.

During 2013, the Company determined that it had overstated net premium income related to risk adjusted premiums of $14,400,561, overstated investment fee expense related to management fee expense of $3,914, and overstated general administrative expenses related to management fee expense of $2,583,144 for the year ended December 31, 2012. In addition, the federal income taxes incurred as a result of this error were overstated by $4,134,726 for the year ended December 31, 2012. Had the above adjustments been recorded to the 2012 statutory basis financial statements, the impact would have been a decrease to net income, total capital and surplus, total assets and total liabilities of $7,678,777, $7,678,777, $14,400,561, and $6,721,784, respectively. Due to the significance of the error, the cumulative effect of this prior year error was corrected by the Company in accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors,* and is reflected in the accompanying statutory basis statements of changes in capital and surplus for the year ended December 31, 2013.
statutory basis statements of changes in capital and surplus for the year ended December 31, 2013.

3. BUSINESS COMBINATIONS AND GOODWILL

A–D. The Company was not party to a business combination during the years ended December 31, 2014 and 2013, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

(1–5) The Company did not discontinue any operations during 2014 and 2013.

5. INVESTMENTS AND OTHER INVESTED ASSETS

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of long-term investments were $1,757,573 and $424,969, respectively, for 2014 and $0 and $0, respectively, for 2013. The Company did not have any gross realized gains and losses on sales of short-term investments for 2014 and 2013. The net realized gain (loss) is included in net realized capital gains (losses) less capital gains tax in the statutory basis statements of operations. Total proceeds on the sale of long-term investments were $318,666,034 and $0 and for short-term investments were $562,007,048 and $317,883,310 in 2014 and 2013, respectively.

As of December 31, 2014 and 2013, the amortized cost, fair value, and gross unrealized holding gains and losses of the Company's investments, excluding cash overdrafts of $66,734,706 and $71,592,859, respectively, are as follow:

	2014				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
U.S. government and agency securities	$ 111,802,833	$ 1,129,790	$ (248,792)	$ (16,595)	$ 112,667,236
State and agency municipalities	101,972,046	1,417,601	(30,889)	-	103,358,758
City and county municipalities	133,436,343	2,028,726	(145,244)	-	135,319,825
Corporate debt securities	130,230,299	967,451	(410,413)	-	130,787,337
Money-market funds	1,917,698	-	-	-	1,917,698
Total bonds and short-term investments	$ 479,359,219	$ 5,543,568	$ (835,338)	$ (16,595)	$ 484,050,854

	2014				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
Less than one year	$ 19,055,144	$ 29,974	$ (458)	$ -	$ 19,084,660
One to five years	172,251,756	571,665	(453,615)	(16,595)	172,353,211
Five to ten years	145,612,457	2,342,090	(246,662)	-	147,707,885
Over ten years	142,439,862	2,599,839	(134,603)	-	144,905,098
Total bonds and short-term investments	$ 479,359,219	$ 5,543,568	$ (835,338)	$ (16,595)	$ 484,050,854

	2013				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
U.S. government and agency securities	$ 228,854,509	$ 97,162	$ (723,080)	$ -	$ 228,228,591
State and agency municipalities	28,008,331	138,473	(19,686)	-	28,127,118
City and county municipalities	44,777,176	194,042	(16,869)	-	44,954,349
Corporate debt securities	89,288,785	205,349	(421,744)	-	89,072,390
Money-market funds	132,076,068	-	-	-	132,076,068
Total bonds and short-term investments	$ 523,004,869	$ 635,026	$ (1,181,379)	$ -	$ 522,458,516

Included in U.S. government and agency securities and corporate debt securities in the tables above are loan-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities have been presented in the maturity group based on the securities' final maturity date and at an amortized cost of $73,773,617 and fair value of $75,052,961.

The following table illustrates the fair value and gross unrealized holding losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position as of December 31, 2014 and 2013 :

2014	< 1 year		> 1 year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	$ 40,353,714	$ (248,793)	$ 2,057,465	$ (16,595)	$ 42,411,179	$ (265,388)
State and agency municipalities	20,754,326	(30,888)	-	-	20,754,326	(30,888)
City and county municipalities	29,842,126	(145,244)	-	-	29,842,126	(145,244)
Corporate debt securities	57,471,114	(410,413)	-	-	57,471,114	(410,413)
Total bonds and short-term investments	$ 148,421,280	$ (835,338)	$ 2,057,465	$ (16,595)	$ 150,478,745	$ (851,933)

2013	< 1 year		> 1 year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency securities	$ 156,905,962	$ (723,080)	$ -	$ -	$ 156,905,962	$ (723,080)
State and agency municipalities	6,670,832	(19,686)	-	-	6,670,832	(19,686)
City and county municipalities	13,686,332	(16,869)	-	-	13,686,332	(16,869)
Corporate debt securities	63,870,240	(421,744)	-	-	63,870,240	(421,744)
Total bonds and short-term investments	$ 241,133,366	$ (1,181,379)	$ -	$ -	$ 241,133,366	$ (1,181,379)

The unrealized losses on investments in U.S. government and agency securities, state and agency municipalities, city and county municipalities, and corporate debt securities at December 31, 2014 and 2013, were mainly caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its amortized cost. The contractual cash flows of the U.S. government and agency obligations are either guaranteed by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company evaluated the credit ratings of the municipalities and local agency obligations and corporate obligations, noting whether a significant deterioration since purchase or other factors that may indicate an OTTI, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain loan-backed securities for a period of time sufficient to recover the amortized cost. As a result of these reviews, no OTTI were recorded by the Company as of December 31, 2014 and 2013.

A–C. The Company has no mortgage loans, real estate loans, restructured debt, or reverse mortgages. The Company also has no real estate property occupied by the Company, real estate property held for the production of income, or real estate property held for sale.

D. Loan-Backed Securities

(1) U.S. government and agency securities and corporate debt securities include loan-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of loan-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors.

(2) The Company did not recognize any OTTI on loan-backed securities as of December 31, 2014 and 2013.

(3) The Company did not have any loan-backed securities with an OTTI to report by CUSIP as of December 31, 2014 or 2013.

(4) The following table illustrates the fair value, gross unrealized losses, and length of time that the loan-backed securities have been in a continuous unrealized loss position as of December 31, 2014 and 2013:

		2014
The aggregate amount of unrealized losses:		
1. Less than 12 months	$	(140,951)
2. 12 Months or Longer	$	-
The aggregate related fair value of securities with unrealized losses:		
1. Less than 12 months	$	33,875,923
2. 12 Months or longer	$	-

		2013
The aggregate amount of unrealized losses:		
1. Less than 12 months	$	(45,704)
2. 12 Months or Longer	$	-
The aggregate related fair value of securities with unrealized losses:		
1. Less than 12 months	$	19,110,524
2. 12 Months or Longer	$	-

(5) The Company believes that it will collect all principal and interest due on all investments that have an amortized cost in excess of fair value. The unrealized losses as of December 31, 2014 were primarily caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities.

E. Repurchase Agreements and/or Securities Lending Transactions — Not applicable.

F. Real Estate — Not applicable.

G. Low-Income Housing Tax Credits — Not applicable.

H. Restricted Assets

(1) Restricted assets – including pledged as of December 31, 2014 and 2013:

	1	2	3	4	5	6
Restricted Asset Category	**Total Gross Restricted from Current Year**	**Total Gross Restricted from Prior Year**	**Increase/ (Decrease) (1 minus 2)**	**Total Current Year Admitted Restricted**	**Percentage Gross Restricted to Total Assets**	**Percentage Admitted Restricted to Total Admitted Assets**
a. Subject to contractual obligation for which liability is not shown	$ -	$ -	$ -	$ -	0%	0%
b. Collateral held under security lending agreements	-	-	-	-	0%	0%
c. Subject to repurchase agreements	-	-	-	-	0%	0%
d. Subject to reverse repurchase agreements	-	-	-	-	0%	0%
e. Subject to dollar repurchase agreements	-	-	-	-	0%	0%
f. Subject to dollar reverse repurchase agreements	-	-	-	-	0%	0%
g. Placed under option contracts	-	-	-	-	0%	0%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	0%	0%
i. FHLB capital stock	-	-	-	-	0%	0%
j. On deposit with state	$ 4,331,190	$ 4,485,118	$ (153,928)	$ 4,331,190	1%	1%
k. On deposit with other regulatory bodies	-	-	-	-	0%	0%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	-	-	-	-	0%	0%
m. Pledged as collateral not captured in other categories	-	-	-	-	0%	0%
n. Other restricted assets	-	-	-	-	0%	0%
o. Total Restricted Assets	$ 4,331,190	$ 4,485,118	$ (153,928)	$ 4,331,190	1%	1%

(2-3) The Company has no assets pledged as collateral not captured in other categories and no other restricted assets as of December 31, 2014 or 2013.

I. Working Capital Finance Investments — Not applicable.

J. Offsetting and Netting of Assets and Liabilities

The Company does not have any offsetting or netting of assets and liabilities as it relates to derivatives, repurchase and reverse repurchase agreements, and securities borrowing and securities lending activities.

K. Structured Notes

The Company does not have any structured notes.

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

A–B. The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of admitted assets and did not recognize any impairment write-down for its investments in joint ventures, partnerships, and limited liability companies during the statement periods.

7. INVESTMENT INCOME

A. The Company has admitted all investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The components of net investment income earned as of December 31, 2014 and 2013 are as follows:

	2014	2013
Bonds	$ 2,001,929	$ 285,066
Money market mutual funds	5,707,867	619,620
Cash overdrafts and short-term investments	21,080	67,871
Total investment income earned	7,730,876	972,557
Expenses — investment management fees	(318,106)	(172,604)
Net investment income earned	$ 7,412,770	$ 799,953

B. There were no investment income amounts excluded from the statutory basis financial statements.

8. DERIVATIVE INSTRUMENTS

A–F. The Company has no derivative instruments.

9. INCOME TAXES

A. Deferred Tax Asset/Liability

(1) The components of the net deferred tax asset at December 31, 2014 and 2013, are as follows:

	2014			2013			Change		
	1	2	3 (Col 1+2)	4	5	6 (Col 4+5)	7 (Col 1-4)	8 (Col 2-5)	9 (Col 7+8)
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets	$14,135,669	$ -	$ 14,135,669	$ 20,136,618	$ -	$ 20,136,618	$ (6,000,949)	$ -	$ (6,000,949)
(b) Statutory valuation allowance adjustments	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets (1a–1b)	14,135,669	-	14,135,669	20,136,618	-	20,136,618	(6,000,949)	-	(6,000,949)
(d) Deferred tax assets nonadmit	705,996	-	705,996	872,807	-	872,807	(166,811)	-	(166,811)
(e) Subtotal net admitted deferred tax asset (1c–1d	13,429,673	-	13,429,673	19,263,811	-	19,263,811	(5,834,138)	-	(5,834,138)
(f) Deferred tax liabilities	63,141	2,091	65,232	6,952	15,162	22,114	56,189	(13,071)	43,118
(g) Net admitted deferred tax asset/ (net deferred tax liability) (1e–1f)	$13,366,532	$ (2,091)	$ 13,364,441	$ 19,256,859	$ (15,162)	$ 19,241,697	$ (5,890,327)	$ 13,071	$ (5,877,256)

(2) The components of the adjusted gross deferred tax assets admissibility calculation under SSAP No. 101, *Income Taxes — A Replacement of SSAP No. 10R and SSAP No. 10,* are as follows:

	2014			2013			Change		
	1	2	3	4	5	6			
Admission Calculation Components SSAP No. 101	**Ordinary**	**Capital**	(Col 1+2) **Total**	**Ordinary**	**Capital**	(Col 4+5) **Total**	(Col 1-4) **Ordinary**	(Col 2-5) **Capital**	(Col 7+8) **Total**
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	$ 13,364,441	$ -	$ 13,364,441	$ 19,241,697	$ -	$ 19,241,697	$ (5,877,256)	$ -	$ (5,877,256)
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	-	-	-	-	-	-	-	-	-
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	-	-	-	-	-	-	-	-	-
2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	50,283,060	XXX	XXX	48,195,470	XXX	XXX	2,087,590
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities	65,231	-	65,231	22,114	-	22,114	43,117	-	43,117
(d) Deferred tax assets admitted as the result of application of SSAP No. 101 Total (2(a)+2(b)+2(c))	$ 13,429,672	$ -	$ 13,429,672	$ 19,263,811	$ -	$ 19,263,811	$ (5,834,139)	$ -	$ (5,834,139)

(3) The ratio percentage and adjusted capital and surplus used to determine the recovery period and threshold limitations for the admission calculation are presented below:

	2014	**2013**
(a) Ratio percentage used to determine recovery period and threshold limitation amount	365 %	443 %
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)(2) above	$ 335,220,402	$ 321,303,133

(4) There was no impact to the gross deferred tax assets as a result of tax-planning strategies.

B. Unrecognized Deferred Tax Liabilities

(1–4) There are no unrecognized deferred tax liabilities.

C. Significant Components of Income Taxes

(1) The current federal income taxes incurred for the years ended December 31, 2014 and 2013 are as follows:

	1	2	3
	2014	**2013**	(Col 1-2) **Change**
1. Current income tax			
(a) Federal	$ 59,901,816	$ 43,731,976	$ 16,169,840
(b) Foreign	-	-	-
(c) Subtotal	59,901,816	43,731,976	16,169,840
(d) Federal income tax on net capital gains	13,660	6,592	7,068
(e) Utilization of capital loss carryforwards	-	-	-
(f) Other	-	-	-
(g) Total federal and foreign income taxes incurred	$ 59,915,476	$ 43,738,568	$ 16,176,908

(2–4) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2014 and 2013, are as follows:

	1 2014	2 2013	3 (Col 1-2) Change
2. Deferred tax assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	$ 620,088	$ 691,448	$ (71,360)
(2) Unearned premium reserve	2,362	151	2,211
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	13,512,441	19,445,019	(5,932,578)
(11) Net operating loss carryforward	-	-	-
(12) Tax credit carryforward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	778	-	778
(99) Subtotal	14,135,669	20,136,618	(6,000,949)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	705,996	872,807	(166,811)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	13,429,673	19,263,811	(5,834,138)
(e) Capital			
(1) Investments	-	-	-
(2) Net capital loss carryforward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	-	-	-
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	-	-	-
(i) Admitted deferred tax assets (2d + 2h)	13,429,673	19,263,811	(5,834,138)
3. Deferred tax liabilities:			
(a) Ordinary			
(1) Investments	63,141	6,952	56,189
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities	-	-	-
(99) Subtotal	63,141	6,952	56,189
(b) Capital			
(1) Investments	2,091	15,162	(13,071)
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities	-	-	-
(99) Subtotal	2,091	15,162	(13,071)
(c) Deferred tax liabilities (3a99 + 3b99)	65,232	22,114	43,118
4. Net deferred tax assets/liabilities (2i - 3c)	$ 13,364,441	$ 19,241,697	$ (5,877,256)

The Company assessed the potential realization of the gross deferred tax asset and as a result no statutory valuation allowance was required and no allowance was established as of December 31, 2014 and 2013.

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 35% to net income before federal income taxes, plus capital gains tax/less capital gains tax. A summarization of the significant items causing this difference as of December 31, 2014 and 2013 are as follows:

	2014	2013
Tax provision at the federal statutory rate	$ 48,258,882	$ 43,848,245
Tax-exempt interest	(1,078,954)	(63,354)
Health insurer fee	12,847,037	-
Tax effect of nonadmitted assets	5,932,578	(9,883,491)
Other	-	-
Total statutory income taxes	$ 65,959,543	$ 33,901,400
Federal income taxes incurred	$ 59,901,816	$ 43,731,976
Capital gains tax	13,660	6,592
Change in net deferred income tax	6,044,067	(9,837,168)
Total statutory income taxes	$ 65,959,543	$ 33,901,400

E. At December 31, 2014, the Company had no net operating loss carryforwards.

Current federal income taxes (recoverable) payable of ($16,133,524) and $6,809,675 as of December 31, 2014 and 2013, respectively, are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds were $82,703,568 and $41,482,968 in 2014 and 2013, respectively.

Federal income taxes incurred of $59,915,476 and $43,738,568 for 2014 and 2013, respectively, are available for recoupment in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 (“Deposits made to suspend running of interest on potential underpayments, etc.”) of the Internal Revenue Service Code (“IRS”).

F. The Company is included in the consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y — Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The IRS has completed exams on UnitedHealth Group’s consolidated income tax returns for fiscal years 2013 and prior. UnitedHealth Group’s 2014 tax return is under advance review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2007 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

G. **Tax Contingencies** — Not applicable.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

A–L. Material Related Party Transactions

Effective January 1, 2014, the Company entered into a Management Agreement (“Agreement”) UHS. This Agreement has been approved by the Department and will replace the previous agreement with XLHealth. UHS will provide similar services to the Company under a revised fee structure that is changing from a percentage of premiums to a percentage of premium charge based on UHS’ expenses for services or use of assets provided to the Company. In addition, UHS will provide or arranges for services on behalf of the Company using a pass-through of charges incurred by UHS on a PMPM basis (where the charge incurred by UHS is on a PMPM basis) or using another allocation methodology consistent with the Agreement. These services may include, but are not limited to, integrated personal health management solutions, such as disease management, treatment decision support, and wellness services, including a 24-hour call-in service, access to a network of transplant providers, and discount program services. The amount and types of services provided pursuant to the pass-through provision of the Agreement can change year over year as UHS becomes the contracting entity for services provided to the Company’s members. Total administrative services, capitation, and access fees under these arrangements totaled $325,857,636 and $322,156,130 in 2014 and 2013, respectively, and are included in total hospital and medical expenses, general administrative expenses, claims adjustment expenses, and net investment income earned in the statutory basis statements of operations. Direct expenses not included in the Agreement, such as broker commissions, Department exam fees, affordable care acts assessments, and premium taxes are paid by UHS on the behalf of the Company. UHS is reimbursed by the Company for these direct expenses.

Effective January 1, 2014, the Company also directly contracts with related parties to provide services to its members. The Company expensed as hospital and medical expenses, general administrative expenses, and claims adjustment expenses $7,337,776 in capitation fees to related parties during 2014. United Behavioral Health provides mental health and substance abuse services. LifePrint Health, Inc. provides services to health care delivery systems.

The capitation expenses, administrative services, and access fees paid to related parties, that are included as hospital and medical expenses, general administrative expenses, and claims adjustment expenses in the statutory basis statements of operations for the year ended December 31, 2014 are shown below:

	2014
United Behavioral Health	$ 7,315,488
LifePrint Health, Inc.	22,288
Total	$ 7,337,776

Management believes that its transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.

Effective January 1, 2014, the Company entered into a contract with OptumRx to provide administrative services related to pharmacy management and pharmacy claims processing for its enrollees. Fees related to this agreement in 2014, which are calculated on a per- script basis, of $22,478,622, are included in general administrative expenses and claims adjustment expenses in the statutory basis statements of operations.

The Company contracts with OptumRx to provide personal health products catalogues showing the healthcare products and benefit credits needed to redeem the respective products. OptumRx will mail the appropriate personal health products' catalogues to the Company's members and manage the personal health products credit balance. OptumRx also distributes personal health products to individual members based upon the terms of the agreement. Fees related to this agreement in 2014 and 2013, which are calculated on a PMPM basis of $2,399,859 and $2,567,402 are included in hospital and medical expenses in the statutory basis statements of operations.

Effective May 1, 2014, the Company entered into a contract with OptumInsight, Inc. for claim analytics, recovery of medical expense overpayments, retroactive fraud, waste and abuse, subrogation and premium audit services. All recoveries are returned to the Company by OptumInsight, Inc. on a monthly basis and a capitated service fee is charged to the Company as a PMPM. Service fees of $40,012 are included in hospital and medical expenses, claims adjustment expenses, and general administrative expenses in the statutory basis statements of operations for the year ended December 31, 2014.

The Company has premium payments that are received and claim payments that are processed by an affiliated UnitedHealth Group entity. Both premiums and claims applicable to the Company are settled at regular intervals throughout the month via the intercompany settlement process and any amounts outstanding are reflected in receivables from parent, subsidiaries, and affiliates or amounts due to parent, subsidiaries, and affiliates in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The Company holds a $100,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of London InterBank Offered Rate plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The aggregate principal amount that may be outstanding at any time shall not exceed $100,000,000. The credit agreement is for a one-year term and automatically renews annually, unless terminated by either party. The agreement was effective January 1, 2013. No amounts were outstanding under the line of credit as of December 31, 2014 and 2013.

At December 31, 2014 and 2013, the Company reported $0 and $1,879, respectively, as receivables from parent, subsidiaries and affiliates and $72,323,600 and $2,349,925, respectively, as amounts due to parent, subsidiaries, and affiliates, which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets. The receivable from parents, subsidiaries, and affiliates as of December 31, 2013 were greater than 90 days and were nonadmitted.

The Company has entered into a Tax Sharing Agreement with UnitedHealth Group (see Note 9).

The Company paid dividends of $81,000,000 and $40,000,000 in 2014 and 2013, respectively, to its parent (see Note 13).

The Company does not have any amount deducted from the value of an upstream intermediate entity or ultimate parent owned, either directly or indirectly, via a downstream subsidiary, controlled, or affiliated entity.

The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.

The Company does not have any investments in impaired subsidiary, controlled, or affiliated entities.

The Company does not have any investments in foreign insurance subsidiaries.

The Company does not hold any investments in a downstream noninsurance holding company.

The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party.

11. DEBT

A–B. The Company had no outstanding debt with third parties or outstanding federal home loan bank agreements during 2014 and 2013.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES, AND OTHER POSTRETIREMENT BENEFIT PLANS

A–I. The Company has no defined benefit plans, defined contribution plans, multiemployer plans, consolidated/holding company plans, postemployment benefits, or compensated absences plans and is not impacted by the Medicare Modernization Act on postretirement benefits, since all personnel are employees of the service providers, which provides services to the Company under the terms of a management agreement (see Note 10).

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS

(1–2) The Company has 200,000 shares authorized and 100,000 shares issued and outstanding of $20 par value common stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, XLHealth.

(3) Payment of dividends may be restricted by the Department, which generally requires that dividends be paid out of accumulated surplus.

(4) The Company paid ordinary cash dividends to XLHealth of $41,000,000, $40,000,000, and $40,000,000 on December 9, 2014, March 31, 2014, and June 11, 2013, respectively, which were approved by the Department and were recorded as a reduction to unassigned surplus in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

(5) The amount of ordinary dividends that may be paid out during any given period are subject to certain restrictions as specified by state statute.

(6) There are no restrictions placed on the Company's unassigned surplus.

(7) The Company is not a mutual reciprocal or a similarly organized entity and does not have advances to surplus not repaid.

(8) The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options, or stock purchase warrants.

(9) The Company has an amount equal to the estimated subsequent year ACA fee that has been apportioned out of unassigned surplus and reported as aggregate write-ins for special surplus funds, at December 31, 2014 in the amount of $57,667,079 (see Note 1).

(10) The portion of unassigned funds, excluding the apportionment of estimated subsequent year Section 9010 ACA fee, net income, and dividends or infusions, represented (or reduced) by each item below is as follows:

	2014	**2013**	**Change**
Net deferred income taxes	14,070,437	20,114,504	(6,044,067)
Nonadmitted assets	(39,312,970)	(56,430,005)	17,117,035
Correction of error	-	(7,678,777)	7,678,777
Total	$ (25,242,533)	$ (43,994,278)	$ 18,751,745

(11-13) The Company does not have any outstanding surplus notes and has never been a party to a quasi-reorganization.

14. LIABILITIES, CONTINGENCIES and ASSESSMENTS

A. Contingent Commitments

The Company has no contingent commitments.

B. Assessments

The Company is not aware of any assessments, potential or accrued, that could have a material financial effect on the operations of the entity.

C. Gain Contingencies

The Company is not aware of any gain contingencies that should be disclosed in the statutory basis financial statements.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits — Not applicable.

E. Joint and Several Liabilities — Not applicable.

F. All Other Contingences

Because of the nature of its businesses, the Company is frequently made party to a variety of legal actions and regulatory inquiries, including class actions and suits brought by members, care providers, consumer advocacy organizations, customers and regulators, relating to the Company's businesses, including management and administration of health benefit plans and other services.

The Company records liabilities for its estimates of probable costs resulting from these matters where appropriate. Estimates of costs resulting from legal and regulatory matters involving the Company are inherently difficult to predict, particularly where the matters: involve indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or represent a shift in regulatory policy; involve a large number of claimants or regulatory bodies; are in the early stages of the proceedings; or could result in a change in business practices. Accordingly, the Company is often unable to estimate the losses or ranges of losses for those matters where there is a reasonable possibility or it is probable that a loss may be incurred. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

The Company's business is regulated at the federal, state, and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

The Company has been, or is currently involved in various governmental investigations, audits and reviews. These include routine, regular and special investigations, audits and reviews by CMS, state insurance and health and welfare departments and other governmental authorities. Certain of the Company's businesses have been reviewed or are currently under review. Certain of the Company's businesses have been reviewed or are currently under review, for reasons including compliance with coding and other requirements under the Medicare risk-adjustment model.

Risk Adjustment Data Validation Audit ("RADV") — CMS adjusts capitation payments to Medicare Advantage plans and Medicare Part D plans according to the predicted health status of each beneficiary as supported by data from health care providers. The Company collects claim and encounter data from providers, who the Company generally relies on to appropriately code their claim submissions and document their medical records. CMS then determines the risk score and payment amount for each enrolled member based on the health care data submitted and member demographic information.

CMS and the Office of Inspector General for Health and Human Services periodically perform RADV audits of selected Medicare health plans to validate the coding practices of and supporting documentation maintained by health care providers. Such audits have in the past resulted and in the future could result in retrospective adjustments to payments made to the Company, fines, corrective action plans or other adverse action by CMS.

In February 2012, CMS announced a final RADV and payment adjustment methodology audit and that it will conduct the RADV beginning with the 2011 payment year. These audits involve a review of medical records maintained by care providers and may result in retrospective adjustments to payments made to health plans. CMS has not communicated how the final payment adjustment under its methodology will be implemented.

Health Reform Legislation and the related federal and state regulations will continue to impact how the Company does business and could restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase the Company's medical and administrative costs, expose the Company to an increased risk of liability (including increasing the Company's liability in federal and state courts for coverage determinations and contract interpretation), or put the Company at risk for loss of business. In addition, the Company's statutory basis results of operations, financial condition and cash flows could be materially adversely affected by such changes. The Health Reform Legislation may create new or expand existing opportunities for business growth, but due to its complexity, the long term impact of the Health Reform Legislation remains difficult to predict and is not yet fully known.

The Company routinely evaluates the collectability of all receivable amounts included within the statutory basis statements of admitted assets, liabilities, and capital and surplus. Impairment reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's statutory basis financial condition.

There are no assets that the Company considers to be impaired at December 31, 2014 and 2013, except as disclosed in Note 5 and Note 20.

15. LEASES

A–B. According to the management agreement between the Company and the service providers (see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of the service providers. Fees associated with the lease agreements are included as a component of the Company's management fee.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

(1–4) The Company does not hold any financial instruments with off-balance-sheet risk or concentrations of credit risk.

17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A–C. The Company did not participate in any transfer of receivables, financial assets, or wash sales.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

A–B. The Company has no operations from Administrative Services Only Contracts or Administrative Services Contract in 2014 and 2013.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

The Medicare Part D program is a partially insured plan. The Company recorded a receivable of $58,009,718 and a payable of $2,694,117 at December 31, 2014 and 2013, respectively, for cost reimbursements under the Medicare Part D program for the catastrophic reinsurance and low-income member cost-sharing subsidies as described in Note 1, *Amounts Receivable Relating to Uninsured Plans and Liability for Amounts Held Under Uninsured Plans*. The Company also recorded a receivable of $7,790,153 and $4,012,909 and also a payable of $5,641,198 and $4,989,178 at December 31, 2014 and 2013, respectively, for the Medicare Part D Coverage Gap Discount Program as described in Note 1, *Amounts Receivable Relating to Uninsured Plans and Liability for Amounts Held Under Uninsured Plans.*

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators in 2014 and 2013.

20. FAIR VALUE MEASUREMENT

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 in active markets.

Level 2 — Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets;

- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.);

- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.;)

- Inputs that are derived principally from or corroborated by other observable market data.

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

The estimated fair values of bonds and short-term investments are based on quoted market prices, where available. The Company obtains one price for each security, primarily from a third-party pricing service (“pricing service”), which generally uses quoted prices or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates, and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to a secondary pricing source, prices reported by its custodian, its investment consultant, and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. The Company’s internal price verification procedures and review of fair value methodology documentation provided by independent pricing services have not historically resulted in an adjustment in the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest-level input that is significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

A. Fair Value

(1–5) The Company does not have any financial assets that are measured and reported at fair value on the statutory basis statements of admitted assets, liabilities, and capital and surplus at December 31, 2014 and 2013.

B. Fair Value Combination — Not applicable.

C. Aggregate Fair Value Hierarchy

The aggregate fair value by hierarchy of all financial instruments as of December 31, 2014 and 2013 is presented in the table below:

	2014					
Types of Financial Investment	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practical Carrying Value
U.S. government and agency securities	$ 112,667,236	$ 111,802,833	$ 47,273,796	$ 65,393,440	$ -	$ -
State and agency municipalities	103,358,758	101,972,046	-	103,358,758	-	-
City and county municipalities	135,319,825	133,436,343	-	135,319,825	-	-
Corporate debt securities	130,787,337	130,230,299	-	130,787,337	-	-
Money-market funds	1,917,698	1,917,698	1,917,698	-	-	-
Total bonds and short-term investments	484,050,854	479,359,219	49,191,494	434,859,360	$ -	$ -

	2013					
Types of Financial Investment	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practical Carrying Value
U.S. government and agency securities	$ 228,228,590	$ 228,854,509	$ 178,566,339	$ 49,662,251	$ -	$ -
State and agency municipalities	28,127,119	28,008,331	-	28,127,119	-	-
City and county municipalities	44,954,348	44,777,176	-	44,954,348	-	-
Corporate debt securities	89,072,390	89,288,785	-	89,072,390	-	-
Money-market funds	132,076,068	132,076,068	132,076,068	-	-	-
Total bonds and short-term investments	522,458,515	523,004,869	310,642,407	211,816,108	$ -	$ -

Included as Level 1 in U.S. government and agency securities in the fair value hierarchy table above are U.S. Treasury securities of $47,273,796 and $178,566,339 as of December 31, 2014 and December 31, 2013, respectively.

There are no commercial paper investments included in corporate debt securities in the fair value hierarchy table as of December 31, 2014 and 2013.

D. Not Practicable to Estimate Fair Value — Not applicable.

21. OTHER ITEMS

A. The Company did not encounter any extraordinary items for the years ended December 31, 2014 or 2013.

B. The Company has no troubled debt restructurings as of December 31, 2014 or 2013.

C. The Company does not have any amounts not recorded in the statutory basis financial statements that represent segregated funds held for others. The Company also does not have any exposures related to forward commitments.

D. The Company has not received any business interruption insurance recoveries during 2014 and 2013.

E. The Company has no transferrable or non-transferable state tax credits.

F. Sub-Prime Mortgage-Related Risk Exposure

(1) The investment policy for the Company limits investments in asset-backed securities, which includes sub-prime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes sub-prime issuers. The exposure to unrealized losses on sub-prime issuers is due to changes in market prices. There are no realized losses due to not receiving anticipated cash flows. The investments covered are rated NAIC rating of 1 or 2.

(2) The Company has no direct exposure through investments in subprime mortgage loans.

(3) The Company has no direct exposure through other investments.

(4) The Company has no underwriting exposure to sub-prime mortgage risk through mortgage guaranty or financial guaranty insurance coverage.

G. The Company does not have any retained asset accounts for beneficiaries.

22. SUBSEQUENT EVENTS

TYPE I – Recognized Subsequent Events:

Subsequent events have been evaluated through February 27, 2014, which is the date these statutory basis financial statements were available for issuance.

There are no events subsequent to December 31, 2014, that require disclosure.

TYPE II – Nonrecognized Subsequent Events:

Subsequent events have been evaluated through February 27, 2014, which is the date these statutory basis financial statements were available for issuance.

On January 1, 2015, the Company will be subject to the annual fee under section 9010 of the 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 the 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, of the year the fee is due. As of December 31, 2014, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2015, and estimates its portion of the annual health insurance industry fee payable on September 30, 2015 to be $57,667,079. This amount is reflected in aggregate write-ins for special surplus funds. The Company's Authorized Control Level RBC ("ACL RBC") ratio was 379% as of December 31, 2014. Reporting the ACA assessment as of December 31, 2014 would not have triggered an RBC action level.

		Current Year	Prior Year
A.	ACA fee assessment payable for the upcoming year	$ 57,667,079	$ 36,323,505
B.	ACA fee assessment paid	$ 36,705,819	$ -
C.	Premium written subject to ACA 9010 assessment	$ 3,010,608,735	$ 2,494,960,213
D.	Total Adjusted Capital before surplus adjustment	$ 348,584,843	
E.	Authorized Control Level before surplus adjustment	$ 91,953,727	
F.	Total Adjusted Capital after surplus adjustment	$ 290,917,764	
G.	Authorized Control Level after surplus adjustment	$ 91,953,727	
H.	Would reporting the ACA assessment as of December 31, 2014, have triggered an RBC action level (YES/NO/Not Applicable)?	NO	

The Company has entered into a dental service agreement with an affiliated entity, Dental Benefit Providers, Inc., with services commenced effective January 1, 2015. This agreement has been approved by the Department. The Company does not anticipate this change will have a significant impact on the statutory basis financial statements.

The Company has entered into a vision services agreement with an affiliated entity, Spectera, Inc. a subsidy of Specialty Benefits, LLC, with services commenced effective January 1, 2015. This agreement has been approved by the Department. The Company does not anticipate this change will have a significant impact on the statutory basis financial statements.

There are no other events subsequent to December 31, 2014 that require disclosure.

23. REINSURANCE

The Company does not have any unaffiliated reinsurance agreements (external reinsurance) in place as of December 31, 2014 or 2013.

Reinsurance Agreements — In the normal course of business, the Company seeks to reduce potential losses that may arise from catastrophic events that cause unfavorable underwriting results by reinsuring certain levels of such risk with nonaffiliated reinsurers. The Company remains primarily liable as the direct insurer on all risks reinsured.

Effective January 1, 2012, the Company carried aggregate stop-loss reinsurance under a contract with United States Fire Insurance Company, which terminated on December 31, 2012. The Company reduced losses that may arise from catastrophic claims that cause unfavorable underwriting results by reinsuring levels of risk. The contract covered 90% of claims in excess of $400,000 up to $1,000,000 on a per member, per year basis and 100% of claims in excess of $1,000,000 up to $5,000,000 on a per member, per year basis. The maximum benefit for each member per policy period was $4,540,000. Premiums ceded to the reinsurer under the aforementioned nonaffiliated contract was ($11,360) in 2013, and are netted against net premium income in the statutory basis statements of operations. Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company.

The effect of the external reinsurance agreement outlined above on net premium income and hospital and medical expenses is as follows:

	2013
Premiums:	
Direct	$ 2,470,929,234
Ceded:	-
Nonaffiliate	11,360
Net premium income	$ 2,470,940,594
Hospital and medical expenses:	
Direct	$ 2,015,448,834
Ceded:	-
Nonaffiliate	252,283
Net hospital and medical expenses	$ 2,015,701,117

The Company recognized reinsurance losses related to external reinsurance agreement of $252,283 in 2013, which are recorded as net reinsurance recoveries in the statutory basis statements of operations. In addition, reinsurance recoverables related to external reinsurance agreements of $55,617 for paid losses are recorded as amounts recoverable from reinsurers and $0 for unpaid losses are recorded as a reduction to claims unpaid in 2013, in the statutory basis statements of admitted assets, liabilities, and capital and surplus. There were $71 recognized reinsurance losses, $0 recoverables, and $0 unpaid losses recorded in 2014.

A. Ceded Reinsurance Report

***Section 1* — General Interrogatories**

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes ( ) No (X)

(2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor, or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

***Section 2* — Ceded Reinsurance Report— Part A**

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

Yes ( ) No (X)

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

Yes ( ) No (X)

***Section 3* — Ceded Reinsurance Report — Part B**

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

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2014.

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

Yes ( ) No (X)

B. **Uncollectible Reinsurance** — During 2014 and 2013, there were no uncollectible reinsurance recoverables.

C. **Commutation of Ceded Reinsurance** — There was no commutation of reinsurance in 2014 or 2013.

D. **Certified Reinsurer Rating Downgraded or Status Subject to Revocation** — Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

A. The Company estimates accrued retrospective premium adjustments for its group health insurance business based on mathematical calculations in accordance with contractual terms.

B. Estimated accrued retrospective premiums due to (from) the Company are recorded in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to change in unearned premium reserves and reserves for rate credits in the statutory basis statements of operations.

C. The Company has Medicare Part D program business which is subject to a retrospective rating feature related to Part D Premiums. The Company has estimated accrued retrospective premiums related to certain Part D premiums based on guidelines determined by CMS. The formula is tiered and based on the bid medical loss ratio. The amount of Part D direct premiums written subject to retrospective rating was $240,615,894 and $290,269,732 representing 8.08% and 11.7% of total direct premiums written for 2014 and 2013, respectively.

D. The Company does not have any comprehensive major medical business subject to specific minimum loss ratio requirements as of December 31, 2014 and December 31, 2013.

Pursuant to Health Care Reform changes effective for contract years beginning in 2014, the Company is required to maintain a specific minimum medical loss ratio on its Medicare contracts. The Company's actual medical loss ratios were in excess of the minimum requirements and, as a result, no minimum medical loss ratio liability for Medicare was required to be established as of December 31, 2014.

E. **Risk-Sharing Provisions of the Affordable Care Act**

(1-3) The Company did not write Accident and Health premiums in 2014 subject to the risk-sharing provisions of the ACA on assets, liabilities, and revenue.

25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

Changes in estimates related to the prior year incurred claims are included in total hospital and medical expenses in the current year in the statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in the claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, health care receivable and reinsurance recoverables for 2014 and 2013:

	2014		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	$ -	$ (182,604,830)	$ (182,604,830)
Paid claims, net of health care receivable and reinsurance recoveries collected	2,354,298,348	121,171,049	2,475,469,397
End of year claim reserve	216,179,424	(17,482,599)	198,696,825
Incurred claims excluding the change in health care receivable and reinsurance recoverables as presented below	2,570,477,772	(78,916,380)	2,491,561,392
Beginning of year health care receivable and reinsurance recoverables	-	86,337,900	86,337,900
End of year health care receivable	(87,854,502)	(18,665,916)	(106,520,418)
Total incurred claims	$ 2,482,623,270	$ (11,244,396)	$ 2,471,378,874

	2013		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	$ -	$ (144,264,153)	$ (144,264,153)
Paid claims, net of health care receivable and reinsurance recoveries collected	1,949,986,262	68,844,146	2,018,830,408
End of year claim reserve	179,686,951	2,917,879	182,604,830
Incurred claims excluding the change in health care receivable and reinsurance recoverables as presented below	2,129,673,213	(72,502,128)	2,057,171,085
Beginning of year health care receivable and reinsurance recoverables	-	44,867,932	44,867,932
End of year health care receivable and reinsurance recoverables	(54,715,210)	(31,622,690)	(86,337,900)
Total incurred claims	$ 2,074,958,003	$ (59,256,886)	$ 2,015,701,117

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves, health care receivable and reinsurance recoverables as of December 31, 2013 were $96,266,931. As of December 31, 2014, $121,171,049 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years, net of health care receivable are ($36,148,515), as a result of re-estimation of unpaid claims. Therefore, there has been $11,244,396 favorable prior year development since December 31, 2013 to December 31, 2014. The primary drivers consist of favorable development as a result of a change in the provision for adverse deviations in experience of $9,985,206, favorable development of pharmacy rebates, net of Part D, of $5,798,619, and favorable development from provider settlements of $2,937,011, offset by unfavorable development of $6,747,733 in retroactivity for inpatient, outpatient, physician, and pharmacy claims. At December 31, 2013, the Company recorded $59,256,887 of favorable development related to a change in the provision for adverse deviations in experience of $7,750,317, favorable development of $44,388,683 in retroactivity for inpatient, outpatient, physician, and pharmacy claims, a favorable development for pharmacy rebates of $13,326,092 and an unfavorable for Part D retroactivity of ($6,470,458). Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this favorable development is the impact related to retrospectively rated policies. As a result of the prior year effects, on a regular basis, the Company adjusts revenue and the corresponding liability and/or receivable related to retrospectively rated policies and the impact of the change is included as a component of change in reserve for rate credits in the statutory basis statements of operations.

The table above reflects a prior year reserve of ($17,482,599) comprised of ($19,229,759) of negative incurred but not reported ("IBNR") reserve offset by $1,747,160 of accrued medical incentive pool and bonus amounts as of December 31, 2014. The negative prior year IBNR is due to expected recoveries of claims overpayments offset by normal claims payable.

The Company incurred claims adjustment expenses of $120,377,102 and $36,730,440 in 2014 and 2013, respectively. These costs are included in the management service fees paid by the Company to UHS and XLHealth as a part of its management agreement (see Note 1 and 10). The following tables disclose paid CAE, incurred CAE, and the balance in the unpaid claim adjustment expenses reserve for 2014 and 2013:

	2014	2013
Total claims adjustment expenses	$ 120,377,102	$ 36,730,441
Less current year unpaid claims adjustment expenses	(1,900,801)	(3,277,977)
Add prior year unpaid claims adjustment expenses	3,277,977	2,660,744
Total claims adjustment expenses paid	$ 121,754,278	$ 36,113,208

26. INTERCOMPANY POOLING ARRANGEMENTS

A–G. The Company did not have any intercompany pooling arrangements in 2014 or 2013.

27. STRUCTURED SETTLEMENTS

A–B. The Company did not have structured settlements in 2014 or 2013.

28. HEALTH CARE AND OTHER AMOUNTS RECEIVABLE

A. Pharmacy rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmacy benefit manager in accordance with pharmacy rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmacy benefit manager and adjusted for significant changes in pharmacy contract provisions.

The Company evaluates admissibility of all pharmacy rebates receivable based on the administration of each underlying pharmaceutical benefit management agreement. The Company has nonadmitted all pharmacy rebates receivable that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

For each pharmacy management agreement for which a portion of the total pharmacy rebates receivable can be admitted based on the admissibility criteria, the transaction history is summarized as follows:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received within 90 Days of Billing	Actual Rebates Received within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days After Billing
12/31/2014	$ 51,958,525	$ -	$ -	$ -	$ -
9/30/2014	47,027,114	47,038,776	28,980,897	-	-
6/30/2014	42,030,825	42,227,904	33,866,735	6,466,567	-
3/31/2014	38,189,497	38,095,878	30,964,830	6,133,201	406,042
12/31/2013	19,404,499	24,948,821	26,030,560	-	-
9/30/2013	19,094,866	11,859,407	11,859,407	-	12,850,204
6/30/2013	18,205,256	9,385,577	9,385,577	-	8,706,895
3/31/2013	9,759,802	9,763,314	9,763,314	-	5,491,391
12/31/2012	7,429,723	7,520,803	-	7,520,803	4,810,986
9/30/2012	8,331,177	8,423,351	8,423,351	-	3,532,407
6/30/2012	7,249,124	7,334,994	7,334,994	-	3,677,176
3/31/2012	8,341,180	8,436,516	8,436,516	-	360,502

Of the amount reported as health care receivable, $69,803,020 and $31,263,905 relates to pharmacy rebates receivable as of December 31, 2014 and 2013, respectively. This increase is primarily due to increased membership along with the change in generic/name brand mix and the new agreement with OptumRx, Inc.

B. The Company estimates risk-sharing receivables based on the contractual terms.

The following table summarizes the collection history of risk-sharing receivables:

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
2014	2014	$ 1,770,164	$ -	$ 1,823,815	$ -	$ 1,823,815			
	2015	XXX	$ -	XXX	XXX	XXX	XXX		
2013	2013	$ 2,324,636	$ 233,605	$ 2,558,241	$ -	$ 2,558,241	$ -		
	2014	XXX	$ 1,770,164	XXX	XXX	XXX	XXX	XXX	XXX
2012	2012	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	2013	XXX	$ 2,324,636	XXX	XXX	XXX	XXX	XXX	XXX

The Company also admitted $0 and $1,770,164 for risk share receivables based on contractual terms for dental benefits and $1,652,293 and $556,048 for claims overpayment receivables due from providers in 2014 and 2013, respectively, which are included in health care receivables in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2014 or 2013.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any premium deficiency reserves as of December 31, 2014 or 2013. The analysis of premium deficiency reserves was completed as of December 31, 2014 and 2013. The Company did consider anticipated investment income when calculating the premium deficiency reserves.

The following table summarizes the Company’s premium deficiency reserves as of December 31, 2014 and 2013:

	2014
1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2014
3. Was anticipated investment income utilized in this calculation?	Yes [X] No [ ]

	2013
1. Liability carried for premium deficiency reserves	$ -
2. Date of the most recent evaluation of this liability	12/31/2013
3. Was anticipated investment income utilized in this calculation?	Yes [X] No [ ]

31. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written, the Company has no salvage. As of December 31, 2014 and 2013, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

* * * * * *

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1, 1A and 2

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? Arkansas

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/22/2009

3.4 By what department or departments?
Arkansas Department of Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [ ] No [X]
4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [ ] No [X]
4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,
7.21 State the percentage of foreign control; 0.0 %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No [ ]

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
Optum Bank, Inc.	Salt Lake City, Utah	NO	NO	YES	NO

9\. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Baker Tilly Virchow Krause, LLP 225 S Sixth Street, Suite 2300 Minneapolis, MN 55402

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?
Leslie Strassberg, FSA, MAAA Director of Actuarial Services United Healthcare 351 West Camden Street Baltimore, MD 21201

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved 0

12.13 Total book/adjusted carrying value $ 0

12.2 If, yes provide explanation:

13\. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

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 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 $ 0
- 21.22 Borrowed from others $ 0
- 21.23 Leased from others $ 0
- 21.24 Other $ 0

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [X] No [ ]

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $ 0
- 22.22 Amount paid as expenses $ 36,705,819
- 22.23 Other amounts paid $ 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [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 [ ] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs. $ 0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [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 [ ] N/A [X]

GENERAL INTERROGATORIES

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

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

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

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

25.21 Subject to repurchase agreements $ 0
25.22 Subject to reverse repurchase agreements $ 0
25.23 Subject to dollar repurchase agreements $ 0
25.24 Subject to reverse dollar repurchase agreements $ 0
25.25 Placed under option agreements $ 0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock $ 0
25.27 FHLB Capital Stock $ 0
25.28 On deposit with states $ 4,331,190
25.29 On deposit with other regulatory bodies $ 0
25.30 Pledged as collateral - excluding collateral pledged to an FHLB $ 0
25.31 Pledged as collateral to FHLB - including assets backing funding agreements $ 0
25.32 Other $ 0

25.3 For category (25.26) 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 [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
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 [X]

27.2 If yes, state the amount thereof at December 31 of the current year. $ 0

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 [X] 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
Bank of New York Mellon	Global Liquidity Services, 1 Wall St, 14th Floor, New York NY 10286
Northern Trust	50 S. LaSalle, Chicago, IL 60675

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
107738	Goldman Sachs	200 West Street, New York, NY 10282

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	479,359,219	484,050,854	4,691,635
30.2 Preferred stocks	0	0	0
30.3 Totals	479,359,219	484,050,854	4,691,635

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

For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from HUB which is an external data sources vendor. HUB utilizes various pricing sources.

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:

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? $ 0

1.31 Reason for excluding

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

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

1.6 Individual policies:

Most current three years:
- 1.61 Total premium earned $ 0
- 1.62 Total incurred claims $ 0
- 1.63 Number of covered lives 0

All years prior to most current three years:
- 1.64 Total premium earned $ 0
- 1.65 Total incurred claims $ 0
- 1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:
- 1.71 Total premium earned $ 0
- 1.72 Total incurred claims $ 0
- 1.73 Number of covered lives 0

All years prior to most current three years:
- 1.74 Total premium earned $ 0
- 1.75 Total incurred claims $ 0
- 1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	2,978,264,143	2,470,940,594
2.2	Premium Denominator	2,978,264,143	2,470,940,594
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	212,624,663	203,677,701
2.5	Reserve Denominator	212,624,663	203,677,701
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000

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

3.2 If yes, give particulars:

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

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

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

5.2 If no, explain:

Stop-loss reinsurance is not required given the nature of the products currently written by the Company and the underlying provider contracts contain hold-harmless clauses.

5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical $ 0
- 5.32 Medical Only $ 0
- 5.33 Medicare Supplement $ 0
- 5.34 Dental & Vision $ 0
- 5.35 Other Limited Benefit Plan $ 0
- 5.36 Other $ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Hold harmless clauses in provider agreements.

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

7.2 If no, give details

8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 23,589
- 8.2 Number of providers at end of reporting year 33,501

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

9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months $ 0
- 9.22 Business with rate guarantees over 36 months $ 0

GENERAL INTERROGATORIES

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

10.2 If yes:

10.21 Maximum amount payable bonuses $ 6,269,772
10.22 Amount actually paid for year bonuses $ 6,851,597
10.23 Maximum amount payable withholds $ 0
10.24 Amount actually paid for year withholds $ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [ ] No [X]
11.13 An Individual Practice Association (IPA), or, Yes [ ] No [X]
11.14 A Mixed Model (combination of above)? Yes [X] No [ ]

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. Arkansas
11.4 If yes, show the amount required. $ 183,907,454
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
200% of RBC Authorized Control Level; however should the Company trigger the RBC trend test through underwriting losses, then the Company's minimum requirement would change to 300% of RBC Authorized Control Level.

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

1 Name of Service Area
Arkansas
Alabama
Colorado
Georgia
Florida
Illinois
Indiana
Iowa
Kansas
Kentucky
Maine
Massachusetts
Missouri
New Jersey
New Hampshire
New Mexico
New York
North Carolina
Ohio
Oklahoma
Pennsylvania
South Carolina
Texas
Virginia
Washington

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. $ 0

13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

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

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [ ] No [X] N/A [ ]
14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit 5 Letters of Credit	6 Trust Agreements	7 Other

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written $ 0
15.2 Total Incurred Claims $ 0
15.3 Number of Covered Lives 0

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

FIVE-YEAR HISTORICAL DATA

		1 2014	2 2013	3 2012	4 2011	5 2010
	Balance Sheet (Pages 2 and 3)					
1.	Total admitted assets (Page 2, Line 28)	646,874,788	565,861,329	502,425,732	369,624,354	231,192,422
2.	Total liabilities (Page 3, Line 24)	298,289,945	225,316,500	177,849,097	193,789,793	129,183,059
3.	Statutory surplus	183,907,454	145,034,704	90,065,236	107,075,609	82,935,795
4.	Total capital and surplus (Page 3, Line 33)	348,584,843	340,544,829	324,576,635	175,834,559	102,009,362
	Income Statement (Page 4)					
5.	Total revenues (Line 8)	2,985,409,175	2,464,372,875	1,649,234,962	1,350,722,727	924,036,682
6.	Total medical and hospital expenses (Line 18)	2,471,378,874	2,015,701,117	1,171,019,089	1,010,708,629	773,284,761
7.	Claims adjustment expenses (Line 20)	120,377,102	36,730,441	102,464,085	104,012,408	76,533,053
8.	Total administrative expenses (Line 21)	264,514,431	287,128,013	137,560,910	106,922,865	79,889,899
9.	Net underwriting gain (loss) (Line 24)	129,138,768	124,813,304	238,190,878	129,078,825	(5,671,031)
10.	Net investment gain (loss) (Line 27)	8,731,714	793,361	203,919	(91,461)	(212,884)
11.	Total other income (Lines 28 plus 29)	(1,620)	(332,559)	1,252,804	(663,325)	(709,798)
12.	Net income or (loss) (Line 32)	77,967,046	81,542,130	162,313,659	98,698,580	(4,919,040)
	Cash Flow (Page 6)					
13.	Net cash from operations (Line 11)	(22,127,886)	64,161,198	129,423,509	181,235,767	(8,417,064)
	Risk-Based Capital Analysis					
14.	Total adjusted capital	348,584,843	340,544,829	324,576,635	175,834,559	102,009,362
15.	Authorized control level risk-based capital	91,953,727	72,517,352	45,032,618	38,936,585	30,158,471
	Enrollment (Exhibit 1)					
16.	Total members at end of period (Column 5, Line 7)	249,986	210,819	99,712	83,665	68,544
17.	Total members months (Column 6, Line 7)	2,879,915	2,269,423	1,108,862	924,562	700,810
	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)	82.8	81.8	71.0	74.8	83.7
20.	Cost containment expenses	1.9	0.8	3.3	4.0	4.5
21.	Other claims adjustment expenses	2.2	0.7	2.9	3.7	3.8
22.	Total underwriting deductions (Line 23)	95.7	94.9	85.6	90.4	100.6
23.	Total underwriting gain (loss) (Line 24)	4.3	5.1	14.4	9.6	(0.6)
	Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24.	Total claims incurred for prior years (Line 13, Col. 5)	85,078,151	40,759,494	76,131,144	90,428,857	87,521,465
25.	Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	96,322,547	100,016,380	115,267,029	90,094,198	89,082,006
	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 Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30.	Affiliated mortgage loans on real estate	0	0	0	0	0
31.	All other affiliated	0	0	0	0	0
32.	Total of above Lines 26 to 31	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:

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
States, etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama AL	L	0	830,253	0	0	0	0	830,253	0
2. Alaska AK	N	0	0	0	0	0	0	0	0
3. Arizona AZ	N	0	0	0	0	0	0	0	0
4. Arkansas AR	L	0	338,964,289	0	0	0	0	338,964,289	0
5. California CA	N	0	0	0	0	0	0	0	0
6. Colorado CO	L	0	4,247	0	0	0	0	4,247	0
7. Connecticut CT	N	0	0	0	0	0	0	0	0
8. Delaware DE	N	0	0	0	0	0	0	0	0
9. District of Columbia DC	N	0	0	0	0	0	0	0	0
10. Florida FL	L	0	4,278,055	0	0	0	0	4,278,055	0
11. Georgia GA	L	416	1,276,706,652	0	0	0	0	1,276,707,068	0
12. Hawaii HI	N	0	0	0	0	0	0	0	0
13. Idaho ID	N	0	0	0	0	0	0	0	0
14. Illinois IL	L	0	2,734,906	0	0	0	0	2,734,906	0
15. Indiana IN	L	0	5,930,959	0	0	0	0	5,930,959	0
16. Iowa IA	L	0	0	0	0	0	0	0	0
17. Kansas KS	L	0	0	0	0	0	0	0	0
18. Kentucky KY	L	0	0	0	0	0	0	0	0
19. Louisiana LA	N	0	0	0	0	0	0	0	0
20. Maine ME	L	0	1,190,349	0	0	0	0	1,190,349	0
21. Maryland MD	N	0	0	0	0	0	0	0	0
22. Massachusetts MA	L	0	2,054,129	0	0	0	0	2,054,129	0
23. Michigan MI	N	0	0	0	0	0	0	0	0
24. Minnesota MN	N	0	0	0	0	0	0	0	0
25. Mississippi MS	N	0	0	0	0	0	0	0	0
26. Missouri MO	L	0	334,538,481	0	0	0	0	334,538,481	0
27. Montana MT	N	0	0	0	0	0	0	0	0
28. Nebraska NE	N	0	0	0	0	0	0	0	0
29. Nevada NV	N	0	0	0	0	0	0	0	0
30. New Hampshire NH	L	0	7,577,993	0	0	0	0	7,577,993	0
31. New Jersey NJ	L	0	3,476,783	0	0	0	0	3,476,783	0
32. New Mexico NM	L	0	886,846	0	0	0	0	886,846	0
33. New York NY	L	0	0	0	0	0	0	0	0
34. North Carolina NC	L	0	0	0	0	0	0	0	0
35. North Dakota ND	N	0	0	0	0	0	0	0	0
36. Ohio OH	L	0	3,944,568	0	0	0	0	3,944,568	0
37. Oklahoma OK	L	0	0	0	0	0	0	0	0
38. Oregon OR	N	0	0	0	0	0	0	0	0
39. Pennsylvania PA	L	0	1,241,554	0	0	0	0	1,241,554	0
40. Rhode Island RI	N	0	0	0	0	0	0	0	0
41. South Carolina SC	L	0	993,491,348	0	0	0	0	993,491,348	0
42. South Dakota SD	N	0	0	0	0	0	0	0	0
43. Tennessee TN	N	0	0	0	0	0	0	0	0
44. Texas TX	L	0	68,790	0	0	0	0	68,790	0
45. Utah UT	N	0	0	0	0	0	0	0	0
46. Vermont VT	N	0	0	0	0	0	0	0	0
47. Virginia VA	L	0	343,525	0	0	0	0	343,525	0
48. Washington WA	L	0	0	0	0	0	0	0	0
49. West Virginia WV	N	0	0	0	0	0	0	0	0
50. Wisconsin WI	N	0	0	0	0	0	0	0	0
51. Wyoming WY	N	0	0	0	0	0	0	0	0
52. American Samoa AS	N	0	0	0	0	0	0	0	0
53. Guam GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico PR	N	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands MP	N	0	0	0	0	0	0	0	0
57. Canada CAN	N	0	0	0	0	0	0	0	0
58. Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	416	2,978,263,727	0	0	0	0	2,978,264,143	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0
61. Total (Direct Business)	(a) 25	416	2,978,263,727	0	0	0	0	2,978,264,143	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.

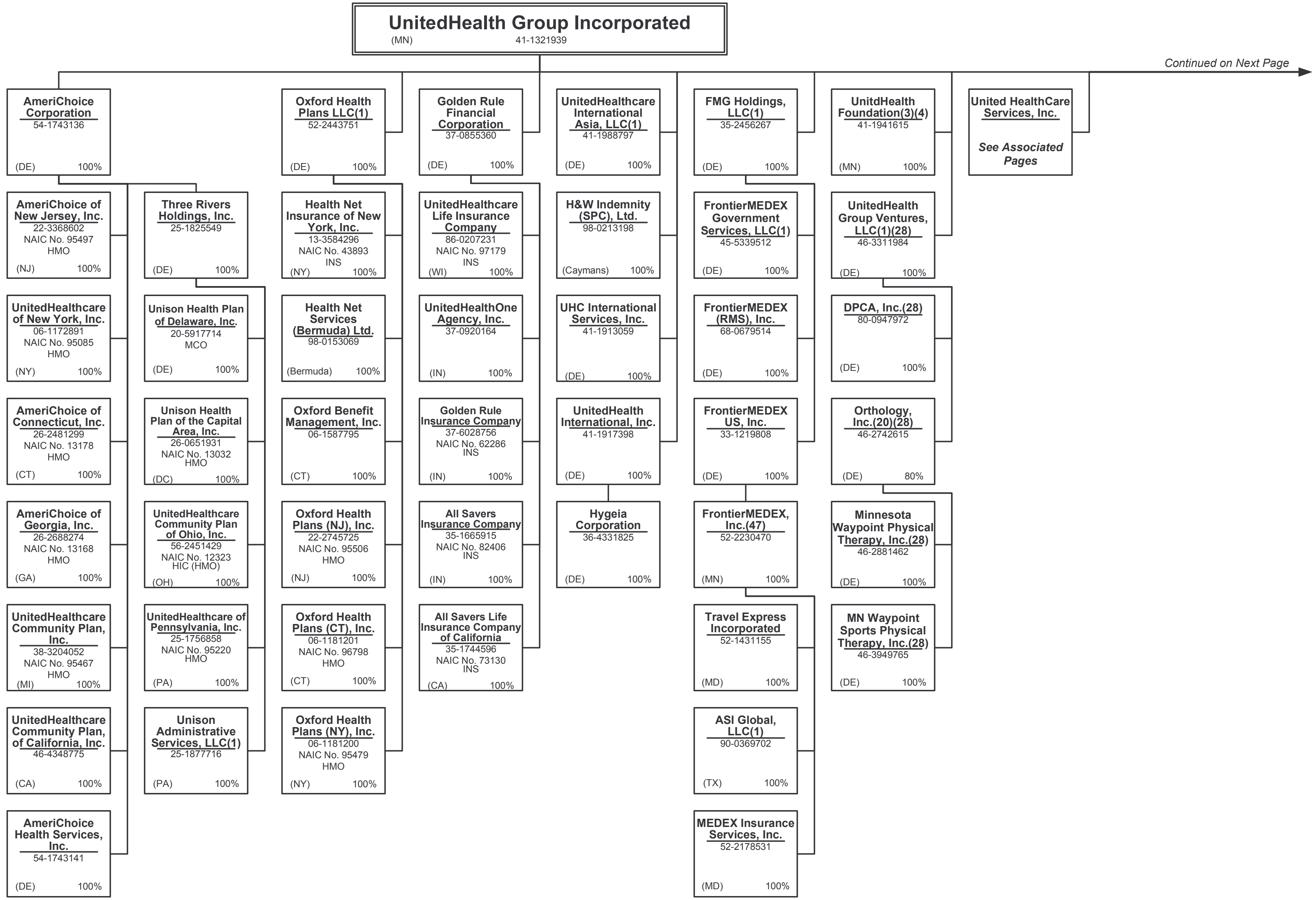
Explanation of basis of allocation by states, premiums by state, etc.

Premiums are allocated by state based on the residence of the member.

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

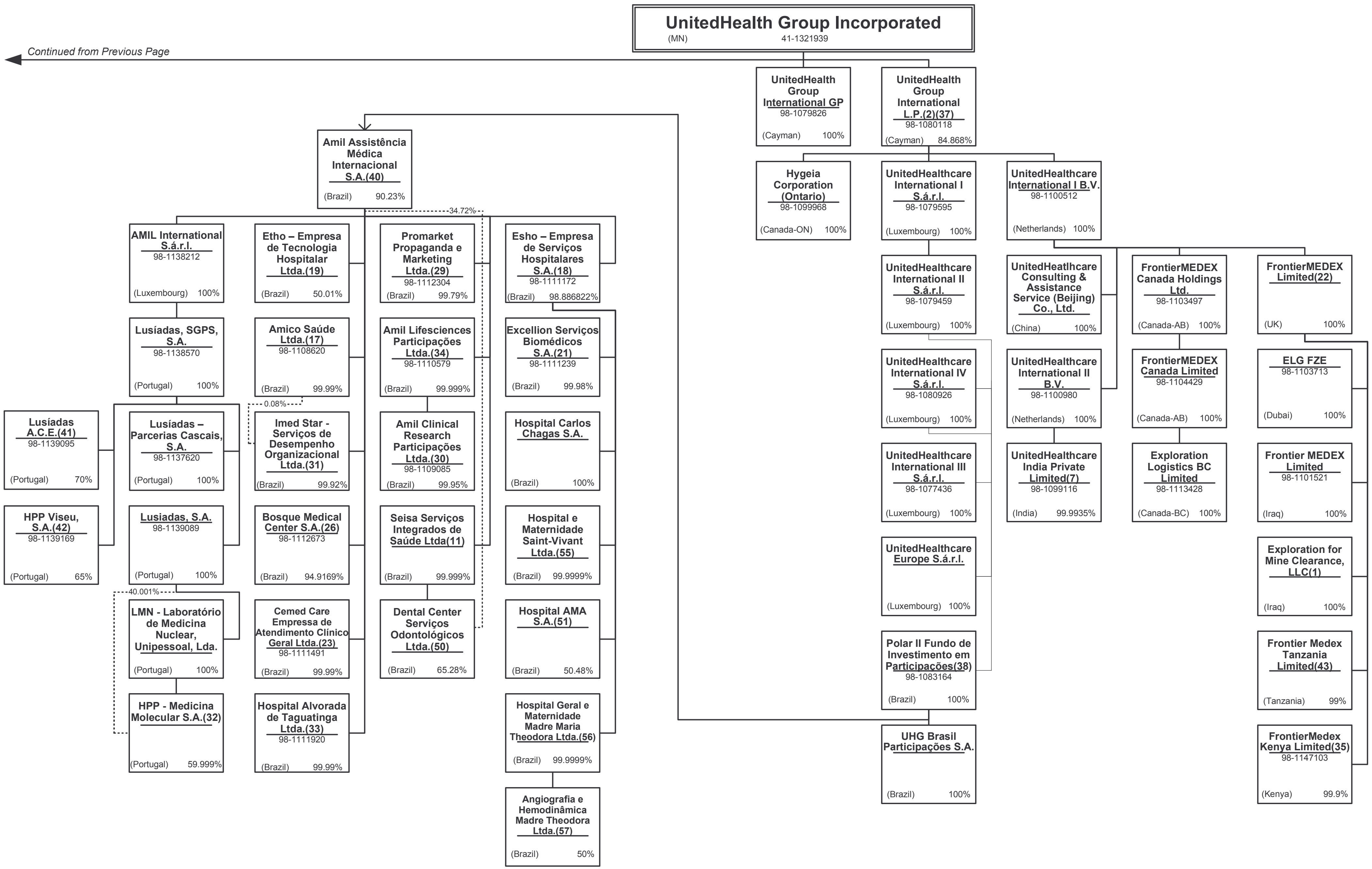
PART 1 - ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Care Improvement Plus South Central Insurance Company

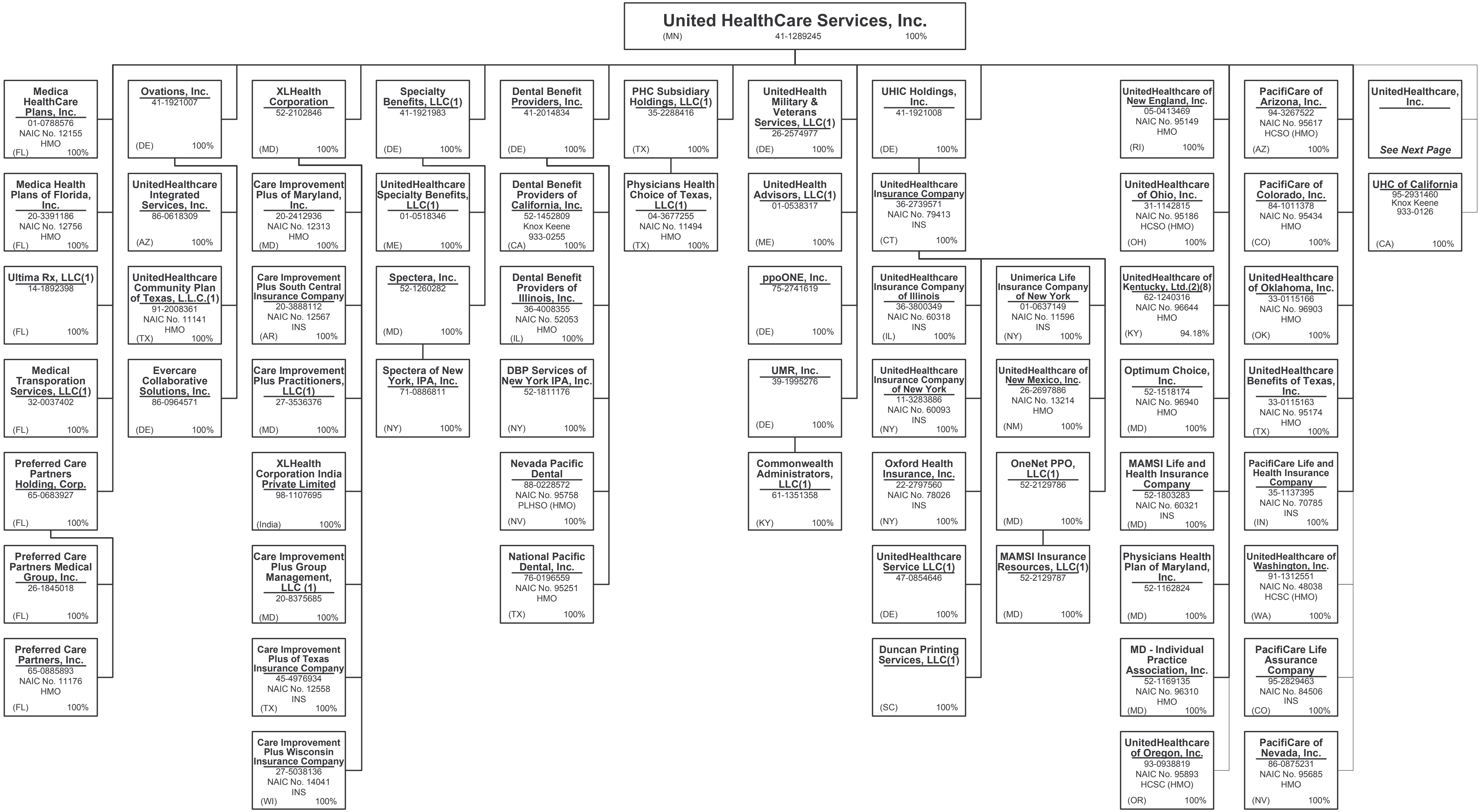
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



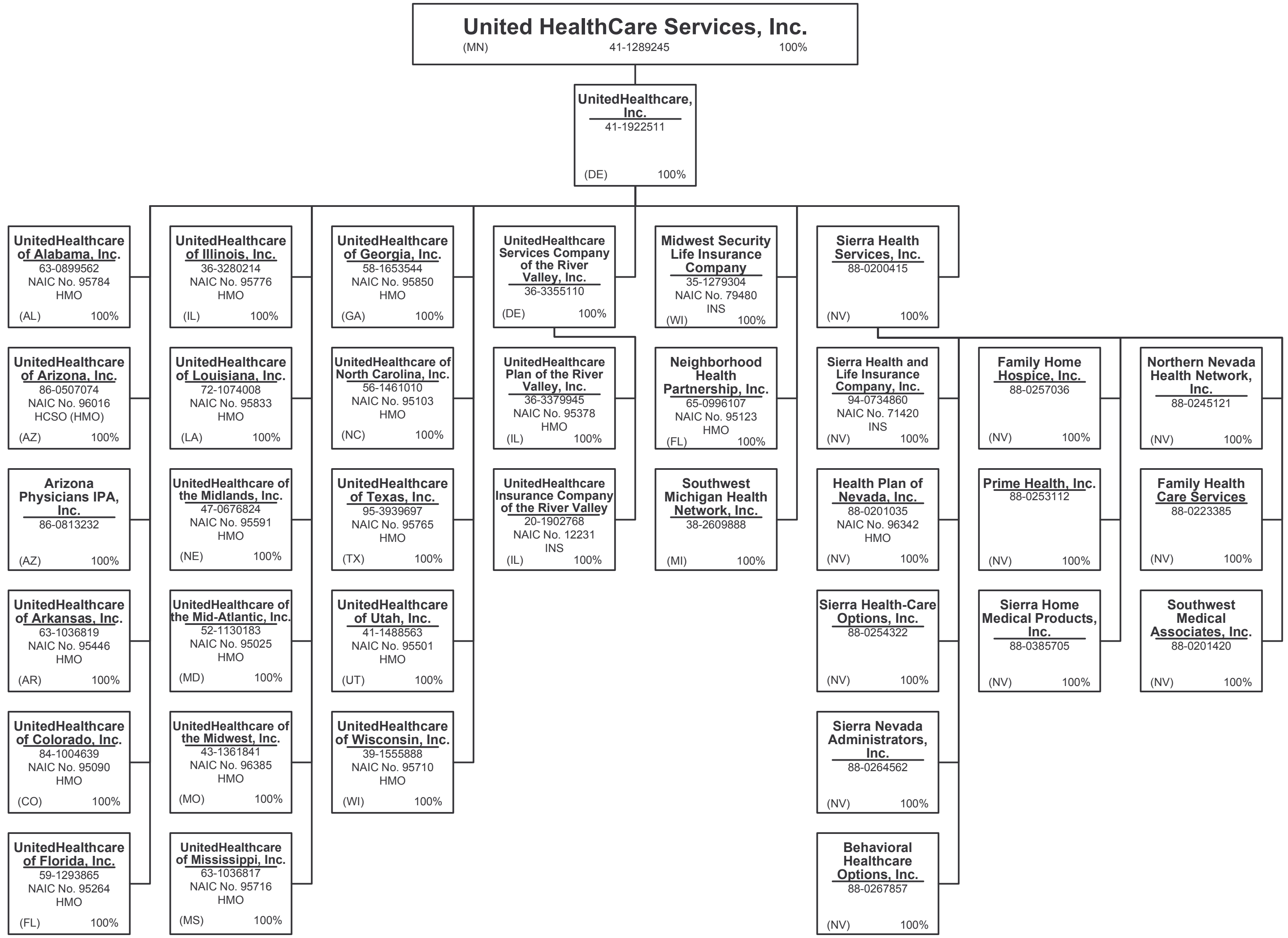
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



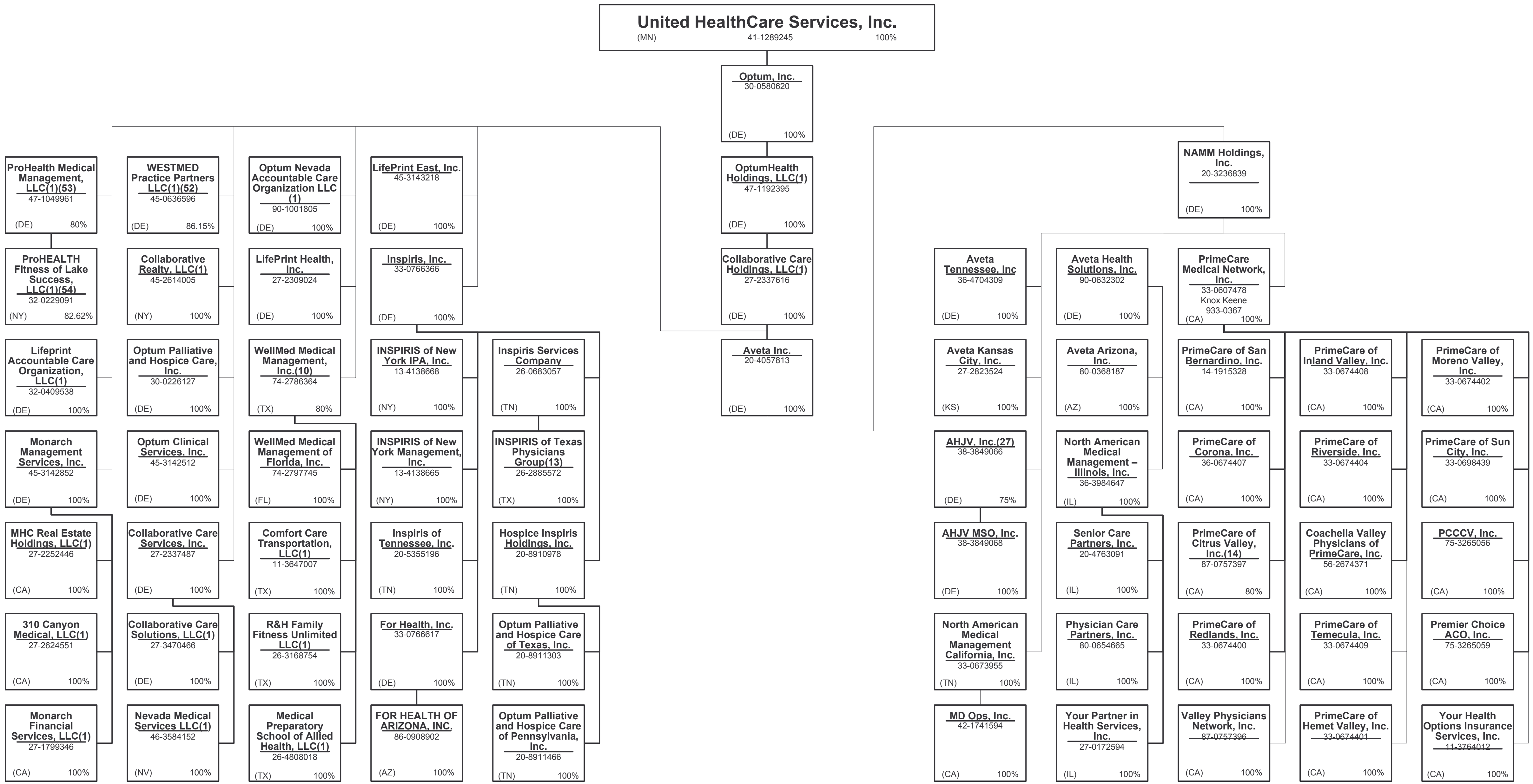
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

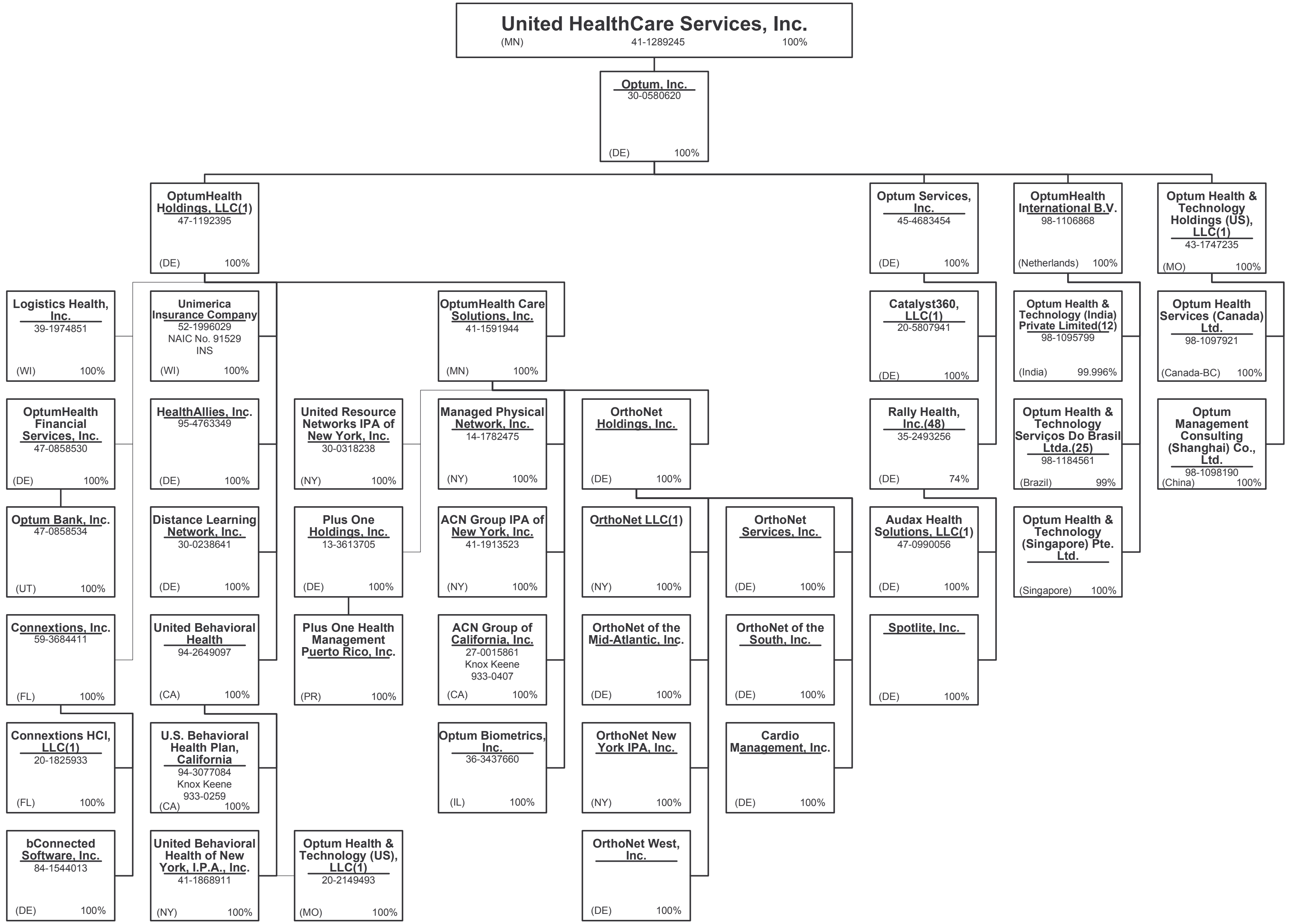


40.4

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE Care Improvement Plus South Central Insurance Company

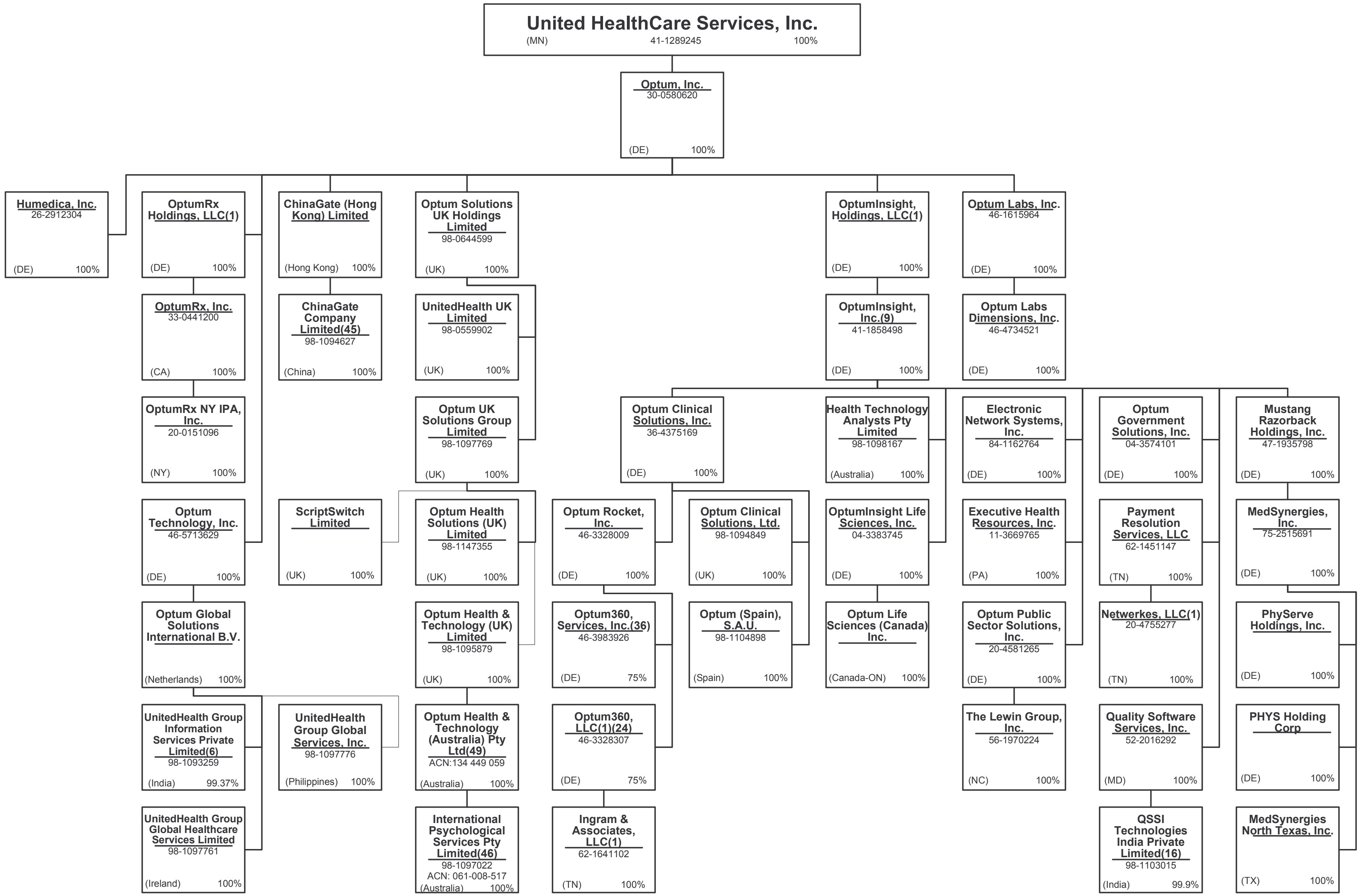
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

(1) Entity is a Limited Liability Company

(2) Entity is a Partnership

(3) Entity is a Non-Profit Corporation

(4) Control of the Foundation is based on sole membership, not the ownership of voting securities

(5) Perdicaris Participações Ltda. Is 99.9999% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.0001% owned by ISO Hospital Dia S.A.

(6) UnitedHealth Group Information Services Private Limited is 99.37% owned by Optum Global Solutions International B.V. The remaining 0.63% is owned by UnitedHealth International, Inc.

(7) United Healthcare India Private Limited is 99.9935% owned by UnitedHealthcare International II B.V. and 0.0065% owned by UnitedHealth International, Inc.

(8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combined, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83% of the company.

(9) Branch office located in Abu Dhabi, UAE.

(10) WellMed Medical Management, Inc. is 80% owned by Collaborative Care Holdings, LLC and 20% owned by WMG Healthcare Partners, L.P.

(11) Seisa Serviços Integrados de Saúde Ltda is 99.999994% owned by Amil Assistência Médica Internacional S.A. and 0.000006% owned by Dental Center Serviços Odontológicos Ltda.

(12) Optum Health & Technology (India) Private Limited is 99.996% owned by OptumHealth International B.V. and 0.004 % owned by United Behavioral Health.

(13) INSPIRIS of Texas Physicians Group is a Texas non-profit (taxable) whose sole member is Inspiris Services Company.

(14) PrimeCare of Citrus Valley, Inc. is 80% owned by PrimeCare Medical Network, Inc. and 20% owned by Citrus Valley Medical Associates, Inc.

(15) TBD

(16) QSSI Technologies India Private Limited is 99.9% owned by Quality Software Services, Inc. and 0.1% owned by an Indian citizen.

(17) Amico Saúde Ltda. is 99.9999996% owned by Amil Assistência Médica Internacional S.A. and 0.0000004% owned by an officer of Amil.

(18) Esho – Empresa de Serviços Hospitalares S.A. is 98.886822% owned by Amil Assistência Médica Internacional S.A.; 0.042571% owned by Treasury Shares and 1.070607% owned by external shareholders.

(19) Etho – Empresa de Technologia Hospitalar Ltda. 50.01% owned by Amil Assistência Médica Internacional S.A.and 49.99% owned by an external shareholder.

(20) Orthology, Inc. is 80% owned by UnitedHealth Group Ventures, LLC and 20% owned by external shareholders.(21) Excellion Serviços Biomédicos S.A.is 99.98% owned by Esho – Empresa de Serviços Hospitalares S.A and 0.02% owned by external shareholders.

(22) Branch offices in Iraq and Uganda.

(23) Cemed Care Empressa de Atendimento Clínico Geral Ltda. Is 99.999999% owned by Amil Assistência Médica Internacional S.A. and 0.000001% owned by an officer of Amil.

(24) Optum 360, LLC is 75% owned by Optum Rocket, Inc. and 25% owned by an external interest holder.

(25) Optum Health & Technology Serviços Do Brasil Ltda. is 99% owned byOptumHealth International B.V. and 1 % owned by OptumInsight, Inc.

(26) Bosque Medical Center S.A. is 94.917% owned by Amil Assistência Médica Internacional S.A.and 5.083% owned by Esho – Empresa de Serviços Hospitalares S.A.

(27) AHJV, Inc. is 75% owned by NAMM Holdings, Inc. and 25% owned by Humana, Inc.

(28) Entity is majority-owned by UHG or one of its affiliates. Corporate secretarial services for this entity are the responsibility of the portfolio company.

(29) Promarket Propaganda e Marketing Ltda.is 99.79% owned by Amil Assistência Médica Internacional S.A and 0.21% owned by Amico Saúde Ltd.

(30) Amil Clinical Research Participações Ltda. is 99.95% owned by Amil Lifesciences Participações Ltda. and 0.05% owned by an officer of Amil.

(31) Imed Star Serviços de Desempenho Organizacional Ltda.is 99.92% owned by Amil Assistência Médica Internacional S.A and 0.08% owned by Amico Saúde Ltd.

(32) HPP – Medicina Molecular, S.A. is 59.99852% owned by LMN - Laboratórios de Medicina Nuclear, Unipessoal, Lda. And 40.00148% owned by Lusíadas, S.A.

(33) Hospital Alvorada Taguatinga Ltda. Is 99.99% owned by Amil Assistência Médica Internacional S.A. and 0.000001% owned by an officer of Amil.

(34) Amil Lifesciences Participações Ltda. Is 99.99928% owned by Amil Assistência Médica Internacional S.A and 0.00072% owned by an officer of Amil.

(35) FrontierMedex Kenya Limited is 99.9% owned by FrontierMEDEX Limited and 0.1% owned by UnitedHealthcare International I B.V.

(36) Optum360 Services, Inc. is 75% owned by Optum Rocket, Inc. and 25% owned by an external interest holder.

(37) The limited partners of UnitedHealth Group International, L.P. include FMG Holdings, LLC (14.9292%), Hygeia Corporation (DE) (0.2028%) and UnitedHealth Group Incorporated (84.868%). UnitedHealth Group International GP is the general partner of UnitedHealth Group International, L.P.

(38) Polar II Fundo de Investimento em Participações is a Brazilian private equity investment fund incorporated in the form of a closed-end condominium.

(39) TBD

(40) Amil Assistência Médica Internacional S.A. is 90.23% owned by Polar II Fundo de Investimento em Participações and the remaining 9.77% is owned by the former controlling shareholders of Amil Assistência Médica Internacional S.A.

(41) Lusíadas A.C.E. is 67% owned by Lusíadas, SGPS, S.A., 10% owned by Lusíadas, S.A., 10% owned by Lusíadas – Parcerias Cascais, S.A., 5% owned by LMN - Laboratórios de Medicina Nuclear, Unipessoal, Lda., 5% owned by HPP – Medicina Molecular, S.A. and 3% owned by HPP Viseu, S.A.

(42) HPP Viseu, S.A. is 65% owned by Lusíadas, SGPS, S.A. The remaining 35% is jointly owned VISABEIRA Saúde - Serviços de Saúde, S.A.,VISABEIRA Participações Financeiras, SGPS, S.A., VISABEIRA Investimentos Financeiros SGPS, S.A. and Ciclorama - Estudos, Projectos e Produções, Lda.

(43) Frontier Medex Tanzania Limited is 99% owned by FrontierMEDEX Limited. The remaining 1% is owned by an officer of FrontierMEDEX Limited.

(44) TBD

(45) Liaison office located in Beijing.

(46) Branch office located in Hong Kong.

(47) Representative office in Beijing

(48) The remaining 26% is owned by internal and external investors.

(49) Branch office located in Hong Kong.

(50) Dental Center Serviços Odontológicos Ltda. is 65.28% owned by Seisa Serviços Integrados de Saúde Ltda. and 34.72% owned by Amil Assistência Médica Internacional S.A.

(51) Hospital AMA S.A. is 50.48% owned by Esho – Empresa de Serviços Hospitalares S.A. and 49.52% owned by Seisa Serviços Integrados de Saúde Ltda.

(52) WESTMED Practice Partners LLC is 86.15% owned by Collaborative Care Holdings, LLC and 13.85% owned by external shareholders.

(53) ProHealth Medical Management, LLC is 80% owned by Collaborative Care Holdings, LLC and 20% owned by an external shareholder.

(54) PROHEALTH FITNESS OF LAKE SUCCESS, LLC IS 82.62% owned by ProHealth Medical Management, LLC and 17.38% by an external shareholder.

(55) Hospital e Maternidade Saint-Vivant Ltda. is 99.9999% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.00001% owned by Cemed Care Empressa de Atendimento Clínico Geral Ltda.

(56) Hospital Geral e Maternidade Madre Maria Theodora Ltda. is 99.9999% owned by Esho – Empresa de Serviços Hospitalares S.A. and 0.00001% owned by Cemed Care Empressa de Atendimento Clínico Geral Ltda.

(57) Angiografia e Hemodinâmica Madre Theodora Ltda. Is 50% owned by Hospital Geral e Maternidade Madre Maria Theodora Ltda. And 50% owned by 28 individual partners.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
2504. Miscellaneous Losses	863	1,014	4,882	0	6,759
2505. Professional Fees\Consulting	213,823	251,193	652,103	0	1,117,119
2506. Sundry General Expenses	2,258,169	2,652,832	6,886,828	0	11,797,829
2597. Summary of remaining write-ins for Line 25 from overflow page	2,472,855	2,905,039	7,543,813	0	12,921,707

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

ANNUAL STATEMENT BLANK (Continued)