



LIFE AND ACCIDENT AND HEALTH COMPANIES — ASSOCIATION EDITION

ANNUAL STATEMENT
For the Year Ended December 31, 2014
OF THE CONDITION AND AFFAIRS OF THE
CELTIC INSURANCE COMPANY

NAIC Group Code 1295, 1295 NAIC Company Code 80799 Employer's ID Number 06-0641618
Organized under the Laws of Illinois, State of Domicile or Port of Entry Illinois
Country of Domicile United States
Incorporated/Organized 05/03/1949 Commenced Business 01/20/1950
Statutory Home Office 77 West Wacker Drive, Suite 1200 Chicago, IL, US 60601
Main Administrative Office 77 West Wacker Drive, Suite 1200 Chicago, IL, US 60601 800-714-4658
Mail Address 77 West Wacker Drive, Suite 1200 Chicago, IL, US 60601
Primary Location of Books and Records 77 West Wacker Drive, Suite 1200 Chicago, IL, US 60601 800-714-4658
Internet Web Site Address www.celtic-net.com
Statutory Statement Contact Michael W. Prete 800-714-4658
info@celtic-net.com 800-748-3340

OFFICERS

Name Title Name Title
David J. Burke Vice President Treasurer Keith H. Williamson Secretary
Karen E. Wegg Vice President Administration

OTHER OFFICERS

K. Rone Baldwin President Anand A. Shukla Senior Vice President

DIRECTORS OR TRUSTEES

K. Rone Baldwin Anand A. Shukla David J. Burke Tricia L. Dinkelman
H. Robert Sanders

State of Illinois ss
County of Cook

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.

David J. Burke
Vice President Treasurer

Anand A. Shukla
Senior Vice President

Karen E. Wegg
Vice President Administration

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

Subscribed and sworn to before me this
20th day of February, 2015

Pedro Galvan, Notary Public
12/19/15

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

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).....	41,047,225	605,000	40,442,225	61,020,797
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$24,090,946 , Schedule E-Part 1), cash equivalents (\$2,500,000 , Schedule E-Part 2) and short-term investments (\$58,342,809 , Schedule DA).....	84,933,755		84,933,755	11,071,552
6. Contract loans (including \$ premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA)	1,051,753		1,051,753	620,022
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	127,032,733	605,000	126,427,733	72,712,371
13. Title plants less \$ charged off (for Title insurers only).....			0	0
14. Investment income due and accrued	290,967		290,967	542,259
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,131,344		1,131,344	1,274,076
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums.....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	4,607,072		4,607,072	2,927,153
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts	1,174,263		1,174,263	3,632,359
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	878,831		878,831	1,950,877
18.2 Net deferred tax asset.....	496,097		496,097	0
19. Guaranty funds receivable or on deposit	71,950		71,950	154,574
20. Electronic data processing equipment and software.....			0	0
21. Furniture and equipment, including health care delivery assets (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	81,949		81,949	0
24. Health care (\$1,439,277) and other amounts receivable.....	1,674,894	235,617	1,439,277	241,907
25. Aggregate write-ins for other-than-invested assets	63,124	63,124	0	89,139
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	137,503,224	903,741	136,599,483	83,524,715
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	137,503,224	903,741	136,599,483	83,524,715
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. MISCELLANEOUS RECEIVABLES.....			0	89,139
2502. STATE ASSESSMENT RECOVERABLE.....			0	0
2503. PREPAID ASSETS.....	63,124	63,124	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	63,124	63,124	0	89,139

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$ 4,344,907 (Exhibit 5, Line 9999999) less \$ included in Line 6.3 (including \$0 Modco Reserve).....	4,344,907	4,542,804
2. Aggregate reserve for accident and health contracts (including \$0 Modco Reserve).....	794,124	5,199,212
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$ 4,330,005 Modco Reserve).....	0	0
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....	0	50,000
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	19,987,567	22,709,723
5. Policyholders' dividends \$ and coupons \$ due and unpaid (Exhibit 4, Line 10).....	0	0
6. Provision for policyholders' dividends and coupons payable in following calendar year—estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco).....	0	0
6.2 Dividends not yet apportioned (including \$ Modco).....	0	0
6.3 Coupons and similar benefits (including \$ Modco).....	0	0
7. Amount provisionally held for deferred dividend policies not included in Line 6.....	0	0
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$131,849 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	131,849	345,944
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....	0	0
9.2 Provision for experience rating refunds, including the liability of \$302,000 accident and health experience rating refunds of which \$302,000 is for medical loss ratio rebate per the Public Health Service Act.....	302,000	302,000
9.3 Other amounts payable on reinsurance, including \$ assumed and \$1,429,590 ceded.....	1,429,590	7,547
9.4 Interest Maintenance Reserve (IMR, Line 6).....	180,772	249,778
10. Commissions to agents due or accrued-life and annuity contracts \$accident and health \$ and deposit-type contract funds \$	0	254,632
11. Commissions and expense allowances payable on reinsurance assumed.....	981	0
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	1,998,903	1,890,336
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances).....	0	0
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	2,069,862	1,352,280
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses).....	0	0
15.2 Net deferred tax liability.....	0	0
16. Unearned investment income.....	0	0
17. Amounts withheld or retained by company as agent or trustee.....	0	0
18. Amounts held for agents' account, including \$ agents' credit balances.....	0	0
19. Remittances and items not allocated.....	0	72,509
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0
21. Liability for benefits for employees and agents if not included above.....	0	0
22. Borrowed money \$ and interest thereon \$	0	0
23. Dividends to stockholders declared and unpaid.....	0	0
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve (AVR, Line 16, Col. 7).....	420,000	351,057
24.02 Reinsurance in unauthorized and certified (\$) companies.....	0	0
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$) reinsurers.....	0	0
24.04 Payable to parent, subsidiaries and affiliates.....	32,144,144	615,442
24.05 Drafts outstanding.....	0	0
24.06 Liability for amounts held under uninsured plans.....	0	0
24.07 Funds held under coinsurance.....	1,365,187	1,189,145
24.08 Derivatives.....	0	0
24.09 Payable for securities.....	0	0
24.10 Payable for securities lending.....	0	0
24.11 Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities.....	42,068,938	570,634
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	107,238,824	39,703,044
27. From Separate Accounts statement.....	0	0
28. Total liabilities (Lines 26 and 27).....	107,238,824	39,703,044
29. Common capital stock.....	2,500,000	2,500,000
30. Preferred capital stock.....	0	0
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....	0	0
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	45,588,655	65,588,655
34. Aggregate write-ins for special surplus funds.....	2,446,457	0
35. Unassigned funds (surplus).....	(21,174,453)	(24,266,984)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$).....	0	0
36.2 shares preferred (value included in Line 30 \$).....	0	0
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ in Separate Accounts Statement).....	26,860,659	41,321,671
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	29,360,659	43,821,671
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3).....	136,599,483	83,524,715
DETAILS OF WRITE-INS		
2501. Unclaimed Property.....	400,858	570,634
2502. ACA Cost Sharing Reduction Payable.....	27,716,437	0
2503. ACA Risk Adjustment Payable.....	13,951,643	0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	42,068,938	570,634
3101.	0	0
3102.	0	0
3103.	0	0
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 through 3103 plus 3198) (Line 31 above).....	0	0
3401. 2015 Health Insurer Fee Estimate.....	2,446,457	0
3402.	0	0
3403.	0	0
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34 above).....	2,446,457	0

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11)	129,792,517	125,088,430
2. Considerations for supplementary contracts with life contingencies		0
3. Net investment income (Exhibit of Net Investment Income, Line 17)	963,946	1,371,906
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)	50,758	59,368
5. Separate Accounts net gain from operations excluding unrealized gains or losses	0	0
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1)	771,123	1,038,242
7. Reserve adjustments on reinsurance ceded		0
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		0
8.2 Charges and fees for deposit-type contracts	215	215
8.3 Aggregate write-ins for miscellaneous income	803,516	0
9. Totals (Lines 1 to 8.3)	132,382,074	127,558,161
10. Death benefits		0
11. Matured endowments (excluding guaranteed annual pure endowments)	0	0
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8)	0	0
13. Disability benefits and benefits under accident and health contracts	101,243,815	108,904,060
14. Coupons, guaranteed annual pure endowments and similar benefits		0
15. Surrender benefits and withdrawals for life contracts		0
16. Group conversions		0
17. Interest and adjustments on contract or deposit-type contract funds		0
18. Payments on supplementary contracts with life contingencies		0
19. Increase in aggregate reserves for life and accident and health contracts	(4,360,692)	(2,331,453)
20. Totals (Lines 10 to 19)	96,883,123	106,572,607
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1)	728,789	5,074,881
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1)	15,616	26,490
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	21,431,913	13,958,545
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3)	7,000,220	3,825,207
25. Increase in loading on deferred and uncollected premiums		0
26. Net transfers to or (from) Separate Accounts net of reinsurance		0
27. Aggregate write-ins for deductions	237,567	252,194
28. Totals (Lines 20 to 27)	126,297,229	129,709,924
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	6,084,846	(2,151,763)
30. Dividends to policyholders		0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	6,084,846	(2,151,763)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	1,775,038	(2,416,330)
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	4,309,807	264,567
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (excluding taxes of \$ transferred to the IMR)		0
35. Net income (Line 33 plus Line 34)	4,309,807	264,567
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2)	43,821,671	43,748,507
37. Net income (Line 35)	4,309,807	264,567
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ 119,490	221,909	22,794
39. Change in net unrealized foreign exchange capital gain (loss)		0
40. Change in net deferred income tax	615,587	12,273
41. Change in nonadmitted assets	460,628	(196,281)
42. Change in liability for reinsurance in unauthorized and certified companies	0	0
43. Change in reserve on account of change in valuation basis, (increase) or decrease	0	0
44. Change in asset valuation reserve	(68,943)	(30,189)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1)	0	0
46. Surplus (contributed to) withdrawn from Separate Accounts during period		0
47. Other changes in surplus in Separate Accounts statement	0	0
48. Change in surplus notes	0	0
49. Cumulative effect of changes in accounting principles		0
50. Capital changes:		
50.1 Paid in	0	0
50.2 Transferred from surplus (Stock Dividend)		0
50.3 Transferred to surplus		0
51. Surplus adjustment:		
51.1 Paid in	0	0
51.2 Transferred to capital (Stock Dividend)		0
51.3 Transferred from capital		0
51.4 Change in surplus as a result of reinsurance		0
52. Dividends to stockholders	(20,000,000)	0
53. Aggregate write-ins for gains and losses in surplus	0	0
54. Net change in capital and surplus for the year (Lines 37 through 53)	(14,461,012)	73,164
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	29,360,659	43,821,671
DETAILS OF WRITE-INS		
08.301 Network Rental	803,516	0
08.302		
08.303		
08.398 Summary of remaining write-ins for Line 8.3 from overflow page	0	0
08.399 Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	803,516	0
2701. CEDED ANNUITY INCOME	237,567	252,194
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	237,567	252,194
5301.		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0
5399. Totals (Lines 5301 through 5303 plus 5398) (Line 53 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	146,130,893	125,287,858
2. Net investment income	1,680,117	2,280,166
3. Miscellaneous income	1,585,846	1,038,457
4. Total (Lines 1 through 3)	149,396,856	128,606,481
5. Benefit and loss related payments	65,778,073	122,306,326
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	9,520,206	23,404,667
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	646,399	(9,231,576)
10. Total (Lines 5 through 9)	75,944,678	136,479,417
11. Net cash from operations (Line 4 minus Line 10)	73,452,178	(7,872,936)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	35,958,212	32,048,557
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	217,168	172,236
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	39,682	18,646
12.8 Total investment proceeds (Lines 12.1 to 12.7)	36,215,062	32,239,439
13. Cost of investments acquired (long-term only):		
13.1 Bonds	15,552,450	33,337,453
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	307,500	270,000
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	15,859,950	33,607,453
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)	20,355,112	(1,368,014)
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	20,000,000	0
16.6 Other cash provided (applied)	54,913	14,860,880
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(19,945,087)	14,860,880
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)	73,862,203	5,619,930
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	11,071,552	5,451,622
19.2 End of year (Line 18 plus Line 19.1)	84,933,755	11,071,552

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts	129,792,517	.0	.0	.0	.0	.0	409	.0	4,610,782	.0	125,181,326	
2. Considerations for supplementary contracts with life contingencies	.0											
3. Net investment income	963,946			227,005					25,792		711,149	
4. Amortization of Interest Maintenance Reserve (IMR)	50,758			10,562					1,407		38,789	
5. Separate Accounts net gain from operations excluding unrealized gains or losses	.0											
6. Commissions and expense allowances on reinsurance ceded	771,123	.0	9,752	.0		.0	.0	.0	.0	.0	761,371	.0
7. Reserve adjustments on reinsurance ceded	.0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts	.0											
8.2 Charges and fees for deposit-type contracts	215		215									
8.3 Aggregate write-ins for miscellaneous income	803,516	0	0	0	0	0	0	0	0	0	803,516	0
9. Totals (Lines 1 to 8.3)	132,382,075	0	9,967	237,567	0	0	409	0	4,637,981	0	127,496,151	0
10. Death benefits	.0											
11. Matured endowments (excluding guaranteed annual pure endowments)	.0	.0	.0	.0			.0	.0				
12. Annuity benefits	.0			.0				.0				
13. Disability benefits and benefits under accident and health contracts	101,243,816		(19,369)				(30,631)		4,046,610	.0	97,247,206	
14. Coupons, guaranteed annual pure endowments and similar benefits	.0											
15. Surrender benefits and withdrawals for life contracts	.0											
16. Group conversions	.0											
17. Interest and adjustments on contract or deposit-type contract funds	.0											
18. Payments on supplementary contracts with life contingencies	.0											
19. Increase in aggregate reserves for life and accident and health contracts	(4,360,692)		730						(152,650)		(4,208,772)	
20. Totals (Lines 10 to 19)	96,883,124	.0	(18,639)	.0	.0	.0	(30,631)	.0	3,893,960	.0	93,038,434	.0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only)	728,789	.0	4,312	.0	.0	.0	.0	.0	107,891	.0	616,586	.0
22. Commissions and expense allowances on reinsurance assumed	15,616	.0	.0	.0	.0	.0	.0	.0	.0	.0	15,616	.0
23. General insurance expenses	21,431,913						16,818		921,523	.0	20,493,572	.0
24. Insurance taxes, licenses and fees, excluding federal income taxes	7,000,220						2,052		609,143	.0	6,389,025	.0
25. Increase in loading on deferred and uncollected premiums	.0											
26. Net transfers to or (from) Separate Accounts net of reinsurance	.0											
27. Aggregate write-ins for deductions	237,567	0	0	237,567	0	0	0	0	0	0	0	0
28. Totals (Lines 20 to 27)	126,297,229	0	(14,327)	237,567	0	0	(11,761)	0	5,532,517	0	120,553,233	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	6,084,846	.0	24,294	.0	.0	.0	12,170	.0	(894,536)	.0	6,942,918	.0
30. Dividends to policyholders	0								0		0	
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	6,084,846	.0	24,294	.0	.0	.0	12,170	.0	(894,536)	.0	6,942,918	.0
32. Federal income taxes incurred (excluding tax on capital gains)	1,775,038		7,045				3,529		(248,982)		2,013,446	
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	4,309,808	0	17,249	0	0	0	8,641	0	(645,554)	0	4,929,472	0
DETAILS OF WRITE-INS												
08.301. Network Rental	803,516										803,516	
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
08.399. Total (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	803,516	0	0	0	0	0	0	0	0	0	803,516	0
2701. Ceded Annuity Income	237,567			237,567								
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2799. Total (Lines 2701 through 2703 plus 2798) (Line 27 above)	237,567	0	0	237,567	0	0	0	0	0	0	0	0

(a) Includes the following amounts for FEGLI/SGLI: Line 1 Line 10 Line 16 Line 23 Line 24

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	4,542,804	0	14,171	4,528,603	0	0	30	0
2. Tabular net premiums or considerations	215		215	0				
3. Present value of disability claims incurred	0				XXX			
4. Tabular interest	259,541		1,163	258,377			1	
5. Tabular less actual reserve released	0							
6. Increase in reserve on account of change in valuation basis	0							
7. Other increases (net)	0							
8. Totals (Lines 1 to 7)	4,802,560	0	15,549	4,786,980	0	0	31	0
9. Tabular cost	0				XXX			
10. Reserves released by death	0			XXX	XXX			XXX
11. Reserves released by other terminations (net)	479,821		647	479,143			31	
12. Annuity, supplementary contract, and disability payments involving life contingencies	0							
13. Net transfers to or (from) Separate Accounts	0							
14. Total deductions (Lines 9 to 13)	479,821	0	647	479,143	0	0	31	0
15. Reserve December 31, current year	4,322,739	0	14,902	4,307,837	0	0	0	0

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 45,022	53,971
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 1,192,754	930,079
1.3 Bonds of affiliates	(a) 0	
2.1 Preferred stocks (unaffiliated)	(b) 0	
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)	0	
2.21 Common stocks of affiliates	0	
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 18,906	21,339
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	1,256,682	1,005,389
11. Investment expenses		(g) 41,443
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		41,443
17. Net investment income (Line 10 minus Line 16)		963,946
DETAILS OF WRITE-INS		
0901. Annuity Portfolio Gains		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		0

- (a) Includes \$ 4,933 accrual of discount less \$ 488,061 amortization of premium and less \$ 23,698 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ 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 \$ paid for accrued interest on purchases.
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds			0		
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	(39,680)		(39,680)		
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans			0		
6. Cash, cash equivalents and short-term investments			0	0	0
7. Derivative instruments			0		
8. Other invested assets	0	0	0	341,399	0
9. Aggregate write-ins for capital gains (losses)	11,605	0	11,605	0	0
10. Total capital gains (losses)	(28,075)	0	(28,075)	341,399	0
DETAILS OF WRITE-INS					
0901. Ceded Annuity Portfolio Gains transferred to Change in Funds Held	11,605		11,605		
0902.			0		
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	11,605	0	11,605	0	0

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

EXHIBIT 1 - PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
FIRST YEAR (other than single)											
1. Uncollected	964,037	0	0	0	0	0	0	503	0	963,534	0
2. Deferred and accrued	0	0	0	0	0	0	0	0	0	0	0
3. Deferred, accrued and uncollected:											
3.1 Direct	964,037	0	0	0	0	0	0	503	0	963,534	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
3.4 Net (Line 1 + Line 2)	964,037	0	0	0	0	0	0	503	0	963,534	0
4. Advance	112,351	0	0	0	0	0	0	59	0	112,292	0
5. Line 3.4 - Line 4	851,686	0	0	0	0	0	0	444	0	851,242	0
6. Collected during year:											
6.1 Direct	123,882,062	0	0	0	0	0	0	58,887	0	123,823,175	0
6.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded	3,678,885	0	0	0	0	0	0	3,275	0	3,675,610	0
6.4 Net	120,203,177	0	0	0	0	0	0	55,612	0	120,147,565	0
7. Line 5 + Line 6.4	121,054,863	0	0	0	0	0	0	56,056	0	120,998,807	0
8. Prior year (uncollected + deferred and accrued - advance)	162,337	0	0	0	0	0	0	120,040	0	42,297	0
9. First year premiums and considerations:											
9.1 Direct	124,571,411	0	0	0	0	0	0	(60,709)	0	124,632,120	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	3,678,885	0	0	0	0	0	0	3,275	0	3,675,610	0
9.4 Net (Line 7 - Line 8)	120,892,526	0	0	0	0	0	0	(63,984)	0	120,956,510	0
SINGLE											
10. Single premiums and considerations:											
10.1 Direct	0	0	0	0	0	0	0	0	0	0	0
10.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
10.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
10.4 Net	0	0	0	0	0	0	0	0	0	0	0
RENEWAL											
11. Uncollected	167,308	0	0	0	0	0	0	44,751	0	122,557	0
12. Deferred and accrued	0	0	0	0	0	0	0	0	0	0	0
13. Deferred, accrued and uncollected:											
13.1 Direct	167,308	0	0	0	0	0	0	44,751	0	122,557	0
13.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0
13.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0
13.4 Net (Line 11 + Line 12)	167,308	0	0	0	0	0	0	44,751	0	122,557	0
14. Advance	19,498	0	0	0	0	0	0	5,215	0	14,283	0
15. Line 13.4 - Line 14	147,810	0	0	0	0	0	0	39,536	0	108,274	0
16. Collected during year:											
16.1 Direct	21,106,736	0	113,621	0	0	409	0	5,242,954	0	15,749,752	0
16.2 Reinsurance assumed	169,064	0	0	0	0	0	0	0	0	169,064	0
16.3 Reinsurance ceded	11,757,824	0	113,621	0	0	0	0	291,541	0	11,352,662	0
16.4 Net	9,517,976	0	0	0	0	409	0	4,951,413	0	4,566,154	0
17. Line 15 + Line 16.4	9,665,786	0	0	0	0	409	0	4,990,949	0	4,674,428	0
18. Prior year (uncollected + deferred and accrued - advance)	765,795	0	0	0	0	0	0	316,183	0	449,612	0
19. Renewal premiums and considerations:											
19.1 Direct	20,488,751	0	113,621	0	0	409	0	4,966,307	0	15,408,414	0
19.2 Reinsurance assumed	169,064	0	0	0	0	0	0	0	0	169,064	0
19.3 Reinsurance ceded	11,757,824	0	113,621	0	0	0	0	291,541	0	11,352,662	0
19.4 Net (Line 17 - Line 18)	8,899,991	0	0	0	0	409	0	4,674,766	0	4,224,816	0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct	145,060,162	0	113,621	0	0	409	0	4,905,598	0	140,040,534	0
20.2 Reinsurance assumed	169,064	0	0	0	0	0	0	0	0	169,064	0
20.3 Reinsurance ceded	15,436,709	0	113,621	0	0	0	0	294,816	0	15,028,272	0
20.4 Net (Lines 9.4 + 10.4 + 19.4)	129,792,517	0	0	0	0	409	0	4,610,782	0	125,181,326	0

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums.....	.0										
22. All other.....	.0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded .....	.0										
23.2 Reinsurance assumed .....	.0										
23.3 Net ceded less assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
24. Single:											
24.1 Reinsurance ceded .....	.0										
24.2 Reinsurance assumed .....	.0										
24.3 Net ceded less assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
25. Renewal:											
25.1 Reinsurance ceded	771,123		9,752			.0				761,371	
25.2 Reinsurance assumed	15,616									15,616	
25.3 Net ceded less assumed	755,507	0	9,752	0	0	0	0	0	0	745,755	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6)	771,123	0	9,752	0	0	0	0	0	0	761,371	0
26.2 Reinsurance assumed (Page 6, Line 22)	15,616	0	0	0	0	0	0	0	0	15,616	0
26.3 Net ceded less assumed	755,507	0	9,752	0	0	0	0	0	0	745,755	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single)	84,532							(890)		85,422	
28. Single .....	.0										
29. Renewal	644,257		4,312					108,781		531,164	
30. Deposit-type contract funds	0										
31. Totals (to agree with Page 6, Line 21)	728,789	0	4,312	0	0	0	0	107,891	0	616,586	0

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5 Investment	6 Total
	1 Life	Accident and Health		4 All Other Lines of Business		
		2 Cost Containment	3 All Other			
1. Rent	194		246,133			246,327
2. Salaries and wages	620		788,251			788,871
3.11 Contributions for benefit plans for employees	18		22,591			22,608
3.12 Contributions for benefit plans for agents						0
3.21 Payments to employees under non-funded benefit plans						0
3.22 Payments to agents under non-funded benefit plans						0
3.31 Other employee welfare	17		22,108			22,126
3.32 Other agent welfare						0
4.1 Legal fees and expenses	22		28,224			28,246
4.2 Medical examination fees						0
4.3 Inspection report fees						0
4.4 Fees of public accountants and consulting actuaries	534		678,171			678,705
4.5 Expense of investigation and settlement of policy claims		48,207				48,207
5.1 Traveling expenses	23		28,713			28,735
5.2 Advertising	86		108,648			108,734
5.3 Postage, express, telegraph and telephone	195		247,662			247,857
5.4 Printing and stationery	58		74,251			74,309
5.5 Cost or depreciation of furniture and equipment						0
5.6 Rental of equipment	131		166,642			166,773
5.7 Cost or depreciation of EDP equipment and software						0
6.1 Books and periodicals	0		120			120
6.2 Bureau and association fees	39		49,695			49,735
6.3 Insurance, except on real estate						0
6.4 Miscellaneous losses	18		22,847			22,865
6.5 Collection and bank service charges	72		92,059		41,443	133,575
6.6 Sundry general expenses	31		39,092			39,122
6.7 Group service and administration fees						0
6.8 Reimbursements by uninsured plans						0
7.1 Agency expense allowance						0
7.2 Agents' balances charged off (less recovered)						0
7.3 Agency conferences other than local meetings						0
9.1 Real estate expenses						0
9.2 Investment expenses not included elsewhere						0
9.3 Aggregate write-ins for expenses	14,759	0	18,751,683	0	0	18,766,442
10. General expenses incurred	16,818	48,207	21,366,889	0	41,443	(a) 21,473,357
11. General expenses unpaid December 31, prior year	1,540	0	1,888,796	0	0	1,890,336
12. General expenses unpaid December 31, current year	1,569	0	1,997,335	0	0	1,998,903
13. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0	0
14. Amounts receivable relating to uninsured plans, current year	0	0	0	0	0	0
15. General expenses paid during year (Lines 10+11-12-13+14)	16,789	48,207	21,258,350	0	41,443	21,364,789
DETAILS OF WRITE-INS						
09.301. TPA Fees, Outside Services, and Consulting	14,759		18,751,683			18,766,442
09.302.						
09.303.						
09.398. Summary of remaining write-ins for Line 9.3 from overflow page	0	0	0	0	0	0
09.399. Totals (Lines 09.301 through 09.303 + 09.398) (Line 9.3 above)	14,759	0	18,751,683	0	0	18,766,442

(a) Includes management fees of \$ 19,064,386 to affiliates and \$ to non-affiliates.

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance			4 Investment	5 Total
	1 Life	Accident and Health			
		2	3 All Other Lines of Business		
1. Real estate taxes					0
2. State insurance department licenses and fees		1,021,744			1,021,744
3. State taxes on premiums	2,052	3,310,606			3,312,658
4. Other state taxes, incl. \$ for employee benefits		117,362			117,362
5. U.S. Social Security taxes		60,518			60,518
6. All other taxes		2,487,938			2,487,938
7. Taxes, licenses and fees incurred	2,052	6,998,168	0	0	7,000,220
8. Taxes, licenses and fees unpaid December 31, prior year	7,126	1,345,154	0	0	1,352,280
9. Taxes, licenses and fees unpaid December 31, current year	609	2,069,253	0	0	2,069,862
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	8,569	6,274,069	0	0	6,282,638

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
	1. Applied to pay renewal premiums	
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions		
4. Applied to provide paid-up annuities		
5. Total Lines 1 through 4	0	0
6. Paid-in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options	0	0
9. Total Lines 5 through 8	0	0
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year		
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in Line 13		
15. Total Lines 10 through 14	0	0
16. Total from prior year	0	0
17. Total dividends or refunds (Lines 9 + 15 - 16)	0	0
DETAILS OF WRITE-INS		
0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0
0899. Totals (Line 0801 through 0803 + 0898) (Line 8 above)	0	0

NONE

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
LIFE INSURANCE					
0100001. Unearned Premium Reserve.....	0				
0100002. 80 CSO 4.5% CRVM CNF.....	384,803		384,803		
0100003. 80 CSO 4.0% CNF.....	96		96		
0100004. 58 CSO 3.5% CRF.....	19		19		
0100005. 80 CSO 4.0% CRVM CNF.....	152,281		152,281		
0199997 Totals (Gross).....	537,199	0	537,199	0	0
0199998 Reinsurance ceded.....	537,199		537,199		
0199999 Totals (Net).....	0	0	0	0	0
ANNUITIES (excluding supplementary contracts with life contingencies):					
0200001. 71 I AM 6% Interest.....	3,678,766	XXX	3,678,766	XXX	
0200002. 71 I AM 4% Interest.....	651,240	XXX	651,240	XXX	
0299997 Totals (Gross).....	4,330,006	XXX	4,330,006	XXX	0
0299998 Reinsurance ceded.....	0	XXX		XXX	
0299999 Totals (Net).....	4,330,006	XXX	4,330,006	XXX	0
SUPPLEMENTARY CONTRACTS WITH LIFE CONTINGENCIES:					
0399997 Totals (Gross).....	0	0	0	0	0
0399998 Reinsurance ceded.....	0				
0399999 Totals (Net).....	0	0	0	0	0
ACCIDENTAL DEATH BENEFITS:					
0499997 Totals (Gross).....	0	0	0	0	0
0499998 Reinsurance ceded.....	0				
0499999 Totals (Net).....	0	0	0	0	0
DISABILITY-ACTIVE LIVES:					
0500001. 52 DIS STUDY-PER 2 WITH 80 CSO 4% NB.....	620		620		
0599997 Totals (Gross).....	620	0	620	0	0
0599998 Reinsurance ceded.....	620		620		
0599999 Totals (Net).....	0	0	0	0	0
DISABILITY-DISABLED LIVES:					
0699997 Totals (Gross).....	0	0	0	0	0
0699998 Reinsurance ceded.....	0				
0699999 Totals (Net).....	0	0	0	0	0
MISCELLANEOUS RESERVES					
0700001. For surrender values in excess of reserves otherwise required and carried in this schedule.....	14,901		14,901		
0799997 Totals (Gross).....	14,901	0	14,901	0	0
0799998 Reinsurance ceded.....	0				
0799999 Totals (Net).....	14,901	0	14,901	0	0
9999999 Totals (Net) - Page 3, Line 1.....	4,344,907	0	4,344,907	0	0



ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

EXHIBIT 5 - INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts?..... Yes [] No [X]
- 1.2 If not, state which kind is issued:

- 2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes [] No [X]
- 2.2 If not, state which kind is issued:

- 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes [X] No []
 If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.
- 4. Has the reporting entity any assessment or stipulated premium contracts in force? Yes [] No [X]
 If so, state:
- 4.1 Amount of insurance:..... \$
- 4.2 Amount of reserve:..... \$
- 4.3 Basis of reserve:
- 4.4 Basis of regular assessments:
- 4.5 Basis of special assessments:
- 4.6 Assessments collected during the year: \$
- 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts:
- 6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes [] No [X]
- 6.1 If so, state the amount of reserve on such contracts on the basis actually held:..... \$
- 6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits:..... \$
 Attach statement of methods employed in their valuation.
- 7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? .. Yes [] No [X]
- 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements:..... \$
- 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount
- 7.3 State the amount of reserves established for this business:..... \$
- 7.4 Identify where the reserves are reported in the blank
- 8. Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December 31 of the current year? Yes [] No [X]
- 8.1 If yes, state the total dollar amount of account value covered by these contracts or agreements:..... \$
- 8.2 State the amount of reserves established for this business:..... \$
- 8.3 Identify where the reserves are reported in the blank:
- 9. Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year? Yes [] No [X]
- 9.1 If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders:..... \$
- 9.2 State the amount of reserves established for this business:..... \$
- 9.3 Identify where the reserves are reported in the blank:

EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
LIFE CONTRACTS (Including supplementary contracts set upon a basis other than that used to determine benefits) (Exhibit 5)			
0199999 Subtotal (Page 7, Line 6)	XXX	XXX	
ACCIDENT AND HEALTH CONTRACTS (Exhibit 6)			
0299999 Subtotal	XXX	XXX	
DEPOSIT-TYPE CONTRACTS (Exhibit 7)			
NONE			
0399999 Subtotal	XXX	XXX	
9999999 Total (Column 4 only)			

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non-Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	995,705	2,740				985,122	7,843		
2. Additional contract reserves (a)	3,250,924					3,250,924			
3. Additional actuarial reserves - Asset/Liability analysis	783,541	200,592					582,949		
4. Reserve for future contingent benefits	0								
5. Reserve for rate credits	0								
6. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
7. Totals (Gross)	5,030,170	203,332	0	0	0	4,236,046	590,792	0	0
8. Reinsurance ceded	4,236,046					4,236,046			
9. Totals (Net)	794,124	203,332	0	0	0	0	590,792	0	0
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	0								
11. Additional actuarial reserves-Asset/Liability analysis	0								
12. Reserve for future contingent benefits	0								
13. Aggregate write-ins for reserves	0	0	0	0	0	0	0	0	0
14. Totals (Gross)	0	0	0	0	0	0	0	0	0
15. Reinsurance ceded	0								
16. Totals (Net)	0	0	0	0	0	0	0	0	0
17. TOTAL (Net)	794,124	203,332	0	0	0	0	590,792	0	0
18. TABULAR FUND INTEREST	0								
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	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0	0	0	0
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

EXHIBIT 7 – DEPOSIT-TYPE CONTRACTS

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance .....	.0					
2. Deposits received during the year .....	.0					
3. Investment earnings credited to the account .....	.0					
4. Other net change in reserves .....	.0					
5. Fees and other charges assessed .....	.0					
6. Surrender charges .....	.0					
7. Net surrender or withdrawal payments .....	.0					
8. Other net transfers to or (from) Separate Accounts .....	.0					
9. Balance at the end of current year before reinsurance (Lines 1+2+3+4-5-6-7-8) .....	.0	.0	.0	.0	.0	.0
10. Reinsurance balance at the beginning of the year .....	.0					
11. Net change in reinsurance assumed .....	.0					
12. Net change in reinsurance ceded .....	.0					
13. Reinsurance balance at the end of the year (Lines 10+11-12) .....	.0	.0	.0	.0	.0	.0
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	0	0	0	0	0	0

NONE

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct .....	.0										
1.2 Reinsurance assumed .....	.0										
1.3 Reinsurance ceded .....	.0										
1.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. In course of settlement:											
2.1 Resisted											
2.11 Direct .....	.0										
2.12 Reinsurance assumed .....	.0										
2.13 Reinsurance ceded .....	.0										
2.14 Net .....	.0	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	.0	.0	.0	.0
2.2 Other											
2.21 Direct	4,594,188								100,273		4,493,915
2.22 Reinsurance assumed	405								405		
2.23 Reinsurance ceded .....	.0										
2.24 Net	4,594,593	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	.0	(b) 100,678	(b) .0	(b) 4,493,915
3. Incurred but unreported:											
3.1 Direct	16,051,416								376,503		15,674,913
3.2 Reinsurance assumed	110,894								110,894		
3.3 Reinsurance ceded	769,336										769,336
3.4 Net	15,392,974	.0	(b) .0	(b) .0	.0	(b) .0	(b) .0	.0	(b) 487,397	(b) .0	(b) 14,905,577
4. TOTALS											
4.1 Direct	20,645,604	.0	.0	.0	.0	.0	.0	.0	476,776	.0	20,168,828
4.2 Reinsurance assumed	111,299	.0	.0	.0	.0	.0	.0	.0	111,299	.0	.0
4.3 Reinsurance ceded	769,336	0	0	0	0	0	0	0	0	0	769,336
4.4 Net	19,987,567	(a) 0	(a) 0	0	0	0	(a) 0	0	588,075	0	19,399,492

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$in Column 2, \$in Column 3 and \$in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$, Individual Annuities \$, Credit Life (Group and Individual) \$, and Group Life \$, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$, Credit (Group and Individual) Accident and Health \$, and Other Accident and Health \$ are included in Page 3, Line 2 (See Exhibit 6, Claim Reserve).

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct	120,191,042	95,000		431,998					14,043,010		105,621,034
1.2 Reinsurance assumed	828,601								828,601		
1.3 Reinsurance ceded	15,323,753	95,000		431,998					227,710		14,569,045
1.4 Net	105,695,890	0	0	0	0	0	0	0	14,643,901	0	91,051,989
2. Liability December 31, current year from Part 1:											
2.1 Direct	20,645,604	0	0	0	0	0	0	0	476,776	0	20,168,828
2.2 Reinsurance assumed	111,299	0	0	0	0	0	0	0	111,299	0	0
2.3 Reinsurance ceded	769,336	0	0	0	0	0	0	0	0	0	769,336
2.4 Net	19,987,567	0	0	0	0	0	0	0	588,075	0	19,399,492
3. Amounts recoverable from reinsurers December 31, current year	4,607,072										4,607,072
4. Liability December 31, prior year:											
4.1 Direct	23,258,392	0	19,369	0	0	0	30,631	0	10,992,167	0	12,216,225
4.2 Reinsurance assumed	193,199	0	0	0	0	0	0	0	193,199	0	0
4.3 Reinsurance ceded	691,868	0	0	0	0	0	0	0	0	0	691,868
4.4 Net	22,759,723	0	19,369	0	0	0	30,631	0	11,185,366	0	11,524,357
5. Amounts recoverable from reinsurers December 31, prior year	2,927,154	0	0	0	0	0	0	0	0	0	2,927,154
6. Incurred benefits:											
6.1 Direct	117,578,254	95,000	(19,369)	431,998	0	0	(30,631)	0	3,527,619	0	113,573,637
6.2 Reinsurance assumed	746,701	0	0	0	0	0	0	0	746,701	0	0
6.3 Reinsurance ceded	17,081,139	95,000	0	431,998	0	0	0	0	227,710	0	16,326,431
6.4 Net	101,243,816	0	(19,369)	0	0	0	(30,631)	0	4,046,610	0	97,247,206

- (a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$in Line 1.1, \$in Line 1.4.
\$in Line 6.1 and \$in Line 6.4.
- (b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$in Line 1.1, \$in Line 1.4.
\$in Line 6.1 and \$in Line 6.4.
- (c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$in Line 1.1, \$in Line 1.4.
\$in Line 6.1 and \$in Line 6.4.
- (d) Includes \$premiums waived under total and permanent disability benefits.

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	605,000	955,000	350,000
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)	605,000	955,000	350,000
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset.....	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software.....	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable.....	235,617	312,750	77,133
25. Aggregate write-ins for other-than-invested assets	63,124	96,619	33,495
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	903,741	1,364,369	460,628
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	903,741	1,364,369	460,628
DETAILS OF WRITE-INS			
1101. Change in Accounting Principle.....		0	0
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. MISCELLANEOUS RECEIVABLES.....		10,000	10,000
2502. STATE ASSESSMENT RECOVERABLE		968	968
2503. PREPAID ASSETS.....	63,124	85,651	22,527
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	63,124	96,619	33,495

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

- A. The Company prepares its statutory-basis financial statements in accordance with accounting practices prescribed or permitted by the Insurance Department of the State of Illinois and the National Association of Insurance Commissioners.

	State of Domicile	2014	2013
NET INCOME			
(1) Celtic Insurance Company state basis (Page 4, Line 35, Columns 1 & 2)	Illinois	\$4,309,807	\$264,567
(2) State Prescribed Practices that increase/(decrease) NAIC SAP	Illinois	0	0
(3) State Permitted Practices that increase/(decrease) NAIC SAP	Illinois	0	0
(4) NAIC SAP	Illinois	\$4,309,807	\$264,567
SURPLUS			
(5) Celtic Insurance Company state basis (Page 3, Line 38, Columns 1 & 2)	Illinois	\$29,360,659	\$43,821,671
(6) State Prescribed Practices that increase/(decrease) NAIC SAP	Illinois	0	0
(7) State Permitted Practices that increase/(decrease) NAIC SAP	Illinois	0	0
(8) NAIC SAP	Illinois	\$29,360,659	\$43,821,671

- B. The preparation of financial statements in conformity with Annual Statement Instructions and the Accounting Practices and Procedures Manual requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.
- C. Life insurance premiums are recognized as revenue when due. Accident and health premiums are earned ratably over the term of the insurance contract. Aggregate benefit reserves are developed by actuarial methods with certain reserves established so that benefits expense will recognize current estimates of expected experience over the anticipated premium paying period of the underlying policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. In addition, the Company uses the following accounting policies:
1. Short term investments are stated at amortized cost, which approximates fair market value.
 2. Bonds are stated at amortized cost using the modified scientific interest method with amortization into income on callable securities over the period generating the lowest yield.
 3. The Company holds no common stocks.
 4. The Company holds no preferred stocks.
 5. The Company holds no direct mortgage loans.
 6. The Company's mortgage-backed and asset-backed securities are stated at amortized cost and do not have the potential for significant loss.
 7. The Company has no subsidiaries and no investments in affiliated companies.
 8. The Company has a minor ownership interest, less than 10%, in a joint venture. The Company values this investment based upon the underlying audited GAAP equity of the investee. The amount recorded is the initial investment in the investee at cost plus subsequent capital contributions to the investee. The carrying amount of the investment is adjusted annually to recognize the Company's share of the audited GAAP-basis earnings or losses of the investee after the date of acquisition, adjusted for any distributions received.
 9. The Company holds no derivative instruments.
 10. The Company does utilize anticipated investment income as a factor in its premium deficiency calculations.
 11. Policy and contract claims on accident and health policies represent the estimated ultimate net cost of all reported and unreported claims incurred and unpaid through December 31, 2014. The reserves for policy and contract claims are estimated using statistical analyses and individual case-basis valuations. Those estimates are subject to the effects of trends in claim severity and frequency. Although considerable variability is inherent in such estimates, management believes that the reserves for policy and contract claims are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations.
 12. The Company has not modified its capitalization policy from the prior period.
 13. The Company estimates pharmaceutical rebate receivables based upon claims processed by its Pharmacy Benefit Manager multiplied by contractual rates.

NOTES TO FINANCIAL STATEMENTS

2. Accounting Changes and Corrections of Errors

The company had no material changes in accounting principles or corrections of errors.

3. Business Combinations and Goodwill

The Company was not involved in any business combinations and had no unamortized goodwill during the reported periods.

4. Discontinued Operations

The Company did not discontinue any operations in 2014 or 2013.

5. Investments

- A. The Company holds no mortgage loans.
- B. The Company holds no invested assets that are restructured debt.
- C. The Company holds no investments in reverse mortgages.
- D. Loan Backed Securities
 - 1. The Company used IDC and Bloomberg in determining the market value of its mortgage-backed and asset-backed securities.
 - 2. The Company holds no Loan-Backed Securities with other-than-temporary-impairment.
 - 3. Not applicable.
 - 4. The Company holds no Loan-Backed Securities with impairments.
- E. The Company is not a party to any repurchase agreements or Securities Lending Transactions.
- F. The Company holds no real estate.
- G. The Company holds no investments in low-income housing tax credit property.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the reported periods.

7. Investment Income

There is no exclusion of investment income due and accrued as no portion is outstanding over 90 days. The financial results of the annuity line of business are 100% ceded to an unrelated company.

8. Derivative Instruments

The Company holds no derivative instruments.

9. Income Taxes

The December 31, 2014 & December 31, 2013 balances and related disclosures are calculated and presented pursuant to SSAP 101.

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):										
The net deferred tax asset at December 31, 2014 and the change from the prior year are comprised of the following components:										
(1) DTA/DTL Components	2014			2013			Change			
	Description	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a)	Gross deferred tax assets	821,338	117,870	939,208	2,115,497	38,724	2,154,221	(1,294,159)	79,146	(1,215,013)
(b)	Statutory valuation allowance adjustment	(311,130)	(30,840)	(341,970)	(2,097,604)	(3,009)	(2,100,613)	1,786,474	(27,831)	1,758,643
(c)	Adjusted gross deferred tax assets	510,208	87,030	597,238	17,893	35,715	53,608	492,314	51,315	543,630
(d)	Deferred tax assets nonadmitted	0	0	0	0	0	0	0	0	0
(e)	Net admitted deferred tax assets	510,208	87,030	597,238	17,893	35,715	53,608	492,314	51,315	543,630
(f)	Deferred tax liabilities	(14,112)	(87,030)	(101,142)	(17,893)	(35,715)	(53,608)	3,780	(51,315)	(47,535)
(g)	Net admitted deferred tax asset/(Net deferred tax liability)	496,096	0	496,096	0	0	0	496,095	0	496,095
(2) Admission calculation components:										
The amounts of admitted adjusted gross deferred tax assets admitted under each component of SSAP 101 are as follows:										
(3) Admission calculation under ¶11.a.-¶11.c.	2014			2013			Change			
	Description	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a)	FIT recoverable by loss carryback [¶11.a.]	496,097	0	496,097	0	0	0	496,097	0	496,097
(b)	Expected to be realized [¶11.b.] (lesser of i. or ii.)	(0)	0	(0)	0	0	0	(0)	0	(0)
	1. Expected to be realized [¶11.b.i.]	(0)	0	(0)	0	0	0	0	0	0
	2. Surplus limitation [¶11.b.ii.]	4,304,034	0	4,304,034	6,625,795	0	6,625,795	0	0	0
(c)	DTL offset [¶11.c.]	14,112	87,030	101,142	17,893	35,715	53,608	(3,781)	51,315	47,535
(d)	Total admitted under ¶11.a.-11.c.	510,209	87,030	597,239	17,893	35,715	53,608	492,316	51,315	543,632
	Deferred tax liabilities	(14,112)	(87,030)	(101,142)	(17,893)	(35,715)	(53,608)	3,780	(51,315)	(47,535)
	Net admitted deferred tax asset/liability under ¶11.a.-¶11.c.	496,097	0	496,097	0	0	0	496,097	0	496,097

(3) Information used in expected to be realized calculation [¶11.b.]			
The information used in the expected to be realized calculation consists of the following:		2014	2013
(a)	Authorized control level risk-based capital ratio without net deferred tax assets	529%	812%
(b)	Adjusted capital and surplus	29,780,659	44,172,728

NOTES TO FINANCIAL STATEMENTS

(4)	Tax planning strategies have not been used to admit deferred tax assets.				
B.	Temporary differences for which DTLs have not been established: Not applicable				
C.	Current tax and change in deferred tax:				
(1)	Current income taxes incurred consist of the following major components:				
	Description	2014	2013		
(a)	Current federal income tax expense	1,127,102	(1,567,720)		
(b)	Foreign Taxes	0	0		
(c)	Subtotal	1,127,102	(1,567,720)		
(d)	Tax on capital gains/(losses)	0	0		
(e)	Utilization of capital loss carryforwards	0	0		
(f)	Other, including prior year underaccrual (overaccrual)	647,936	(848,610)		
(g)	Federal and foreign income taxes incurred	1,775,038	(2,416,330)		
	Deferred income tax assets and liabilities consist of the following major components:				
(2)	DTAs Resulting From Book/Tax Differences In	December 31, 2014	December 31, 2013	Change	
(a)	Ordinary				
(1)	Discounting of unpaid losses and LAE	132,720	84,561	48,159	
(2)	Unearned premiums	9,970	102,479	(92,509)	
(3)	Policyholder reserves	0	0	0	
(4)	Investments	0	0	0	
(5)	Deferred acquisition costs	0	0	0	
(6)	Policyholder dividends accrued	0	0	0	
(7)	Fixed assets	0	0	0	
(8)	Accrued expenditures	4,927	22,427	(17,500)	
(9)	Marketplace reinsurance fee	83,173	0	83,173	
(10)	Nonadmitted assets	316,309	477,529	(161,220)	
(11)	Net operating loss carryforward	0	0	0	
(12)	Tax credit carryforward	0	0	0	
	Contingent benefit reserve	0	1,290,755	(1,290,755)	
	Premium deficiency reserve	274,239	137,746	136,493	
(13)	Other (separately disclose items >5%)	0	0	0	
(99)	Gross ordinary DTAs	821,338	2,115,497	(1,294,159)	
(b)	Statutory valuation adjustment adjustment - ordinary	(311,130)	(2,097,604)	1,786,474	
(c)	Nonadmitted ordinary DTAs (-)	0	0	0	
(d)	Admitted ordinary DTAs	510,208	17,893	492,315	
(e)	Capital				
(1)	Investments	0	0	0	
(2)	Net capital loss carryforward	0	0	0	
(3)	Real estate	0	0	0	
(4)	Other (separately disclose items >5%)	117,870	6,264	111,606	
	Unrealized capital losses	0	32,460	(32,460)	
(99)	Gross capital DTAs	117,870	38,724	79,146	
(f)	Statutory valuation adjustment adjustment - capital (-)	(30,840)	(3,009)	(27,831)	
(g)	Nonadmitted capital DTAs (-)	0	0	0	
(h)	Admitted capital DTAs	87,030	35,715	51,315	
(i)	Admitted DTAs	597,238	53,608	543,630	
(3)	DTLs Resulting From Book/Tax Differences In	December 31, 2014	December 31, 2013	Change	
(a)	Ordinary				
(1)	Investments	(5,712)	(9,493)	3,781	
(2)	Fixed assets	0	0	0	
(3)	Prepaid expenses	(8,400)	(8,400)	0	
(4)	Policyholder reserves/salvage and subrogation	0	0	0	
(5)	Other (separately disclose items >5%)	0	0	0	
(99)	Ordinary DTLs	(14,112)	(17,893)	3,781	
(b)	Capital				
(1)	Investments	0	(35,715)	35,715	
(2)	Real estate	0	0	0	
(3)	Other (separately disclose items >5%)	0	0	0	
	Unrealized capital gains	(87,030)	0	(87,030)	
(99)	Capital DTLs	(87,030)	(35,715)	(51,315)	
(c)	DTLs	(101,142)	(53,608)	(47,534)	
(4)	Net deferred tax assets/liabilities	496,096	0	496,096	

NOTES TO FINANCIAL STATEMENTS

The change in deferred income taxes reported in surplus before consideration of nonadmitted assets are comprised of the following components:

	December 31, 2014	December 31, 2013	Change
Total deferred tax assets	939,208	2,154,221	(1,215,013)
Total deferred tax liabilities	(101,142)	(53,608)	(47,534)
Net deferred tax assets/liabilities	838,066	2,100,613	(1,262,547)
Statutory valuation allowance adjustment (*see explanation below)	(341,970)	(2,100,613)	1,758,643
Net deferred tax assets/liabilities after SVA	496,096	0	496,096
Tax effect of unrealized gains/(losses)	87,031	(32,460)	119,491
Change in net deferred income tax [(charge)/benefit]	583,127	(32,460)	615,587
*Statutory valuation allowance			
The valuation allowance adjustment to gross deferred tax assets as of December 31, 2014 and 2013 was \$341,970 and \$2,100,613, respectively. The net change in the total valuation allowance for the years ended December 31, 2013 was a decrease of (\$1,758,643).			

D. Reconciliation of federal income tax rate to actual effective rate:

The Company's income tax incurred and change in deferred income tax differs from the amount obtained by applying the federal statutory rate of 35% to income before income taxes as follows:

Description	2014	Effective Tax Rate	2013	Effective Tax Rate
Income Before Taxes	6,109,793		(2,151,763)	
Statutory tax rate	35%		35%	
Expected income tax benefit at 35% statutory tax rate	2,138,428	35.00%	(753,117)	35.00%
Tax-Exempt Interest	(74,673)	-1.22%	(158,662)	7.37%
Dividends Received Deduction	0	0.00%	0	0.00%
Proration	11,201	0.18%	23,799	-1.11%
Meals & Entertainment, Etc.	2,081	0.03%	(4,372)	0.20%
ACA fee	698,815	11.44%		0.00%
Statutory Valuation Allowance Adjustment	(1,758,643)	-28.78%	(1,449,601)	67.37%
Interest maintenance reserve	(20,455)	-0.33%	(20,579)	0.96%
UTP Interest	0	0.00%	0	0.00%
Deferred Taxes on Nonadmitted Assets	161,220	2.64%	(68,698)	3.19%
Other, Including Prior Year True-Up	1,479	0.02%	2,627	-0.12%
Total	1,159,453	18.98%	(2,428,603)	112.87%
Federal income taxed incurred [expense/(benefit)]	1,775,038	29.05%	(2,416,330)	112.30%
Tax on capital gains/(losses)	0	0.00%	0	0.00%
Change in net deferred income tax [charge/(benefit)]	(615,587)	-10.08%	(12,273)	0.57%
Total statutory income taxes	1,159,451	18.98%	(2,428,603)	112.87%

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

2

As of December 31, 2014, the Company had no net operating loss or tax credit carryforwards available to tax purposes.

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

There are no federal taxes incurred that are available for recoupment in the event of future net losses.

Deposits admitted under IRC § 6603

None

F. The Company and Centene Corporation are members of an affiliated group that files a consolidated federal income tax return. Consolidated federal income tax liability is allocated among the members of the group under the provisions of a tax sharing agreement. The members of the tax sharing agreement group are:

AECC Total Vision Health Plan of Texas, Inc.	IlliniCare Health Plan, Inc.
Absolute Total Care, Inc.	Kentucky Spirit Health Plan, Inc.
Bankers Reserve Life Insurance Company of Wisconsin	Louisiana Healthcare Connections, Inc.
Buckeye Community Health Plan, Inc.	Magnolia Health Plan, Inc.
California Health & Wellness Plan	Managed Health Services Insurance Corp.
CeltiCare Health Plan of Massachusetts Inc.	Peach State Health Plan, Inc.
Coordinated Care Corporation, Inc.	Sunflower State Health Plan, Inc.
Coordinated Care of Washington, Inc.	Sunshine State Health Plan, Inc.
Granite State Health Plan, Inc.	Superior Health Plan, Inc.
Hallmark Life Insurance Co.	
Home State Health Plan, Inc.	

The method of allocation among companies is subject to a written agreement whereby allocation is made primarily on a separate company basis using the percentage method pursuant to provisions of IRC Sections 1502 and 1552 and Treasury Regulations 1.1502 and 1.1552. This percentage method allocates a tax asset (i.e. intercompany receivable) for any benefit derived by the consolidated group for the member's losses or credits that offset consolidated taxable income. In accordance with the tax sharing agreement, each member shall pay to Parent or receive from the Parent the amount of tax liability or benefit reported on each member's proforma federal income tax return within 90 days of the date Parent files its consolidated federal income tax return.

NOTES TO FINANCIAL STATEMENTS

10. Information Concerning Parent, Subsidiaries and Affiliates

A., B. & C. The Company did not receive any capital contributions from the Parent as of December 31, 2014, The Company paid an extraordinary cash dividend of \$20,000,000 on its surplus on June 30, 2014.

Centene Management Company, LLC, a wholly owned subsidiary of Centene Corporation, provided data, claims processing, case management, care coordination and general management services to the Company. Medical and administrative expenses included \$29,826,088 and \$160,456 for such services during the periods December 31, 2014 and December 31, 2013, respectively. US Script, Inc. provided pharmacy benefits management services to the Company in the amount of \$20,495,808 and \$12,283,667 during the years ending December 31, 2014 and 2013, respectively. Novasys Health, Inc. provided third party administrative services and network access to the Company in the amount of \$634,461 and \$3,693,288 during the years ending December 31, 2014 and December 31, 2013, respectively. Superior Health Plan Inc. provided managed care services to the Company in the amount of \$16,258 and \$65,142 during the years ending December 31, 2014 and December 31, 2013, respectively. Nurtur Health, Inc. provided wellness behavior services to the Company in the amount of \$847,658 and \$81,428 during the years ending December 31, 2014 and 2013, respectively. Nurse Response, Inc. provided tele-health nursing and medical triage phone services to the Company in the amount of \$181,168 and \$24,428 during the years ending December 31, 2014 and 2013, respectively. Opticare Vision Insurance Co. Inc. provided vision care services to the Company in the amount of \$2,466,693 and \$250,552 during the years ending December 31, 2014 and 2013, respectively. AECC Total Vision Health Plan of Texas Inc. provides vision care services to the Company in the amount of \$47,239 and \$42,391 for the years ending December 31, 2014 and 2013, respectively. Cenpatco Behavior Health provides behavior and mental health services to the Company in the amount of \$4,952,147 and \$0 for the years ended December 31, 2014 and 2013 respectively.

- D. Included in the balance sheet are a net payable to parent and affiliates of \$32,144,144 and \$615,442 at December 31, 2014 and 2013, respectively. The amount payable at December 31, 2014 is comprised of \$981,911 due to Celtic Group Inc.; \$111,750 due to Novasys Health, Inc.; \$29,826,082 due to Centene Management Corporation; \$258,223 due to Centene Corporation; \$289,980 due to AECC Total Vision Health Plan; \$552,045 due to Cenpatco Behavior Health; \$98,258 due to Nutur Health, Inc. and a net \$25,886 due to other affiliates. The amount payable at December 31, 2013 is comprised of \$42,028 due to Celtic Group Inc.; \$200,318 due to Novasys Health, Inc.; \$160,456 due to Centene Management Corporation; \$183,636 due to US Script \$15,597 due to AECC Total Vision Health Plan and \$13,407 due to other affiliates. The terms of these agreements require these amounts be settled within 60 days.
- E. There are no guarantees or undertakings by the Company for the benefit of a related party.
- F. The Parent Company directly and indirectly through its affiliate Centene Management Corporation provides management services to the Company. The actual cost of services and related taxes valued at \$953,813 and \$7,343,706 were provided during 2014 and 2013, respectively.
- G. All outstanding shares of the Company are owned by the Parent Company.
- H., I., J., K. & L. The Company holds no investments in affiliated or related entities.

11. Debt

The Company has no outstanding debt or capital notes.

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

- A. The Company does not have a defined benefit plan.
- B. The Company does not have a defined contribution plan.
- C. The Company did not participate in a multiemployer plan.
- D. The Parent Company's employees are shared with the Company. These employees participate in both a defined contribution plan and a Centene Corporation common stock purchase plan sponsored by the Company's ultimate indirect parent. The Company has no legal obligation for benefits under these plans.
- E. The Company has no liabilities for post-employment benefits or compensated absences.
- F. The Medicare Modernization Act on Postretirement Benefits no impact on the Company.

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

1. The Company has 250,000 \$10 par value common shares authorized, issued and outstanding as of December 31, 2014.
2. The Company has no preferred stock outstanding.
3. The maximum amount of dividends that can be paid by the Company to its Parent without prior approval by the Illinois Division of Insurance is limited by statute. Dividends are required to be approved by the Illinois Division of Insurance if such dividend distribution exceeds the greater of 10% of the insurer's surplus in regards to policyholders as of the preceding December 31 or the total net income for the calendar year preceding the date of the dividend or distribution minus realized capital gains for that calendar year. Subject to the balance of unassigned surplus when declared, the maximum dividend that may be paid in 2015 with prior approval of the Department is \$4,309,807.
4. The Company paid an extraordinary dividend of \$20,000,000 on its surplus on June 30, 2014, no dividends were paid in 2013.
5. Within the limitations of 13(3), there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
6. There were no restrictions placed on the Company's unassigned surplus.
7. Advances to the Company's surplus are not applicable, as the Company is not organized as a mutual insurer.
8. The Company holds no stock for special purposes.
9. The Company recorded \$2,446,457 of special surplus funds as of December 31, 2014. There were no special surplus funds recorded in the prior year.

NOTES TO FINANCIAL STATEMENTS

10. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses are \$221,909.
11. The Company has no surplus debentures or similar obligations outstanding.
- 12 & 13. The Company's surplus is not impacted by any prior quasi-reorganization.

14. Contingencies

- A. The Company has made a total investment commitment of \$1,500,000 to HLM Venture Partners, III, L.P., a joint venture. Through December 31, 2014, the Company funded \$1,192,500 of its total commitment. The Company has no guarantee obligations.
- B. The Company is not aware of any assessments that would have a material financial effect. The Company has established a liability for guaranty fund assessments for reported insolvencies based upon NOHLGA estimates.
- C. The Company has no material known gain contingencies.
- D. The Company made no payments during 2014 to settle either claims related extra contractual obligations that were not within the lifetime policy benefit limits or bad faith claims stemming from lawsuits.
- E. Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company has no assets that it considers to be impaired.

15. Leases

- A. The Company leases office space under operating leases. The lease agreements contain a clause stating that the Company will also be liable for a percentage of certain increases in the lessor's operating costs. The lease expired on December 31, 2014. Rental expense for such leasing activities was \$78,518 and \$676,692 during 2014 and 2013, respectively. The Company has not entered into any noncancelable operating leases at December 31, 2014 for future periods.
- B. The Company is not a lessor in any leasing arrangements.

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

The Company holds no financial instruments with off-balance sheet risk.

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

- A. The Company has not sold any premiums receivable.
- B. The Company has no loaned securities.
- C. The Company has not entered into any wash sales.

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

The Company does not serve as a plan administrator for any uninsured or partially insured health plans.

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

Name & Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Types of Authority Granted	YTD Direct Written Premium
Novasys Health, Inc. One Allied Drive Suite 1400 Little Rock, AR 72203	27-2221367	No	Group & Ind.	C, P	\$7,841,181

The Company makes all business decisions and determines all claim guidelines, premium rates and product designs. Certain claim files are referred to the Company's staff for handling in accordance with established referral guidelines. All activity is subject to periodic audit by the Company, its reinsurers and other independent third parties retained by the Company.

20. Fair Value Measurement

- A. Admitted assets measured at fair value on a recurring basis as of December 31, 2014 are as follows:

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Cash and Short Term Investments	\$ 84,933,755			\$ 84,933,755
Total Assets at Fair Value	\$ 84,933,755			\$ 84,933,755

Admitted assets measured at fair value on a recurring basis as of December 31, 2013 are as follows:

NOTES TO FINANCIAL STATEMENTS

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Cash and Short Term Investments	\$ 11,071,552			\$ 11,071,552
Total Assets at Fair Value	<u>\$ 11,071,552</u>			<u>\$ 11,071,552</u>

- B. Assets measured at fair value on a non-recurring basis: None.
- C. The following table summarizes the aggregate fair value measurements by level at December 31, 2014 for all financial instruments:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level I	Level II	Level III	Not Practicable (Carrying Value)
Schedule D Bonds	\$41,882,476	\$40,442,225	\$9,382,237	\$30,459,988	\$600,000	\$0
Schedule DA Bonds	\$58,342,809	\$58,342,809	\$0	\$58,342,809	\$0	\$0
Schedule BA Limited Partnership	\$1,051,753	\$1,051,753	\$0	\$0	\$1,051,753	\$0

- D. Not applicable.

21. Other Items

- A. The Company has no extraordinary items to report.
- B. The Company has no troubled debt restructuring.
- C. Investments valued at \$2,479,077 and \$2,477,528 at December 31, 2014 and 2013, respectively, were on deposit with government authorities or trustees as required by law. Investments valued at \$5,640,022 and \$5,810,751 at December 31, 2014 and 2013, respectively, were held on deposit in trust accounts pursuant to the terms of reinsurance agreements.
- D. The Company routinely assesses the collectability of its uncollected premium receivables. Based upon Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.
- E. The Company has not recognized any business interruption insurance recoveries during 2014 and 2013.
- F. The Company has no transferable state tax credits.
- G. The Company has no subprime mortgage investments or related risk exposure.
- H. The Company holds no retained asset accounts for beneficiaries.

22. Events Subsequent

On January 1, 2015 the Company will be subject to an annual fee under Section 9010 of the Federal Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any US 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 US 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 their portion on the annual health insurance industry fee payable in September 30, 2015 to be \$2,446,457. This amount is reflected in special surplus. This assessment is expected to impact risk based capital (RBC) by 36%, RBC before adjustment 528% vs after adjustment 494%. Reporting the ACA assessment of December 31, 2014, would not have triggered an RBC action level.

	<u>Current Year</u>	<u>Prior Year</u>
A. ACA Fee assessment payable for the upcoming year	\$2,446,457	\$1,996,615
B. ACA Fee assessment paid	\$0	\$1,996,615
C. Premium written subject to ACA 9010 assessment	\$129,441,655	\$135,657,623
D. Total Adjusted Capital before surplus adjustment	\$29,780,659	
E. Authorized Control level before surplus adjustment	\$5,636,362	
F. Total Adjusted Capital after surplus adjustment	\$27,334,202	
G. Authorized Control Level after surplus adjustment	\$5,636,362	
H. Would reporting the ACA assessment as of December 31, 2014, have triggered an RBC action level?		<u>NO</u>

On January 15, 2015, the Company sold 25% of the common stock to a nonaffiliated third party.

On February 13, 2015, CMS announced that it will permit Marketplace issuers that originally selected the simplified methodology for cost-sharing reduction reconciliation to switch to the standard methodology for 2014. The Company originally selected the simplified methodology for 2014 but intends to switch to the standard methodology. As a result of the change in methodology, the Company will recognize a reduction of medical expenses of \$15.5 million in 2015.

23. Reinsurance

- A. Ceded Reinsurance Report
Section 1 – General Interrogatories
- Are any of the reinsurers listed on 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?

NOTES TO FINANCIAL STATEMENTS

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 credits?

Yes () No (X)

2. Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date 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. \$0
2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

- B. The Company has not written off any reinsurance as uncollectable during the year.
- C. The Company has not commuted any reinsurance during the year.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The company estimates accrued retrospective premiums for its comprehensive individual health insurance business in accordance with the regulations put forth in Title 45 of the Code of Federal Regulations Part 153, Subpart F for the ACA Risk Corridors program and Title 45 of the Code of Federal Regulations Part 158 for the ACA MLR rebate program.
- B. The Company records accrued retrospective premiums through written premium.
- C. The amount of net premiums written by the Company at December 31, 2014 which are subject to retrospective rating features was \$125.4 million, which represents 96.6% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act are as follows:

	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical Loss Ratio Rebates Incurred	(\$108,000)	\$0	\$0	\$0	(\$108,000)
(2) Medical Loss Ratio Rebates Paid	0	0	0	0	0
(3) Medical Loss Ratio Rebates Unpaid	\$302,000	0	0	0	\$302,000
(4) Plus Reinsurance Assumed Amounts	XXX	XXX	XXX	XXX	0
(5) Less Reinsurance Ceded Amounts	XXX	XXX	XXX	XXX	0
(6) Rebates Unpaid Net of Reinsurance	XXX	XXX	XXX	XXX	\$302,000
Current Reporting Year-to-Date					
(7) Medical Loss Ratio Rebates Incurred	\$0	\$0	\$0	\$0	\$0
(8) Medical Loss Ratio Rebates Paid	0	0	0	0	0
(9) Medical Loss Ratio Rebates Unpaid	\$302,000	0	0	0	\$302,000
(10) Plus Reinsurance Assumed Amounts	XXX	XXX	XXX	XXX	0
(11) Less Reinsurance Ceded Amounts	XXX	XXX	XXX	XXX	0
(12) Rebates Unpaid Net of Reinsurance	XXX	XXX	XXX	XXX	\$302,000

- D.
- E. Risk-Sharing Provisions of the Affordable Care Act (ACA)
 1. Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk sharing provisions? YES
The company had zero balances for the risk corridors program as the Company's estimate yielded no risk corridor would be due.

2. Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

AMOUNT

- a. Permanent ACA Risk Adjustment Program Assets
 1. Premium adjustments receivable due to ACA Risk Adjustment \$.....0
 2. Risk adjustment user fees payable for ACA Risk Adjustment \$.....27,578

NOTES TO FINANCIAL STATEMENTS

3. Premium adjustments payable due to ACA Risk Adjustment Operations (Revenue & Expense)	\$.....13,951,643
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$..... (13,951,643)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$.....27,578
b. Transitional ACA Reinsurance Program Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$.....4,309,182
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$.....467,977
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance Liabilities	\$.....
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	\$.....238,158
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$.....1,428,953
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance Operations (Revenue & Expenses)	\$.....
7. Ceded reinsurance premiums due to ACA Reinsurance	\$.....1,428,953
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$.....4,838,313
9. ACA Reinsurance contributions – not reported as ceded premiums	\$.....238,158
c. Temporary ACA Risk Corridors Program	
1. Accrued retrospective premium due to ACA Risk Corridors	\$.....
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors Operations (Revenue & Expense)	\$.....
3. Effect of ACA Risk Corridors on net premium income (paid/received)	\$.....
4. Effect of ACA Risk Corridors on change in reserves for rate credits	\$.....
3. Roll-forward of prior ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balances.	

NOTES TO FINANCIAL STATEMENTS

		Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reported Date		
		1	2	3	4	5	6	7	8	9	10	
		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	9 Receivable	(Payable)
a.	Permanent ACA Risk Adjustment Program											
	1. Premium adjustment receivable					0	0			A	0	0
	2. Premium adjustments (payable)					0	0			B	0	0
	3. Subtotal ACA Permanent Risk Adjustment Program	0	0	0	0	0	0	0	0		0	0
b.	Transitional ACA Reinsurance Program											
	1. Amounts recoverable for claims paid					0	0			C	0	0
	2. Amounts recoverable for claims unpaid (contra liability)					0	0			D	0	0
	3. Amounts receivable relating to uninsured plans					0	0			E	0	0
	4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium					0	0			F	0	0
	5. Ceded reinsurance premiums payable					0	0			G	0	0
	6. Liability for amounts hold under uninsured plans					0	0			H	0	0
	7. Subtotal ACA Transitional Reinsurance Program	0	0	0	0	0	0	0	0		0	0
c.	Temporary ACA Risk Corridors Program											
	1. Accrued retrospective premium					0	0			I	0	0
	2. Reserve for rate credits or policy experience rating refunds					0	0			J	0	0
	3. Subtotal ACA Risk Corridors Program	0	0	0	0	0	0	0	0		0	0
d.	Total for ACA Risk Sharing Provisions											

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2013 were \$22,709,722. As of December 31, 2014, \$16,876,973 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$977,142 as a result of re-estimation of unpaid claims and claim adjustment expenses on the Company’s accident and health line of insurance. Therefore, there has been a \$4,855,607 favorable prior-year development since December 31, 2013 to December 31, 2014. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

26. Intercompany Pooling Arrangements

The Company does not participate in any pooling arrangements.

27. Structured Settlements

NOTES TO FINANCIAL STATEMENTS

The financial results of the Company's annuity line of business are 100% ceded under modified coinsurance to an unrelated company.

28. Health Care Receivables

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	\$ 217,580	\$ 217,580	\$ 0	\$ 0	\$ 0
09/30/2014	147,363	147,363	0	1,587	2,101
06/30/2014	106,025	106,025	0	0	13,920
03/31/2014	131,871	131,871	0	0	28,628
12/31/2013	\$ 181,173	\$ 181,173	\$ 0	\$ 0	\$ 153,485
09/30/2013	137,509	137,509	0	0	150,169
06/30/2013	157,060	157,060	0	0	153,603
03/31/2013	151,168	151,168	0	79,421	72,323
12/31/2012	169,472	169,472	669	158,305	2,499
09/30/2012	128,480	128,480	0	89,946	61,483
06/30/2012	114,398	114,398	0	51,027	6,040
03/31/2012	103,744	103,744	0	45,336	12,544

29. Participating Policies

The Company has no participating policies.

30. Premium Deficiency Reserves

- | | |
|---|---|
| 1. Liability Carried for Premium Deficiency Reserves | \$783,541 |
| 2. Date of most recent evaluation of this liability | 12/31/2014 |
| 3. Was anticipated investment income utilized in the calculation? | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |

31. Reserves for Life Contracts and Annuity Contracts

- Annuity reserve practices do not include waivers of deductions or returns of premiums on death or promises of surrender value in excess of the reserve.
- Annuity reserves are based on appropriate multiples of standard rates of mortality.
- No applicable insurance.
- Tabular interest has been determined from the basic data.
- The Company does not calculate tabular interest on funds not involving life contingencies.
- There were no other reserve changes.

32. Analysis of Annuity Actuarial Reserves and Deposit Type Liabilities by Withdrawal Characteristics

100% of the annuity actuarial reserves are not subject to discretionary withdrawal provisions. The Company's annuity line of business is 100% ceded under a modified coinsurance reinsurance agreement with an unrelated company.

33. Premiums And Annuity Considerations Deferred and Uncollected

There are no life or annuity considerations deferred and uncollected as of December 31, 2014.

34. Separate Accounts

The Company has no separate accounts.

35. Loss / Claim Adjustment Expenses

The balances in the liability for unpaid accident and health claim adjustment expenses as of December 31, 2014 and December 31, 2013 were \$50,000 and \$50,000 respectively. The Company incurred \$12,128 and paid \$12,128 of claim adjustments expenses in the current year, of which \$12,128 of the paid amount was attributable to insured or covered events of prior years.

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? Illinois.....
- 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.12/31/2009
- 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.12/31/2009
- 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).06/22/2011
- 3.4 By what department or departments? Illinois Department of Insurance.....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [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
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG, 10 South Broadway, St. Louis, MO. 63102.....
- 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?
Jim O'Connor, F.S.A, M.A.A.A., Consulting Actuary, Millman, 71 South Wacker Drive, 31st Floor, Chicago, IL 60606.....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value \$.....
- 12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s)
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

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

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
.....
.....
.....

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.....
 - 20.12 To stockholders not officers \$.....
 - 20.13 Trustees, supreme or grand (Fraternal only) \$.....
- 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 \$.....
 - 20.22 To stockholders not officers \$.....
 - 20.23 Trustees, supreme or grand (Fraternal only) \$.....
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others \$.....
 - 21.22 Borrowed from others \$.....
 - 21.23 Leased from others \$.....
 - 21.24 Other \$.....
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [X] No []
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$..... 49,838
 - 22.22 Amount paid as expenses \$..... 123,950
 - 22.23 Other amounts paid \$.....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$..... 81,949

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No []
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] NA [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$.....
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$.....
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] NA [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] NA [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] NA [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
 - 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....
 - 24.103 Total payable for securities lending reported on the liability page \$.....

GENERAL INTERROGATORIES

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

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

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

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 []
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. \$

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
Brown Brothers Harriman Trust Company.....	125 South Wacker Drive, Suite 2150, Chicago, IL. 60606.....
The Commerce Trust Co.....	P.O. Box 419248, Kansas City, Mo 64141-6428.....

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

GENERAL INTERROGATORIES

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

1 Central Registration Depository Number(s)	2 Name	3 Address
104487.....	Brown Brothers Harriman & Co.....	140 Broadway, New York, NY 10005.....
107740.....	Conseco Capital Management.....	11825 North Pennsylvania Street, Building K, Carmel, IN 46032.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [] No []

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	101,890,034	102,725,278	835,244
30.2 Preferred Stocks.....	0	0	0
30.3 Totals	101,890,034	102,725,278	835,244

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

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?

Yes [] No []

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

- 33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$56,277
- 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? \$28,246
- 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
Lewis Rice.....	\$.....28,246

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

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No []
- 1.2 If yes, indicate premium earned on U. S. business only. \$10,907,277
- 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. \$7,861,547
- 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 \$10,907,277
- 1.65 Total incurred claims \$7,861,547
- 1.66 Number of covered lives 2,794
- 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		2
		Current Year		Prior Year
2.1	Premium Numerator	\$130,855,642	\$	.....122,601,241
2.2	Premium Denominator	\$129,792,517	\$	.....125,088,430
2.3	Premium Ratio (2.1/2.2)	.....1.008		.....0.980
2.4	Reserve Numerator	\$20,983,272	\$	.....24,911,056
2.5	Reserve Denominator	\$24,328,156	\$	.....28,406,139
2.6	Reserve Ratio (2.4/2.5)	.....0.863		.....0.877

- 3.1 Does this reporting entity have Separate Accounts? Yes [] No []
- 3.2 If yes, has a Separate Accounts statement been filed with this Department? Yes [] No [] N/A []
- 3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? \$0
- 3.4 State the authority under which Separate Accounts are maintained:
 Not Applicable.....
- 3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [] No []
- 3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [] No []
- 3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)? \$
- 4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes [] No []
- 4.2 Net reimbursement of such expenses between reporting entities:
- 4.21 Paid \$
- 4.22 Received \$
- 5.1 Does the reporting entity write any guaranteed interest contracts? Yes [] No []
- 5.2 If yes, what amount pertaining to these items is included in:
- 5.21 Page 3, Line 1 \$
- 5.22 Page 4, Line 1 \$
6. For stock reporting entities only:
- 6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$84,141,302
7. Total dividends paid stockholders since organization of the reporting entity:
- 7.11 Cash \$157,911,359
- 7.12 Stock \$2,500,000

GENERAL INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]
 Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the *Workers Compensation Carve-Out Supplement* to the Annual Statement? Yes [] No []

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium.....
8.32 Paid claims.....
8.33 Claim liability and reserve (beginning of year).....
8.34 Claim liability and reserve (end of year).....
8.35 Incurred claims.....

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column (1) are:

	Attachment Point	1 Earned Premium	2 Claim Liability And Reserve
8.41	<\$25,000	.....	.....
8.42	\$25,000 – 99,999	.....	.....
8.43	\$100,000 – 249,999	.....	.....
8.44	\$250,000 – 999,999	.....	.....
8.45	\$1,000,000 or more	.....	.....

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? \$.....

9.1 Does the company have variable annuities with guaranteed benefits? Yes [] No [X]

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3	4	5	6	7	8	9
1 Guaranteed Death Benefits	2 Guaranteed Living Benefits	Waiting Period Remaining	Account Value Related to Col.3	Total Related Account Values	Gross Amount of Reserve	Location of Reserve	Portion Reinsured	Reinsurance Reserve Credit

10. For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

10.1 Amount of loss reserves established by these annuities during the current year: \$.....

10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1 P&C Insurance Company and Location	2 Statement Value on Purchase Date of Annuities (i.e., Present Value)
.....
.....
.....

11.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

GENERAL INTERROGATORIES

12.1 Are any of the captive affiliates reported on Schedule S, Part 3, as authorized reinsurers? Yes [] No [] N/A []

12.2 If the answer to 12.1 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

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

13.1 Direct Premium Written..... \$113,837
 13.2 Total Incurred Claims \$95,000
 13.3 Number of Covered Lives 206

*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 guarantee)
Universal Life (with or without secondary guarantee)
Variable Universal Life (with or without secondary guarantee)

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.
 Show amounts of life insurance in this exhibit in thousands (OMIT \$000)

	1 2014	2 2013	3 2012	4 2011	5 2010
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary-whole life and endowment (Line 34, Col. 4)	1,883	1,940	1,979	2,052	2,060
2. Ordinary-term (Line 21, Col. 4, less Line 34, Col. 4)	10,745	11,219	12,966	15,968	18,351
3. Credit life (Line 21, Col. 6)	0	0	0	0	0
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4)	0	1,046	2,106	2,415	3,061
5. Industrial (Line 21, Col. 2)	0	0	0	0	0
6. FEGLI/SGLI (Lines 43 & 44, Col. 4)	0	0	0	0	0
7. Total (Line 21, Col. 10)	12,628	14,205	17,051	20,435	23,472
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary-whole life and endowment (Line 34, Col. 2)	0	0	0	0	0
9. Ordinary-term (Line 2, Col. 4, less Line 34, Col. 2)	0	0	0	0	0
10. Credit life (Line 2, Col. 6)	0	0	0	0	0
11. Group (Line 2, Col. 9)	0	25	1,175	1,750	2,130
12. Industrial (Line 2, Col. 2)	0	0	0	0	0
13. Total (Line 2, Col. 10)	0	25	1,175	1,750	2,130
Premium Income - Lines of Business (Exhibit 1 - Part 1)					
14. Industrial life (Line 20.4, Col. 2)	0	0	0	0	0
15.1 Ordinary life insurance (Line 20.4, Col. 3)	0	0	0	273	272
15.2 Ordinary individual annuities (Line 20.4, Col. 4)	0	0	0	0	0
16. Credit life, (group and individual) (Line 20.4, Col. 5)	0	0	0	0	0
17.1 Group life insurance (Line 20.4, Col. 6)	409	12,170	19,074	18,825	20,332
17.2 Group annuities (Line 20.4, Col. 7)	0	0	0	0	0
18.1A & H-group (Line 20.4, Col. 8)	4,610,782	58,477,553	65,216,981	42,904,771	38,006,312
18.2A & H-credit (group and individual) (Line 20.4, Col. 9)	0	0	0	0	0
18.3A & H-other (Line 20.4, Col. 10)	125,181,326	66,598,707	89,448,830	55,226,473	43,380,225
19. Aggregate of all other lines of business (Line 20.4, Col. 11)	0	0	0	0	0
20. Total	129,792,517	125,088,430	154,684,885	98,150,342	81,407,141
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 26, Col. 3)	136,599,483	83,524,715	99,966,561	68,760,964	56,954,884
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26)	107,238,824	39,703,044	56,218,054	43,260,211	36,239,662
23. Aggregate life reserves (Page 3, Line 1)	4,344,907	4,542,804	4,634,842	4,766,735	5,110,255
24. Aggregate A & H reserves (Page 3, Line 2)	794,124	5,199,212	7,863,769	8,927,076	8,973,990
25. Deposit-type contract funds (Page 3, Line 3)	0	0	0	0	0
26. Asset valuation reserve (Page 3, Line 24.01)	420,000	351,057	320,869	225,944	220,897
27. Capital (Page 3, Lines 29 & 30)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
28. Surplus (Page 3, Line 37)	26,860,659	41,321,671	41,248,507	23,000,753	18,215,222
Cash Flow (Page 5)					
29. Net cash from operations (Line 11)	73,452,178	(7,872,936)	(14,479,382)	(1,914,641)	(986,154)
Risk-Based Capital Analysis					
30. Total adjusted capital	29,780,659	44,172,728	44,069,376	25,726,697	20,936,119
31. Authorized control level risk-based capital	5,637,151	5,445,377	7,914,695	4,655,113	3,364,947
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No./Page 2, Line 12, Col. 3) x 100.0					
32. Bonds (Line 1)	32.0	83.9	91.1	74.9	83.0
33. Stocks (Lines 2.1 and 2.2)	0.0	0.0	0.0	0.5	0.6
34. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.0	0.0	0.0	0.0	0.0
35. Real estate (Lines 4.1, 4.2 and 4.3)	0.0	0.0	0.0	0.0	0.0
36. Cash, cash equivalents and short-term investments (Line 5)	67.2	15.2	8.2	24.1	16.0
37. Contract loans (Line 6)	0.0	0.0	0.0	0.0	0.0
38. Derivatives (Page 2, Line 7)	0.0	0.0	0.0	0.0	0.0
39. Other invested assets (Line 8)	0.8	0.9	0.7	0.5	0.4
40. Receivables for securities (Line 9)	0.0	0.0	0.0	0.0	0.0
41. Securities lending reinvested collateral assets (Line 10)	0.0	0.0	0.0	0.0	0.0
42. Aggregate write-ins for invested assets (Line 11)	0.0	0.0	0.0	0.0	0.0
43. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2014	2 2013	3 2012	4 2011	5 2010
Investments in Parent, Subsidiaries and Affiliates					
44. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
45. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
46. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
48. Affiliated mortgage loans on real estate	0	0	0	0	0
49. All other affiliated	0	0	0	0	0
50. Total of above Lines 44 to 49	0	0	0	0	0
51. Total investment in parent included in Lines 44 to 49 above	0	0	0	0	0
Total Nonadmitted and Admitted Assets					
52. Total nonadmitted assets (Page 2, Line 28, Col. 2)	903,741	1,364,369	1,168,089	2,485,374	1,918,641
53. Total admitted assets (Page 2, Line 28, Col. 3)	136,599,483	83,524,715	99,966,561	68,760,964	56,954,884
Investment Data					
54. Net investment income (Exhibit of Net Investment Income)	963,946	1,371,906	1,427,052	1,262,157	1,258,150
55. Realized capital gains (losses) (Page 4, Line 34, Column 1)	0	0	0	0	0
56. Unrealized capital gains (losses) (Page 4, Line 38, Column 1)	221,909	22,794	(34,330)	(22,076)	0
57. Total of above Lines 54, 55 and 56	1,185,855	1,394,700	1,392,722	1,240,081	1,258,150
Benefits and Reserve Increase (Page 6)					
58. Total contract benefits-life (Lines 10, 11, 12, 13, 14 and 15, Col.1 minus Lines 10, 11, 12, 13, 14, and 15, Cols. 9, 10 and 11)	(50,000)	0	10,000	0	0
59. Total contract benefits-A & H (Lines 13 & 14, Cols. 9, 10 & 11)	101,293,816	108,904,059	153,202,423	81,406,819	56,051,954
60. Increase in life reserves-other than group and annuities (Line 19, Cols. 2 & 3)	730	699	(5,464)	830	0
61. Increase in A & H reserves (Line 19, Cols. 9, 10 & 11)	(4,361,422)	(2,332,152)	(1,061,821)	(58,708)	(924,229)
62. Dividends to policyholders (Line 30, Col. 1)	0	0	0	0	0
Operating Percentages					
63. Insurance expense percent (Page 6, Col. 1, Lines 21, 22 & 23, less Line 6)/(Page 6, Col.1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00	16.5	14.4	17.6	23.2	29.6
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Column 4, Lines 14 & 15) / ½ (Exhibit of Life Insurance, Column 4, Lines 1 & 21)] x 100.00	3.1	11.3	18.3	12.2	11.7
65. A & H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2)	74.9	89.7	102.6	84.9	66.7
66. A & H cost containment percent (Schedule H, Part 1, Line 4, Col. 2)	0.0	0.1	0.2	0.3	0.4
67. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2)	21.7	17.7	20.0	25.5	31.7
A & H Claim Reserve Adequacy					
68. Incurred losses on prior years' claims-group health (Sch. H, Part 3, Line 3.1, Col. 2)	3,974,106	13,197,316	10,279,657	6,553,756	5,053,974
69. Prior years' claim liability and reserve-group health (Sch. H, Part 3, Line 3.2, Col. 2)	11,185,365	18,308,029	12,297,345	9,642,647	9,304,837
70. Incurred losses on prior years' claims-health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2)	13,880,009	13,821,063	13,104,161	7,610,744	5,230,071
71. Prior years' claim liability and reserve-health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2)	11,524,357	19,806,284	13,460,590	8,759,151	8,131,904
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
72. Industrial life (Col. 2)	0	0	0	0	0
73. Ordinary-life (Col. 3)	17,249	(623)	(13,221)	3,307	(12,028)
74. Ordinary-individual annuities (Col. 4)	0	0	0	0	0
75. Ordinary-supplementary contracts (Col. 5)	0	0	0	0	0
76. Credit life (Col. 6)	0	0	0	0	0
77. Group life (Col. 7)	8,641	255	5,692	(4,976)	11,328
78. Group annuities (Col. 8)	0	0	0	0	0
79. A & H-group (Col. 9)	(645,554)	866,637	(12,376,832)	(4,097,471)	(243,512)
80. A & H-credit (Col. 10)	0	0	0	0	0
81. A & H-other (Col. 11)	4,929,472	(601,701)	(6,616,014)	(1,191,628)	973,192
82. Aggregate of all other lines of business (Col. 12)	0	0	0	0	0
83. Total (Col. 1)	4,309,808	264,568	(19,000,375)	(5,290,768)	728,980

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

If no, please explain

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year	0	0	220	13,159	0	0	56	44	1,046	14,205
2. Issued during year	0	0	0	0	0	0	0	0	0	0
3. Reinsurance assumed										0
4. Revived during year										0
5. Increased during year (net)										0
6. Subtotals, Lines 2 to 5	0	0	0	0	0	0	0	0	0	0
7. Additions by dividends during year	XXX		XXX		XXX		XXX	XXX		0
8. Aggregate write-ins for increases	0	0	0	0	0	0	0	0	0	0
9. Totals (Lines 1 and 6 to 8)	0	0	220	13,159	0	0	56	44	1,046	14,205
Deductions during year:										
10. Death			5	95			XXX			95
11. Maturity			1	7			XXX			7
12. Disability							XXX			0
13. Expiry			2	29						29
14. Surrender			2	80				44	1,046	1,126
15. Lapse			4	320						320
16. Conversion							XXX	XXX	XXX	0
17. Decreased (net)										0
18. Reinsurance										0
19. Aggregate write-ins for decreases	0	0	0	0	0	0	0	0	0	0
20. Totals (Lines 10 to 19)	0	0	14	531	0	0	0	44	1,046	1,577
21. In force end of year (Line 9 minus Line 20)	0	0	206	12,628	0	0	56	0	0	12,628
22. Reinsurance ceded end of year	XXX		XXX	12,614	XXX		XXX	XXX		12,614
23. Line 21 minus Line 22	XXX	0	XXX	14	XXX	(b)	0	XXX	XXX	0
DETAILS OF WRITE-INS										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page	0	0	0	0	0	0	0	0	0	0
0899. Totals (Lines 0801 through 0803 plus 0898) (Line 8 above)	0	0	0	0	0	0	0	0	0	0
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page	0	0	0	0	0	0	0	0	0	0
1999. Totals (Lines 1901 through 1903 plus 1998) (Line 19 above)	0	0	0	0	0	0	0	0	0	0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) Group \$; Individual \$

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

EXHIBIT OF LIFE INSURANCE (Continued)

ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends	XXX		XXX	
25. Other paid-up insurance				
26. Debit ordinary insurance	XXX	XXX		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
Term Insurance Excluding Extended Term Insurance				
27. Term policies-decreasing			85	10,695
28. Term policies-other				
29. Other term insurance-decreasing	XXX		XXX	
30. Other term insurance	XXX		XXX	
31. Totals, (Lines 27 to 30)	0	0	85	10,695
Reconciliation to Lines 2 and 21:				
32. Term additions	XXX		XXX	
33. Totals, extended term insurance	XXX	XXX	3	50
34. Totals, whole life and endowment			118	1,883
35. Totals (Lines 31 to 34)	0	0	206	12,628

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial				
37. Ordinary			12,628	
38. Credit Life (Group and Individual)				
39. Group				
40. Totals (Lines 36 to 39)	0	0	12,628	0

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to other companies	XXX		XXX	
42. Number in force end of year if the number under shared groups is rounded on a pro-rata basis		XXX		XXX
43. Federal Employees' Group Life Insurance included in Line 21				
44. Servicemen's Group Life Insurance included in Line 21				
45. Group Permanent Insurance included in Line 21				

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a)	
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BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc. policies and riders included above	
47.1	
47.2	

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium			1	1,550				
49. Disability Income								
50. Extended Benefits			XXX	XXX				
51. Other								
52. Total	0 ^(b)	0	1 ^(b)	1,550	0 ^(b)	0	0 ^(b)	0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000)

(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH AND OTHER POLICIES

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year	0	0	0	0
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Total (Lines 1 to 4)	0	0	0	0
Deductions during year:				
6. Decreased (net)				
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)	0	0	0	0
9. In force end of year	0	0	0	0
10. Amount on deposit		(a)		(a)
11. Income now payable				
12. Amount of income payable	(a)	(a)	(a)	(a)

NONE

ANNUITIES

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year	36	0	0	0
2. Issued during year				
3. Reinsurance assumed				
4. Increased during year (net)				
5. Totals (Lines 1 to 4)	36	0	0	0
Deductions during year:				
6. Decreased (net)				
7. Reinsurance ceded				
8. Totals (Lines 6 and 7)	0	0	0	0
9. In force end of year	36	0	0	0
Income now payable:				
10. Amount of income payable	(a)	XXX	XXX	(a)
Deferred fully paid:				
11. Account balance	XXX	(a)	XXX	(a)
Deferred not fully paid:				
12. Account balance	XXX	(a)	XXX	(a)

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year	13,408	65,500,625	0	0	16,750	90,603,591
2. Issued during year	0	0			40,230	167,794,116
3. Reinsurance assumed						
4. Increased during year (net)		XXX		XXX		XXX
5. Totals (Lines 1 to 4)	13,408	XXX	0	XXX	56,980	XXX
Deductions during year:						
6. Conversions		XXX	XXX	XXX	XXX	XXX
7. Decreased (net)	13,399	XXX		XXX	18,526	XXX
8. Reinsurance ceded		XXX		XXX		XXX
9. Totals (Lines 6 to 8)	13,399	XXX	0	XXX	18,526	XXX
10. In force end of year	9 ^(a)	21,272	0 ^(a)		38,454 ^(a)	160,360,169

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year	2	0
2. Issued during year		
3. Reinsurance assumed		
4. Increased during year (net)		
5. Totals (Lines 1 to 4)	2	0
Deductions during year:		
6. Decreased (net)		
7. Reinsurance ceded		
8. Totals (Lines 6 and 7)	0	0
9. In force end of year	2	0
10. Amount of account balance	(a)	(a)

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

SCHEDULE T—PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1	Direct Business Only						
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit - Type Contracts	
		2 Life Insurance Premiums	3 Annuity Considerations					
1. Alabama	AL	L	6,480	.0	215,355	.0	221,835	.0
2. Alaska	AK	L	.0	.0	279,371	.0	279,371	.0
3. Arizona	AZ	L	154	.0	66,670	.0	66,824	.0
4. Arkansas	AR	L	2,522	.0	125,486,993	.0	125,489,515	.0
5. California	CA	L	.0	.0	180,809	.0	180,809	.0
6. Colorado	CO	L	252	.0	1,542,900	.0	1,543,152	.0
7. Connecticut	CT	L	5,640	.0	522,138	.0	527,778	.0
8. Delaware	DE	L	399	.0	57,569	.0	57,968	.0
9. District of Columbia	DC	L	.0	.0	35,381	.0	35,381	.0
10. Florida	FL	L	11,781	.0	5,666,589	.0	5,678,370	.0
11. Georgia	GA	L	2,694	.0	561,944	.0	564,638	.0
12. Hawaii	HI	L	.0	.0	.0	.0	.0	.0
13. Idaho	ID	L	.0	.0	600	.0	600	.0
14. Illinois	IL	L	10,066	.0	1,286,715	.0	1,296,781	.0
15. Indiana	IN	L	5,796	.0	596,292	.0	602,088	.0
16. Iowa	IA	L	513	.0	219,523	.0	220,036	.0
17. Kansas	KS	L	.0	.0	62,734	.0	62,734	.0
18. Kentucky	KY	L	305	.0	38,334	.0	38,639	.0
19. Louisiana	LA	L	.0	.0	43,399	.0	43,399	.0
20. Maine	ME	L	754	.0	14,802	.0	15,556	.0
21. Maryland	MD	L	.0	.0	96,509	.0	96,509	.0
22. Massachusetts	MA	L	6,700	.0	42,120	.0	48,820	.0
23. Michigan	MI	L	461	.0	87,324	.0	87,785	.0
24. Minnesota	MN	L	.0	.0	118,404	.0	118,404	.0
25. Mississippi	MS	L	686	.0	304,186	.0	304,872	.0
26. Missouri	MO	L	.0	.0	103,020	.0	103,020	.0
27. Montana	MT	L	.0	.0	25,099	.0	25,099	.0
28. Nebraska	NE	L	2,638	.0	231,900	.0	234,538	.0
29. Nevada	NV	L	.0	.0	202,400	.0	202,400	.0
30. New Hampshire	NH	L	.0	.0	532,165	.0	532,165	.0
31. New Jersey	NJ	L	.0	.0	1,223,032	.0	1,223,032	.0
32. New Mexico	NM	L	6,214	.0	70,517	.0	76,731	.0
33. New York	NY	N	.0	.0	124,854	.0	124,854	.0
34. North Carolina	NC	L	3,881	.0	195,021	.0	198,902	.0
35. North Dakota	ND	L	.0	.0	76,402	.0	76,402	.0
36. Ohio	OH	L	7,085	.0	247,440	.0	254,525	.0
37. Oklahoma	OK	L	144	.0	143,873	.0	144,017	.0
38. Oregon	OR	L	.0	.0	12,338	.0	12,338	215
39. Pennsylvania	PA	L	.0	.0	348,003	.0	348,003	.0
40. Rhode Island	RI	L	.0	.0	10,509	.0	10,509	.0
41. South Carolina	SC	L	5,912	.0	287,811	.0	293,723	.0
42. South Dakota	SD	L	308	.0	88,508	.0	88,816	.0
43. Tennessee	TN	L	6,422	.0	91,275	.0	97,697	.0
44. Texas	TX	L	13,636	.0	2,876,905	.0	2,890,541	.0
45. Utah	UT	L	.0	.0	11,377	.0	11,377	.0
46. Vermont	VT	L	.0	.0	28,331	.0	28,331	.0
47. Virginia	VA	L	9,118	.0	182,731	.0	191,849	.0
48. Washington	WA	L	.0	.0	53,903	.0	53,903	.0
49. West Virginia	WV	L	8	.0	54,646	.0	54,654	.0
50. Wisconsin	WI	L	2,019	.0	69,144	.0	71,163	.0
51. Wyoming	WY	L	1,443	.0	56,904	.0	58,347	.0
52. American Samoa	AS		.0	.0	.0	.0	.0	.0
53. Guam	GU		.0	.0	.0	.0	.0	.0
54. Puerto Rico	PR		.0	.0	.0	.0	.0	.0
55. US Virgin Islands	VI		.0	.0	.0	.0	.0	.0
56. Northern Mariana Islands	MP		.0	.0	.0	.0	.0	.0
57. Canada	CAN		.0	.0	.0	.0	.0	.0
58. Aggregate Other Alien	OT	XXX	.0	.0	.0	.0	.0	.0
59. Subtotal	(a)	50	114,031	.0	144,874,769	.0	144,988,800	215
90. Reporting entity contributions for employee benefits plans		XXX					.0	
91. Dividends or refunds applied to purchase paid-up additions and annuities		XXX					.0	
92. Dividends or refunds applied to shorten endowment or premium paying period		XXX					.0	
93. Premium or annuity considerations waived under disability or other contract provisions		XXX					.0	
94. Aggregate other amounts not allocable by State		XXX	.0	.0	.0	.0	.0	.0
95. Totals (Direct Business)		XXX	114,031	.0	144,874,769	.0	144,988,800	215
96. Plus reinsurance assumed		XXX			169,064		169,064	
97. Totals (All Business)		XXX	114,031	.0	145,043,833	.0	145,157,864	215
98. Less reinsurance ceded		XXX	113,621		15,323,087		15,436,708	
99. Totals (All Business) less Reinsurance Ceded		XXX	410	0 (b)	129,720,746	0	129,721,156	215
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
58999. Total (Lines 58001 through 58003 + 58998)(Line 58 above)		XXX	0	0	0	0	0	0
9401.		XXX						
9402.		XXX						
9403.		XXX						
9498. Summary of remaining write-ins for Line 94 from overflow page		XXX	.0	.0	.0	.0	.0	.0
9499. Total (Lines 9401 through 9403 + 9498)(Line 94 above)		XXX	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, etc., of premiums and annuity considerations

Cash Premiums are allocated by Policy-Holder / Certificate-Holder by residence state.

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

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10, or with Schedule H, Part 1, Column 1, Line 1 indicate which; Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10.

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

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

PART 1 - ORGANIZATIONAL CHART

Centene Corporation	42-1406317	DE	
Centene Management Company LLC	39-1864073	WI	
CMC Real Estate Co. LLC	20-0057283	DE	
Centene Center LLC	26-4094682	DE	
CMC Hanley, LLC	46-4234827	MO	
Cantina Laredo Clayton, LP	36-4783005	DE	
GPT Acquisition LLC	45-5431787	DE	
Clayton Property Investment LLC	45-4372065	DE	
Bankers Reserve Life Insurance Company of Wisconsin	39-0993433	WI	71013
Health Plan Real Estate Holding, Inc (17%)	46-2860967	MO	
CenCorp Health Solutions, Inc	22-3889471	DE	
Cenphiny Mgmt, LLC	42-1565805	DE	
NurseWise Holdings LLC	42-1565807	DE	
NurseWise LP	52-2379566	DE	
Nurse Response, Inc	20-4730372	DE	
Bridgeway Health Solutions, LLC	20-4980875	DE	
Bridgeway Health Solutions of Arizona, LLC	20-4980818	AZ	
Nurtur Health, Inc	06-1476380	DE	
Family Care & Workforce Diversity Consultants LLC d/b/a Worklife Innovations	06-1404277	CT	
Wellness By Choice, LLC	16-1686991	NY	
Cenpatico Behavioral Health, LLC	68-0461584	CA	
Cenpatico Behavioral Health of TX, Inc	74-3018565	TX	12525
CBHSP Arizona, Inc	86-0782736	AZ	
Integrated Mental Health Mgmt, LLC	74-2892993	TX	
Integrated Mental Health Services	74-2785494	TX	
Cenpatico Behavioral Health of Arizona, LLC	20-1624120	AZ	14704
Cenpatico of Louisiana, Inc.	45-2303998	LA	15357
OptiCare Managed Vision, Inc	20-4730341	DE	
OptiCare Vision Insurance Co, Inc	36-4520004	SC	
AECC Total Vision Health Plan of Texas, Inc	75-2592153	TX	95302
OptiCare Vision Company, Inc	20-4773088	DE	
OcuCare Systems, Inc	65-0094759	FL	
Total Vision, Inc	20-4861241	DE	
Dental Health & Wellness, Inc	46-2783884	DE	
Dental Health & Wellness of Louisiana, Inc.	46-4168814	LA	
Peach State Health Plan, Inc	20-3174593	GA	12315
Health Plan Real Estate Holding, Inc (21%)	46-2860967	MO	
Buckeye Community Health Plan, Inc	32-0045282	OH	11834
Health Plan Real Estate Holding, Inc (13%)	46-2860967	MO	
Absolute Total Care, Inc	20-5693998	SC	12959

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

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

PART 1 - ORGANIZATIONAL CHART

Health Plan Real Estate Holding, Inc (1%)	46-2860967	MO	
Coordinated Care Corporation d/b/a Managed Health Services	39-1821211	IN	95831
Health Plan Real Estate Holding, Inc (15%)	46-2860967	MO	
Healthy Washington Holdings, Inc.	46-5523218	DE	
Coordinated Care of Washington, Inc.	46-2578279	WA	15352
Managed Health Services Insurance Corp	39-1678579	WI	96822
Health Plan Real Estate Holding, Inc (2%)	46-2860967	MO	
Hallmark Life Insurance Co	86-0819817	AZ	60078
Celtic Group, Inc	36-2979209	DE	
Celtic Insurance Company	06-0641618	IL	80799
Novasys Health, Inc	27-2221367	DE	
CeltiCare Health Plan Holdings LLC	26-4278205	DE	
CeltiCare Health Plan of Massachusetts, Inc.	26-4818440	MA	13632
Superior HealthPlan, Inc	74-2770542	TX	95647
Health Plan Real Estate Holding, Inc (21%)	46-2860967	MO	
LSM Holdco, Inc.	46-2794037	DE	
Lifeshare Management Group, LLC	46-2798132	NH	
Healthy Louisiana Holdings LLC	27-0916294	DE	
Louisiana Healthcare Connections, Inc	27-1287287	LA	13970
Magnolia Health Plan Inc	20-8570212	MS	13923
CCTX Holdings, LLC	20-2074217	DE	
Centene Holdings, LLC	20-2074277	DE	
Centene Company of Texas, LP	74-2810404	TX	
US Script, Inc	77-0578529	DE	
LBB Industries, Inc	76-0511700	TX	
RX Direct, Inc	75-2612875	TX	
US Script IPA, LLC	46-2307356	NY	
IlliniCare Health Plan, Inc	27-2186150	IL	14053
Health Plan Real Estate Holding, Inc (5%)	46-2860967	MO	
Sunshine Health Holding LLC	26-0557093	FL	
Sunshine State Health Plan, Inc	20-8937577	FL	13148
Access Health Solutions LLC	56-2384404	FL	
Kentucky Spirit Health Plan, Inc	45-1294925	KY	14100
Healthy Missouri Holding, Inc	45-5070230	MO	
Home State Health Plan, Inc	45-2798041	MO	14218
Health Plan Real Estate Holding, Inc (5%)	46-2860967	MO	
Sunflower State Health Plan, Inc	45-3276702	KS	14345
Casenet LLC	90-0636938	DE	
Granite State Health Plan, Inc	45-4792498	NH	14226
Centurion Group, Inc	61-1450727	DE	
Centurion LLC	90-0766502	DE	

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

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

PART 1 - ORGANIZATIONAL CHART

Centurion of Virginia, LLC	47-1577742	VA	
Centurion of Vermont, LLC	47-1686283	VT	
Centurion of Pennsylvania, LLC	47-1229365	PA	
Centurion of Tennessee, LLC	30-0752651	TN	
Massachusetts Partnership for Correctional Healthcare, LLC	61-1696004	MA	
Centurion of Idaho, LLC	46-3590120	ID	
Centurion of Michigan, LLC	46-1041008	MI	
Centurion of Minnesota, LLC	46-2717814	MN	
Centurion of Missouri, LLC	46-4102134	MO	
Centurion of West Virginia, LLC	46-4839132	WV	
MHS Travel & Charter, Inc	43-1795436	WI	
Health Care Enterprises, LLC	46-4855483	DE	
California Health and Wellness Plan	46-0907261	CA	
Bridgeway Advantage Solutions, Inc	46-4195563	AZ	15447
Specialty Therapeutic Care Holdings, LLC	27-3617766	DE	
Specialty Therapeutic Care, GP, LLC	73-1698807	TX	
Specialty Therapeutic Care, LP	73-1698808	TX	
AcariaHealth, Inc.	45-2780334	DE	
AcariaHealth Pharmacy #14, Inc	27-1599047	CA	
AcariaHealth Pharmacy #11, Inc	20-8192615	TX	
AcariaHealth Pharmacy #12, Inc	27-2765424	NY	
AcariaHealth Pharmacy #13, Inc	26-0226900	CA	
AcariaHealth Pharmacy, Inc	13-4262384	CA	
HomeScripts, LLC	27-3707698	MI	
U.S. Medical Management Holdings, Inc	27-0275614	DE	
Phoenix Home Health Care Holdings, Inc	27-0275730	DE	
U.S. Medical Management, LLC (4%)	38-3153946	DE	
Pinnacle Home Care Holdings, Inc	27-0275563	DE	
U.S. Medical Management, LLC (1%)	38-3153946	DE	
ComfortBrook Hospice Holdings, Inc	27-0275782	DE	
U.S. Medical Management, LLC (1%)	38-3153946	DE	
U.S. Medical Management, LLC (14%)	38-3153946	DE	
U.S. Medical Management, LLC (48%)	38-3153946	DE	
RMED, LLC	31-1733889	FL	
Heritage Home Hospice, LLC	51-0581762	MI	
Rapid Respiratory Services, LLC	20-4364776	DE	
Grace Hospice of Austin, LLC	20-2827613	MI	
Seniorcorps Pensinsula, LLC	26-4435532	VA	
ComfortBrook Hospice, LLC	20-1530070	OH	
R&C Healthcare, LLC	33-1179031	TX	
Comfort Hospice of Texas, LLC	20-4996551	MI	
A N J, LLC	20-0927034	TX	

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE CELTIC INSURANCE COMPANY

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

PART 1 - ORGANIZATIONAL CHART

Grace Hospice of San Antonio, LLC	20-2827526	MI
Pinnacle Senior Care of Missouri, LLC	46-0861469	MI
Grace Hospice of Grand Rapids, LLC	45-0679248	MI
Country Style Health Care, LLC	03-0556422	TX
Grace Hospice of Indiana, LLC	45-0634905	MI
Phoenix Home Health Care, LLC	14-1878333	DE
Grace Hospice of Virginia, LLC	45-5080637	MI
Traditional Home Health Services, LLC	75-2635025	TX
Comfort Hospice of Missouri, LLC	45-5080567	MI
Family Nurse Care, LLC	38-2751108	MI
Grace Hospice of Colorado, LLC	45-5080675	MI
Family Nurse Care II, LLC	20-5108540	MI
Grace Hospice of Wisconsin, LLC	46-1708834	MI
Family Nurse Care of Ohio, LLC	20-3920947	MI
Hospice DME Company, LLC	46-1734288	MI
Pinnacle Senior Care of Wisconsin, LLC	46-4229858	WI
Pinnacle Home Care, LLC	76-0713516	TX
USMM Accountable Care Network, LLC	46-5730959	DE
USMM Accountable Care Partners, LLC	46-5735993	DE
USMM Accountable Care Solutions, LLC	46-5745748	DE
North Florida Health Services, Inc	59-3519060	FL
MHS Consulting, International, Inc	20-8630006	DE
PRIMEROSALUD, S.L.		ESP

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