



ANNUAL STATEMENT

For the Year Ending DECEMBER 31, 2014

OF THE CONDITION AND AFFAIRS OF THE

QCA Health Plan, Inc.

NAIC Group Code 4807 , 0000 NAIC Company Code 95448 Employer's ID Number 71-0794605
(Current Period) (Prior Period)

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

Country of Domicile United States of America

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

Incorporated/Organized 04/08/1996 Commenced Business 07/31/1996

Statutory Home Office 12615 Chenal Parkway, Suite 300 , Little Rock, AR, 72211
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 12615 Chenal Parkway, Suite 300
(Street and Number)
Little Rock, AR, 72211 (501)228-7111
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 12615 Chenal Parkway, Suite 300 , Little Rock, AR, 72211
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 12615 Chenal Parkway, Suite 300
(Street and Number)
Little Rock, AR, 72211 (501)228-7111
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.qualchoice.com

Statutory Statement Contact Randall Crow (501)219-5109
(Name) (Area Code)(Telephone Number)(Extension)
randall.crow@qualchoice.com (501)228-0135
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title
Michael Edward Stock	President
Randall Alvin Crow	Treasurer
Elizabeth Goldner Hubbard	Secretary #

OTHERS

Joni Self Daniels, Vice President-Operations
 Betty Jo Tatum-Himes, Vice President - Sales & Marketing
 Stephen Sorsby M.D., Vice President - Medical Affairs
 Jon Foose, Vice President - Underwriting

DIRECTORS OR TRUSTEES

Mark Fred Bjornson	Christine William Mulheren
Steven Charles Schramm	Philip Linwood Foster
Charles Hanson #	

State of Arkansas
 County of Pulaski ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the 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.

(Signature)
 Michael Edward Stock

(Printed Name)
 1.
 President

(Title)

(Signature)
 Randall Alvin Crow

(Printed Name)
 2.
 Treasurer

(Title)

(Signature)
 Liz Hubbard

(Printed Name)
 3.
 Secretary

(Title)

Subscribed and sworn to before me this _____ day of _____, 2015

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

Yes[X] No[]

(Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)	18,816,749		18,816,749	10,886,739
2. Stocks (Schedule D)				
2.1 Preferred stocks	1,500,000		1,500,000	1,500,000
2.2 Common Stocks	6,014,391		6,014,391	6,940,624
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....28,949,208, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA)	28,949,208		28,949,208	9,095,456
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	5,460		5,460	5,634
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	55,285,808		55,285,808	28,428,453
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	37,094		37,094	30,592
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	364,770	4,524	360,246	971,519
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums	3,901,597		3,901,597	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	3,660,299		3,660,299	745,834
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	531,521		531,521	435,524
18.1 Current federal and foreign income tax recoverable and interest thereon	81,027		81,027	91,426
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	895,806	895,806		
21. Furniture and equipment, including health care delivery assets (\$.....0)	313,315	313,315		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				75,000
24. Health care (\$.....7,721,582) and other amounts receivable	449,789	290,103	159,686	174,375
25. Aggregate write-ins for other than invested assets	557,501	557,501		
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	66,078,527	2,061,249	64,017,278	30,952,723
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	66,078,527	2,061,249	64,017,278	30,952,723
DETAILS OF WRITE-INS				
1101. rounding				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses	57,501	57,501		
2502. Other Intangible Assets	500,000	500,000		
2503. rounding				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	557,501	557,501		

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	24,788,458	3,048,395	27,836,853	13,286,998
2. Accrued medical incentive pool and bonus amounts	313,457		313,457	
3. Unpaid claims adjustment expenses	844,326		844,326	99,045
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	75,339		75,339	289,895
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	2,560,477		2,560,477	2,252,565
9. General expenses due or accrued	1,396,964		1,396,964	1,448,827
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	972,183		972,183	106,919
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	1,915,027		1,915,027	647,884
23. Aggregate write-ins for other liabilities (including \$.....0 current)	7,813,793		7,813,793	(1)
24. TOTAL Liabilities (Lines 1 to 23)	40,680,024	3,048,395	43,728,419	18,132,132
25. Aggregate write-ins for special surplus funds	X X X	X X X	2,757,089	
26. Common capital stock	X X X	X X X	2,454	2,454
27. Preferred capital stock	X X X	X X X	25,500,046	25,500,046
28. Gross paid in and contributed surplus	X X X	X X X	9,500,000	2,000,000
29. Surplus notes	X X X	X X X	5,000,000	
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	(22,470,370)	(14,681,549)
32. Less treasury stock, at cost:				
32.10 shares common (value included in Line 26 \$.....0)	X X X	X X X	360	360
32.20 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	20,288,859	12,820,591
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	64,017,278	30,952,723
DETAILS OF WRITE-INS				
2301. rounding	1		1	(1)
2302. ACA Risk Sharing Payable	7,813,792		7,813,792	
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	7,813,793		7,813,793	(1)
2501. ACA Section 9010 Assessment	X X X	X X X	2,757,089	
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X	2,757,089	
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	518,147	495,442
2. Net premium income (including \$.....0 non-health premium income)	X X X	159,762,626	141,264,056
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$.....0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. TOTAL Revenues (Lines 2 to 7)	X X X	159,762,626	141,264,056
Hospital and Medical:			
9. Hospital/medical benefits	13,746,580	109,099,838	103,953,373
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area	834,010	6,619,125	2,291,356
13. Prescription drugs		22,607,050	20,092,493
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)	14,580,590	138,326,013	126,337,222
Less:			
17. Net reinsurance recoveries		730,701	2,454,464
18. TOTAL Hospital and Medical (Lines 16 minus 17)	14,580,590	137,595,312	123,882,758
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....4,169,508 cost containment expenses		6,036,868	6,518,243
21. General administrative expenses		22,347,015	16,606,725
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			(1,849,940)
23. TOTAL Underwriting Deductions (Lines 18 through 22)	14,580,590	165,979,195	145,157,786
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(6,216,569)	(3,893,730)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		350,270	270,614
26. Net realized capital gains (losses) less capital gains tax of \$.....0		640,566	(20,022)
27. Net investment gains (losses) (Lines 25 plus 26)		990,836	250,592
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29. Aggregate write-ins for other income or expenses			53,755
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(5,225,733)	(3,589,383)
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	(5,225,733)	(3,589,383)
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901. rounding			
2902. Miscellaneous Income/Expense			53,755
2903. rounding			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			53,755

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	12,820,591	12,930,502
34.	Net income or (loss) from Line 32	(5,225,733)	(3,589,383)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	44,702	1,128,665
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	(10,399)	
39.	Change in nonadmitted assets	(1,887,893)	350,809
40.	Change in unauthorized and certified reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes	5,000,000	
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in	7,500,000	2,000,000
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus	2,047,591	(2)
48.	Net change in capital and surplus (Lines 34 to 47)	7,468,268	(109,911)
49.	Capital and surplus end of reporting year (Line 33 plus 48)	20,288,859	12,820,591
DETAILS OF WRITE-INS			
4701.	Rounding		(2)
4702.	PPE contribution	2,047,591	
4703.		
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	2,047,591	(2)

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	156,561,134	138,460,951
2.	Net investment income	305,756	302,971
3.	Miscellaneous income	(102,048)	171,074
4.	TOTAL (Lines 1 through 3)	156,764,842	138,934,996
5.	Benefit and loss related payments	125,646,465	126,349,362
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	26,519,319	24,484,075
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		(1,128,665)
10.	TOTAL (Lines 5 through 9)	152,165,784	149,704,772
11.	Net cash from operations (Line 4 minus Line 10)	4,599,058	(10,769,776)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	10,121,345	5,663,966
12.2	Stocks	6,316,040	1,999,134
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	16,437,385	7,663,100
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	17,954,507	6,987,934
13.2	Stocks	4,763,209	5,298,633
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		1,128,105
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	22,717,716	13,414,672
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(6,280,331)	(5,751,572)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes	5,000,000	
16.2	Capital and paid in surplus, less treasury stock	7,500,000	2,000,000
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	9,035,025	(54,019)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	21,535,025	1,945,981
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)	19,853,752	(14,575,367)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	9,095,456	23,670,823
19.2	End of year (Line 18 plus Line 19.1)	28,949,208	9,095,456

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001		
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	159,762,626	157,680,828				2,081,798				
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										XXX
4. Risk revenue										XXX
5. Aggregate write-ins for other health care related revenues										XXX
6. Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. TOTAL Revenues (Lines 1 to 6)	159,762,626	157,680,828				2,081,798				
8. Hospital/medical benefits	109,099,838	108,126,034				973,804				XXX
9. Other professional services										XXX
10. Outside referrals										XXX
11. Emergency room and out-of-area	6,619,125	6,560,044				59,081				XXX
12. Prescription drugs	22,607,050	22,201,369				405,681				XXX
13. Aggregate write-ins for other hospital and medical										XXX
14. Incentive pool, withhold adjustments and bonus amounts										XXX
15. Subtotal (Lines 8 to 14)	138,326,013	136,887,447				1,438,566				XXX
16. Net reinsurance recoveries	730,701	730,701								XXX
17. TOTAL Hospital and Medical (Lines 15 minus 16)	137,595,312	136,156,746				1,438,566				XXX
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....4,169,508 cost containment expenses	6,036,868	5,983,140				53,728				
20. General administrative expenses	22,347,015	22,154,760				192,255				
21. Increase in reserves for accident and health contracts										XXX
22. Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	165,979,195	164,294,646				1,684,549				
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(6,216,569)	(6,613,818)				397,249				
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page										XXX
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page										XXX
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
	Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical)	161,387,466		3,947,590	157,439,876
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan	2,081,798		10,944	2,070,854
6.	Title XVIII - Medicare				
7.	Title XIX - Medicaid				
8.	Other health	251,896			251,896
9.	Health subtotal (Lines 1 through 8)	163,721,160		3,958,534	159,762,626
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	163,721,160		3,958,534	159,762,626

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	123,489,422	122,051,571				1,437,851				
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	1,476,535	1,476,535								
1.4 Net	122,012,887	120,575,036				1,437,851				
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	27,836,853	27,694,551				142,302				
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	27,836,853	27,694,551				142,302				
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	313,457	313,457								
6. Net healthcare receivables (a)	(286,736)	(286,736)								
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	13,286,998	13,147,234				139,764				
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	13,286,998	13,147,234				139,764				
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year	745,834	745,834								
12. Incurred benefits:										
12.1 Direct	138,326,013	136,885,624				1,440,389				
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	730,701	730,701								
12.4 Net	137,595,312	136,154,923				1,440,389				
13. Incurred medical incentive pools and bonuses	313,457	313,457								

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	2,786,785	2,757,091				29,694				
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	2,786,785	2,757,091				29,694				
2. Incurred but Unreported:										
2.1 Direct	25,050,068	24,937,460				112,608				
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	25,050,068	24,937,460				112,608				
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	27,836,853	27,694,551				142,302				
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	27,836,853	27,694,551				142,302				

UNDERWRITING AND INVESTMENT EXHIBIT

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

	Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical)	11,642,160	111,035,975	2,901	27,693,887	11,645,061	13,147,204
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan	53,220	1,396,575	3	140,062	53,223	139,794
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid						
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	11,695,380	112,432,550	2,904	27,833,949	11,698,284	13,286,998
10.	Healthcare receivables (a)	1,581,264	533,779		449,789	1,581,264	1,093,565
11.	Other non-health				75,339		
12.	Medical incentive pool and bonus amounts				313,458		
13.	TOTALS (Lines 9 - 10 + 11 + 12)	10,114,116	111,898,771	2,904	27,772,957	10,117,020	12,193,433

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

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

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	8,909	8,849	8,849	8,833	8,833
2. 2010	113,677	126,852	126,765	126,765	126,765
3. 2011	X X X	115,336	129,930	129,930	129,930
4. 2012	X X X	X X X	114,348	131,947	131,947
5. 2013	X X X	X X X	X X X	110,323	110,323
6. 2014	X X X	X X X	X X X	X X X	128,868

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	8,869	8,849	8,849	8,833	8,833
2. 2010	128,543	126,866	126,765	126,765	126,765
3. 2011	X X X	130,356	129,973	129,930	129,930
4. 2012	X X X	X X X	131,281	132,001	131,947
5. 2013	X X X	X X X	X X X	123,556	110,326
6. 2014	X X X	X X X	X X X	X X X	157,017

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2010	149,979	126,765	4,726	3.729	131,491	87.673			131,491	87.673
2. 2011	148,996	129,930	5,197	4.000	135,127	90.691			135,127	90.691
3. 2012	148,867	131,947	5,717	4.333	137,664	92.475		1	137,665	92.475
4. 2013	142,711	110,323	3,246	2.942	113,569	79.580	3	99	113,671	79.651
5. 2014	163,468	128,868	760	0.589	129,628	79.298	28,149	745	158,522	96.974

12 Total

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

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	8,909	8,849	8,849	8,833	8,833
2. 2010	113,092	126,203	126,116	126,116	126,116
3. 2011	X X X	114,298	128,802	128,802	128,802
4. 2012	X X X	X X X	112,945	130,536	130,536
5. 2013	X X X	X X X	X X X	108,837	108,837
6. 2014	X X X	X X X	X X X	X X X	127,430

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior	8,869	8,849	8,849	8,833	8,833
2. 2010	127,916	126,217	126,116	126,116	126,116
3. 2011	X X X	129,192	128,845	128,802	128,802
4. 2012	X X X	X X X	129,741	130,590	130,536
5. 2013	X X X	X X X	X X X	121,931	108,840
6. 2014	X X X	X X X	X X X	X X X	155,439

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2010	149,279	126,116	4,707	3.732	130,823	87.636			130,823	87.636
2. 2011	147,546	128,802	5,156	4.003	133,958	90.791			133,958	90.791
3. 2012	147,118	130,536	5,656	4.333	136,192	92.574			136,192	92.574
4. 2013	140,670	108,837	3,190	2.931	112,027	79.638	3	98	112,128	79.710
5. 2014	161,387	127,430	759	0.595	128,189	79.429	28,009	745	156,943	97.246

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Federal Employees Health Benefits Plan Premiums
Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior					
2. 2010	585	649	649	649	649
3. 2011	X X X	1,038	1,128	1,128	1,128
4. 2012	X X X	X X X	1,403	1,411	1,411
5. 2013	X X X	X X X	X X X	1,486	1,486
6. 2014	X X X	X X X	X X X	X X X	1,438

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior					
2. 2010	627	649	649	649	649
3. 2011	X X X	1,164	1,128	1,128	1,128
4. 2012	X X X	X X X	1,540	1,411	1,411
5. 2013	X X X	X X X	X X X	1,625	1,486
6. 2014	X X X	X X X	X X X	X X X	1,578

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2010	700	649	20	3.060	669	95.551			669	95.551
2. 2011	1,450	1,128	40	3.558	1,168	80.561			1,168	80.561
3. 2012	1,749	1,411	61	4.298	1,472	84.142		1	1,473	84.199
4. 2013	2,041	1,486	56	3.753	1,542	75.540		1	1,543	75.589
5. 2014	2,081	1,438	1	0.063	1,439	69.145	140		1,579	75.872

12 Fed Emp HBPP

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)									
5. Aggregate write-ins for other policy reserves	75,338	75,338							
6. TOTALS (Gross)	75,338	75,338							
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	75,338	75,338							
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501. FEHBP Rebate	75,338	75,338							
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	75,338	75,338							
1101. ACA Programs Claims Reserves									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)	220,678	65,348	469,736		755,762
2. Salaries, wages and other benefits	3,925,032	1,162,301	8,354,841		13,442,174
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)			4,376,065		4,376,065
4. Legal fees and expenses			151,386		151,386
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services			348,954		348,954
7. Traveling expenses	35,018	10,565	104,740		150,323
8. Marketing and advertising	5,366	4,000	545,863		555,229
9. Postage, express and telephone	203,775	285,014	487,744		976,533
10. Printing and office supplies	232,113	286,758	408,774		927,645
11. Occupancy, depreciation and amortization			211,906		211,906
12. Equipment					
13. Cost or depreciation of EDP equipment and software					
14. Outsourced services including EDP, claims, and other services	570,247	349,639	5,022,306		5,942,192
15. Boards, bureaus and association fees					
16. Insurance, except on real estate			347,126		347,126
17. Collection and bank service charges					
18. Group service and administration fees					
19. Reimbursements by uninsured plans	(1,317,706)	(390,206)	(2,804,875)		(4,512,787)
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes			777,341		777,341
23.3 Regulatory authority licenses and fees					
23.4 Payroll taxes	271,934	79,954	496,725		848,613
23.5 Other (excluding federal income and real estate taxes)			1,887,454		1,887,454
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses	23,051	13,987	1,160,929		1,197,967
26. TOTAL Expenses Incurred (Lines 1 to 25)	4,169,508	1,867,360	22,347,015		(a) 28,383,883
27. Less expenses unpaid December 31, current year		844,326	1,396,964		2,241,290
28. Add expenses unpaid December 31, prior year		99,045	1,448,827		1,547,872
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	4,169,508	1,122,079	22,398,878		27,690,465
DETAILS OF WRITE-INS					
2501. Other Employee Expenses	21,907	3,282	307,910		333,099
2502. Donations			39,678		39,678
2503. Storage Fees	1,144	10,705	5,706		17,555
2598. Summary of remaining write-ins for Line 25 from overflow page			807,635		807,635
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	23,051	13,987	1,160,929		1,197,967

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 77,467	90,443
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 204,031	204,031
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	118,945	118,945
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 61,516	61,516
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL Gross investment income	461,959	474,935
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		124,665
16. TOTAL Deductions (Lines 11 through 15)		124,665
17. Net Investment income (Line 10 minus Line 16)		350,270
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501. Service Fees		124,665
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		124,665
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases. (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances. (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium. (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts. (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes. (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	11,264		11,264	47,405	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	629,299		629,299	(2,703)	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)	3		3		
10. TOTAL Capital gains (losses)	640,566		640,566	44,702	
DETAILS OF WRITE-INS					
0901. Rounding	3		3		
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)	3		3		

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)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Invested income due and accrued			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	4,524		(4,524)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	895,806		(895,806)
21. Furniture and equipment, including health care delivery assets	313,315		(313,315)
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable	290,103	173,356	(116,747)
25. Aggregate write-ins for other than invested assets	557,501		(557,501)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,061,249	173,356	(1,887,893)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. TOTAL (Lines 26 and 27)	2,061,249	173,356	(1,887,893)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Prepaid Admin Contract	57,501		(57,501)
2502. Goodwill	500,000		(500,000)
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	557,501		(557,501)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	82	233	225	231	236	2,775
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service	41,174	39,030	38,609	43,610	56,991	515,372
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. TOTAL	41,256	39,263	38,834	43,841	57,227	518,147
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

QCA HEALTH PLAN, INC.

Notes to Financial Statements - Statutory Basis
December 31, 2014 and 2013

(1) **Summary of Significant Accounting Policies**

The following is a summary of the significant accounting policies used in the preparation of the accompanying financial statements. Such policies are in conformity with the Annual Statement Instructions and the Accounting Practices and Procedures Manual of the National Association of Insurance Commissioners ("NAIC") and the accounting practices as prescribed or permitted by the Arkansas Insurance Department and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents and Short Term Investments: The Company considers all cash accounts and all highly liquid debt instruments purchased with a maturity of one year or less to be cash or cash equivalents. Certificates of deposit with a maturity of more than one year are considered short term investments and are stated at cost. Certificates of deposit that have no maturity date, a maturity date of less than one year or that can be cashed in without penalty may also be considered as cash.

Premiums Receivable: The Company uses the allowance method of accounting for uncollectible receivables. Premiums receivable represent medical premium revenue that has been billed and recognized as revenue, but has not been collected.

Investment Securities: Bonds and other debt instruments for which the Company intends to hold to until they mature are classified as held to maturity and are stated at cost adjusted for amortization of premiums and accretion of discounts computed by the interest method. Stocks and bond funds which have no set maturity date are classified as available for sale and are stated at fair market value.

Medical Claims Payable: Reported claims expected to be paid after the balance sheet date for services provided to members prior to the balance sheet date are recorded as liabilities. Claims for services provided to members during the financial reporting period which are unreported at the balance sheet date are estimated based on the Company's claims experience and recorded as liabilities. The amounts recorded are based upon estimates of the ultimate net cost of such services provided. These reserves are subject to continuous review by management and changes in estimates are reflected in earnings currently.

Income Taxes: Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due.

Notes to Financial Statements

Revenue: Medical premium revenue is recognized in the month in which members are entitled to receive health care services. Medical premiums collected in advance are recorded as unearned premium revenue.

Cost of Benefits Provided: Cost of benefits provided includes the costs of all medical services delivered to enrolled members of the Company and for whom the Company has recorded medical premium revenue during the reporting period. These costs include payments for specific medical services paid to physicians, hospitals, and other health care providers on a fee-for-service basis. Costs of benefits include claims paid, claims in process and pending, estimates of unreported claims and charges, and processing costs of those estimates at the end of the fiscal year for which the Company will be responsible.

Premium Tax: The state in which the Company does business requires the remittance of premium taxes based upon a percentage of billed premiums.

Advertising Costs: Advertising and promotions related expenses are charged to operations when incurred.

Non-Admitted Assets: Certain assets (principally pharmaceutical rebate receivables and deferred tax assets not expected to be realized within a 12 month period) designated as "non-admitted" are not included in the financial statements.

Accounting Estimates: The preparation of financial statements in conformity with the accounting practices described above requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

(2) **Accounting Changes and Corrections of Errors**

None.

(3) **Business Combinations and Goodwill**

None.

(4) **Discontinued Operations**

None.

Notes to Financial Statements

(5) Investments

The carrying value and estimated market value of investments in securities classified as held to maturity as of December 31, 2014 and 2013 are as follows:

		2014		
	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S Government Securities	\$ 12,442,481	\$ 69,930	\$ 11,075	\$ 12,501,336
	\$ 12,442,481	\$ 69,930	\$ 11,075	\$ 12,501,336

		2013		
	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
U.S Government Securities	\$ 4,155,217	\$ 52,052	\$ 31,232	\$ 4,176,037
	\$ 4,155,217	\$ 52,052	\$ 31,232	\$ 4,176,037

Included in the amounts above, the Company holds a U.S. Government debt security that is restricted due to regulatory requirements, which matures in one to three years and is held to maturity. At December 31, 2014 and 2013, the aggregate fair value was \$624,370 and \$623,331, respectively.

The cost and estimated market value of investments in securities classified as available for sale as of December 31, 2014 and 2013 are as follows:

		2014			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	
Securities Available for Sale					
Stocks	\$ 4,603,706	\$ 1,420,405	\$ 9,720	\$ 6,014,391	
Bond Funds	\$ 6,377,567	\$ 11,283	\$ 14,582	\$ 6,374,268	
	\$ 10,981,273	\$ 1,431,688	\$ 24,302	\$ 12,388,659	
		2013			
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	
Securities Available for Sale					
Stocks	\$ 5,527,237	\$ 1,440,618	\$ 27,231	\$ 6,940,624	
Bond Funds	\$ 6,782,226	\$ 19,434	\$ 70,140	\$ 6,731,520	
	\$ 12,309,463	\$ 1,460,052	\$ 97,371	\$ 13,672,144	

The carrying value and estimated market value of held to maturity securities as of December 31, 2014, by contractual maturity, are shown below:

	Carrying Value	Market Value
Matures in One Year or Less	\$ 350,852	\$ 350,515
Matures in One to Eight Years	\$ 12,091,629	\$ 12,150,821
	\$ 12,442,481	\$ 12,501,336

At December 31, 2014 and 2013, there were no securities that have been in a continuous loss position.

Notes to Financial Statements

(6) Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships, or limited liability companies that exceed 10% of its admitted assets.

(7) Investment Income

The Company's investment income was earned on cash and cash equivalents, bonds, and stocks and no investment income was excluded from surplus for the years ended December 31, 2014 and 2013.

(8) Derivative Instruments

None.

(9) Income Taxes

The Company's net deferred tax asset account was comprised of the following as of December 31, 2014 and 2013:

	2014	2013
Deferred tax assets	-	-
Valuation allowance	-	-
	-	-

The Company has available as of December 31, 2014 unused operating loss carryforwards that may be applied against future taxable income and that expire as follows:

<u>Year of Expiration</u>	<u>Unused Operating Loss Carryforwards</u>
2031	4,409,593
2032	6,498,427
2033	3,823,469
2034	2,888,946
	17,620,435

The provision for income taxes in the financial statements differs from the amount determined by applying the statutory Federal income rate to earnings before income taxes.

The reconciling items and amounts as of December 31, 2014 and 2013 are as follows:

	2014	2013
Expected income tax expense	-	-
Benefit from net operating loss carryforwards	-	-
	-	-

Notes to Financial Statements

(10) Information Concerning Parent, Subsidiaries and Affiliates

The Company is party to a service agreement with an affiliate whereby the affiliate provides a full range of administrative, managerial and technological services. The Company paid this affiliate \$22,665,772 and \$18,791,017 during 2014 and 2013, respectively, for these services.

Under the provisions of various provider contracts, the Company paid \$21,354,782 and \$36,678,717 to hospitals owned by or affiliated with stockholders during 2014 and 2013, respectively.

Administrative fee revenue in the amount of \$937,235 and \$1,970,090 was received from hospitals owned or affiliated with stockholders during 2014 and 2013, respectively, that relates to the administrative services only (ASO) line of business.

The Company was due \$0 and \$75,000 from an affiliate, QualChoice Life and Health Insurance Company as of December 31, 2014 and 2013, respectively.

The Company owed \$972,183 and \$106,919 to stockholders and affiliates as of December 31, 2014 and 2013, respectively, for general expenses paid on behalf of the Company.

The Company entered into an agreement with QualChoice in November 2001, whereby the Company assumed the groups QualChoice managed under a third party administrator agreement on January 1, 2002, on behalf of employers which sponsor health benefit plans for employees. The Company assumed the obligations to perform such duties under the existing contracts with QualChoice, and in exchange for receiving these groups. On July 1, 2014, the Company entered into a management services agreement with Prominence Health, Inc. This agreement was approved by the Arkansas Insurance Department.

The Company received a contribution in capital of \$7,500,000. The contribution was recorded as an accounts receivable and as paid in capital in the 1st quarter. The cash was received in the 2nd quarter and the accounts receivable was removed from the statement. See note 1 for further information.

On April 8, 2014 CollabHealth Plan Services, Inc. submitted a Form A Statement regarding the acquisition of control or merger with QualChoice Holding, Inc. QualChoice Holdings, Inc. is the parent company of QCA Health Plan, Inc. and QualChoice Life and Health Insurance Company, Inc. CollabHealth, a wholly owned subsidiary of Catholic Health Initiatives, closed on a series of stock-purchase agreements to acquire QualChoice Holdings, Inc. On May 1, 2014 the transaction was approved. CollabHealth contributed new capital of \$7,500,000 to QCA Health Plan, Inc. Treatment of the capital contribution is discussed in Note 1. In the 2nd quarter CollabHealth Health, Inc. was renamed Prominence Health, Inc. and CollabHealth Plan Services Plan Services, Inc. was renamed Prominence Health Plan Services, Inc. The new names are reflected in Schedule Y. Upon completion of the stock-purchase agreements QCA Health Plan, Inc. became part of a Holding Company. This is reflected on Schedule Y.

(11) Debt

The Company had the following surplus notes payable at December 31:

	<u>2014</u>	<u>2013</u>
Surplus note payable to Prominence Health Plan Services, Inc		
With interest at 6% beginning in December 2014	5,000,000	-

Notes to Financial Statements

(12) Retirement Plans, Deferred Compensation and Other Postretirement Benefit and Compensated Absences and Other Postretirement Benefit Plans

The Company has an employee 401(k) plan covering all full-time employees of the Company who have completed three months of employment and choose to participate. The Company contributes an amount equal to 3% of the employee's salary. Contributions to the plan during 2014 and 2013 totaled \$276,274 and \$263,157, respectively.

(13) Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

The Company has 50,000 shares of \$.10 per share par value common stock authorized and 20,935 shares outstanding, exclusive of 3,600 shares held as treasury stock. On December 31, 2014 the Company had 11,295 shares outstanding, exclusive of 3,600 shares held as treasury stock. The Company has 25,500.046 shares of \$1,000 par value preferred stock outstanding. The Company does not intend to pay dividends on its common or preferred stock in the foreseeable future.

The Company's preferred stock structure is as follows as of December 31:

	2014	2013
Series A, \$1,000 par value; 5% noncumulative, nonvoting; convertible into 4,732 shares of nonvoting common stock; 2,868 shares authorized and issued.	\$ 2,868,000	2,868,000
Series B, \$1,000 par value; 5% noncumulative, nonvoting; convertible into 16,833 shares of nonvoting common stock; 9,342.808 shares authorized and issued.	9,342,808	9,342,808
Series C, \$1,000 par value; 2% noncumulative, nonvoting, nonconvertible; 5,000 shares authorized and issued.	5,000,000	5,000,000
Series D, \$1,000 par value; noncumulative, nonvoting, nonconvertible; 8,289.238 shares authorized and issued.	8,289,238	8,289,238
	\$ 25,500,046	25,500,046

In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the affairs of the Company the holders of the preferred stock shall be entitled to share ratably in any assets of the Company available for distribution to the Company's stockholders. The amount will be equal to the greater of (a) \$1,000 per share of preferred stock, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization, plus all declared, approved, but unpaid dividends through such distribution payment date or (b) the amount per share such shareholder would receive if such shareholder converted such shares of preferred stock into common stock in accordance with the conversion factor set out in the "Statement of Preferences and Terms of Preferred Stock" immediately prior to such liquidation, dissolution, or winding up of the affairs of the Company. Any payments or distributions to the preferred stockholders shall be made before any such payments or distributions shall be made to common stockholders.

(14) Contingencies

The Company is a defendant in general litigation as of December 31, 2014, in the ordinary course of business. The Company's management believes, however, that any liability it may incur as a result of this litigation would not have a material or adverse effect on the financial statements and, accordingly, no contingencies have been recorded.

Notes to Financial Statements

The Company is subject to various regulatory requirements, including maintenance of minimum capital and surplus. At December 31, 2014, the Company is in compliance with requirements established by the Arkansas Insurance Department. The Company is required to maintain restricted investments in the minimum maturity amount of \$625,000.

(15) Leases

None.

(16) Information About Financial Instruments With Off Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

None.

(17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None.

(18) Gain or Loss To The Reporting Entity From Uninsured A&H Plans and The Uninsured Portion of Partially Insured Plans

During 2014 and 2013, the Company had administrative services only contracts and minimum premium contracts, for which the employer retained all health care service risk, while the Company assumed administrative risk. The Company recorded administrative fee revenues of approximately \$4,489,300 and \$5,056,568 for 2014 and 2013, respectively. The amounts are not recorded as revenue in this statutory statement, but rather as a reduction in operating expenses. The loss associated with this line of business was \$0 in 2014, and the associated profit was (\$140,927) for 2013. The Company has no Medicare or similarly structured cost based reimbursement contracts.

(19) Direct Premium Written/Produced By Managing General Agents/Third Party Administrators

None

(20) Fair Value Measurements

Under FASB ASC 820-10, three prioritized valuation inputs may be used to determine fair value at the measurement date: Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – observable inputs other than the quoted prices included in Level 1; Level 3 – unobservable inputs. There have been no changes in valuation methodologies during the periods under audit, therefore no recognition of gain or loss is required for these financial statements.

The following table sets forth by level, within the fair value hierarchy, the Company's assets held for investment purposes at fair value as of December 31, 2014 and 2013:

Notes to Financial Statements

2014

December 31, 2014 - Fair Value Measurements at Reporting Date

	Fair Value	Level 1	Level 2	Level 3
Stocks	\$ 6,014,391	\$ 6,014,391	\$ -	\$ -
Bond Funds	\$ 6,374,268	\$ 6,374,268	\$ -	\$ -
	<u>\$ 12,388,659</u>	<u>\$ 12,388,659</u>	<u>\$ -</u>	<u>\$ -</u>

2013

December 31, 2013 - Fair Value Measurements at Reporting Date

	Fair Value	Level 1	Level 2	Level 3
Stocks	\$ 6,940,624	\$ 6,940,624	\$ -	\$ -
Bond Funds	\$ 6,731,520	\$ 6,731,520	\$ -	\$ -
	<u>\$ 13,672,144</u>	<u>\$ 13,672,144</u>	<u>\$ -</u>	<u>\$ -</u>

(21) Other Items

J. Risk Sharing Provisions of the Affordable Care Act

1. Permanent Risk Adjustment Program

Assets	Amount
a. Premium Adjustment Receivable	\$0
Liabilities	
b. Risk Adjustment User Fees Payable	\$0
c. Premium Adjustments Payable	\$7,813,792
Operations (Revenue & Expense)	
d. Premium for Accident and Health Contracts	\$7,813,792

2. Transitional Reinsurance Program

Assets	
a. Amounts recoverable for claims paid	\$3,660,299
b. Amounts recoverable for claims unpaid	\$0
c. Amounts receivable relating to uninsured plans	\$0
Liabilities	
d. Claims unpaid-ceded	\$0
e. Contributions payable-not reported as ceded	\$0
f. Ceded reinsurance premiums payable	\$0
g. Liability for amounts held under uninsured plans	\$0
Operations (Revenue & Expense)	

Notes to Financial Statements

h.	Ceded reinsurance premiums	\$0
i.	Reinsurance recoveries	\$0
j.	Contributions-not reported as ceded premiums	\$2,463,300
3. Temporary Risk Corridors Program		
Assets		
a.	Accrued retrospective premium	\$3,901,597
Liabilities		
b.	Reserve for rate credits/policy exp rating refunds	\$0
Operations (Revenue & Expense)		
c.	Net premium income (paid/received)	\$3,901,597
d.	Change in reserves for rate credits	\$0
4.	Have there been any material re-estimations and/or impairments for the reporting period?	NO

(22) Events Subsequent

Subsequent events have been considered through February 27, 2015, the date which the financial statements were filed.

On January 1, 2015, the Company will, once again, be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2015. 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 of the annual health insurance industry fee to be payable on September 30, 2015 to be \$2,757,089. This assessment is expected to impact risk based capital by 13%.

(23) Reinsurance

The Company is covered under a medical reinsurance agreement effective October 1, 2014 through December 31, 2015, that provides annual coverage for eligible in-area and out of area hospital services of 90% in excess of \$550,000 per member for group and Individual coverage. The policy covers medical services and pharmaceuticals including inpatient and outpatient hospital, sub-acute facility services, skilled nursing facility and rehabilitation facility services, hospice services, home health agency services, outpatient facility services, and other professional services. Physician services are not covered. Certain covered services have per unit or annual coverage limits. Each insured member's coverage is limited to \$10,000,000 in the contract year.

The reinsurance agreement contains a provision through which the Company may receive an experience refund equal to 40% of a realized gain in a contract year. A realized gain is defined as the amount by which the actual claims against the policy

Notes to Financial Statements

filed by the Company are less than 68% of total policy premiums for the contract year. The policy must be renewed in a subsequent contract year for the Company to receive a prior year's experience refund. At December 31, 2014 the Company recorded \$0 receivable for experience refund related to the contract year that began October 1, 2014. As of December 31, 2013 the Company recorded a receivable of \$745,834 for the contract year began September 30, 2013.

The Company has no return commission, which would have been due if the Company had cancelled the reinsurance. The Company has no retroactive reinsurance agreements. The reinsurance does not have retroactive termination arrangement clause.

(24) Retrospectively Rated Contracts & Contracts Subject To Redetermination

None.

(25) Change In Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2013 were \$13,286,998. As of December 31, 2014, \$11,695,380 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years.

(26) Intercompany Pooling Arrangements

None.

(27) Structured Settlements

None.

(28) Health Care Receivables

The Company experienced the following activity associated with the pharmaceutical rebate receivables by quarter for the previous three years from December 31, 2014:

**For 2014
Pharmaceutical Rebate Receivables**

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Confirmed	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2014	449,789	0	0	0	0
9/30/2014	309,255	0	0	0	0
6/30/2014	273,870	169,634	169,634	0	0
3/31/2014	305,949	367,374	197,741	169,634	0
12/31/2013	347,371	383,442	185,701	197,741	0
9/30/2013	350,749	379,938	194,237	185,701	0
6/30/2013	358,302	416,370	222,133	194,237	0
3/31/2013	412,586	469,863	247,730	222,133	0
12/31/2012	518,806	439,140	191,410	247,730	0
9/30/2012	677,928	461,070	269,660	191,410	0
6/30/2012	698,389	538,781	269,121	269,660	0
3/31/2012	648,106	618,473	349,323	269,121	29

(29) Participating Policies

Notes to Financial Statements

None.

(30) Premium Deficiency Reserves

None.

(31) Anticipated Salvage and Subrogation

None.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
- 1.3 State Regulating? Arkansas
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[X] No[]
- 2.2 If yes, date of change: 05/01/2014
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011
- 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. 12/31/2011
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/30/2013
- 3.4 By what department or departments?
Arkansas Insurance Department
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]
- 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, 0.000%
- 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

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Rasco, Winter, Abston, Moore & Assoc. 400 West Capitol, Suite 1624 Little Rock, Arkansas 72201
- 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 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 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?
Brad Davis Actuary of Wakely Consulting Group 1660 Highway 100 South , Suite 590 Minneapolis, Minnesota 55416

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No
 12.11 Name of real estate holding company
 12.12 Number of parcels involved 0
 12.13 Total book/adjusted carrying value \$ 0
 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes No N/A
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes No N/A
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes No
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 c. Compliance with applicable governmental laws, rules and regulations;
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 e. Accountability for adherence to the code.
 14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes No
 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
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes No
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001

BOARD OF DIRECTORS

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

FINANCIAL

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

INVESTMENT

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

GENERAL INTERROGATORIES (Continued)

- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[] No[] N/A[X]
- 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. \$ 0
- 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
- 24.103 Total payable for securities lending reported on the liability page. \$ 0

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[] No[X]
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ 0
- 25.22 Subject to reverse repurchase agreements \$ 0
- 25.23 Subject to dollar repurchase agreements \$ 0
- 25.24 Subject to reverse dollar repurchase agreements \$ 0
- 25.25 Placed under option agreements \$ 0
- 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$ 0
- 25.27 FHLB Capital Stock \$ 0
- 25.28 On deposit with states \$ 0
- 25.29 On deposit with other regulatory bodies \$ 0
- 25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$ 0
- 25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ 0
- 25.32 Other \$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, 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
Arvest Asset Management	200 Commerce Dr. Ste. 100, Little Rock, AR
Stephens Bank Trust	111 Center Street, Little Rock, AR

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

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

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes[] No[X]
- 28.04 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
Arvest Trust	Dennis Whitaker	200 Commerce Dr. Ste. 100 Little Rock, AR
Stephens Inc.	Alan Tedford	111 Center Street, Little Rock, AR

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

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

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

GENERAL INTERROGATORIES (Continued)

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	18,816,749	18,872,741	55,992
30.2 Preferred stocks	1,500,000	1,500,000	
30.3 Totals	20,316,749	20,372,741	55,992

30.4 Describe the sources or methods utilized in determining the fair values
Provided by bank statements/Trust Company reporting

- 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[X] 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[X] N/A[]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[]
- 32.2 If no, list exceptions:

OTHER

- 33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 39,200
- 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
AM Best	39,200

- 34.1 Amount of payments for legal expenses, if any? \$ 151,386
- 34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Baker & Hostetler LLP	80,850
Venable LLP	63,369

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 0
- 35.2 List the name of 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 (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U.S. business only: \$ 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
 - 1.31 Reason for excluding: \$ 0
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0
- 1.6 Individual policies - Most current three years:
 - 1.61 TOTAL Premium earned \$ 0
 - 1.62 TOTAL Incurred claims \$ 0
 - 1.63 Number of covered lives 0
 - All years prior to most current three years:
 - 1.64 TOTAL Premium earned \$ 0
 - 1.65 TOTAL Incurred claims \$ 0
 - 1.66 Number of covered lives 0
- 1.7 Group policies - Most current three years:
 - 1.71 TOTAL Premium earned \$ 0
 - 1.72 TOTAL Incurred claims \$ 0
 - 1.73 Number of covered lives 0
 - All years prior to most current three years:
 - 1.74 TOTAL Premium earned \$ 0
 - 1.75 TOTAL Incurred claims \$ 0
 - 1.76 Number of covered lives 0

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	159,762,626	141,264,056
2.2 Premium Denominator	159,762,626	141,264,056
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	28,225,649	13,576,893
2.5 Reserve Denominator	28,225,649	13,576,893
2.6 Reserve Ratio (2.4 / 2.5)	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No []
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [X] N/A []
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes[X] No []
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
 - 5.31 Comprehensive Medical \$ 1,495,000
 - 5.32 Medical Only \$ 0
 - 5.33 Medicare Supplement \$ 0
 - 5.34 Dental & Vision \$ 0
 - 5.35 Other Limited Benefit Plan \$ 0
 - 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Provider contracts have hold harmless agreements and continuity of care provisions. Through the reinsurance company \$5,000,000 is reinsured for continuation of benefits in event of insolvency.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes[X] No []
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
 - 8.1 Number of providers at start of reporting year 13,168
 - 8.2 Number of providers at end of reporting year 14,344
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]
- 9.2 If yes, direct premium earned:
 - 9.21 Business with rate guarantees between 15-36 months 0
 - 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [] No [X]
- 10.2 If yes:
 - 10.21 Maximum amount payable bonuses \$ 0
 - 10.22 Amount actually paid for year bonuses \$ 0
 - 10.23 Maximum amount payable withholds \$ 0
 - 10.24 Amount actually paid for year withholds \$ 0
- 11.1 Is the reporting entity organized as:
 - 11.12 A Medical Group/Staff Model, Yes [] No [X]
 - 11.13 An Individual Practice Association (IPA), or, Yes [] No [X]
 - 11.14 A Mixed Model (combination of above)? Yes [] No [X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes[X] No []
- 11.3 If yes, show the name of the state requiring such net worth.
 - Arkansas
- 11.4 If yes, show the amount required. \$ 6,012,495
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes[X] No []
- 11.6 If the amount is calculated, show the calculation.

Net Worth requirement of \$100,000 plus certain RBC requirements of the State. The RBC calculations are included with this filing
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
entire state of Arkansas, 75 counties

- 13.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ 0
- 13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date: \$ 0

GENERAL INTERROGATORIES (Continued)

14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers?
 14.2 If the answer to 14.1 is yes, please provide the following:

Yes No N/A

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

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

15.1 Direct Premium Written	\$ 0
15.2 Total incurred claims	\$ 0
15.2 Number of covered lives 0

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

FIVE-YEAR HISTORICAL DATA

	1 2014	2 2013	3 2012	4 2011	5 2010
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	64,017,278	30,952,723	39,094,684	42,921,215	44,770,829
2. TOTAL Liabilities (Page 3, Line 24)	43,728,419	18,132,132	26,164,182	24,102,140	21,607,233
3. Statutory surplus	6,012,498	5,462,471	5,692,025	5,631,806	5,533,355
4. TOTAL Capital and Surplus (Page 3, Line 33)	20,288,859	12,820,591	12,930,502	18,819,075	23,163,596
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	159,762,626	141,264,056	147,170,891	146,105,210	146,799,509
6. TOTAL Medical and Hospital Expenses (Line 18)	137,595,312	123,882,758	130,980,925	129,326,702	125,099,692
7. Claims adjustment expenses (Line 20)	6,036,868	6,518,243	6,023,417	5,030,345	4,647,708
8. TOTAL Administrative Expenses (Line 21)	22,347,015	16,606,725	15,382,328	16,119,665	15,319,258
9. Net underwriting gain (loss) (Line 24)	(6,216,569)	(3,893,730)	(6,597,453)	(4,839,768)	1,732,851
10. Net investment gain (loss) (Line 27)	990,836	250,592	394,398	269,383	356,145
11. TOTAL Other Income (Lines 28 plus 29)		53,755	25,695		(1)
12. Net income or (loss) (Line 32)	(5,225,733)	(3,589,383)	(6,177,360)	(4,559,308)	2,039,595
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	4,599,058	(10,769,776)	(2,746,218)	(2,772,110)	5,924,256
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	20,288,859	12,820,591	12,930,502	18,819,075	23,163,596
15. Authorized control level risk-based capital	6,012,498	5,462,471	5,692,025	5,631,778	5,533,355
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	57,227	41,256	44,550	45,067	49,625
17. TOTAL Members Months (Column 6, Line 7)	518,147	495,442	542,687	569,492	567,122
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	86.1	87.7	89.0	88.5	85.2
20. Cost containment expenses	2.6	2.6	2.6	2.1	2.3
21. Other claims adjustment expenses	1.2	2.0	1.4	1.3	0.9
22. TOTAL Underwriting Deductions (Line 23)	103.9	102.8	104.5	103.3	98.8
23. TOTAL Underwriting Gain (Loss) (Line 24)	(3.9)	(2.8)	(4.5)	(3.3)	1.2
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	10,117,020	17,758,675	14,536,223	13,127,677	8,869,551
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	12,193,433	16,338,903	14,198,702	13,320,969	10,807,956
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated	5,460	5,634	5,628	5,623	5,616
32. TOTAL of Above Lines 26 to 31	1,505,460	1,505,634	1,505,628	1,505,623	1,505,616
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

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[] N/A[X]

If no, please explain::

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	L	161,387,466			2,081,798		163,469,264		
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X	161,387,466			2,081,798		163,469,264		
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	(a) 1	161,387,466			2,081,798		163,469,264		
DETAILS OF WRITE-INS									
58001	X X X								
58002	X X X								
58003	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

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

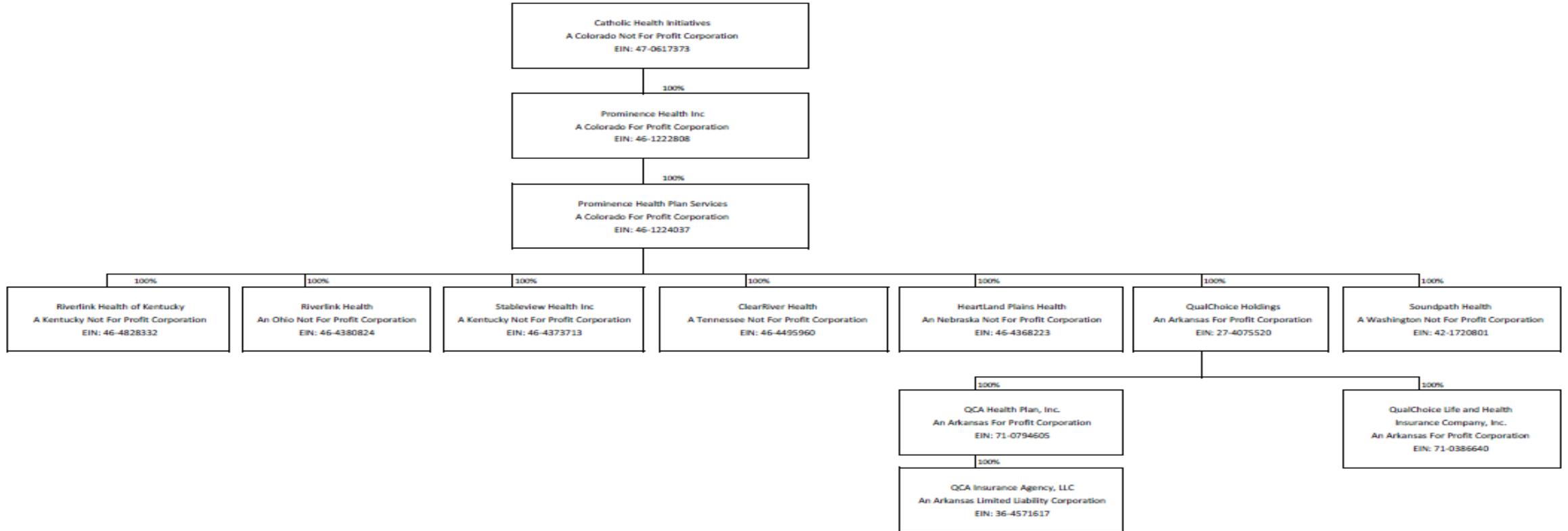
(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Organizational Chart



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