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QUARTERLY STATEMENT

AS OF JUNE 30, 2016

OF THE CONDITION AND AFFAIRS OF THE

Vantage Health Plan, Inc.

NAIC Group Code 04783 (Current Period), 04783 (Prior Period) NAIC Company Code 95584 Employer's ID Number 72-1285173

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

Country of Domicile United States

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

Incorporated/Organized 10/26/1994 Commenced Business 01/02/1995

Statutory Home Office 130 DeSiard Street, Suite 300 (Street and Number), Monroe, LA, US 71201 (City or Town, State, Country and Zip Code)

Main Administrative Office 130 DeSiard Street, Suite 300 (Street and Number) Monroe, LA, US 71201 (City or Town, State, Country and Zip Code) 318-361-0900 (Area Code) (Telephone Number)

Mail Address 130 DeSiard Street, Suite 300 (Street and Number or P.O. Box), Monroe, LA, US 71201 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 130 DeSiard Street, Suite 300 (Street and Number) Monroe, LA, US 71201 (City or Town, State, Country and Zip Code) 318-361-0900 (Area Code) (Telephone Number)

Internet Web Site Address www.vhpla.com

Statutory Statement Contact Chelle H. Cupit (Name) 318-998-3076 (Area Code) (Telephone Number) (Extension)

ccupit@vhpla.com (E-Mail Address) 318-812-9987 (FAX Number)

OFFICERS

Name	Title	Name	Title
Patrick Gary Jones	President	Mike W. Breard	Executive Vice President
Michael John Sampognaro	Secretary	Corbin Jefferson Turpin	Vice President

OTHER OFFICERS

Rhonda R. Haygood	Chief Financial Officer	Ronald Paul Koepke	Treasurer

DIRECTORS OR TRUSTEES

Patrick Gary Jones	Michael John Sampognaro	Corbin Jefferson Turpin	Bonita Havard Dyess (Alt)
William Thomas Ferguson	Joseph Brown Reynolds (Alt)	David Art Yarbrough	Edward Odell Coleman
Terri Hoover Odom	Michael James Belue (Alt)	Reba Nolan	Joseph Barron (Alt)
Ronald Paul Koepke	Scott K McClelland	John Michael Cage	Matthew Debnam

State of Louisiana
County of Ouachita
ss

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

Patrick Gary Jones President	Mike W. Breard Executive Vice President	Michael John Sampognaro Secretary

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

Subscribed and sworn to before me this
12 day of August, 2016

b. If no:
1. State the amendment number
2. Date filed
3. Number of pages attached

Robert J. Bozeman, Notary Public
At Death

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds			0	0
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less $ encumbrances)	34,442,393		34,442,393	23,387,863
4.2 Properties held for the production of income (less $ encumbrances)			0	0
4.3 Properties held for sale (less $ encumbrances)			0	0
5. Cash ($ 7,403,769), cash equivalents ($ 0) and short-term investments ($ 0)	7,403,769		7,403,769	7,502,248
6. Contract loans (including $ premium notes)			0	0
7. Derivatives	0		0	0
8. Other invested assets	15,181,573		15,181,573	13,414,681
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	57,027,735	0	57,027,735	44,304,792
13. Title plants less $ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	2,091		2,091	10,803
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	5,695,199	246,140	5,449,059	699,102
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums ($) and contracts subject to redetermination ($)	6,137,231		6,137,231	7,162,910
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	2,871,451		2,871,451	2,819,675
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts	561		561	349,452
17. Amounts receivable relating to uninsured plans	2,169,537	206,250	1,963,287	1,963,287
18.1 Current federal and foreign income tax recoverable and interest thereon			0	1,379,492
18.2 Net deferred tax asset	363,491		363,491	363,491
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	590,711		590,711	606,256
21. Furniture and equipment, including health care delivery assets ($ 184,226)	2,250,523	199,594	2,050,929	2,056,849
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	2,167,676	879,466	1,288,210	0
24. Health care ($ 3,312,936) and other amounts receivable	3,312,936	530,157	2,782,779	2,219,642
25. Aggregate write-ins for other-than-invested assets	1,903,965	1,828,482	75,483	146,137
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	84,493,107	3,890,089	80,603,018	64,081,888
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	84,493,107	3,890,089	80,603,018	64,081,888
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Prepaid Expenses	1,716,962	1,716,962	0	0
2502. Miscellaneous Receivable	85,679	10,196	75,483	146,137
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	101,324	101,324	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,903,965	1,828,482	75,483	146,137

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1. Claims unpaid (less $ 582,944 reinsurance ceded)	38,762,725	6,680,095	45,442,820	27,561,068
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	590,000		590,000	590,000
4. Aggregate health policy reserves including the liability of $ for medical loss ratio rebate per the Public Health Service Act	1,156,091		1,156,091	861,019
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	1,559,079		1,559,079	3,148,119
9. General expenses due or accrued	13,337,279		13,337,279	7,251,772
10.1 Current federal and foreign income tax payable and interest thereon (including $ on realized gains (losses))	574,370		574,370	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	667,287		667,287	428,968
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including $ current) and interest thereon $ (including $ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates			0	0
16. Derivatives		0	0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with $ authorized reinsurers, $ unauthorized reinsurers and $ certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified ($) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	365,177		365,177	206,925
23. Aggregate write-ins for other liabilities (including $ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	57,012,008	6,680,095	63,692,103	40,047,871
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	5,447,850
26. Common capital stock	XXX	XXX	2,470,570	2,470,570
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	6,274,332	3,105,332
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	8,166,013	13,010,265
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 $)	XXX	XXX		0
32.2 shares preferred (value included in Line 27 $)	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	16,910,915	24,034,017
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	80,603,018	64,081,888
DETAILS OF WRITE-INS				
2301.			0	0
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501. Health Insurer Fee	XXX	XXX		5,447,850
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	5,447,850
3001.	XXX	XXX		0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date 1 Uncovered	Current Year To Date 2 Total	Prior Year To Date 3 Total	Prior Year Ended December 31 4 Total
1. Member Months	XXX	313,433	214,644	430,084
2. Net premium income (including $ non-health premium income)	XXX	191,198,236	133,108,885	269,951,372
3. Change in unearned premium reserves and reserve for rate credits	XXX		0	0
4. Fee-for-service (net of $ medical expenses)	XXX		0	0
5. Risk revenue	XXX		0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues	XXX	15,154	825	3,501
8. Total revenues (Lines 2 to 7)	XXX	191,213,390	133,109,710	269,954,873
Hospital and Medical:				
9. Hospital/medical benefits		118,586,287	82,089,536	164,781,134
10. Other professional services		13,224,522	9,505,047	20,178,883
11. Outside referrals			0	0
12. Emergency room and out-of-area		5,732,153	3,481,732	7,992,618
13. Prescription drugs		27,498,927	19,541,886	37,497,486
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts			0	0
16. Subtotal (Lines 9 to 15)	0	165,041,889	114,618,201	230,450,121
Less:				
17. Net reinsurance recoveries		1,501,196	4,360,794	7,687,892
18. Total hospital and medical (Lines 16 minus 17)	0	163,540,693	110,257,407	222,762,229
19. Non-health claims (net)			0	0
20. Claims adjustment expenses, including $ 5,513,499 cost containment expenses		8,692,365	6,753,789	15,130,601
21. General administrative expenses		21,319,515	16,664,145	30,399,127
22. Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)			0	(114,704)
23. Total underwriting deductions (Lines 18 through 22)	0	193,552,573	133,675,341	268,177,253
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(2,339,183)	(565,631)	1,777,620
25. Net investment income earned		379,797	268,230	645,372
26. Net realized capital gains (losses) less capital gains tax of $			0	0
27. Net investment gains (losses) (Lines 25 plus 26)	0	379,797	268,230	645,372
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $) (amount charged off $)]			0	0
29. Aggregate write-ins for other income or expenses	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(1,959,386)	(297,401)	2,422,992
31. Federal and foreign income taxes incurred	XXX	753,862	3,904,313	1,250,780
32. Net income (loss) (Lines 30 minus 31)	XXX	(2,713,248)	(4,201,714)	1,172,212
DETAILS OF WRITE-INS				
0601.	XXX		0	0
0602. Other	XXX		0	0
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0	0
0701. Other Income	XXX	15,154	825	3,501
0702.	XXX		0	0
0703.	XXX		0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	15,154	825	3,501
1401. Other			0	0
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0	0
2901.			0	0
2902.			0	0
2903.			0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	24,034,017	21,209,301	21,209,301
34.	Net income or (loss) from Line 32	(2,713,248)	(4,201,714)	1,172,212
35.	Change in valuation basis of aggregate policy and claim reserves		0	0
36.	Change in net unrealized capital gains (losses) less capital gains tax of $	(5,333,108)	1,099,803	(7,304,554)
37.	Change in net unrealized foreign exchange capital gain or (loss)		0	0
38.	Change in net deferred income tax		0	105,350
39.	Change in nonadmitted assets	(2,244,746)	4,695,644	8,288,608
40.	Change in unauthorized and certified reinsurance	0	0	0
41.	Change in treasury stock		0	0
42.	Change in surplus notes	0	0	0
43.	Cumulative effect of changes in accounting principles		0	0
44.	Capital Changes:			
	44.1 Paid in		0	0
	44.2 Transferred from surplus (Stock Dividend)		0	0
	44.3 Transferred to surplus		0	0
45.	Surplus adjustments:			
	45.1 Paid in	3,169,000	395,000	1,601,100
	45.2 Transferred to capital (Stock Dividend)	0	0	0
	45.3 Transferred from capital		0	0
46.	Dividends to stockholders	(1,000)	(1,024,000)	(1,038,000)
47.	Aggregate write-ins for gains or (losses) in surplus	0	0	0
48.	Net change in capital and surplus (Lines 34 to 47)	(7,123,102)	964,733	2,824,716
49.	Capital and surplus end of reporting period (Line 33 plus 48)	16,910,915	22,174,034	24,034,017
	DETAILS OF WRITE-INS			
4701.			0	0
4702.			0	0
4703.			0	0
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799.	Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	186,418,309	125,585,984	267,387,828
2. Net investment income	525,330	1,024,585	1,943,439
3. Miscellaneous income	15,154	825	3,501
4. Total (Lines 1 to 3)	186,958,793	126,611,394	269,334,768
5. Benefit and loss related payments	146,305,679	107,628,467	219,041,084
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	23,166,954	16,887,355	43,097,317
8. Dividends paid to policyholders		0	0
9. Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	(1,200,000)	108,797	2,272,830
10. Total (Lines 5 through 9)	168,272,633	124,624,619	264,411,231
11. Net cash from operations (Line 4 minus Line 10)	18,686,160	1,986,775	4,923,537
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0	0	0
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0	0	0
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	11,361,062	2,744,444	12,821,961
13.5 Other invested assets	7,100,000	3,909,730	7,813,320
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	18,461,062	6,654,174	20,635,281
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(18,461,062)	(6,654,174)	(20,635,281)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	3,169,000	395,000	1,601,100
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0	0
16.5 Dividends to stockholders	1,000	1,024,000	1,038,000
16.6 Other cash provided (applied)	(3,491,577)	6,927,716	7,046,268
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(323,577)	6,298,716	7,609,368
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)	(98,479)	1,631,317	(8,102,376)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	7,502,248	15,604,624	15,604,624
19.2 End of period (Line 18 plus Line 19.1)	7,403,769	17,235,941	7,502,248

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	36,243	6,791	15,380	0	0	0	0	14,072	0	0
2. First Quarter	54,257	21,354	16,935	0	0	0	0	15,968	0	0
3. Second Quarter	51,301	18,039	17,052	0	0	0	0	16,210	0	0
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	313,433	115,346	101,948					96,139		
Total Member Ambulatory Encounters for Period:										
7. Physician	301,727	86,898	79,535					135,294		
8. Non-Physician	51,261	12,888	10,291					28,082		
9. Total	352,988	99,786	89,826	0	0	0	0	163,376	0	0
10. Hospital Patient Days Incurred	31,398	3,924	2,035					25,439		
11. Number of Inpatient Admissions	3,992	682	421					2,889		
12. Health Premiums Written (a)	192,938,656	52,036,172	46,485,203					94,417,281		
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	192,938,656	51,822,786	46,698,589					94,417,281		
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	145,658,944	32,823,206	32,878,139					79,957,599		
18. Amount Incurred for Provision of Health Care Services	165,041,889	41,366,265	35,910,561					87,765,063		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $ 94,417,281

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims unpaid (Reported)						
#AFFINITY HEALTH GROUP LLC	56,122					56,122
#ALPHA CARE HOME HEALTH INC	19,277					19,277
#ARKANSAS CHILDRENS HOSPITAL	97,467					97,467
#BARRON, SCOTT M	15,275					15,275
#BEAUREGARD MEMORIAL HOSPITAL	12,185					12,185
#BRFHH SHREVE LLC DBA UNIV HEALTH SHREVE	38,735					38,735
#BYRD REGIONAL HOSPITAL	15,904					15,904
#CAIN NEUROSURGERY CLINIC APMC	16,137					16,137
#CALCASIEU FAMILY PHYSICIANS OF WCCH	10,882					10,882
#CHILDRENS HOSPITAL	17,087					17,087
#CHRISTUS ST JOSEPH HOME	45,813					45,813
#CLAIBORNE HOME HEALTH	11,383					11,383
#CYPRESS POINTE SURGICAL HOSPITAL	17,079					17,079
#EAST JEFFERSON GENERAL HOSPITAL	19,932					19,932
#FAMILY LIFE HOME HEALTH	15,806					15,806
#FOUR RIVERS HOME HEALTH OF LOUISIANA	14,692					14,692
#GAMMAGE JR, COY W	10,377					10,377
#GENESIS BEHAVIORAL HOSPITAL INC	14,533					14,533
#HEALTHCARE WAREHOUSE LLC	12,409					12,409
#HIGHLAND CLINIC APMC	18,105					18,105
#IBERIA MEDICAL CENTER CRNA GROUP	11,089					11,089
#LAFAYETTE GENERAL MEDICAL CENTER PHYS	52,542					52,542
#MEDISTAR HOME HEALTH OF JACKSON PARISH	10,395					10,395
#MEDISTAR HOME HEALTH OF MARKSVILLE LLC	17,395					17,395
#MERIT HEALTH NATCHEZ	16,088					16,088
#MONROE SURGICAL HOSPITAL	69,088					69,088
#MOREHOUSE GENERAL HOSPITAL	11,027					11,027
#NORTHEAST LOUISIANA RADIATION ONCOLOGY	14,774					14,774
#NORTHERN LOUISIANA MEDICAL CENTER	60,142					60,142
#P&S SURGICAL HOSPITAL	34,873					34,873
#PATHWAY REHAB HOSPITAL OF BOSSIER LLC	14,210					14,210
#SPECIALISTS HOSPITAL SHREVEPORT	23,060					23,060
#SPECIALTY HOSPITAL	64,895					64,895
#SUPREME HOME HEALTH SERVICES INC	16,396					16,396
#TRINITY HOME HEALTH CARE INC	16,238					16,238
#TRUCARE HOME HEALTH LLC	19,953					19,953
#UNITED HOME CARE INC	84,115					84,115
#UNIVERSITY OF PA HOSPITAL	30,369					30,369
#WEST CARROLL HEALTH SYSTEMS	10,450					10,450
#WOMANS CLINIC OF MONROE INC	19,523					19,523
#WOMENS & CHILDRENS HOSPITAL	14,084					14,084
@ACADIA REHABILITATION HOSPITAL	12,198					12,198
@BR ORTHO CLINIC DBA PHYSICAL THERAPY AN	10,874					10,874
@BRFHH MONROE LLC DBA UNIV HEALTH CONWAY	28,008					28,008
@CHRISTUS HEALTH NORTH LA DBA CHRISTUS S	96,695					96,695
@CYPRESS POINT NURSING AND REHAB CENTER	11,716					11,716
@FRANKLIN MEDICAL CENTER	10,949					10,949
@GREEN CLINIC REHAB SERVICES	12,996					12,996
@HNI MEDICAL SERVICES	12,731					12,731
@HOSPITAL SERVICE DISTRICT DBA DELHI COM	11,375					11,375
@IASIS GLENWOOD REGIONAL MEDICAL CENTER	81,633					81,633
@M D ANDERSON CANCER CENTER	33,367					33,367
@NAOMI HEIGHTS NURSING & REHAB	19,868					19,868
@NEUROMEDICAL SURGICAL HOSPITAL DBA THE	21,681					21,681
@NEW IBERIA MANOR SOUTH	37,861					37,861

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
@NORTH NATCHITOCHES MEDICAL CLINIC	24,454					24,454
@NORTH OAKS MEDICAL CENTER PHYS LLC	11,110					11,110
@NORTHEAST LOUISIANA AMBULANCE SVR	10,131					10,131
@OCHSNER FOUNDATION HOSP DBA OSCHER MEDI	43,951					43,951
@OUR LADY OF THE LAKE RMC	42,272					42,272
@PHYSICIANS REFERRAL SERVICE	18,634					18,634
@RADIOLOGY ASSOCIATES OF SWLA DBA ACCESS	14,954					14,954
@RAPIDES REGIONAL MEDICAL CENTER	69,212					69,212
@RIVERSIDE HOSPITAL OF LOUISIANA	30,325					30,325
@SAINT FRANCIS MEDICAL CENTER	257,814					257,814
@SPECIALTY REHABILITATION HOSPITAL	44,310					44,310
@TERREBONNE GENERAL MED CENTER PHYS	28,580					28,580
@WK BEHAVIORAL MEDICINE	129,271					129,271
0199999 Individually listed claims unpaid	2,216,875	0	0	0	0	2,216,875
0299999 Aggregate accounts not individually listed-uncovered	296,655					296,655
0399999 Aggregate accounts not individually listed-covered	785,455					785,455
0499999 Subtotals	3,298,985	0	0	0	0	3,298,985
0599999 Unreported claims and other claim reserves	XXX	XXX	XXX	XXX	XXX	42,726,779
0699999 Total amounts withheld	XXX	XXX	XXX	XXX	XXX	
0799999 Total claims unpaid	XXX	XXX	XXX	XXX	XXX	46,025,764
0899999 Accrued medical incentive pool and bonus amounts	XXX	XXX	XXX	XXX	XXX	

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4		
Line of Business	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec. 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
1. Comprehensive (hospital and medical)	8,061,763	58,972,024	1,257,910	18,280,814	9,319,673	9,464,437
2. Medicare Supplement					0	0
3. Dental only					0	0
4. Vision only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	15,619,899	66,318,194	1,706,018	24,198,078	17,325,917	18,096,631
7. Title XIX - Medicaid					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	23,681,662	125,290,218	2,963,928	42,478,892	26,645,590	27,561,068
10. Health care receivables (a)	530,174	2,782,762			530,174	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9-10+11+12)	23,151,488	122,507,456	2,963,928	42,478,892	26,115,416	27,561,068

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Vantage Health Plan, Inc. (the "Company") are presented on the basis of accounting practices prescribed or permitted by the State of Louisiana Department of Insurance (DOI).

The DOI recognizes only statutory accounting practices prescribed or permitted by the State of Louisiana for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Louisiana Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Louisiana. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically, fixed assets used for HMO operations are admitted by the state's prescribed accounting practices. In NAIC SAP, fixed assets are not admitted. In addition, admitted EDP equipment is limited by the state's prescribed accounting practices to two percent of the reporting entity's admitted assets. In NAIC SAP, admitted EDP equipment is limited to three percent of the reporting entity's capital and surplus adjusted to exclude any EDP equipment, net deferred tax assets and net positive goodwill. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of the Company's capital and surplus between practices prescribed and permitted by the State of Louisiana and NAIC SAP is shown below. The Company's net income for the six months ended June 30, 2016 and the year ended December 31, 2015 would not have been affected by NAIC SAP.

Louisiana	June 30, 2016	December 31, 2015
NET INCOME/(LOSS)		
Net Income/(Loss), state basis	$(2,713,248)	$1,172,212
State Prescribed Practices that increase/(decrease)		
NAIC SAP: Depreciation of Fixed Assets	-0-	-0-
State Permitted Practices that increase/(decrease)		
NAIC SAP: None	-0-	-0-
Net Income/(Loss), NAIC SAP	$(2,713,248)	$1,172,212
SURPLUS		
Statutory Surplus, state basis	$16,910,915	$24,034,017
State Prescribed Practices that increase/(decrease)		
NAIC SAP: Fixed Assets, net	(1,866,702)	(1,246,609)
EDP Equipment Limitation	-0-	-0-
State Permitted Practices that increase/(decrease)		
NAIC SAP: None	-0-	-0-
Surplus, NAIC SAP	$15,044,213	$22,787,408

B. Use of Estimates – The preparation of financial statements in conformity with NAIC SAP and Louisiana DOI accounting practices requires management to make estimates, the most significant of which relate to incurred but unreported claims for medical services, and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policies – HMO membership contracts vary in length and most are subject to cancellation by the individual, employer group, or the HMO upon 30 days written notice. Premiums are due monthly and are recognized as revenue during the period in which the HMO is obligated to provide services to members. Premiums collected in advance are deferred and recorded as premiums received in advance. Third-party selling expenses are included in general administrative expenses.

The Company also contracts with the Centers for Medicare and Medicaid Services (CMS) to provide medical services to Medicare enrollees in return for a capitated payment. Substantially all of the premiums are received from CMS under these Medicare Advantage contracts. Premiums are due monthly and are recognized as income during the period that the Company is obligated to provide service to its members. CMS does audit a select group of Medicare Advantage health plans in the area of hierarchal condition category ("HCC") coding for the determination of risk score revenue. These audits are labeled RADV (Risk Adjustment Data Validation) audits. If the Company is selected for a RADV audit, such audit, like any other

NOTES TO FINANCIAL STATEMENTS

audit pursued by CMS, may result in an adverse impact on the Company's revenue on a prospective or retrospective basis. See Note 14(F).

Accounting for the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, "Health Care Reform") Reinsurance, Risk Adjustment and Risk Corridor (the "3Rs") pursuant to guidance adopted in March 2014 by *Interpretation 2013-04: Accounting for the Risk Sharing Provisions of the Affordable Care Act ("INT 13-04")* is as follows:

Reinsurance

Health Care Reform established a temporary three-year reinsurance program, whereby all issuers of major medical commercial insurance products and self-insured plan sponsors are required to contribute funding in amounts set by the U.S. Department of Health and Human Services ("HHS"). Funds collected will be utilized to reimburse issuers' high claims costs incurred for qualified individual members. The expense related to this required funding is reflected in insurance, taxes, licenses and fees for all of the Company's insurance products with the exception of products associated with qualified individual members; this expense for qualified individual members is reflected as a reduction of premium revenue. When annual claim costs incurred by the Company's qualified individual members exceed a specified attachment point, the Company is entitled to certain reimbursements from this program. The Company records amounts recoverable from reinsurers and ceded claim benefit recoveries to reflect its estimate of these recoveries.

Risk Adjustment

Health Care Reform established a permanent risk adjustment program to transfer funds from qualified individual and small group insurance plans with below average risk scores to those respective plans with above average risk scores. Based on the risk of the Company's qualified plan members compared to the risk of members of other qualified plans in comparable markets, the Company incurs a risk adjustment receivable or payable and reflects the impact as an adjustment to its premium revenue as such information becomes available.

Risk Corridor

Health Care Reform established a temporary three-year risk sharing program. Under this program, the Company will make (or receive) a payment to (or from) HHS based on the ratio of allowable costs to target costs (as defined by Health Care Reform). Risk corridor payments from HHS will be limited to the extent of the risk corridor collections received by HHS over the duration of the program. The Company records a risk corridor receivable or payable as an adjustment to premium revenue based on the ultimate risk sharing amount.

The application of SSAP No. 101 requires the Company to evaluate the recoverability of deferred tax assets and to establish a valuation allowance if necessary to reduce the deferred tax asset to an amount which is more likely than not to be realized. Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance, the Company considers many factors including: (1) the nature of the deferred tax assets and liabilities; (2) whether they are ordinary or capital; (3) the timing of their reversal; (4) taxable income in prior carry back years as well as projected taxable earnings exclusive of reversing temporary differences and carry forwards; (5) the length of time that carryovers can be utilized; (6) unique tax rules that would impact the utilization of the deferred tax assets; and (7) any tax planning strategies that the Company would employ to avoid a tax benefit from expiring unused although the realization is not assured, management believes it is more likely than not that the deferred tax assets, net of valuation allowances, will be realized. The Company has not recorded a valuation allowance as of June 30, 2016 and December 31, 2015.

In addition, the Company uses the following accounting policies:

1. Short-term investments with a maturity of six months or less, and certificates of deposit with maturity dates in one year or less from the acquisition date are reported as cash. Money market funds are reported as short-term investments.

2. Bonds and amortization – Not applicable

3. Common stocks – Not applicable

4. Preferred stocks – Not applicable

NOTES TO FINANCIAL STATEMENTS

5. Mortgage loans – Not applicable

6. Loan-backed securities – Not applicable

7. Investments in subsidiaries, controlled and affiliated entities – Not applicable

8. Investments in joint ventures, partnerships and limited liability companies – Investments in noninsurance limited liability entities are accounted for using the equity method of accounting based on the limited liability companies' underlying GAAP (Generally Accepted Accounting Principles) equity. Investments in the limited liability companies are reported as Other Invested Assets in the accompanying financial statements and are adjusted as required to reflect the admitted portion of such investment. The Company's share of undistributed earnings and losses of such companies are included in Capital and Surplus as Net Unrealized Capital Gains and Losses to the extent of the carrying amount of the investment plus advances made by the Company.

9. Derivatives – Not applicable

10. Premium deficiency – The Company assesses the profitability of its contracts when current operating results or forecasts indicate probable future losses for a line of business. The Company records a premium deficiency liability in current operations to the extent that the sum of expected future medical costs, claim adjustment expenses and administration costs exceed the premiums to be collected for the remainder of a contract period. Investment income is not considered in the calculation of the premium deficiency liability.

11. Unpaid losses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported (IBNR). Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined. Claims adjustment expenses consist of an allocation of certain general and administrative costs.

12. The Company has not modified its capitalization policy from the prior period. Real estate includes Construction in Progress and is stated at cost less accumulated depreciation and encumbrances. Buildings are depreciated using the straight-line method over thirty years. Furniture and equipment is stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets ranging from three to twenty years. Leasehold improvements are reported as non-admitted assets and are amortized over the shorter of the remaining lease term or the anticipated life of the improvement.

13. Pharmaceutical rebate receivables are estimated using actual monthly claim volumes and estimated rebates per claim based on prior months' rebate receipts in accordance with SSAP No. 84, *Certain Health Care Receivables and Receivables Under Government Insured Plans.*

D. Going Concern – Not applicable

2. Accounting Changes and Corrections of Errors – Not applicable

3. Business Combinations and Goodwill – Goodwill in the amount of $926,005 was recorded as of June 30, 2016 and December 31, 2015 related to the Company's investment in Monroe Surgical Hospital, LLC ("MSH") in accordance with the statutory purchase method of accounting. Amortization of goodwill for the six months ended June 30, 2016 and for the year ended December 31, 2015 was $92,604 and $46,302, respectively. See also Note 6(A)(3).

4. Discontinued Operations – Not applicable

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans – Not applicable
B. Debt Restructuring – Not applicable
C. Reverse Mortgages – Not applicable
D. Loan-Backed Securities – Not applicable
E. Repurchase Agreements and/or Securities Lending Transactions – Not applicable
F. Real Estate – The Company purchased land and a hospital facility in 2009 and has

NOTES TO FINANCIAL STATEMENTS

leased the facility to Monroe Surgical Hospital, LLC, a Louisiana limited liability company ("MSH") through September 2016 for monthly rentals, including property taxes and insurance.

In 2012, the Company completed the construction of a walk-in clinic located next to MSH. The Company has leased the clinic to Affinity Health Group, L.L.C. ("Affinity") through December 2016. The lease contains a provision to automatically renew each year.

In December 2012, the Company consolidated two loans related to the 2009 purchase and the 2012 construction and refinanced the combined outstanding balances of $9,574,240 at a fixed rate of 3.38% for a term of five years with a twelve-year amortization period (see Note 11). The debt is collateralized by the land, the MSH hospital facility, and the walk-in clinic. As of June 30, 2016 and December 31, 2015, the outstanding balances of the loan applied as an encumbrance against this real estate were $7,179,200 and $7,539,659, respectively.

In 2009, the Company also purchased land and a building from an individual and the applicable leasehold improvements from Affinity. On March 27, 2014, the Company borrowed $540,000, which is collateralized by the land and building and the pledge of the five-year lease which the Company entered into with Affinity on April 1, 2014. The loan is financed for five years with a fifteen-year amortization period, at an interest rate of 4.14% (see Note 11). As of June 30, 2016 and December 31, 2015, the outstanding balance of the loan applied as an encumbrance against this real estate was $479,045 and $493,088, respectively.

In July 2011, the Company purchased land and a building for $438,165 from an individual. On March 27, 2014, the Company borrowed $360,000 which is collateralized by the land and building and the pledge of the five-year lease which the Company entered into with Affinity on April 1, 2014. The loan is financed for five years with a fifteen-year amortization period, at an interest rate of 4.14% (see Note 11). As of June 30, 2016 and December 31, 2015, the outstanding balance of the loan applied as an encumbrance against this real estate was $319,364 and $328,725, respectively.

In October 2011, the Company purchased land, building, and office equipment from an individual for $1,040,000. The purchase was owner-financed for five years at 3.5% with monthly payments of $18,919 (see Note 11). The Company made renovations to the building during 2013 in the amount of $1,227,679. As of June 30, 2016 and December 31, 2015, the outstanding balance of the loan applied as an encumbrance against this real estate were $75,129 and $186,195, respectively.

See Notes 6(A)(2) and 6(A)(3) below for rental amounts relating to this real estate for the six months ended June 30, 2016 and the year ended December 31, 2015.

In March and April 2013, the Company purchased land totaling $2,170,021. A new professional medical office complex is being constructed on this land and will be leased to Affinity. As of December 31, 2015, $17,378,234 of construction costs were incurred and were classified in Real Estate as Construction in Progress. The total cost of the project of $25,272,298 was capitalized upon completion of the project at June 30, 2016 and has been classified as depreciable Real Estate.

In February 2015, the Company borrowed up to $18,750,000 to finance the construction and to provide permanent financing for the complex. Both loans have an 18-month draw period. The financing consists of two equal loan amounts of $9,375,000 each.

One loan has a fixed interest rate of 4.95% for 8.5 years with the interest only payments for the 18-month draw period, then converting to monthly principal and interest payments based on a 20-year amortization. As of June 30, 2016 and December 31, 2015, the outstanding balance of the loan applied as an encumbrance against this real estate was $9,375,000 and $6,819,913, respectively.

The other loan has a 30-day LIBOR floating interest rate for the 18-month draw period with interest only payments. Then it converts to a 7-year fixed rate (SWAP rate) of 4.49% with monthly principal and interest payments based on a 20-year amortization. As of June 30, 2016 and December 31, 2015, the outstanding balance of the loan applied as an encumbrance against this real estate was $9,375,000 and $6,819,914, respectively.

In May 2016, the Company borrowed $1,250,000 in additional financing for the construction. This loan has a fixed interest rate of 3.88% for 7 years with interest only payments for the 4-month draw period, then converting to monthly principal and interest payments. As of June 30, 2016, the outstanding balance of the loan applied as an encumbrance against this real estate was $889,860.

NOTES TO FINANCIAL STATEMENTS

In September 2013, the Company purchased land and a building to be renovated and used as office space. As of June 30, 2016, and December 31, 2015, $20,341,376 and $11,359,073 of construction costs were incurred and have been classified as Construction in Progress.

The following is a summary of real estate at June 30, 2016 and December 31, 2015:

	June 30, 2016	December 31, 2015
Buildings	$ 40,933,949	$ 15,661,650
Less: Encumbrances	(27,692,599)	(8,547,667)
Less: Accumulated Depreciation	(2,775,853)	(2,469,321)
Net Buildings	$10,465,497	$ 4,664,662
Construction in Progress	$20,341,376	$28,747,507
Less: Encumbrances	0	(13,639,827)
Net CIP	$20,341,376	$15,107,680
Land	3,635,521	3,635,521
Real estate - Net	$34,442,394	$23,387,863

G. Low-Income Housing Tax Credits – Not applicable

H. Restricted Assets – At June 30, 2016 and December 31, 2015, the Company had $1,100,000 of Special Deposits

Restricted Assets Catetory (Including Pledged)	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year
a. Subject to contractual obligation for which liability is not shown	$0	$0
b. Collateral held under security lending agreements	$0	$0
c. Subject to repurchase agreements	$0	$0
d. Subject to reverse repurchase agreements	$0	$0
e. Subject to dollar repurchase agreements	$0	$0
f. Subject to dollar reverse repurchase agreements	$0	$0
g. Placed under option contracts	$0	$0
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	$0	$0
i. FHLB capital stock		
j. On deposit with states	$1,100,000	$1,100,000
k. On deposit with other regulatory bodies	$0	$0
l. Pledged as collateral to FHLB (including assets backing fundng agreements)	$0	$0
m. Pledged as collateral not captured in other categories	$0	$0
n. Other restricted assets	$0	$0
o. Total Restricted Assets	$1,100,000	$1,100,000

Restricted Asset Catetory (Including Pledged)	3 Increase/(Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted

NOTES TO FINANCIAL STATEMENTS

a. Subject to contractual obligation for which liability is not shown	$0	$0
b. Collateral held under security lending agreements	$0	$0
c. Subject to repurchase agreements	$0	$0
d. Subject to reverse repurchase agreements	$0	$0
e. Subject to dollar repurchase agreements	$0	$0
f. Subject to dollar reverse repurchase agreements	$0	$0
g. Placed under option contracts	$0	$0
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	$0	$0
i. FHLB capital stock		
j. On deposit with states	$0	$1,100,000
k. On deposit with other regulatory bodies	$0	$0
l. Pledged as collateral to FHLB (including assets backing fundng agreements)	$0	$0
m. Pledged as collateral not captured in other categories	$0	$0
n. Other restricted assets	$0	$0
o. Total Restricted Assets	$0	$1,100,000

	3	4
Restricted Asset Catetory (Including Pledged)	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	0.0	0.0
b. Collateral held under security lending agreements	0.0	0.0
c. Subject to repurchase agreements	0.0	0.0
d. Subject to reverse repurchase agreements	0.0	0.0
e. Subject to dollar repurchase agreements	0.0	0.0
f. Subject to dollar reverse repurchase agreements	0.0	0.0
g. Placed under option contracts	0.0	0.0
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	0.0	0.0
i. FHLB capital stock		
j. On deposit with states	1.3	1.4
k. On deposit with other regulatory bodies	0.0	0.0
l. Pledged as collateral to FHLB (including assets backing fundng agreements)	0.0	0.0

NOTES TO FINANCIAL STATEMENTS

m. Pledged as collateral not captured in other categories	0.0	0.0
n. Other restricted assets	0.0	0.0
o. Total Restricted Assets	1.3	1.4

I. Working Capital Finance Investments – Not applicable

J. Offsetting and Netting of Assets and Liabilites – Not applicable

K. Structured Notes – Not applicable

6. Joint Ventures, Partnerships, and Limited Liability Companies

A. The Company has the following investments in limited liability companies as of June 30, 2016:

Monroe Development, L.L.C.	100%
Affinity Health Group, L.L.C.	100%
Monroe Surgical Hospital, LLC	90.2%

1. Monroe Development, L.L.C. (the "L.L.C.") was formed to purchase and renovate office buildings in downtown Monroe, Louisiana. The Company's corporate offices are located in the L.L.C.'s building. The Company has invested in the L.L.C. a total of $10,817,687, including net investments/(net dividends) of $0 and $(1,714) in the six months ended June 30, 2016 and for the year ended December 31, 2015, respectively. The Company is the L.L.C.'s sole member as of June 30, 2016.

Summarized financial information of the L.L.C. as of June 30, 2016 and December 31, 2015, and for the six months ended June 30, 2016 and the year ended December 31, 2015, is as follows:

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Land and Buildings	$10,103,162	$10,518,419
Construction in Progress	121,444	116,773
Other Assets	766,447	650,773
Total Assets	$10,991,053	$11,285,965
Accounts Payable and Other Liabilities	$ 85,807	$ 95,538
Current Portion of Long-Term Debt	188,193	183,941
Due to Vantage	6,816	0
Total Current Liabilities	280,816	279,479
Long-Term Debt	2,916,730	3,012,237
Total Liabilities	$3,197,546	$3,291,716
Member's Equity	**$7,793,507**	**7,994,249**

	Six Months Ended June 30, 2016	Year Ended December 31, 2015
Rental Income	$1,095,833	$ 2,165,428
State Tax Credit	13,417	354,611
Operating Expenses	1,348,306	2,912,052
Interest Expense	65,093	136,703
Pretax Loss	$(304,149)	$(528,716)

Rental Income includes $656,421 and $1,312,410 related to the Company's lease of office space from the L.L.C. for the six months ended June 30, 2016 and for the year ended December 31, 2015, respectively.

NOTES TO FINANCIAL STATEMENTS

Rental Income includes $289,680 and $579,241 related to Affinity's lease of the pharmacy and office space from the L.L.C. for the six months ended June 30, 2016 and for the year ended December 31, 2015, respectively.

Maturities of debt for the next five years and thereafter are as follows:

2016	92,938
2017	192,188
2018	200,412
2019	2,619,385
Total	**$3,104,923**

Because the L.L.C. is a disregarded entity for federal income tax purposes, all federal income tax expense and/or benefits and all deferred tax assets and/or liabilities are transferred to the Company pursuant to a tax-sharing agreement. As of June 30, 2016 and December 31, 2015, the L.L.C. declared and paid dividends to the Company related to the L.L.C.'s federal income tax effects of $0 and $374,037, respectively. The net effect on the L.L.C.'s Member's Equity from the tax treatment was zero.

Costs related to the renovation of one of the L.L.C.'s historic buildings performed in 2014 resulted in an estimated $1,074,321 federal and state income tax credits on behalf of the L.L.C., of which $972,857 was recorded in 2014 due to the fact that the Company will not be able to recover 100% of the state tax credits. The L.L.C. included the state income tax credits in Other Income and the federal income tax credit in its federal income tax calculation. The L.L.C. declared and paid a dividend to the Company in the amount of the estimated state income tax credit of $495,381. The net effect on the L.L.C.'s Member's Equity in 2014 from these transactions was zero. The L.L.C. was able to sell the state tax credit for approximately 86% of its value in September 2015. The net effect of the adjustments and the increased sales percentage resulted in approximately $22,000 of additional dividends to the Company in 2015.

Costs related to the renovation of one of the L.L.C.'s historic buildings performed in 2015 resulted in an estimated $438,294 federal and state income tax credits on behalf of the L.L.C. in 2015, of which $405,422 was recorded due to the fact that the Company will not be able to recover 100% of the state tax credits. The L.L.C. included the state income tax credits in Other Income and the federal income tax credit in its federal income tax calculation. The L.L.C. then declared and paid a dividend to the Company in the amount of the estimated state income tax credit of $210,625. The net effect on the L.L.C.'s Member's Equity in 2015 from these transactions was zero.

Costs related to the renovation of one of the L.L.C.'s historic buildings performed in 2014 resulted in an estimated $140,497 state income tax credits on behalf of the L.L.C. in 2015, of which $121,530 was recorded due to the fact that the Company will be not able to recover 100% of the state tax credits. The L.L.C. included the state income tax credits in Other Income. The L.L.C. then declared and paid a dividend to the Company in the amount of the estimated state income tax credit of $121,530. The net effect of the L.L.C.'s Member's Equity in 2015 from this transaction was zero.

In March 2014, the L.L.C. obtained financing of $3,500,000 for five years with a fifteen-year amortization period at an interest rate of 4.14% and is collateralized by a building.

A separate audit of Monroe Development, L.L.C. is performed each year.

2. Affinity Health Group, L.L.C. ("Affinity") was formed to employ physicians, operate physician practices, and provide quality healthcare. The Company is the sole member of Affinity and has invested a total of $26,298,409, including investments of $7,100,000 and $7,477,834 in the six months ended June 30, 2016 and for the year ended December 31, 2015, respectively.

Summarized financial information of Affinity as of June 30, 2016 and December 31, 2015, and for the six months ended June 30, 2016 and the year ended December 31, 2015, is as follows:

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)
Cash	$ 580,262	$ 236,849
Accounts Receivable	2,277,684	2,703,956

NOTES TO FINANCIAL STATEMENTS

Federal Income Tax Rec.	1,848,680	0
Other Accounts Receivable	623,252	602,200
Fixed Assets	3,119,732	1,955,668
Prepaid Expenses	991,270	1,024,079
Inventory	649,920	609,723
Due from Vantage	0	0
Total Assets	$10,090,799	$7,132,475
Total Liabilities	$3,742,129	$4,295,176
Member's Equity	**$6,348,670**	**$2,837,299**

	Six Months Ended June 30, 2016	Year Ended December 31, 2015
Income	$22,979,289	$41,724,897
Expenses	28,416,593	50,746,662
Pretax Loss	**$(5,437,304)**	**$(9,021,765)**

Income includes approximately $4,916,000 and $6,867,000 for the six months ended June 30, 2016 and the year ended December 31, 2015, respectively, related primarily to services performed for the Company's members. These amounts are included in Total Hospital and Medical expenses in the accompanying Statement of Revenue and Expenses. The related accounts receivable due from Vantage of approximately $258,000 and $379,000 as of June 30, 2016 and December 31, 2015, respectively, are included in Accounts Receivable of Affinity and as Claims Unpaid in the accompanying Statement of Liabilities, Capital, and Surplus.

In addition to fee-for-service, the Plan pays a monthly case management fee to Affinity. Total case management fees for the six months ended June 30, 2016 and the year ended December 31, 2015 were $1,848,000 and $3,696,000, respectively, and are included in Income of Affinity. These amounts are included in Hospital and Medical Expenses in the accompanying Statement of Revenue and Expenses.

Affinity purchases health, dental and other benefits for its employees from the Company. Costs related to such services totaled approximately $1,845,000 and $3,047,000 for the six months ended June 30, 2016 and the year ended December 31, 2015, respectively, and are included in Expenses above. Affinity's health benefits of approximately $1,614,000 and $2,652,000 for the six months ended June 30, 2016 and the year ended December 31, 2015, respectively, are included as Net Premium Income in the Statement of Revenue and Expenses.

The Company contracts certain physician, nurse practitioner, and other employee services to Affinity. The Expenses of Affinity include approximately $1,471,000 and $2,748,000 for such services for the six months ended June 30, 2016 and for the year ended December 31, 2015, respectively.

The Company sub-licenses practice management and electronic medical record ("PM\EMR") software to the Affinity practices. Such fees totaled approximately $463,000 and $829,000 and are included in Expenses for the six months ended June 30, 2016 and for the year ended December 31, 2015, respectively.

Affinity leases physician offices from the Company. Rent expense of $412,315 and $596,933 is included in Expenses above and in Net Investment Income Earned in the accompanying Statement of Revenue and Expenses for the six months ended June 30, 2016 and for the year ended December 31, 2015, respectively. Minimum aggregate rental commitments under the physician office operating lease agreements with the Company as of June 30, 2016 are as follows:

Year ending December 31	Operating Lease
2016	$ 1,602,039
2017	$ 2,950,804
2018	$ 2,950,804
2019	$ 2,884,759
2020	$ 2,862,744
Thereafter	$12,405,225
	$25,656,375

NOTES TO FINANCIAL STATEMENTS

Affinity has a non-cancelable five-year lease agreement with the L.L.C. for certain medical office space and parking which expires in December 2017. In addition, Affinity leases corporate office space and pharmacy space from the L.L.C under one-year leases. Rent expense under these leases was $289,680 and $579,241 for the six months ended June 30, 2016 and for the year ended December 31, 2015, respectively. Minimum aggregate rental commitments under the operating lease agreements with the L.L.C. as of June 30, 2016 are as follows:

Year ending December 31	Operating Lease
2016	$289,680
2017	$215,575
	$505,255

Because Affinity is a disregarded entity for federal tax purposes, all federal income tax expense and/or benefits and all deferred tax assets and/or liabilities are transferred to the Company pursuant to a tax-sharing agreement. As of June 30, 2016 and December 31, 2015, Affinity declared and paid dividends to the Company related to Affinity's federal income tax effects of $0 and $3,054,413, respectively. The net effect on Affinity's Member's Equity from the tax treatment was zero.

A separate audit of Affinity Health Group, L.L.C. is performed each year.

3. The Company's ownership in Monroe Surgical Hospital, LLC, a Louisiana limited liability company, ("MSH") is 90.2% as of June 30, 2016.

MSH has reported a cumulative net loss through June 30, 2016 even though MSH recorded GAAP income of $9,875,567 for the year ended December 31, 2015. The Company's ownership in MSH increased due to its investment of an additional $337,200 during 2015. As a result, the Company recorded its investment to the extent of its previous cumulative losses resulting in $926,005 of goodwill in 2015. The company's total investment in MSH, including unamortized goodwill of $832,401 and $879,703 was $1,039,396 and $2,583,142 as of June 30, 2016 and December 31, 2015, respectively.

MSH operates a ten-bed acute care hospital located in Monroe, Louisiana. The Company owns the land and the hospital facility and leases it to MSH. The lease expires in September 2016. Rent expense totaled $574,200 and $1,148,400 for the six months ended June 30, 2016 and for the year ended December 31, 2015, respectively. These amounts are included in the Operating Expenses of MSH and as Net Investment Income in the accompanying Statement of Revenue and Expenses of the Company.

Since 2012, the Company has purchased four pieces of equipment for use at MSH. MSH signed a five-year lease agreement for each with varying effective and expiration dates for the use of the systems. Rent expense of $284,070 and $568,140 for the six months ended June 30, 2016 and for the year ended December 31, 2015, respectively, is included in Operating Expenses above and in Net Investment Income Earned in the accompanying Statement of Revenue and Expenses for the six months ended June 30, 2016 and for the year ended December 31, 2015.

As of June 30, 2016 and December 31, 2015, the Company had a net admitted receivable of $909,010 and $0, respectively, primarily for advances and unpaid rentals.

Minimum aggregate rental commitments under the operating lease agreements with the Company as of June 30, 2016 are as follows:

Year ending December 31	Operating Lease
2016	$ 571,170
2017	$ 305,890
2018	$ 139,465
2019	$ 20,185
	$ 1,036,710

Summarized financial information of MSH as of June 30, 2016 and December 31, 2015, and for the six months ended June 30, 2016 and for the year ended December 31, 2015, is as follows:

	June 30, 2016 (Unaudited)	December 31, 2015 (Audited)

NOTES TO FINANCIAL STATEMENTS

Current Assets	$ 2,729,355	$ 3,026,264
Property and Equipment	2,957,278	3,437,833
Other Assets	313,756	137,298
Total Assets	$ 6,000,389	$6,601,395
Current Liabilities	$ 3,012,494	$2,973,041
Advances Payable to Vantage	1,300,000	0
Long-term Debt	1,331,860	1,612,183
Liabilities	$ 5,644,354	$ 4,585,224
Members' Equity (Deficit)	$ 356,035	$ 2,016,171

	Six months June 30, 2016	Year Ended December 31, 2015
Patient Service Revenue	$ 8,442,996	$17,281,364
Operating Expenses	9,536,230	19,738,889
Operating Loss	$(1,093,234)	$ (2,457,525)
Other Income (Expense)	(566,902)	12,427,168
Net Income (Loss)	$(1,660,136)	$ 9,969,643

Patient Service Revenue for the six months ended June 30, 2016 and for the year ended December 31, 2015 includes approximately $3,176,000 and $4,855,000, respectively, is related to services performed for the Company's members. These amounts are included in Total Hospital and Medical Expenses in the accompanying Statement of Revenue and Expenses. The related accounts receivable due from Vantage of approximately $210,000 and $236,000 as of June 30, 2016 and December 31, 2015, respectively, are included in Current Assets of MSH and as Claims Unpaid in the accompanying Statement of Liabilities, Capital, and Surplus.

MSH purchases health insurance for its employees from the Company. Costs related to health insurance totaled approximately $364,000 and $682,000 as of June 30, 2016 and December 31, 2015, respectively, are included in Operating Expenses above. These amounts are included in Net Premium Income in the accompanying Statement of Revenue and Expenses.

The Company advanced an additional $1,300,000 to MSH during 2016 for cash flow shortfall. The advances are non-interest bearing. The advances are shown as Other Invested Assets in the accompanying Statement of Assets as of June 30, 2016. Of the advances, $800,000 are non-admitted assets in the accompanying Statement of Assets as of June 30, 2016.

In August 2006, MSH filed suit against St. Francis Medical Center, Inc. ("SFMC"), St. Francis North Hospital, Inc. and several individuals alleging breach of fiduciary duty, unfair trade practices, intentional interference with a contract and restraint of trade (anti-trust violations) in the Fourth Judicial District Court of Ouachita Parish, Louisiana. A two-week jury trial was scheduled to begin on February 9, 2015. Prior to jury selection commencing on February 9, 2015, a confidential settlement was reached between MSH and SFMC. The settlement resulted in the dismissal of all claims asserted by MSH against SFMC and all claims asserted by SFMC against MSH. The consideration for the settlement is confidential.

As a limited liabililty company, MSH is not a tax-paying entity for federal income tax purposes. All federal income tax expense and/or benefits are reflected in the members' income tax returns. As a result, no income tax expense or benefit has been recorded by MSH.

During the ordinary course of operations, MSH is subject to various litigation matters. Although the outcome of these matters cannot be determined, it is MSH management's opinion that disposition of these proceedings will not have a materially adverse effect on the MSH financial statements.

4. As described in Note 13, Vantage Holdings, Inc. ("Holdings") was formed as a holding company for the Company and for Vantage Health Plan of Arkansas ("VHP-AR") in 2013. All of the Company's stock was transferred to Holdings in 2013. During 2015, Holdings invested an additional $1,045,000 and the Company paid dividends of $1,024,000 to Holdings. During 2016, Holdings invested an additional $3,169,000 and the Company paid dividends of $1,000 to Holdings.

B. The Company did not recognize any impairment write down for its investments in the L.L.C., Affinity, or MSH during the statement periods.

NOTES TO FINANCIAL STATEMENTS

7. Investment Income

A. Due and accrued income is excluded from surplus if the due and accrued amounts are over 90 days past due.

B. No amounts were excluded as of June 30, 2016 and December 31, 2015.

8. Derivative Instruments – Not applicable

9. Income Taxes

The provision for income taxes incurred on earnings for the six months ended June 30, 2016 and for the year ended December 31, 2015 is as follows:

	June 30, 2016	December 31, 2015	Change
Federal	$753,862	$1,250,780	$(496,918)

Because the L.L.C. and Affinity are disregarded entities for federal income tax purposes, all federal income tax expense and/or benefits and all deferred tax assets and/or liabilities are transferred to the Company pursuant to tax-sharing agreements.

10. Information Concerning Parent, Subsidiaries and Affiliates – Holdings invested an additional $1,601,100 in the Company and the Company paid dividends of $1,038,000 to Holdings in the year ended December 31, 2015. Holdings invested an additional $3,169,000 and the Company paid dividends of $1,000 to Holdings in the six months ended June 30, 2016. Other material related party transactions are described in Notes 5, 6, and 9 above and Notes 13 and 15 below.

11. Debt

A. All of the Company’s debt is classified as encumbrances as of June 30, 2016 and December 31, 2015 (See Note 5(F) above). Current maturities of encumbrances for the next five years and thereafter are as follows:

2016	707,610
2017	7,609,864
2018	834,113
2019	1,492,388
2020	856,779
Thereafter	16,191,844
Balance June 30, 2016	$27,692,598

The Company does not have any reverse repurchase agreements.

B. FHLB (Federal Home Loan Bank) Agreements – Not applicable

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

A. Defined Benefit Plan – Not applicable

B. Defined Contribution Plans - The Company maintains a 401(k) plan for its employees meeting the eligibility requirements. For participants over the age of 21 who have completed at least six months of service, participants may make elective 401(k) contributions up to 15% of their annualized compensation. The Company matches 100% of the employees' contributions up to 4% of the participant's annual compensation. The Company's matching contributions for the six months ended June 30, 2016 and for the year ended December 31, 2015 were $262,437 and $440,397, respectively.

C. Multiemployer Plans – Not applicable

D. Consolidated/Holding Company Plans – Not applicable

E. Postemployment Benefits and Compensated Absences – Not applicable

NOTES TO FINANCIAL STATEMENTS

F. Impact of Medicare Modernization Act on Postretirement Benefits – Not applicable

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

1). In September 2013, all of the issued and outstanding stock held by shareholders of the Company was exchanged for the same number and class of stock in Holdings and Holdings became the sole shareholder of the Company.

2). The Company had no preferred stock authorized, issued or outstanding as of June 30, 2016 or December 31, 2015.

3). Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Louisiana. A domestic stock insurer may declare and pay dividends to its stockholders in an amount, together with that of other dividends or distributions made within the preceding twelve months, that is the lesser of: a) ten percent of its surplus as of the preceding December 31, or b) net income, excluding realized capital gains, for the twelve-month period ending the preceding December 31. Dividends or distributions in excess of the lesser of a) or b) above are considered extraordinary dividends and may not be paid until the commissioner has approved the payment of such dividend or distribution or until thirty days after the commissioner has received notice of the declaration thereof and has not within such period disapproved such payments.

4). Ordinary dividends in the amount of $1,000 and $1,038,000 were paid to Holdings in the six months ended June 30, 2016 and for the year ended December 31, 2015, respectively.

5). Within the limitations of (3) above, there are no other restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

6). On January 1, 2014, the Company became subject to the annual fee under Section 9010 of the Affordable Care Act ("ACA"). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. As of December 31, 2015, the Company had written health insurance subject to the ACA assessment and had estimated its portion of the annual health insurance industry fee (payable on September 30, 2016) to be 2% of premiums. The annual fee has been suspended for 2017. A reclassification of the estimated assessment from Unassigned Funds (Surplus) to Aggregate Write-In for Special Surplus Funds in the amount of $0 and $5,447,850 was recorded as of June 30, 2016 and December 31, 2015, respectively.

7). Mutual Companies – Not applicable.

8). Stock Held for Special Purposes – Not applicable.

9). Special Surplus Funds – Not applicable.

10). The portion of unassigned fund (surplus) represented or reduced by cumulative unrealized gains and losses as of June 30, 2016 and December 31, 2015 were $(25,039,731) and $(19,706,627), respectively.

11). Surplus Notes – Not applicable

12). Impact of Restatement in a Quasi-reorganization – Not applicable

13). Effective Date of Quasi-reorganization – Not applicable

14. Liabilities, Contingencies, and Assessments

A. Contingent Commitments – Not applicable

B. Assessments – Not applicable

C. Gain Contingencies – Not applicable

D. Claims related extra contractual obligation – None

E. Joint and Several Liabilities – Not applicable

NOTES TO FINANCIAL STATEMENTS

F. All Other Contingencies - The Company's business activities are subject to substantial government regulation. New laws or regulations, or changes in existing laws or regulations or their manner of application, could increase the Company's cost of doing business and may adversely affect the Company's business, profitability and cash flows.

Laws and regulations governing the Medicare program are complex and subject to interpretation. The Company believes that it is in compliance with all applicable laws and regulations and is not aware of any ongoing pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with laws and regulations can be subject to future governmental review and interpretation as well as significant regulatory action, including fines, penalties, and exclusion from the Medicare Advantage program.

As discussed in Note 1(C), the Company may be selected by CMS for a RADV audit in the future. Such an audit may result in an adverse impact on the Company's revenue on a prospective or retrospective basis.

The Company's participation in the new federal health care exchange, which entails uncertainties associated with mix, volume of business, and the government's operation of premium stabilization programs, are subject to federal administrative action and could adversely affect the Company's results of operations, financial position, and cash flows. As described in Note 1(C), the Company is subject to accounting for the Health Care Reform 3Rs. Approximately $2.5 million and $2.6 million of reinsurance receivables has been recorded as of June 30, 2016 and December 31, 2015, respectively, related to the federal reinsurance reimbursement program. No allowance for uncollectible amounts was recorded related to the Company's federal reinsurance receivable at June 30, 2016 or December 31, 2015; however, such receivable is dependent on the funding amounts set by HHS. The Company recorded a receivable of $1,000,000 as an estimate for Risk Adjustment in 2015. In June 2016, CMS informed the Company that the final Risk Adjustment for 2015 was a payable of $295,072; therefore, $1,295,072 was recorded to expense in June 2016 as an adjustment. In June 2016, the Company recorded a receivable of $1,048,000 for Risk Corridor in 2016 for 2015. No Risk Adjustment or Risk Corridor estimates have been recorded for 2016.

No receivable or liability for ACA Cost Share Reduction ("CSR") subsidies for the years ended December 31, 2014 or 2015 were recorded as of December 31, 2015. However, in May 2016, the Company recorded a liability of $1,000,000 for estimated CSR liabilities for 2014 and 2015. The Company has recorded a CSR estimated of $623,0000 for the six months ended June 30, 2016.

During the ordinary course of operations, the Company is subject to various litigation matters relating to health benefits provided to its subscribers. Although the outcome of these matters cannot be determined, it is management's opinion that disposition of these proceedings will not have a materially adverse effect on the financial statements.

The Company is not aware of any other material contingent liabilities as of June 30, 2016.

15. Leases

A. Lessee Operating Leases

1). As described in Note 6 above, the Company's corporate offices are in the building owned by the L.L.C. The Company has a non-cancelable five-year lease agreement for certain office space and parking, which expires in March 2019. Rent expense under this lease for the six months ended June 30, 2016 and for the year ended December 31, 2015 was $656,421 and $1,312,410, respectively.

In addition, the Company has two five year leases for office equipment which expire in September 2019 and March 2021. Rent expense under these leases for the six months ended June 30, 2016 and for the year ended was $229,550 and $273,971, respectively.

2). At June 30, 2016, future aggregate rental commitments are as follows:

Year ending December 31	Operating Lease
2016	978,536
2017	1,864,086
2018	1,797,667
2019	864,096

NOTES TO FINANCIAL STATEMENTS

2020	370,259
Thereafter	92,565
	$ 5,967,209

3). The Company is not involved in any material sales – leaseback transactions; however, a letter of intent was signed in August 2016. See Note 22 for subsequent events.

B. Lessor Leases

1). Operating Leases:

a). As described in Notes 5 and 6 above, the Company purchased the land and hospital facility operated by MSH. The Company entered into an operating lease with MSH as of October 1, 2009 for a term of seven years with monthly rentals, including property taxes and insurance of $95,700. The Company also leases medical office space to Affinity under one-year, five-year, and ten-year operating agreements with monthly rentals, including property taxes and insurance, as described in Notes 5 and 6 above.

b). Property held under lease at June 30, 2016 is as follows:

	Cost	Carrying Amount
Buildings and Land	$43,086,299	$15,713,064
Encumbrances	(27,373,235)	
Accumulated Depreciation	(2,703,470)	(2,703,470)
Buildings and Land Under Lease	$13,009,594	$13,009,594

c). Future minimum lease payment receivables under non-cancelable leasing arrangements as of June 30, 2016 are as follows:

Year ending December 31	Operating Lease
2016	2,173,209
2017	3,256,694
2018	3,090,269
2019	2,904,944
2020	2,862,744
Thereafter	12,405,225
	$ 26,693,085

d). Contingent Rentals – Not Applicable

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk – No Change

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities – Not applicable

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans – Not applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators – Not applicable

20. Fair Value Measurements

A. Fair Value Measurements

1. Fair Value Measurements at Reporting Date – Not applicable

2. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy – Not applicable

3. Transfers Between Levels – Not applicable

NOTES TO FINANCIAL STATEMENTS

4. Fair Value Measurements within Level 2 and Level 3 – Not applicable

5. Derivative Assets and Liabilities – Not applicable

B. Fair Value of Financial Instruments – Not applicable

C. Aggregate Fair Value of Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Cash	$ 7,403,769	$ 7,403,769	x			

D. Not Practicable to Estimate Fair Value – Not applicable

21. Other Items

A. Extraordinary Items – Not applicable

B. Troubled Debt Restructuring – Not applicable

C. Other Disclosures – As of December 31, 2015, the Company had written health insurance subject to the annual fee under Section 9010 of the ACA and had disclosed as a contingency its estimated portion of the annual health insurance industry fee (payable in September 2016) as $5,447,850. In accordance with NAIC SAP No. 35R, the liability and the corresponding expense for this fee were recorded in full on January 1, 2016. The final settlement amount of $4,160,222 will be paid in September 2016. The final settlement of $3,690,715 for 2014 was paid in September 2015. Both amounts are recorded in the accompanying Statement of Revenue and Expenses as General Administrative Expense.

D. Business Interruption Insurance Recoveries – Not applicable

E. State Transferable Tax Credits – Not applicable

F. Subprime Mortgage Related Risk Exposure - Not applicable

G. Retained Assets – Not applicable

22. Events Subsequent – On July 5, 2016, an agreement was signed for the sale of land and a building for $490,000. The carrying value of the property at June 30 was $418,270 with an encumbrance of $319,364. On August 9, 2016, a letter of intent (LOI) was signed for the sale-leaseback of certain other land and three buildings. The details for this transaction have not yet been finalized. Subsequent events have been considered through August 11, 2016 for the statutory statement issued on August 12, 2016.

23. Reinsurance

A. Ceded Reinsurance – No change

B. Uncollectible Reinsurance – Not applicable

C. Commutation of Ceded Reinsurance – Not applicable

D. Certified Reinsurer Downgraded or Status Subject to Revocation – Not applicable

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination – The following Affordable Care Act ("ACA") assessments are recorded as of June 30, 2016:

A. The Company estimates accrued retrospective premium adjustments for its Medicare Advantage insurance business using risk score information.

B. The Company records accrued retrospective premium as an adjustment to earned premium.

NOTES TO FINANCIAL STATEMENTS

C. The amount of net premiums written by the Company at June 30, 2016 that are subject to retrospective rating features was $136 million, that represented 100% of the total net premiums written for the Medicare and Exchange lines of business. No other net premiums written by the Company are subject to retrospective rating features.

D. The Company had no medical loss ratio rebates required pursuant to the Public Health Service Act.

E. Risk-Sharing Provisions of the Affordable Care Act (ACA)

(1) Did the reporting entity write accident and health insurance premiums that are subject to the ACA risk-sharing provisions? Yes

(2) Impact of Risk-Sharing Provisions of the ACA on Admitted Assets, Liabilities, and Revenue for the Current Year

	Amount
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment Liabilities	$ 0
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	$ 23,716
3. Premium adjustment payable due to ACA Risk Adjustment	$ 295,072
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/ collected) due to ACA Risk Adjustment	$ 0
5. Reported in expense as ACA Risk Adjustment user fees (incurred/paid)	$ 16,405
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA reinsurance	$2,483,412
2. Amounts recoverable for claims paid due to ACA reinsurance (Contra Liability)	$ 309,408
3. Amounts receivable relating to uninsured plans for contributions to ACA reinsurance	$ 0
Liabilities	
4. Liabilities for contributions payable due to ACA reinsurance – not reported as ceded premium	$ 166,837
5. Ceded reinsurance premiums payable due to ACA Reinsurance	$ 667,286
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	$ 0
Operations	
7. Ceded reinsurance premiums due to ACA Reinsurance	$ 158,318
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	$1,104,044
9. ACA Reinsurance contributions – not	

NOTES TO FINANCIAL STATEMENTS

reported as ceded premium	$ 350,883

c. Temporary ACA Risk Corridors Program

Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	$1,048,588
Liabilities	
2. Reserve for rate credits or policy expenditures rating refunds due to ACA Risk Corridors	$ 0
Operations	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	$1,048,588
4. Effect of ACA Risk Corridors on change in reserves for rate credits	$ 0

(3) Roll-forward of prior year ACA risk-sharing provision for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustment to prior year balance

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the the Current Year on Business Written Before December 31 of the Prior Year	
	1 Receivable	2 Payable	3 Receivable	4 Payable
a. Permanent ACA Risk Adjustment Program				
1. Premium adjustments receivable	$1,000,000	$0	$0	$0
2. Premium adjustments (payable)	$0	$0	$0	$0
3. Subtotal ACA Permanent Risk Adjustment Program	$1,000,000	$0	$0	$0
b. Transitional ACA Reinsurance Program				
1. Amounts recoverable for claims paid	$2,413,588	$0	$1,066,337	$0
2. Amounts recoverable for claims unpaid (contra liability)	$ 261,524	$0	$0	$0
3. Amounts receivable relating to uninsured plans	$0	$0	$0	$0
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	$0	$ 541,987	$0	$ 541,987
5. Ceded reinsurance premium payable	$0	$ 428,968	$0	$ 184,046
6. Liability for amounts held under uninsured plans	$0	$0	$0	$0
7. Subtotal ACA Transitional Reinsurance program	$2,675,112	$ 970,955	$1,066,337	$ 726,033
c. Temporary ACA Risk Corridors Program				
1. Accrued retrospective premiums	$0	$0	$0	$0
2. Reserve for rate credits or policy experience rating				

NOTES TO FINANCIAL STATEMENTS

refunds	$0	$0	$0	$0
3. Subtotal ACA Risk Corridors program	$0	$0	$0	$0
d. Total for ACA Risk	$3,675,112	$ 970,955	$1,066,337	$ 726,033

	Differences		Adjustments		
	Prior Year Accrued Less Payments (Col 1-3)	Prior Year Accrued Less Payments (Col 2-4)	To Prior Year Balances	To Prior Year Balances	
	5	6	7	8	
	Receivable	(Payable)	Receivable	(Payable)	
a. Permanent ACA Risk Adjustment Program					
1. Premium adjustments receivable	$1,000,000	$0	$(1,000,000)	$0	(A)
2. Premium adjustments (payable)	$0	$0	$0	$0	(B)
3. Subtotal ACA Permanent Risk Adjustment Program	$1,000,000	$0	$(1,000,000)	$0	
b. Transitional ACA Reinsurance Program					
1. Amounts recoverable for claims paid	$1,347,251	$0	$ 443,327	$0	(C)
2. Amounts recoverable for claims unpaid (contra liability)	$ 261,524	$0	$(261,524)	$0	(D)
3. Amounts receivable relating to uninsured plans	$0	$0	$0	$0	(E)
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	$0	$0	$0	$0	(F)
5. Ceded reinsurance premium payable	$0	$ 244,922	$0	$ (2,911)	(G)
6. Liability for amounts held under uninsured plans	$0	$0	$0	$0	(H)
7. Subtotal ACA Transitional Reinsurance program	$1,608,775	$ 244,922	$ 181,703	$ (2,911)	
c. Temporary ACA Risk Corridors Program					
1. Accrued retrospective premiums	$0	$0	$1,048,588	$0	(I)
2. Reserve for rate credits or policy experience rating refunds	$0	$0	$0	$0	(J)
3. Subtotal ACA Risk Corridors Program	$0	$0	$1,048,588	$0	
d. Total for ACA Risk	$2,608,775	$ 244,922	$ 230,291	$292,161	

	Cumulative Balance from Prior Years (Col 1 - 3 +7)	Cumulative Balance from Prior Years (Col 2 – 4 + 8)
	9	10
a. Permanent ACA Risk Adjustment Program		
1. Premium adjustments receivable	$0	$0
2. Premium adjustments (payable)	$0	$ 295,072
3. Subtotal ACA Permanent Risk Adjustment Program	$0	$ 295,072

NOTES TO FINANCIAL STATEMENTS

b. Transitional ACA Reinsurance Program		
1. Amounts recoverable for claims paid	$1,790,478	$0
2. Amounts recoverable for claims unpaid (contra liability)	$0	$0
3. Amounts receivable relating to uninsured plans	$0	$0
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	$0	$0
5. Ceded reinsurance premium payable	$0	$ 242,011
6. Liability for amounts held under uninsured plans	$0	$0
7. Subtotal ACA Transitional Reinsurance program	$1,790,478	$ 242,011
c. Temporary ACA Risk Corridors Program		
1. Accrued retrospective premiums	$1,048,588	$0
2. Reserve for rate credits or policy experience rating refunds	$0	$0
3. Subtotal ACA Risk Corridors Program	$1,048,588	$0
d. Total for ACA Risk	$2,839,066	$ 537,083

Explanations:
A. Based on the notification from CMS, we owe $295,072. An adjustment of $1,295,072 was recorded in June 2016.
B. Based on the notification from CMS, we owe $295,072. An adjustment of $1,295,072 was recorded in June 2016.
C. The contra liability from 12/31/15 was reclassed to the amounts recoverable. An additional $181,703 was recorded in June 2016 for the increase in the reimbursement percentage.
D. The contra liability from 12/31/15 was reclassed to the amounts recoverable.
E. None
F. None
G. Adjust to the final payment amount due November 2016.
H. None
I. This amount was recorded in June 2016 for 2015 based on the MLR and Risk Corridor report.
J. None

25. Changes in Incurred Claims and Claim Adjustment Expense – Claims payable represents the amount of payments to be made on individual claims which have been reported to the Company, as well as estimates of claim incurred which have not yet been reported as of the balance sheet dates. Claims payable is estimated using various actuarial and statistical methods that use both historical financial and operating data. Management believes that the claims payable liability is adequate to satisfy the ultimate claim liabilities. There is a reasonable possibility that the estimates could change by a material amount in the near term. The estimates for claims payable are continually reviewed and adjusted as necessary as experience develops or new information becomes known. Such adjustments are included in current operations. The Company has no retrospectively rated policies.

The following is a summary of Claims Unpaid (claims payable and reserves for incurred but unreported claims) at June 30, 2016 and December 31, 2015:

	June 30, 2016	December 31, 2015
Balance, January 1	$ 27,561,068	$ 23,833,392
Incurred related to:		
Current year	164,986,346	226,353,295
Prior years	(1,445,652)	(3,591,066)

NOTES TO FINANCIAL STATEMENTS

	$163,540,694	$222,762,229
Paid related to:		
Current year	$122,507,454	$198,942,228
Prior years	23,151,488	20,092,325
	$145,658,942	$219,034,553
Balance, End of Period	$ 45,442,820	$ 27,561,068

The liability for unpaid claims adjustment expenses was $590,000 as of June 30, 2016 and December 31, 2015.

26. Intercompany Pooling Arrangement – Not applicable

27. Structured Settlements – Not applicable

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Day of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
06/30/2016	$1,093,722	$1,093,722			
03/31/2016	$1,689,040	$1,751,539	$ 62,499		
12/31/2015	$ 501,859	$1,387,671	$ 613,356	$ 272,456	
09/30/2015	$ 25,028	$ 963,684	$ 649,332	$ 289,324	
06/30/2015	$ (21)	$ 824,020	$ 8,946	$ 793,646	$ 21,449
03/31/2015	$ 1,864	$ 587,474	$ 113,177	$ 453,599	$ 18,834
12/31/2014	$ 1,444	$ 527,679			$ 526,235
09/30/2014	$ 0	$ 518,032		$ 389,000	$ 129,032
06/30/2014	$ 0	$ 442,091	$ 320,502		$ 121,589
03/31/2014	$ 0	$ 404,937		$ 384,426	$ 20,511
12/31/2013	$ 0	$1,115,723	$ 1,106,447		$ 9,276
09/30/2013	$ 0	$ 401,151	$ 401,151		
06/30/2013	$ 0	$ 394,439	$ 394,439		
03/31/2013	$ 0	$ 403,338	$ 403,338		
	$3,312,936				

B. Risk-sharing Receivables – Not applicable

29. Participating Policies – Not applicable

30. Premium Deficiency Reserves – The Company anticipated no premium deficiencies for its lines of business as of June 30, 2016 or December 31, 2015. Investment income is not considered in the calculation of the premium deficiency liability. The date of the most recent evaluation of this liability was August 11, 2016.

1.	Liability carried for premium deficiency reserves	$ 0
2.	Date of the most recent evaluation of this liability	August 11, 2016
3.	Was anticipated investment income utilized in the calculation?	Yes No X

31. Anticipated Salvage and Subrogation – The Company does not take into account any estimated potential subrogation in its determination of liability for unpaid claims/losses.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

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

2.2 If yes, date of change:

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

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

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [ ] NA [X]

If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2011

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2011

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/01/2013

6.4 By what department or departments?

Louisiana Department of Insurance

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

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ ] No [ ] NA [X]

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

7.2 If yes, give full information:

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

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

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

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

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

GENERAL INTERROGATORIES

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

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

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

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

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

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

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

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 607

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$	$
14.22 Preferred Stock	$	$
14.23 Common Stock	$	$
14.24 Short-Term Investments	$	$
14.25 Mortgage Loans on Real Estate	$	$
14.26 All Other	$ 13,414,681	$ 15,181,573
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 13,414,681	$ 15,181,573
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$	$

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

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

If no, attach a description with this statement.

GENERAL INTERROGATORIES

16 For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $

16.3 Total payable for securities lending reported on the liability page $

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

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

1 Name of Custodian(s)	2 Custodian Address
Iberia Bank	1101 E. Admiral Doyle Drive, New Iberia, LA 70560
Ouachita Independent Bank	P. O. Box 14100, Monroe, LA 71207
Bancorp South	1220 North 18th Street, Monroe, LA 71201
Community Trust Bank	2211 North 7th Street, West Monroe, LA 71291
Cross Keys Bank	P. O. Box 14266, Monroe, LA 71207-4266

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

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

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

18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:

1.1 A&H loss percent	88.4 %
1.2 A&H cost containment percent	2.9 %
1.3 A&H expense percent excluding cost containment expenses	12.7 %
2.1 Do you act as a custodian for health savings accounts?	Yes [ ] No [X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	$
2.3 Do you act as an administrator for health savings accounts?	Yes [ ] No [X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date.	$

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
			LIFE & ANNUITY - AFFILIATES					
			LIFE & ANNUITY - NON-AFFILIATES					
10227	13-4924125	01/01/2016	MUNICH REINS AMER INC	DE	OTH/I/L	Authorized		
00000	AA-9990032	01/01/2016	US Dept of Hlth & Human Serv	DC	OTH/I/A	Authorized		
			ACCIDENT & HEALTH - AFFILIATES					
			ACCIDENT & HEALTH - NON-AFFILIATES					
			PROPERTY/CASUALTY - AFFILIATES					
			PROPERTY/CASUALTY - NON-AFFILIATES					

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

	1	Direct Business Only							
States, Etc.	Active Status	2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	N							0	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. Dist. Columbia DC	N							0	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	N							0	
18. Kentucky KY	N							0	
19. Louisiana LA	L	98,521,375	94,417,281					192,938,656	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	N							0	
23. Michigan MI	N							0	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	N							0	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	N							0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	N							0	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	98,521,375	94,417,281	0	0	0	0	192,938,656	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	98,521,375	94,417,281	0	0	0	0	192,938,656	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

VANTAGE HOLDINGS, INC. 46-1878017
is owned by:

1. 142 Physicians 50.7%
   a. Class A stock - 75,341 shares
   b. Class B stock - 77,675 shares

2. Consolidated Efforts 72-1152558 17.8%
   a. Class C stock - 53,785 shares

3. Freddy and Reba Nolan 18.1%
   a. Class C stock - 54,484 shares

4. Others 13.4%
   a. Class C stock - 40,516 shares

TOTAL STOCK 301,801 shares

VANTAGE HOLDINGS, INC. 46-1878017
Owns 100% of:

VANTAGE HEALTH PLAN, INC. 72-1285173

VANTAGE HEALTH PLAN OF ARKANSAS, INC. 46-2098452

VANTAGE HEALTH PLAN, INC.
owns 100% of:

MONROE DEVELOPMENT, L.L.C. 20-0079910

AFFINITY HEALTH GROUP, L.L.C. 26-1517214

owns 90.2% of:

MONROE SURGICAL HOSPITAL, LLC 72-1479756

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

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Name of Parent Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/ Person(s)	15 *
			20-0079910				Monroe Development, L.L.C.	LA	DS	Vantage Health Plan, Inc.	Ownership	100.0	Vantage Holdings, Inc.	0
			26-1517214				Affinity Health Group, L.L.C.	LA	DS	Vantage Health Plan, Inc.	Ownership	100.0	Vantage Holdings, Inc.	0
			72-1479756				Monroe Surgical Hospital	LA	DS	Vantage Health Plan, Inc.	Ownership	90.2	Vantage Holdings, Inc.	0
			46-1878017				Vantage Holdings, Inc.	LA	UDP	Shareholders	Ownership	100.0	NONE	0
			46-2098452				Vantage Health Plan of Arkansas, Inc.	LA	IA	Vantage Holdings, Inc.	Ownership	100.0	Vantage Holdings, Inc.	0

Asterisk	Explanation

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	RESPONSE
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanation:

1.

Bar Code:

1. 9 5 5 8 4 2 0 1 6 3 6 5 0 0 0 0 2

OVERFLOW PAGE FOR WRITE-INS

MQ002 Additional Aggregate Lines for Page 02 Line 25.
*ASSETS

	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
2504.			0	0
2505. Deposits	101,324	101,324	0	0
2597. Summary of remaining write-ins for Line 25 from Page 02	101,324	101,324	0	0

SCHEDULE A – VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	23,387,863	11,059,361
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition	16,866,167	25,496,559
3. Current year change in encumbrances	(5,505,105)	(12,674,598)
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other-than-temporary impairment recognized		0
8. Deduct current year's depreciation	306,532	493,459
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	34,442,393	23,387,863
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	34,442,393	23,387,863

SCHEDULE B – VERIFICATION

Mortgage Loans

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

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	13,414,681	12,905,915
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition	7,100,000	7,813,320
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)	(5,333,108)	(7,304,554)
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other-than-temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	15,181,573	13,414,681
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	15,181,573	13,414,681

SCHEDULE D – VERIFICATION

Bonds and Stocks

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

Schedule D - Part 1B

NONE

Schedule DA - Part 1

NONE

Schedule DA - Verification

NONE

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

Schedule E - Verification

NONE

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
Acquired by purchase								
Broadmoor Speciality Building	Monroe	LA	10/28/2011					5,156,540
Vantage State Building	Monroe	LA	09/01/2014					5,887,093
0199999 - Acquired by purchase					0	0	0	11,043,633
0399999 Totals					0	0	0	11,043,633

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

1	Location		4	5	6	7	8	Changes in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other Than Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A. C.V. (11-9-10)	Total Foreign Exchange Change in B./A. C. V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain(Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred
0399999 Totals					0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings
NONE								
3399999 Totals						0	0	0

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
NONE																	
0599999 Totals																	

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Designation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
Joint, Partnership or Limited Liability Company Interests that have the Underlying Characteristics - Other - Affiliated												
000000-00-0	Investment in Limited Liability Company	Monroe	LA	Monroe Development, L.L.C.		07/17/2003	1		0			100.000
000000-00-0	Investment in Limited Liability Company	Monroe	LA	Affinity Health Group, L.L.C.		10/17/2007	1		3,450,000			100.000
000000-00-0	Investment in Limited Liability Company	Monroe	LA	Monroe Surgical Hospital, L.L.C.		08/20/2008	1		0			90.200
2299999 - Joint, Partnership or Limited Liability Company Interests that have the Underlying Characteristics - Other - Affiliated								0	3,450,000	0	0	XXX
4499999 – Subtotals - Unaffiliated								0	0	0	0	XXX
4599999 – Subtotals - Affiliated								0	3,450,000	0	0	XXX
4699999 Totals								0	3,450,000	0	0	XXX

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/ Adjusted Carrying Value Less Encumbrances Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9+10-11+12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
4499999 – Subtotals - Unaffiliated																			
4599999 – Subtotals - Affiliated																			
4699999 Totals																			

NONE

Schedule D - Part 3

NONE

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
Iberia Bank Monroe, LA		0.000	0	0	7,008,607	4,298,919	6,694,072	XXX
Ouachita Independent Bank Monroe, LA		0.023	3,766	0	14,602,144	284,845	(390,803)	XXX
Bancorp South Monroe, LA	SD	0.250	63	19	100,000	100,000	100,000	XXX
Origin Bank Monroe, LA	SD	0.400	0	893	250,000	250,000	250,000	XXX
Ouachita Independent Bank Monroe, LA	SD	0.750	0	1,048	250,000	250,000	250,000	XXX
Cross Keys Bank Monroe, LA	SD	0.480	339	105	250,000	250,000	250,000	XXX
Iberia Bank Monroe, LA	SD	0.200	126	27	250,000	250,000	250,000	XXX
0199998 Deposits in .... depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total Open Depositories	XXX	XXX	4,294	2,092	22,710,751	5,683,764	7,403,269	XXX
0399999 Total Cash on Deposit	XXX	XXX	4,294	2,092	22,710,751	5,683,764	7,403,269	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX	500	500	500	XXX
0599999 Total	XXX	XXX	4,294	2,092	22,711,251	5,684,264	7,403,769	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total Cash Equivalents					0	0	0