

ANNUAL STATEMENT
OF THE
MCS Advantage Inc.

of
San Juan
in the state of
Puerto Rico

TO THE
Insurance Department
OF THE STATE OF
Puerto Rico

For the Year Ending
December 31, 2013

2013



13022201320100100

2013

Document Code: 201

ANNUAL STATEMENT
For the Year Ending December 31, 2013
OF THE CONDITION AND AFFAIRS OF THE
MCS Advantage Inc.

NAIC Group Code 1301, 1301; NAIC Company Code 13022; Employer's ID Number 660642758; Organized under the Laws of Puerto Rico; State of Domicile or Port of Entry Puerto Rico; Country of Domicile United States of America; Licensed as business type: Life, Accident & Health; Property/Casualty; Hospital, Medical & Dental Service or Indemnity; Dental Service Corporation; Vision Service Corporation; Health Maintenance Organization; Other; Is HMO Federally Qualified? Yes; No; N/A; Incorporated/Organized 03/17/2004; Commenced Business 02/01/2007; Statutory Home Office Suite 203 255 Ponce de León Avenue, San Juan, PR, 00917; Main Administrative Office Suite 203 255 Ponce de León Avenue, San Juan, PR, 00917; Mail Address PO Box 193310, San Juan, PR, 00917; Primary Location of Books and Records Suite 203 255 Ponce de León Avenue, San Juan, PR, 00917; Internet Website Address N/A; Statutory Statement Contact David P Schaffer, (787)758-2500-2445, davids@medicalcardsystem.com

OFFICERS

Table with 2 columns: Name, Title. Rows: James O'Drobinak (CEO), David Scanavino (President), David Schaffer (CFO), Martiza Munich (Secretary)

OTHERS

DIRECTORS OR TRUSTEES

Daniel Agroskin
Gerald Landgraf
Jay Wagner
James O'Drobinak
Robert VanHees

Paul S Levy
Cyril Meduña
Alexander Castaldi
Carmen Conde

State of Puerto Rico
County of ss

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

(Signature)
James O'Drobinak
(Printed Name)
1.
Chief Executive Officer
(Title)

(Signature)
David Schaffer
(Printed Name)
2.
Chief Financial Officer
(Title)

(Signature)
(Printed Name)
3.
0
(Title)

Subscribed and sworn to before me this
day of , 2014

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

Yes[X] No[]

(Notary Public Signature)

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)	82,762,139		82,762,139	64,309,478
2. Stocks (Schedule D)				
2.1 Preferred stocks				
2.2 Common Stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....16,135,466, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA)	16,135,466		16,135,466	73,128,029
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	98,897,605		98,897,605	137,437,507
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	454,302		454,302	326,339
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	55,076,727		55,076,727	21,601,433
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums	1,076,579		1,076,579	3,932,473
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	17,384,483		17,384,483	15,277,501
18.1 Current federal and foreign income tax recoverable and interest thereon	10,143,018	3,458,500	6,684,518	7,087,219
18.2 Net deferred tax asset	12,365,451	12,365,451	0	
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$.....0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	9,335,785	4,450,725	4,885,060	6,560,527
24. Health care (\$.....4,563,859) and other amounts receivable	4,563,859		4,563,859	7,872,082
25. Aggregate write-ins for other than invested assets	26,722,929	26,722,929		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	236,020,738	46,997,605	189,023,133	200,095,080
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	236,020,738	46,997,605	189,023,133	200,095,080
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Intangible asset				
2502. Prepays and other assets	26,722,929	26,722,929		
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	26,722,929	26,722,929		

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	81,794,619		81,794,619	99,010,158
2. Accrued medical incentive pool and bonus amounts	22,518,413		22,518,413	19,705,871
3. Unpaid claims adjustment expenses				
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	11,149,826		11,149,826	8,208,375
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	1,928,098		1,928,098	1,871,685
13. Remittances and items not allocated	7,936,942		7,936,942	7,916,327
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans				
23. Aggregate write-ins for other liabilities (including \$.....0 current)	600,000		600,000	600,000
24. TOTAL Liabilities (Lines 1 to 23)	125,927,897		125,927,897	137,312,417
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X	1	1
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	639,999	639,999
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	62,455,236	62,142,663
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2 .....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	63,095,236	62,782,663
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	189,023,133	200,095,080
DETAILS OF WRITE-INS				
2301. Statutory Deposits	600,000		600,000	600,000
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	600,000		600,000	600,000
2501.	X X X	X X X		
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	1,490,072	1,352,081
2. Net premium income (including \$.....0 non-health premium income)	X X X	1,173,785,058	1,146,434,799
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$.....0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. TOTAL Revenues (Lines 2 to 7)	X X X	1,173,785,058	1,146,434,799
Hospital and Medical:			
9. Hospital/medical benefits		761,145,362	755,315,480
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs		195,054,547	184,366,003
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts		32,873,781	29,135,274
16. Subtotal (Lines 9 to 15)		989,073,690	968,816,757
Less:			
17. Net reinsurance recoveries			
18. TOTAL Hospital and Medical (Lines 16 minus 17)		989,073,690	968,816,757
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....0 cost containment expenses		14,123,687	8,287,230
21. General administrative expenses		166,572,950	145,496,121
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			
23. TOTAL Underwriting Deductions (Lines 18 through 22)		1,169,770,326	1,122,600,109
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	4,014,732	23,834,690
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,616,292	2,223,916
26. Net realized capital gains (losses) less capital gains tax of \$.....0		(429,526)	1,313,730
27. Net investment gains (losses) (Lines 25 plus 26)		1,186,766	3,537,646
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29. Aggregate write-ins for other income or expenses			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	5,201,497	27,372,336
31. Federal and foreign income taxes incurred	X X X	1,476,159	34,692
32. Net income (loss) (Lines 30 minus 31)	X X X	3,725,338	27,337,645
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901. Other income			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	62,782,663	48,580,046
34. Net income or (loss) from Line 32	3,725,338	27,337,645
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0		
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	4,049,037	(5,272,248)
39. Change in nonadmitted assets	(7,461,802)	(7,862,778)
40. Change in unauthorized and certified reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital Changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		0
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus		
48. Net change in capital and surplus (Lines 34 to 47)	312,573	14,202,618
49. Capital and surplus end of reporting year (Line 33 plus 48)	63,095,236	62,782,663
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	1,143,165,659	1,145,502,811
2.	Net investment income	1,775,629	2,842,654
3.	Miscellaneous income		
4.	Total (Lines 1 through 3)	1,144,941,288	1,148,345,465
5.	Benefit and loss related payments	1,005,679,983	990,237,907
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	179,862,168	154,887,310
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	0	0
10.	Total (Lines 5 through 9)	1,185,542,151	1,145,125,217
11.	Net cash from operations (Line 4 minus Line 10)	(40,600,863)	3,220,248
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	11,150,440	109,511,865
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds	0	
12.8	Total investment proceeds (Lines 12.1 to 12.7)	11,150,440	109,511,865
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	30,319,927	65,887,180
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications	0	
13.7	Total investments acquired (Lines 13.1 to 13.6)	30,319,927	65,887,180
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(19,169,487)	43,624,685
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		0
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	2,777,787	(7,214,854)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	2,777,787	(7,214,854)
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)	(56,992,563)	39,630,079
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	73,128,029	33,497,949
19.2	End of year (Line 18 plus Line 19.1)	16,135,466	73,128,029

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

20.0001			
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	1,173,785,058						1,173,785,058			
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. TOTAL Revenues (Lines 1 to 6)	1,173,785,058						1,173,785,058			
8. Hospital/medical benefits	761,145,362						761,145,362			X X X
9. Other professional services										X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area										X X X
12. Prescription drugs	195,054,547						195,054,547			X X X
13. Aggregate write-ins for other hospital and medical										X X X
14. Incentive pool, withhold adjustments and bonus amounts	32,873,781						32,873,781			X X X
15. Subtotal (Lines 8 to 14)	989,073,690						989,073,690			X X X
16. Net reinsurance recoveries										X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16)	989,073,690						989,073,690			X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$.....0 cost containment expenses	14,123,687						14,123,687			
20. General administrative expenses	166,572,950						166,572,950			
21. Increase in reserves for accident and health contracts										X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	1,169,770,326						1,169,770,326			
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	4,014,732						4,014,732			
DETAILS OF WRITE-INS										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.										X X X
1302.										X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical)				
2. Medicare Supplement				
3. Dental only				
4. Vision only				
5. Federal Employees Health Benefits Plan				
6. Title XVIII - Medicare	1,173,785,058			1,173,785,058
7. Title XIX - Medicaid				
8. Other health				
9. Health subtotal (Lines 1 through 8)	1,173,785,058			1,173,785,058
10. Life				
11. Property/casualty				
12. TOTALS (Lines 9 to 11)	1,173,785,058			1,173,785,058

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	973,415,448						973,415,448			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	973,415,448						973,415,448			
2. Paid medical incentive pools and bonuses	30,061,240						30,061,240			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	81,794,619						81,794,619			
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	81,794,619						81,794,619			
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	22,518,413						22,518,413			
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	99,010,158						99,010,158			
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	99,010,158						99,010,158			
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	19,705,871						19,705,871			
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	956,199,909						956,199,909			
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net	956,199,909						956,199,909			
13. Incurred medical incentive pools and bonuses	32,873,782						32,873,782			

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	27,119,510						27,119,510			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	27,119,510						27,119,510			
2. Incurred but Unreported:										
2.1 Direct	54,675,109						54,675,109			
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	54,675,109						54,675,109			
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	81,794,619						81,794,619			
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	81,794,619						81,794,619			

UNDERWRITING AND INVESTMENT EXHIBIT

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

	Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical)						
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare	77,176,354	900,790,803	703,185	81,091,434	77,879,539	99,010,158
7.	Title XIX - Medicaid						
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	77,176,354	900,790,803	703,185	81,091,434	77,879,539	99,010,158
10.	Healthcare receivables (a)		4,551,709				
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	18,414,897	11,646,343		22,518,413	18,414,897	19,705,871
13.	TOTALS (Lines 9 - 10 + 11 + 12)	95,591,251	907,885,436	703,185	103,609,847	96,294,436	118,716,029

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

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

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	53,026	54,860	54,066	54,066	54,066
2.	2009	581,967	680,351	679,313	679,861	679,861
3.	2010	X X X	808,532	940,624	945,329	945,364
4.	2011	X X X	X X X	905,142	1,023,335	1,024,925
5.	2012	X X X	X X X	X X X	860,512	954,479
6.	2013	X X X	X X X	X X X	X X X	907,885

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	56,421	54,860	54,022	54,066	54,066
2.	2009	684,749	686,460	679,284	679,861	679,861
3.	2010	X X X	930,981	942,099	946,040	945,364
4.	2011	X X X	X X X	1,037,597	1,027,695	1,025,083
5.	2012	X X X	X X X	X X X	974,157	955,024
6.	2013	X X X	X X X	X X X	X X X	1,011,495

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2009	816,962	679,861	16,737	2.462	696,598	85.267			696,598	85.267
2. 2010	1,163,738	945,364	24,114	2.551	969,478	83.307			969,478	83.307
3. 2011	1,183,601	1,024,925	10,562	1.030	1,035,487	87.486	158		1,035,645	87.499
4. 2012	1,146,435	954,479	8,984	0.941	963,463	84.040	545		964,008	84.087
5. 2013	1,173,785	907,885	12,173	1.341	920,058	78.384	103,610		1,023,668	87.211

12 Total

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

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

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	53,026	54,860	54,066	54,066	54,066
2.	2009	581,967	680,351	679,313	679,861	679,861
3.	2010	X X X	808,532	940,624	945,329	945,364
4.	2011	X X X	X X X	905,142	1,023,335	1,024,925
5.	2012	X X X	X X X	X X X	860,512	954,479
6.	2013	X X X	X X X	X X X	X X X	907,885

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	56,421	54,860	54,022	54,066	54,066
2.	2009	684,749	686,460	679,284	679,861	679,861
3.	2010	X X X	930,981	942,099	946,040	945,364
4.	2011	X X X	X X X	1,037,597	1,027,695	1,025,083
5.	2012	X X X	X X X	X X X	974,157	955,024
6.	2013	X X X	X X X	X X X	X X X	1,011,495

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

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2009	816,962	679,861	16,737	2.462	696,598	85.267			696,598	85.267
2.	2010	1,163,738	945,364	24,114	2.551	969,478	83.307			969,478	83.307
3.	2011	1,183,601	1,024,925	10,562	1.030	1,035,487	87.486	158		1,035,645	87.499
4.	2012	1,146,435	954,479	8,984	0.941	963,463	84.040	545		964,008	84.087
5.	2013	1,173,785	907,885	12,173	1.341	920,058	78.384	103,610		1,023,668	87.211

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

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

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

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

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

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

13 Underwriting Invest Exh Pt 2D - A & H Reserve NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)			985,447		985,447
2. Salaries, wages and other benefits			15,654,166		15,654,166
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)			7,175,448		7,175,448
4. Legal fees and expenses			225,262		225,262
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services			5,543,549		5,543,549
7. Traveling expenses			291,367		291,367
8. Marketing and advertising			4,321,806		4,321,806
9. Postage, express and telephone			321,052		321,052
10. Printing and office supplies			135,685		135,685
11. Occupancy, depreciation and amortization					
12. Equipment					
13. Cost or depreciation of EDP equipment and software					
14. Outsourced services including EDP, claims, and other services		14,123,687			14,123,687
15. Boards, bureaus and association fees			332,744		332,744
16. Insurance, except on real estate			25,269		25,269
17. Collection and bank service charges			104,869		104,869
18. Group service and administration fees			128,312,050		128,312,050
19. Reimbursements by uninsured plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes					
23.3 Regulatory authority licenses and fees			524,312		524,312
23.4 Payroll taxes			1,498,855		1,498,855
23.5 Other (excluding federal income and real estate taxes)			77,379		77,379
24. Investment expenses not included elsewhere				26,819	26,819
25. Aggregate write-ins for expenses			1,043,689		1,043,689
26. TOTAL Expenses Incurred (Lines 1 to 25)		14,123,687	166,572,950	26,819	(a) 180,723,455
27. Less expenses unpaid December 31, current year			11,149,826		11,149,826
28. Add expenses unpaid December 31, prior year			8,208,375		8,208,375
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)		14,123,687	163,631,499	26,819	177,782,005
DETAILS OF WRITE-INS					
2501. Miscellaneous expenses			33,105		33,105
2502. Amortization of intangible			1,007,333		1,007,333
2503. Penalties			3,250		3,250
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			1,043,689		1,043,689

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 1,547,812	1,283,188
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 337,151	353,326
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 6,626	6,626
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	1,891,589	1,643,141
11. Investment expenses		(g) 26,849
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		26,849
17. Net Investment income (Line 10 minus Line 16)		1,616,292

DETAILS OF WRITE-INS

0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		

- (a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(12,510)		(12,510)		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)		(417,017)	(417,017)		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	(12,510)	(417,017)	(429,527)		

DETAILS OF WRITE-INS

0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Invested income due and accrued			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon	3,458,500	4,531,958	1,073,458
18.2 Net deferred tax asset	12,365,451	8,316,414	(4,049,037)
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates	4,450,725	4,468,687	17,962
24. Health care and other amounts receivable		603,373	603,373
25. Aggregate write-ins for other than invested assets	26,722,929	21,615,370	(5,107,559)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	46,997,605	39,535,802	(7,461,802)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	46,997,605	39,535,802	(7,461,802)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Intangible asset		1,007,333	1,007,333
2502. Prepaids and Other assets	26,722,929	20,608,037	(6,114,892)
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	26,722,929	21,615,370	(5,107,559)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	113,436	119,799	123,023	127,074	130,392	1,490,072
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. TOTAL	113,436	119,799	123,023	127,074	130,392	1,490,072
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199999 Total individuals	1,004,706	16,498	17,052			1,038,256
Group Subscribers:						
ASES	522,570	527,610				1,050,180
0299997 Subtotal - Group Subscribers:	522,570	527,610				1,050,180
0299999 Total group	522,570	527,610				1,050,180
0399999 Premiums due and unpaid from Medicare entities	9,750,331	8,647,592	8,647,592	25,942,776		52,988,291
0599999 Accident and health premiums due and unpaid (Page 2, Line 15) ..	11,277,608	9,191,700	8,664,644	25,942,776		55,076,727

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
.....	2,855,815	1,695,894				4,551,709
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed						
0199999 Subtotal - Pharmaceutical Rebate Receivables	2,855,815	1,695,894				4,551,709
0299998 Claim Overpayment Receivables - Not Individually Listed						
0299999 Subtotal - Claim Overpayment Receivables						
0399998 Loans and Advances to Providers - Not Individually Listed						
0399999 Subtotal - Loans and Advances to Providers						
0499998 Capitation Arrangement Receivables - Not Individually Listed						
0499999 Subtotal - Capitation Arrangement Receivables						
0599998 Risk Sharing Receivables - Not Individually Listed						
0599999 Subtotal - Risk Sharing Receivables						
Other Receivables						
.....	9,250		2,899			12,149
0699998 Other Receivables - Not Individually Listed						
0699999 Subtotal - Other Receivables	9,250		2,899			12,149
0799999 Gross health care receivables	2,865,065	1,695,894	2,899			4,563,859

EXHIBIT 3A - ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Health Care Receivables Accrued as of December 31 of Current Year		5	6
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year	Health Care Receivables in Prior Years (Columns 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
1. Pharmaceutical rebate receivables	3,798,869	3,948,479		4,551,709	3,798,869	2,129,587
2. Claim overpayment receivables						
3. Loans and advances to providers						
4. Capitation arrangement receivables						
5. Risk sharing receivables						
6. Other health care receivables	2,489	160,574	253	11,896	2,742	2,742
7. TOTALS (Lines 1 through 6)	3,801,358	4,109,053	253	4,563,605	3,801,611	2,132,329

Note that the accrued amounts in Columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

EXHIBIT 4 - 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
0399999 Aggregate Accounts Not Individually Listed - Covered	25,250,774	1,261,974	606,761			27,119,510
0499999 Subtotals	25,250,774	1,261,974	606,761			27,119,510
0599999 Unreported claims and other claim reserves						54,675,109
0799999 Total Claims Unpaid						81,794,619
0899999 Accrued Medical Incentive Pool and Bonus Amounts						22,518,413

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	Admitted	
						7 Current	8 Non-Current
Individually listed receivables							
MCS Life Insurance Company	2,311,165	1,286,961	1,286,934			4,885,060	
Medical Card System	4,450,725				4,450,725		
0199999 Total - Individually listed receivables	6,761,890	1,286,961	1,286,934		4,450,725	4,885,060	
0399999 Total gross amounts receivable	6,761,890	1,286,961	1,286,934		4,450,725	4,885,060	

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
	N O N E			
0399999 Total gross payables	X X X			

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

	1	2	3	4	5	6
Payment Method	Direct Medical Expense Payment	Column 1 as a % of Total Payments	Total Members Covered	Column 3 as a % of Total Members	Column 1 Expenses Paid to Affiliated Providers	Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	111,775,531	11.483				111,775,531
2. Intermediaries						
3. All other providers						
4. TOTAL Capitation Payments	111,775,531	11.483				111,775,531
Other Payments:						
5. Fee-for-service			X X X	X X X		
6. Contractual fee payments	861,639,917	88.517	X X X	X X X		861,639,917
7. Bonus/withhold arrangements - fee-for-service			X X X	X X X		
8. Bonus/withhold arrangements - contractual fee payments			X X X	X X X		
9. Non-contingent salaries			X X X	X X X		
10. Aggregate cost arrangements			X X X	X X X		
11. All other payments			X X X	X X X		
12. TOTAL Other Payments	861,639,917	88.517	X X X	X X X		861,639,917
13. TOTAL (Line 4 plus Line 12)	973,415,448	100.000	X X X	X X X		973,415,448

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1	2	3	4	5	6
NAIC Code	Name of Intermediary	Capitation Paid	Average Monthly Capitation	Intermediary's Total Adjusted Capital	Intermediary's Authorized Control Level RBC
NONE					
9999999 Totals			X X X	X X X	X X X

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1. Administrative furniture and equipment						
2. Medical furniture, equipment and fixtures	N O N E					
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. TOTAL						

Notes to Financial Statements

MCS Advantage Inc. (the "Company") is a wholly owned subsidiary of Medical Card System, Inc. ("MCS") and operates as health insurance Company under the provisions of the Insurance Code and Insurance Regulations of the Commonwealth of Puerto Rico. It is primarily engaged in offering Medicare Advantage (MA) insurance coverage pursuant to two contracts with Centers for Medicaid & Medicare Services a federal agency within the U.S. Department of Health and Human Services.

Under the terms of these contracts, CMS pays the Company a fixed amount for each healthcare member of its coordinated care plan and the Company provides the coverage to that member for the health services provided. The MA plans offered by the Company provide coverage to residents of Puerto Rico who are eligible for Medicare benefits.

These plans provide plan members with full Medicare benefits plus coverage of Medicare deductibles and copayment amounts and additional benefits that Medicare does not provide. Also, the Company provides enhanced benefit coverage to Medicaid-eligible members under the Medicare Platino Program sponsored by the Puerto Rico Health Insurance Administration.

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements have been prepared in conformity with the NAIC Accounting Practices and Procedures Manual. The Commissioner of Insurance of Puerto Rico adopted the NAIC Accounting Practices and Procedures Manual as long as it does not contradict the provisions of the Insurance Code. The accounting practices used in preparing these financial statements did not result in differences for net income or capital and surplus under the NAIC Accounting Practices and Procedures Manual and practices permitted or prescribed by the Insurance Commissioner of Puerto Rico.

<u>NET INCOME</u>	<u>State of Domicile</u>	<u>2013</u>	<u>2012</u>
(1) MCS Advantage, Inc. state basis	PR	\$ 3,725,338	\$ 27,337,645
State Prescribed Practices that			
(2) increase / (decrease)	PR	-	-
State Permitted Practices that			
(3) increase / (decrease)	PR	-	-
(4) NAIC SAP (1-2-3=4)	PR	\$ 3,725,338	\$ 27,337,645
 <u>SURPLUS</u>			
(5) MCS Advantage, Inc. state basis	PR	\$ 63,095,236	\$ 62,782,663
State Prescribed Practices that			
(6) increase / (decrease)	PR	-	-
State Permitted Practices that			
(7) increase / (decrease)	PR	-	-
(8) NAIC SAP (5-6-7=8)	PR	\$ 63,095,236	\$ 62,782,663

B. Use of Estimates

Management used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with the NAIC Accounting Practices and Procedures Manual. Actual results could differ from those estimates.

C. Accounting Policies

Premiums are recorded as revenue when due. Expenses incurred in connection to the acquisition of business, such as sales and broker commissions, are charged to operations as incurred.

The Company carries its premium receivables net of allowances for doubtful amounts based on the evaluation of the aging and other factors that deserve recognition.

Certain assets designated as "non-admitted assets" have been excluded from the statutory statements of admitted assets, liabilities and capital and surplus by a charge to surplus.

Non-admitted assets as of December 31, 2013 and 2012 consist of the following:

Notes to Financial Statements

<u>Non-Admitted Assets</u>	<u>2013</u>	<u>2012</u>
Prepaid Assets	\$ 26,722,929	\$ 20,608,037
Prepaid tax credits	3,458,500	4,531,958
Intangible asset	-	1,007,333
Healthcare receivables and other amount receivable	-	603,373
Due from affiliates	4,450,725	4,468,687
Deferred tax assets	12,365,451	8,316,414
	\$ 46,997,605	\$ 39,535,802

In addition, the company uses the following accounting policies:

1. Basis of valuation of short term investments - Short-term investments include debt securities with maturities of one year or less at the time of purchase and are stated at amortized cost, which approximates fair value.
2. Basis of valuation of bonds - Debt securities are valued in accordance with rules promulgated by the NAIC. Debt securities eligible for amortization under such rules (classified 1 through 5 by the Securities and Valuation Office (SVO) of the NAIC) are stated at amortized cost net of unamortized premiums and/or discounts. Debt securities classified 6 by the SVO are stated at the lower of amortized cost or fair market value.
3. Basis of valuation of common stocks - Investments in common stocks are presented at estimated fair value. Unrealized gains or losses on investments in common stock are accounted as direct increases or decreases in surplus.
4. Basis of valuation of preferred stock - Investments in nonredeemable preferred stock are presented at estimated fair value. Unrealized gains or losses on investments in nonredeemable preferred stock are accounted as direct increases or decreases in surplus. A decline in the estimated fair value of any investment in debt securities, nonredeemable preferred and common stock below cost that is deemed to be other than temporary results in a reduction in the carrying amount to fair value. The impairment is charged to operations and a new cost basis for the security is established.
5. The company has no mortgage loans or real state.
6. The Company applies the provisions of SAP No. 43, Loan-Backed and Structured Securities (SSAP No. 43), which requires insurers to separate other-than-temporary impairments between interest and noninterest-related declines in the value of all loan-backed and structured securities. Premiums and discounts are amortized or accreted over the life of the investment as an adjustment to yield using the effective-interest method. Interest and dividend income are recognized when earned. Realized gains or losses on the sale of investments are included in the statutory statements of operations and are determined on a specific-identification basis.
7. The company does not have investments in subsidiaries or affiliated entities.
8. The company does not have investments in joint venture, partnership and limited liability entities.
9. The company does not invest in derivatives.
10. The company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
11. Independent care providers such as hospitals, physicians, clinics, and others provide health services under contractual arrangements. Services rendered to insured members are billed and paid on a fee-for-service basis up to established limits based on eligible members. Claim payables represent accrued medical claims and related expenses (hospitalization and other outside medical services) for amounts billed and not paid and an estimate of cost incurred for unbilled services provided to the balance sheet date based on experience and accumulated statistical data on claims processed, incomplete and unreported. The above liabilities are necessarily based on estimates and, while management believes that the amounts are adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in current operations.
12. The company has not modified its capitalization policy from the prior.
13. The company estimate anticipated pharmacy rebates receivable using the analysis of historical recovery.

Notes to Financial Statements

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

- A. Statutory purchase method – None
- B. Statutory merge – None
- C. Assumption reinsurance – None
- D. Impairment loss – None

4. Discontinued Operations

The company had no discontinued operations during 2013.

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – Not applicable
- B. Debt Restructuring – None
- C. Reverse Mortgage – None
- D. Loan-Backed Securities

1. Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker dealer survey values.

2. Amortized cost exceeds the estimated fair value of certain investments at December 31, 2013. Write-downs for impairment of securities, which are deemed to be other than temporary, amounted to \$417,017 during the year ended December 31, 2013 and is recorded in realized capital gain (loss).

	Amortized Cost Basis Before Other-than- Temporary Impairment	Other-than- Temporary Impairment Recognized in Loss	Fair Value
<u>OTTI recognized 1st Quarter</u>			
a. Intent to Sell	\$ -	\$ -	\$ -
Inability or lack of intent to rein the investment in the security for a period of time sufficient to			
b. recover the amortized cost basis	-	-	-
c. Total 1st Quarter	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>OTTI recognized 2nd Quarter</u>			
d. Intent to Sell	-	-	-
Inability or lack of intent to rein the investment in the security for a period of time sufficient to			
e. recover the amortized cost basis	-	-	-
f. Total 2nd Quarter	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>OTTI recognized 3rd Quarter</u>			
g. Intent to Sell	-	-	-
Inability or lack of intent to rein the investment in the security for a period of time sufficient to			
h. recover the amortized cost basis	-	-	-
i. Total 3rd Quarter	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>OTTI recognized 4th Quarter</u>			
j. Intent to Sell	-	-	-
Inability or lack of intent to rein the investment in the security for a period of time sufficient to			
k. recover the amortized cost basis	1,555,773	417,017	1,138,756
l. Total 4th Quarter	<u>\$ 1,555,773</u>	<u>\$ 417,017</u>	<u>\$ 1,138,756</u>
m. Annual Aggregate Total		<u>\$ 417,017</u>	

Notes to Financial Statements

3. Each security, by CUSIP, with an Other-than-temporary impairment at December 31, 2013 were as follows:

CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-than-Temporary Impairment	Amortized Cost After Other-than-Temporary Impairment	Fair Value at time of OTTI	Date of Financial Statement Where Reported
745185-BF-4	1,264,030	949,495	314,534	949,495	949,495	12/31/2013
745160-PR6	291,743	189,261	102,482	189,261	189,261	12/31/2013
	-	-	-	-	-	
Total	1,555,773	1,138,756	\$ 417,017	1,138,756	1,138,756	

4. All impaired securities for which an other than temporary impairment has not been recognized in earnings as a realized loss:

a. The aggregate amount of unrealized losses:

1. Less than 12 months	\$ (3,572,640)
2. 12 Months or longer	\$ (1,787,052)

b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 months	\$ 49,396,232
2. 12 Months or longer	\$ 21,126,806

The unrealized loss on investments in fixed-income securities were caused mainly by rising inflationary expectations and changes in interest rates during 2013. This had negative implications for fixed-income security prices. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than amortized cost of the investment. Because the company has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

The amortized cost, gross unrealized gains, gross unrealized losses, and estimated fair value of all owned investment securities at December 31, 2013 and 2012 were as follows:

	2013			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury securities and obligations of U.S. Government instrumentalities and states	\$ 78,776,711	\$ 56,385	\$ (5,339,889)	\$ 73,493,207
Obligations of the Commonwealth of PR and its instrumentalities	1,138,756	-	-	1,138,756
Mortgage-backed securities	2,846,672	71,694	(19,802)	2,898,563
Total	\$ 82,762,139	\$ 128,079	\$ (5,359,691)	\$ 77,530,527
	2012			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury securities and obligations of U.S. Government instrumentalities and states	\$ 57,527,580	\$ 213,255	\$ (210,857)	\$ 57,529,978
Obligations of the Commonwealth of PR and its instrumentalities	1,557,311	3,205	(32,685)	1,527,831
Mortgage-backed securities	5,224,587	197,774	(10,303)	5,412,058
Total	\$ 64,309,478	\$ 414,234	\$ (253,845)	\$ 64,469,867

The amortized cost and estimated fair value of investment securities at December 31, 2013, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

Notes to Financial Statements

	Amortized Cost	Estimated Fair value
Due less than one year	\$ 1,079,807	\$ 1,086,314
Due after one year through five years	14,229,783	13,948,153
Due after five years through ten years	61,540,430	56,822,792
Due after ten years through Twenty years	2,876,187	2,585,444
Over twenty years	189,261	189,261
Mortgage-backed securities	2,846,672	2,898,563
	\$ 82,762,139	\$ 77,530,527

For the mortgage-backed securities, Management evaluated SSAP No. 43R and concluded that the company does not intend to sell such security, and it is more likely than not that it will not be required to sell such security prior to the recovery of its amortized cost basis.

- E. Repurchase Agreements and/or Securities Lending Transactions – None
- F. Real Estate – None
- G. Low-income housing tax credits (LHITC) – None
- H. Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	1	2	3	4	5	6
	<u>Total Gross Restricted from Current Year</u>	<u>Total Gross Restricted From Prior Year</u>	<u>Increase / (Decrease) (1 minus 2)</u>	<u>Total Current Year Admitted Restricted</u>	<u>Percentage Gross Restricted to Total Assets</u>	<u>Percentage Admitted Restricted to Total Admitted Assets</u>
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	0%	0%
b. Collateral held under security lending agreements			-			
c. Subject to repurchase agreements			-			
d. Subject to reverse repurchase agreements			-			
e. Subject to dollar repurchase agreements			-			
f. Subject to dollar reverse repurchase agreements			-			
g. Placed under option contracts			-			
h. Letter stock or securities restricted as to sale			-			
i. On deposit with states	641,694	637,173	4,521	641,694	27%	34%
j. On deposit with other regulatory bodies			-			
k. Pledged as collateral not captured in other categories			-			
l. Other restricted assets			-			
m. Total Restricted Assets	\$ 641,694	\$ 637,173	\$ 4,521	\$ 641,694	27%	34%

At December 31, 2013, the Company has on deposit with states of \$641,694 from the Commissioner of Insurance of Puerto Rico.

- 2. Detail of Assets Pledged as Collateral Not Captured in Other Categories – None
- 3. Detail of Other Restricted Assets – None

6. Joint ventures, Partnerships and Limited Liability Companies

- A. The company has no investment in joint ventures, partnerships or limited liability companies.
- B. Write downs for impairments of joint ventures, partnerships or limited liability companies - Non applicable.

7. Investment Income

- A. Interest income is recognized when earned. Realized gains and losses from the sale of securities are determined using the specific identification method for determining the cost of the security sold.
- B. The company did not have any non-admitted due and accrued investment income as of December 31, 2013.

8. Derivative Instruments

- A. None

9. Income Taxes

Notes to Financial Statements

The Company is currently only subject to Puerto Rico income taxes as operations are only conducted in Puerto Rico. The Company operates as a qualified domestic health insurance company and is subject to the alternative minimum tax and is also taxed on its capital gains. Deferred income taxes have been provided for the tax consequences of temporary differences between statutory and tax basis of assets and liabilities.

A. The component of the net deferred tax assets (liabilities) at December 31, 2013 are as follow:

	12/31/2013			12/31/2012			Change		
	-1 Ordinary	-2 Capital	-3 (Col 1+2) Total	-4 Ordinary	-5 Capital	-6 (Col 4+5) Total	-7 (Col 1-4) Ordinary	-8 (Col 2-5) Capital	-9 (Col 7+8) Total
1. Gross Deferred Tax									
(a) Assets	\$ 12,365,451	\$ -	\$ 12,365,451	\$ 8,316,414	\$ -	\$ 8,316,414	\$ 4,049,037	\$ -	\$ 4,049,037
Statutory Valuation									
(b) Allowance Adjustment	-	-	-	-	-	-	-	-	-
Adjusted Gross									
Deferred Tax Assets									
(c) (1a-1b)	12,365,451	-	12,365,451	8,316,414	-	8,316,414	4,049,037	-	4,049,037
Deferred Tax Assets									
(d) Nonadmitted	12,365,451	-	12,365,451	8,316,414	-	8,316,414	4,049,037	-	4,049,037
Subtotal net Admitted									
Deferred Tax Asset (1c-									
(e) 1d)	-	-	-	-	-	-	-	-	-
(f) Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-
Net Admitted Deferred									
Tax Asset / (Net									
Deferred Tax Liability)									
(g) (1e-1f)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

B. The company has not recognized deferred tax liabilities as of December 31, 2013.

C. Deferred income taxes reflect the tax effects of: (a) temporary differences between carrying amounts of admitted assets and liabilities for financial reporting and income tax purposes. The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2013 and 2012 are presented below:

	12/31/2013	12/31/2012	Change
<u>1. Current Income Tax</u>			
Federal	\$ -	\$ -	\$ -
Foreign			
Subtotal	\$ -	\$ -	\$ -
Other	1,476,159	34,692	1,441,467
Federal and foreign income taxes incurred	\$ 1,476,159	\$ 34,692	\$ 1,441,467
<u>2. Deferred Tax Assets:</u>			
<u>Ordinary</u>			
Receivables – nonadmitted	1,735,783	1,521,618	214,165
Net operating loss carry-forward		310,185	(310,185)
Tax credit carry-forward - AMT	207,726		207,726
Other (including items <5% of total ordinary tax assets)	10,421,942	6,484,611	3,937,331
Subtotal	\$ 12,365,451	\$ 8,316,414	\$ 4,049,037
Nonadmitted	12,365,451	8,316,414	4,049,037
Admitted ordinary deferred tax assets	\$ -	\$ -	\$ -
<u>Capital:</u>			
Admitted deferred tax assets	\$ -	\$ -	\$ -
<u>3. Deferred Tax Liabilities:</u>			
Ordinary			
Subtotal	\$ -	\$ -	\$ -
Capital:			
Subtotal	\$ -	\$ -	\$ -
Deferred tax liabilities	\$ -	\$ -	\$ -
<u>4. Net deferred tax assets/liabilities</u>	\$ -	\$ -	\$ -

Notes to Financial Statements

- D. The company is a qualified domestic insurance company, which was incorporated under the law of the Commonwealth of Puerto Rico. The company is exempt from federal income tax.
- E. Operating loss and tax credit carry forwards - None
- F. Consolidated federal income tax return – None
- G. Federal or foreign income tax loss contingencies - None

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

- A. (applied for A, B, C & F) MCS Inc., the parent company, provide administrative claims processing, consulting, and other administrative services to the company. These services are provided through a service agreement approved by the Commissioner of Insurance. Administrative service fees under the service agreement are based on per member per month rates for all services provided. Total administrative service fees amounted to \$127.8 million and \$109.5 million for the years ended December 31, 2013 and 2012, respectively.
- D. At December 31, 2013, the company has a balance receivable from MCS Inc. of \$4.4 million as non admitted assets and from MCS Life of \$4.9 million as admitted.
- E. There are no guarantees or undertaking for the benefit of a subsidiary or affiliated party.
- G. All outstanding shares of the company are owned by the Company.
- H. The company owns no shares of the stock of its parent or any of its affiliate.
- I. Investment in subsidiaries – None
- J. Write down for impairment of investments in affiliates - Not applicable
- K. Investment in foreign insurance subsidiaries - Not applicable
- L. Investment in downstream noninsurance holding companies – None

11. Debt

The company had no debentures outstanding, no outstanding liability for borrowed money and does not have any reverse repurchase agreements.

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

- A. (A thru D) - The company has no defined benefit plan.
- E. Defined Contribution Plans - Not applicable.
- F. The company does not participate in a multiemployer plan.
- G. The company does not participate in a consolidated/holding company plan.
- H. Postemployment Benefits and Compensated Absences - None
- I. Impact or Medicare Modernization Act on postretirement benefit - Not applicable

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

1. The company has 100 shares, authorized and 1 share issued and outstanding. All shares are common stocks, \$1 par value.
2. The company has no preferred stock authorized.
3. 4 & 5. The Company's surplus is restricted as to payment of dividends by statutory limitations applicable to insurance companies. As a condition to the approval of the Company's RBC Plan, the Company must obtain authorization from the Commissioner of Insurance prior to the payment of any dividends.

The Company is required to maintain a minimum capital and surplus of \$600,000. Generally, the payment of dividends is limited to unassigned surplus. Unassigned surplus is detailed as follows:

Notes to Financial Statements

Accumulated earnings	\$	109,452,841
Non-admitted assets		<u>(46,997,605)</u>
Unassigned surplus	\$	<u>62,455,236</u>

On March 18, 2008, the Commonwealth of Puerto Rico enacted Law No. 32 (the Law) to add a new Chapter 45, Risk-Based Capital, to the Insurance Code of Puerto Rico. RBC provides for targeted surplus levels based on formulas that specify various weighting factors that are applied to the financial balances or various levels of activity based on the perceived degree of risk and are set forth in the RBC requirements. Such formulas focus on four general types of risk, which includes the risk with respect to the Company's assets (asset or default risk), the risk of adverse insurance experience with respect to the Company's liabilities and obligations (insurance or underwriting risk), the interest rate risk with respect to the Company's business (asset/liability matching), and all other business risks (management, regulatory action, and contingencies). The amount determined under such formulas is called the authorized control level RBC (ACLC).

The Law requires, among other things, that all insurance companies, including health service organizations, authorized to conduct business in Puerto Rico to comply with the RBC requirements as adopted by the NAIC, to annually file an RBC report with the NAIC and the Commissioner of Insurance on or before March 31, and to maintain a minimum RBC level of 200% of the ACLC. The Law states that the Commissioner of Insurance will provide a ruling whereby an RBC compliance transition period of five years will be established. On January 5, 2010, Rule 92, Standards for Implementing the Provisions Related to Risk-Based Capital (Rule 92 or the Rule), was approved by the Commissioner of Insurance to establish the requirements to implement the Law. Rule 92 established a phased transition period of five years to comply with the minimum 200% RBC level requirement depending on the RBC of the Company at the Rule's effective date. Under the transition period guidance, the Company's minimum RBC requirement at December 31, 2013 and 2012 was 150% and 130%, respectively, of the ACLC. At December 31, 2013, the Company was in compliance with the transition period requirement as the actual RBC of the Company was 174% and 173% respectively.

6. Unassigned funds – None
7. There have been no advances to surplus.
8. Amount of stock held by the company for special purposes - \$0
9. Change in the balance of special surplus funds from prior year - Not applicable
10. The portion of unassigned funds surplus represented or (reduced) by each item below is as follows:
 - Unrealized gain and losses - \$0
11. The company has not issued any surplus note or debentures or similar obligations.
12. Impact of quasi-reorganizations - Not applicable
13. Date of quasi-reorganizations - Not applicable

14. Contingencies

- A. Contingent commitments – None
- B. Assessment

The Company is currently under investigation by the United States Attorney's Office for the District of Puerto Rico (USAO) and the office of Inspector General, Department of Health and Human Services (OIG). The Company believes that the investigation is related to its submission of risk adjustment data related to 2009 service dates to the CMS pursuant to 42 C.F.R. § 422.310(b), particularly as it relates to Direct Data Entry submissions during the months of January and February 2011.

In connection with the investigation, on October 13, 2012, federal agents executed a search warrant at the Company's corporate headquarters in Puerto Rico. Subsequent to the execution of the search warrant, the Company was served with a total of four grand jury subpoenas demanding the production of certain company records. The Company has provided a substantial number of records in compliance with the subpoenas. There have been no formal or informal communications or requests for additional information associated with the investigation since July 2012.

The Company's board of directors appointed a Special Committee to conduct an internal investigation led by its external counsel (the Investigation), relating primarily to submission of risk adjustment data in 2010 and early 2011 as described above. The results of the Investigation were communicated to the Special

Notes to Financial Statements

Committee and the board of directors in late December 2012. The investigation found no evidence to suggest that the Company believes to be the subject of the federal investigation.

In February 2009, the College of Dental Surgeons of Puerto Rico filed a complaint before the Court of First Instance in San Juan, Puerto Rico, on its own behalf and on behalf of its members in the Commonwealth of Puerto Rico, against 26 health insurance companies or health services or medical plan organizations licensed in the Commonwealth of Puerto Rico, including the Company. Plaintiff alleges the violation of various federal and local laws, with claims that imply breach of contract and damages resulting from defendants' actions. The complaint alleges damages of \$150 million against the entire group.

Given that the complaint was only recently served on the Company, it is too early to make a judgment as to the probability of a favorable or unfavorable outcome against the Company. The Company intends to diligently defend itself in this action and views the complaint as without merit.

- C. Gain contingencies – None
- D. Extra contractual obligations – None
- E. At December 31, 2013 the company is a defendant in various lawsuits and other claims arising in the ordinary course of business. In the opinion of management, with the advice of its legal counsel, the ultimate disposition of these matters will not have a material adverse effect on the financial position and results of operations of the company.

15. Leases

- A. Lessee Leasing Arrangements – None
- B. Lesser Leasing Arrangements – None

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

- A. Financial instruments with off-balance-sheet risk – Not applicable
- B. Financial instruments with concentrations of credit risk
 - 1) Off-balance sheet credit exposure – Not applicable
 - 2) Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of premiums receivable, accrued interest receivable, and other receivables. The Company's business activity is for insured's located throughout Puerto Rico, and as such, the Company is subject to the risks associated with the Puerto Rico economy.

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

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

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

The Company provides Medicare prescription drug coverage to eligible members with Medicare. As a result, the Company renewed its contracts with CMS to offer MAPD insurance coverage for medical and prescription drug benefits. This contract was renewed effective January 1, 2013.

In general, pharmacy benefits under Part D plans (collectively referred to as Part D plans) may vary in terms of coverage levels and out-of-pocket costs for beneficiary premiums, deductibles, and coinsurance. However, all Part D plans must offer either "standard coverage" or its actuarial equivalent (with the Company's out-of-pocket threshold and deductible amounts that do not exceed those of standard coverage). These "defined standard" benefits represent the minimum level of benefits mandated by the U.S. Congress.

The payment the Company receives monthly from CMS generally represents the Company's bid amount for providing insurance coverage. The Company recognizes premium revenue for providing this insurance coverage ratably over the term of the annual contract. However, the payment is subject to 1) risk sharing through the risk corridor provisions, 2) reinsurance subsidy in order for the Company and CMS to share the

Notes to Financial Statements

risk associated with financing the ultimate costs of the Part D benefit, and 3) CMS coverage gap discount program (CGDP) subsidy (starting in January 2011).

The amount of revenue payable to a plan by CMS is subject to adjustment, positive or negative, based upon the application of risk corridors that compare a plan's revenues targeted in their bids (target amount) to actual prescription drug costs. Variances exceeding certain thresholds may result in CMS making additional payments to the Company (risk-sharing receivable) or require the Company to refund to CMS (risk-sharing payable) a portion of the payments the Company received. Actual prescription drug costs subject to risk sharing with CMS are limited to the costs that are, or would have been, incurred under the CMS "defined standard" benefit plan (allowable risk corridor costs). The Company recognizes any changes in the risk-sharing receivable from or payable to CMS as an adjustment to premium revenue.

Reinsurance subsidies represent reimbursements from CMS for claims the Company paid for which the Company assumed no risk, including reinsurance payments. Claims paid above the out-of-pocket or catastrophic threshold for which the Company is not at risk are all reimbursed by CMS through the reinsurance subsidy for Part D plans offering the standard coverage. The Company accounts for these subsidies as a receivable for amounts due from uninsured plans. The Company does not recognize premium revenue or claims expense for these CMS subsidies.

Effective January 1, 2011, Part D sponsors must provide the discounts for applicable drugs in the Medicare Part D coverage gap (difference between the initial coverage limit and the catastrophic coverage threshold) at point of sale under the CGDP. Part D sponsors receive monthly prospective payments from CMS under the CGDP. These prospective payments provide cash flows to Part D sponsors for advancing the gap discounts at the point of sale. The Company accounts for these prospective payments or subsidies as a liability. For the year ended December 31, 2013 and 2012, CGDP payments made monthly by CMS to MCS were lower than the actual gap discounts incurred and paid by MCS on behalf of CMS, resulting in a receivable from CMS (approximately \$10.0 million of which \$5.6 million belong to 2013 and \$4.4 million belong to 2012) reported as part of amounts due from uninsured plans.

On a quarterly basis, CMS invoices manufacturers for discounts provided by Part D sponsors that are recorded as an account receivable from manufacturers as part of other receivables in the accompanying statutory statements of admitted assets, liabilities, and capital and surplus. The manufacturers remit payments for invoiced amounts directly to Part D sponsors. The prospective payments made to Part D sponsors are reduced by the discount amounts invoiced to manufacturers. For the year ended December 31, 2013, 2012 and 2011, the discount amounts invoiced to manufacturers exceeded the reductions applied by CMS to the prospective payments received, causing the Company to have an outstanding payable to CMS (approximately \$2.4 million of which \$860,000 belong to 2013, \$1.1 million belong to 2012 and \$439,000 belong to 2011 respectively) reported as part of remittances and items not allocated in the accompanying statutory statements of admitted assets, liabilities, and capital and surplus. The Company does not recognize premium revenue or claims expense for these CMS prospective payments or invoiced amounts to manufacturers.

These estimates of amounts due to or from CMS are primarily determined on the prescription drug benefit claim data submitted by plans to CMS in the form of Prescription Drug Event (PDE) data records. The Company used PDE submission reports and data, claims paid data, and actuarial assumptions pursuant to CMS risk-sharing and reinsurance guidelines in order to estimate the final settlement of amounts due to or from CMS.

At December 31, 2013 and 2012, the Company recorded a Part D risk-sharing receivable of approximately \$1 million and \$3.9 million, respectively, reported as accrued retrospective premiums in the accompanying statutory statements of admitted assets, liabilities, and capital and surplus. At December 31, 2013 and 2012, the Company recorded a receivable of approximately \$7,305,000 and \$7,349,000, respectively, for Part D reinsurance subsidies reported as amount due from uninsured plans in the accompanying statements of admitted assets, liabilities, and capital and surplus.

The Part D related accounting estimates for risk sharing and reinsurance due to or from CMS is necessarily based on estimates, and while management believes that amounts are adequate, the ultimate asset or liability may be in excess or less than the amount provided. The methodology for making such estimates and for establishing the resulting assets or liabilities are continually reviewed, and adjustments, if any, are reflected in the current year. The final Part D related estimates due to or from CMS are determined within one year after the contract year-end.

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

None

20. Fair Value Measurements

A. Inputs used for assets measured and reported at fair value.

Notes to Financial Statements

1. Included in various investment-related line items in the statutory financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stock when carried at the lower of cost or market.

The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms, and credit quality (matrix pricing). In instances where there is little or no market activity for the same or similar instruments, the Company estimates fair value using methods, models, and assumptions that management believes market participants would use to determine a current transaction price. These valuation techniques involve some level of management estimation and judgment, which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model, or input used.

The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by SSAP 100. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents the fair value hierarchy level for the company's assets and liabilities that are measured at fair market value at December 31, 2013 and 2012.

(1) Fair Value Measurements at reporting Date

Description for each class of asset or liability	2013			
	(Level 1)	(Level 2)	(Level 3)	Total
Assets at fair value				
Bonds				
Us Treasury Securities and Us Obligation of the US Gov Instr and States		\$ 73,493,207		\$ 73,493,207
Mortgage-backed Sec		2,898,563		2,898,563
Obligation of the Commonwealth of PR and its Instrumentalities		1,138,756		1,138,756
Money markets Funds	5,581,313			5,581,313
Total Bonds	\$ 5,581,313	\$ 77,530,527	\$ -	\$ 83,111,840
Total assets at fair value	\$ 5,581,313	\$ 77,530,527	\$ -	\$ 83,111,840

Notes to Financial Statements

Fair Value Measurements at reporting Date

2012

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
Assets at fair value				
Bonds				
Us Treasury Securities and Us Obligation of the US Gov Instr and States		\$ 57,529,978		\$ 57,529,978
Mortgage-backed Sec		5,412,058		5,412,058
Obligation of the Commonwealth of PR and its Instrumentalities		1,527,831		1,527,831
Money markets Funds	22,229,691			22,229,691
Total Bonds	\$ 22,229,691	\$ 64,469,867	\$ -	\$ 86,699,558
Total assets at fair value	<u>\$ 22,229,691</u>	<u>\$ 64,469,867</u>	<u>\$ -</u>	<u>\$ 86,699,558</u>

2. The company has no assets or liabilities measured at Fair Value in Level 3

3. (3 & 4) - No transfers into or out of Level 3

4. The company has no derivative assets and liabilities reporting.

B. Other Fair Value disclosures – Non applicable.

C. The table below reflects the fair values and admitted values of all admitted assets that are financial instruments excluding those accounted for under the equity method. The fair values are also categorized into the three-level fair value hierarchy as described in the table above.

Type of financial Instruments	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 77,530,527	\$ 82,762,139		\$ 77,530,527		
Cash, cash equivalent and short-term investments	16,135,466	16,135,466	5,581,313			

D. Financial instruments for which it is not practicable to estimate fair values – Not applicable.

21. Other Items

A. Extraordinary Items - Not applicable.

B. Troubled Debt Restructuring - Not applicable.

C. A certificate of deposit of \$600,000 is deposited with the Commissioner of Insurance to comply with deposit requirements of the Insurance Code.

D. Business Interruption Insurance Recoveries – Not applicable.

E. The company has a non-transferable Puerto Rico tax credit amount of \$3,458,500 as non-admitted assets. The company has not recognized impairment loss.

F. The company has no exposure to subprime mortgage risk.

G. Retained Assets – Not applicable.

H. Offsetting and Netting of Assets and Liabilities – Not applicable.

I. Join and Several Liabilities – Not applicable.

22. Events Subsequent

The Affordable Care Act (ACA) imposes an assessment on entities that issue health insurance for each calendar year beginning on or after January 1, 2014. Pursuant to Section 9010 of the ACA, a reporting entity's portion of the assessment is paid no later than September 30 of the applicable calendar year (the fee year) beginning in 2014 and is not tax deductible. The amount of the assessment for the reporting entity is based

Notes to Financial Statements

on the ratio of the amount of an entity's subject net health premiums written for any U.S. health risk during the preceding calendar year (data year) to the aggregate amount of subject net health premiums written by all subject U.S. health insurance providers during the preceding calendar year. For the year 2014, the Company has estimated that such fee will amount to \$ 17.6 million. Would this liability be recorded in 2013, the capital and surplus would be reduced by said amount reducing the risk based capital level from 175% to 145%.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 - General Interrogatories

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

Yes () No (X)

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

Yes () No (X)

Section 2 - Ceded Reinsurance Report Part A

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

Yes () No (X)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate \$0.

- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? \$0.

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

Yes () No (X)

Section 3 - Ceded Reinsurance Report Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0.

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

Yes () No (X)

B. As of December 31, 2013, the Company had no uncollectible reinsurance balances written off through income and expenses.

C. The company has not commuted any ceded reinsurance during the year.

Notes to Financial Statements

D. Certified Reinsurer Downgraded or Status Subject to Revocation – None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

At December 31, 2013 and 2012, the Company recorded a Part D risk-sharing receivable of approximately \$1 million and \$3.9 million, respectively, reported as accrued retrospective premiums in the accompanying statutory statements of admitted assets, liabilities, and capital and surplus. The company records accrued retrospective premium as an adjustment to earned premium using the company underwriting rules and experience practices.

25. Change in Incurred Losses and Loss Adjustment Expenses

The activity in the unpaid medical claims for 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Unpaid medical claims, at beginning of year	\$ 99,010,158	\$ 123,463,423
<u>Incurring claims:</u>		
Current period insured events	982,585,422	942,898,086
Prior period insured events	(21,833,804)	5,070,627
Total incurred	<u>960,751,618</u>	<u>947,968,713</u>
<u>Payment for claims:</u>		
Current period insured events	900,790,803	859,370,123
Prior period insured events	77,176,354	113,051,855
Total paid	<u>977,967,157</u>	<u>972,421,978</u>
Unpaid medical claims, at end of year	<u>\$ 81,794,619</u>	<u>\$ 99,010,158</u>

The above table shows the components of changes in unpaid medical claims. Unpaid medical claims include claims in process as well as provisions for the estimate of incurred but not reported claims and provisions for disputed claim obligations. Such estimates are computed using actuarial principles and assumptions that consider, among other things, contractual requirements, historical utilization trends and payment patterns, benefit changes, medical inflation, seasonality, membership, and other relevant factors consider, among other things, contractual requirements, historical utilization trends and payment patterns, benefit changes, medical inflation, seasonality, membership, and other relevant factors.

Because unpaid claims include various actuarially developed estimates, the Company's actual medical costs and claims expense may be more or less than the Company's previously developed estimates. As a result of change in estimate of insured events in prior years, the incurred claims for prior period insured events during the years ended December 31, 2013 and 2012 were higher due to an unfavorable development of claims that is attributed to higher-than-expected cost per service and utilization trends.

Management believes the amount of unpaid medical claims is reasonable and adequate to cover the Company's liability for unpaid medical claims and for claims incurred, but not yet reported as of December 31, 2013 and 2012.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivable

A. The Company estimates the rebate receivable based on historical trends data and rebate's confirmation received from the Prescription Benefit Manager. The company balance of pharmacy rebate receivable as of December 31, 2013 is \$4,551,709.45. Also, the company has another receivables amounted of \$12,149 related P2P Rx Receivables.

Notes to Financial Statements

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received within 90 days of billing	Actual rebates received within 91 to 180 days of billing	Actual rebates received more than 180 days after billing
12/31/2013	2,855,815	2,302,216	-		
9/30/2013	2,444,373	2,324,315	2,045,397		
6/30/2013	1,700,000	2,163,494	2,330,323		
3/31/2013	1,500,000	2,157,541	1,618,156		

B. Risk Sharing Receivable – None

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
- 1.3 State Regulating? Puerto Rico
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
- 2.2 If yes, date of change: _____
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/31/2012
- 3.4 By what department or departments?
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes, 0.000%
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
KPMG, San Juan Office
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Matthew P. Chamblee, Milliman Tampa, FL
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[] No[X]

GENERAL INTERROGATORIES (Continued)

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

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 20.11 To directors or other officers \$ 0
 20.12 To stockholders not officers \$ 0
 20.13 Trustees, supreme or grand (Fraternal only) \$ 0
 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 20.21 To directors or other officers \$ 0
 20.22 To stockholders not officers \$ 0
 20.23 Trustees, supreme or grand (Fraternal only) \$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
 21.2 If yes, state the amount thereof at December 31 of the current year:
 21.21 Rented from others \$ 0
 21.22 Borrowed from others \$ 0
 21.23 Leased from others \$ 0
 21.24 Other \$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
 22.2 If answer is yes:
 22.21 Amount paid as losses or risk adjustment \$ 0
 22.22 Amount paid as expenses \$ 0
 22.23 Other amounts paid \$ 0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 4,885,060

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [] No [X]
 24.02 If no, give full and complete information, relating thereto \$600,000 in investment are under custody of the Commissioner of Insurance to comply with the deposit regulatory
 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ 0
 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ 0
 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]

GENERAL INTERROGATORIES (Continued)

- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[] No[] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
- 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
- 24.103 Total payable for securities lending reported on the liability page. \$ 0

- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[]
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ 0
- 25.22 Subject to reverse repurchase agreements \$ 0
- 25.23 Subject to dollar repurchase agreements \$ 0
- 25.24 Subject to reverse dollar repurchase agreements \$ 0
- 25.25 Pledged as collateral \$ 0
- 25.26 Placed under option agreements \$ 0
- 25.27 Letter stock or securities restricted as to sale \$ 0
- 25.28 On deposit with state or other regulatory body \$ 641,694
- 25.29 Other \$ 0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
If no, attach a description with this statement.

- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

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

1 Name of Custodian(s)	2 Custodian's Address
UBS Financial Services	San Juan, PR
Merrill Lynch	Guaynabo, PR

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

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address

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

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

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

GENERAL INTERROGATORIES (Continued)

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	82,762,139	77,530,527	(5,231,612)
30.2 Preferred stocks			
30.3 Totals	82,762,139	77,530,527	(5,231,612)

30.4 Describe the sources or methods utilized in determining the fair values
Broker's statements

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[] N/A[]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[]
- 32.2 If no, list exceptions:

OTHER

- 33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 40,000
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
ACODESE	40,000

- 34.1 Amount of payments for legal expenses, if any? \$ 0
- 34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 0
- 35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

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

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	1,173,785,058	1,146,434,799
2.2 Premium Denominator	1,173,785,058	1,146,434,799
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	104,313,032	118,716,029
2.5 Reserve Denominator	104,313,032	118,716,029
2.6 Reserve Ratio (2.4 / 2.5)	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No []
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No[X] N/A []
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No[X]
- 5.2 If no, explain:
not considered necessary
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical \$ 0
- 5.32 Medical Only \$ 0
- 5.33 Medicare Supplement \$ 0
- 5.34 Dental & Vision \$ 0
- 5.35 Other Limited Benefit Plan \$ 0
- 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes[X] No []
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 12,571
- 8.2 Number of providers at end of reporting year 10,311
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months 0
- 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes[X] No []
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ 0
- 10.22 Amount actually paid for year bonuses \$ 30,061,240
- 10.23 Maximum amount payable withholds \$ 0
- 10.24 Amount actually paid for year withholds \$ 0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No[X]
- 11.13 An Individual Practice Association (IPA), or, Yes [] No[X]
- 11.14 A Mixed Model (combination of above)? Yes[X] No []
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes[X] No []
- 11.3 If yes, show the name of the state requiring such net worth.
Puerto Rico
- 11.4 If yes, show the amount required. \$ 600,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes[X] No []
- 11.6 If the amount is calculated, show the calculation.
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
Puerto Rico

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

FIVE-YEAR HISTORICAL DATA

	1 2013	2 2012	3 2011	4 2010	5 2009
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	189,023,133	200,095,080	207,562,128	249,314,417	180,246,079
2. TOTAL Liabilities (Page 3, Line 24)	125,927,897	137,312,417	158,982,083	171,350,300	143,894,285
3. Statutory surplus	600,000	600,000	600,000	600,000	600,000
4. TOTAL Capital and Surplus (Page 3, Line 33)	63,095,236	62,782,663	48,580,046	77,964,117	36,351,794
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	1,173,785,058	1,146,434,799	1,183,600,987	1,165,090,013	818,417,310
6. TOTAL Medical and Hospital Expenses (Line 18)	989,073,690	968,816,757	1,044,950,910	931,131,950	674,104,508
7. Claims adjustment expenses (Line 20)	14,123,687	8,287,230	10,975,624	22,440,726	19,488,957
8. TOTAL Administrative Expenses (Line 21)	166,572,950	145,496,121	155,757,978	103,106,796	78,620,743
9. Net underwriting gain (loss) (Line 24)	4,014,732	23,834,690	(28,083,525)	108,410,541	46,203,101
10. Net investment gain (loss) (Line 27)	1,186,766	3,537,646	2,880,844	1,744,962	652,015
11. TOTAL Other Income (Lines 28 plus 29)			12,584	88,814	207,594
12. Net income or (loss) (Line 32)	3,725,338	27,337,645	(25,081,266)	69,118,531	28,099,880
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(40,600,863)	3,220,248	(10,270,078)	68,953,096	85,180,607
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	63,095,236	62,782,663	48,580,045	77,964,117	36,351,794
15. Authorized control level risk-based capital	36,151,097	36,248,970	38,953,246	34,929,655	25,567,756
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	130,392	113,436	112,343	125,474	108,042
17. TOTAL Members Months (Column 6, Line 7)	1,490,072	1,352,081	1,416,251	1,454,554	1,110,340
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	84.3	84.5	88.3	79.9	82.4
20. Cost containment expenses					
21. Other claims adjustment expenses	1.2	0.7	0.9	1.9	2.4
22. TOTAL Underwriting Deductions (Line 23)	99.7	97.9	102.4	90.7	94.4
23. TOTAL Underwriting Gain (Loss) (Line 24)	0.3	2.1	(2.4)	9.3	5.6
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	96,294,436	129,364,736	136,997,469	102,111,342	58,481,754
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	118,716,029	133,857,481	128,558,455	106,177,204	73,964,693
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					
33. TOTAL investment in parent included in Lines 26 to 31 above					

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

If no, please explain::



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:

NAIC Group Code 1301

BUSINESS IN THE STATE OF PUERTO RICO DURING THE YEAR

NAIC Company Code 13022

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
TOTAL Members at end of:										
1. Prior Year	113,436							112,705		731
2. First Quarter	119,799							119,799		
3. Second Quarter	123,023							123,023		
4. Third Quarter	127,074							127,074		
5. Current Year	130,392							130,392		
6. Current Year Member Months	1,490,072							1,490,072		
TOTAL Member Ambulatory Encounters for Year:										
7. Physician	1,325,293							1,325,293		
8. Non-Physician	201,104							201,104		
9. TOTAL	1,526,397							1,526,397		
10. Hospital Patient Days Incurred	132,757							132,757		
11. Number of Inpatient Admissions	23,237							23,237		
12. Health Premiums Written (b)	1,173,785,058							1,173,785,058		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	1,173,785,058							1,173,785,058		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	973,415,448							973,415,448		
18. Amount Incurred for Provision of Health Care Services	989,073,690							989,073,690		

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
 (b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: 2. LOCATION:

NAIC Group Code 1301

BUSINESS IN THE STATE OF **GRAND TOTAL** DURING THE YEAR

NAIC Company Code 13022

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
TOTAL Members at end of:										
1. Prior Year	113,436							112,705		731
2. First Quarter	119,799							119,799		
3. Second Quarter	123,023							123,023		
4. Third Quarter	127,074							127,074		
5. Current Year	130,392							130,392		
6. Current Year Member Months	1,490,072							1,490,072		
TOTAL Member Ambulatory Encounters for Year:										
7. Physician	1,325,293							1,325,293		
8. Non-Physician	201,104							201,104		
9. TOTAL	1,526,397							1,526,397		
10. Hospital Patient Days Incurred	132,757							132,757		
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12. Health Premiums Written (b)	1,173,785,058							1,173,785,058		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	1,173,785,058							1,173,785,058		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	973,415,448							973,415,448		
18. Amount Incurred for Provision of Health Care Services	989,073,690							989,073,690		

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
 (b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0

30 Grand Total

31 Schedule S - Part 1 - Section 2 NONE

32 Schedule S - Part 2 NONE

33 Schedule S - Part 3 - Section 2 NONE

34 Schedule S - Part 4 NONE

35 Schedule S - Part 5 NONE

36 Schedule S - Part 6 NONE

SCHEDULE S - PART 7

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 12)	98,897,605		98,897,605
2. Accident and health premiums due and unpaid (Line 15)	56,153,305		56,153,305
3. Amounts recoverable from reinsurers (Line 16.1)			
4. Net credit for ceded reinsurance	X X X		
5. All other admitted assets (Balance)	33,972,222		33,972,222
6. TOTAL Assets (Line 28)	189,023,133		189,023,133
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	81,794,619		81,794,619
8. Accrued medical incentive pool and bonus payments (Line 2)	22,518,413		22,518,413
9. Premiums received in advance (Line 8)			
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount)			
11. Reinsurance in unauthorized companies (Line 20 minus inset amount)			
12. Reinsurance with Certified Reinsurers (Line 20 inset amount)			
13. Funds held under reinsurance treaties with Certified Reinsurers (Line 19 third inset amount)			
14. All other liabilities (Balance)	21,614,865		21,614,865
15. TOTAL Liabilities (Line 24)	125,927,897		125,927,897
16. TOTAL Capital and Surplus (Line 33)	63,095,236	X X X	63,095,236
17. TOTAL Liabilities, Capital and Surplus (Line 34)	189,023,133		189,023,133
NET CREDIT FOR CEDED REINSURANCE			
18. Claims unpaid			
19. Accrued medical incentive pool			
20. Premiums received in advance			
21. Reinsurance recoverable on paid losses			
22. Other ceded reinsurance recoverables			
23. TOTAL Ceded Reinsurance Recoverables			
24. Premiums receivable			
25. Funds held under reinsurance treaties with authorized and unauthorized reinsurers			
26. Unauthorized reinsurance			
27. Reinsurance with Certified Reinsurers			
28. Funds held under reinsurance treaties with Certified Reinsurers			
29. Other ceded reinsurance payables/offsets			
30. TOTAL Ceded Reinsurance Payables/Offsets			
31. TOTAL Net Credit for Ceded Reinsurance			

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

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	L		1,173,785,058					1,173,785,058	
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X		1,173,785,058					1,173,785,058	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	(a) ... 1		1,173,785,058					1,173,785,058	
DETAILS OF WRITE-INS									
5801.	X X X								
5802.	X X X								
5803.	X X X								
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

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

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.: MCS Advantage, Inc. only has operations in State of Puerto Rico

SCHEDULE T - PART 2

INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN ALLOCATED BY STATES AND TERRITORIES

Direct Business only						
	1	2	3	4	5	6
States, Etc.	Life (Group and Individual)	Annuities (Group and Individual)	Disability Income (Group and Individual)	Long-Term Care (Group and Individual)	Deposit-Type Contracts	Totals
1. Alabama (AL)						
2. Alaska (AK)						
3. Arizona (AZ)						
4. Arkansas (AR)						
5. California (CA)						
6. Colorado (CO)						
7. Connecticut (CT)						
8. Delaware (DE)						
9. District of Columbia (DC)						
10. Florida (FL)						
11. Georgia (GA)						
12. Hawaii (HI)						
13. Idaho (ID)						
14. Illinois (IL)						
15. Indiana (IN)						
16. Iowa (IA)						
17. Kansas (KS)						
18. Kentucky (KY)						
19. Louisiana (LA)						
20. Maine (ME)						
21. Maryland (MD)						
22. Massachusetts (MA)						
23. Michigan (MI)						
24. Minnesota (MN)						
25. Mississippi (MS)						
26. Missouri (MO)						
27. Montana (MT)						
28. Nebraska (NE)						
29. Nevada (NV)						
30. New Hampshire (NH)						
31. New Jersey (NJ)						
32. New Mexico (NM)						
33. New York (NY)						
34. North Carolina (NC)						
35. North Dakota (ND)						
36. Ohio (OH)						
37. Oklahoma (OK)						
38. Oregon (OR)						
39. Pennsylvania (PA)						
40. Rhode Island (RI)						
41. South Carolina (SC)						
42. South Dakota (SD)						
43. Tennessee (TN)						
44. Texas (TX)						
45. Utah (UT)						
46. Vermont (VT)						
47. Virginia (VA)						
48. Washington (WA)						
49. West Virginia (WV)						
50. Wisconsin (WI)						
51. Wyoming (WY)						
52. American Samoa (AS)						
53. Guam (GU)						
54. Puerto Rico (PR)						
55. U.S. Virgin Islands (VI)						
56. Northern Mariana Islands (MP)						
57. Canada (CAN)						
58. Aggregate other alien (OT)						
59. TOTALS						

NONE

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

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Name of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	*
1301 ..	Medical Card System Inc	13022	66-0642758 ..	.....	.....	.....	MCS ADVANTAGE INC .....	.. PR ..	.. UDP ..	Medical Card System Inc	Ownership, Board of Directors .....	..... 100.0	JLL Partners Fund IV, LLC ..	.....
1301 ..	Medical Card System Inc	60030	66-0520918 ..	.....	.....	.....	MCS LIFE INS CO .....	.. PR ..	.. IA ..	Medical Card System Inc	Ownership, Board of Directors .....	..... 99.3	JLL Partners Fund IV, LLC ..	.....
1301 ..	Medical Card System Inc	95779	66-0411947 ..	.....	.....	.....	MCS HLTH MGMT OPTIONS INC .....	.. PR ..	.. IA ..	Medical Card System Inc	Ownership, Board of Directors .....	..... 100.0	JLL Partners Fund IV, LLC ..	.....

Asterisk	Explanation
0000001

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
.. 13022 00000 ..	.. 66-0642758 66-0396197 ..	MCS ADVANTAGE INC .. Medical Card System, Inc. ....	.....	.....	.....	.....	.. 127,775,791 .. (127,775,791)	.....	.....	.....	.. 127,775,791 .. (127,775,791)	.....
9999999 Control Totals .....			.....	.....	.....	.....	.....	.....	X X X	.....	.....	.....

Schedule Y Part 2 Explanation:

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

Response

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED 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.

MARCH FILING

- | | |
|---|--------|
| 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? | Waived |
| 2. Will an actuarial opinion be filed by March 1? | Yes |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1? | Yes |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1? | Yes |

APRIL FILING

- | | |
|--|--------|
| 5. Will Management's Discussion and Analysis be filed by April 1? | Yes |
| 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1? | Yes |
| 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1? | Waived |

JUNE FILING

- | | |
|--|-----|
| 8. Will an audited financial report be filed by June 1? | Yes |
| 9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? | Yes |

AUGUST FILING

- | | |
|--|-----|
| 10. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1? | Yes |
|--|-----|

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 it is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

- | | |
|--|----|
| 11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? | No |
| 12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC? | No |
| 13. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC? | No |
| 14. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? | No |
| 15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? | No |
| 16. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? | No |
| 17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? | No |
| 18. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1? | No |
| 19. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1? | No |
| 20. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1? | No |

APRIL FILING

- | | |
|--|-----------------|
| 21. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? | No |
| 22. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? | No |
| 23. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? | No |
| 24. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? | See Explanation |
| 25. Will the regulator only (non-public) Supplemental Health Care Exhibit's Allocation Report be filed with the state of domicile and the NAIC by April 1? | No |

AUGUST FILING

- | | |
|--|----|
| 26. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? | No |
|--|----|

Explanations:

Bar Codes:

Supplemental Compensation Exhibit



Accident and Health Policy Experience Exhibit



Medicare Supplement Insurance Experience Exhibit



Health Life Supplement



Health Property / Casualty Supplement



Schedule SIS



Actuarial Opinion on Participating and Non-Participating Policies



Statement of Non-Guaranteed Elements for Exhibit 5



Medicare Part D Coverage Supplement



Approval for Relief related to five-year rotation for lead Audit Partner



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

Approval for Relief related to one-year cooling off period for inde. CPA



Approval for Relief related to Require. for Audit Committees



LTC Supplemental Interrogatories



Health Life Supplement - LHA Guaranty Association Reconciliation



Health Property/Casualty Supplement - Insurance Expense Exhibit



Supplemental Health Care Exhibit's Expense Allocation Report



Management's Report of Internal Control over Financial Reporting



SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities						
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies	70,285,942	71.069	70,285,942		70,285,942	71.069
1.22 Issued by U.S. government sponsored agencies						
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations						
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	9,629,526	9.737	9,629,526		9,629,526	9.737
1.43 Revenue and assessment obligations						
1.44 Industrial development and similar obligations						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or Guaranteed by GNMA	2,531,091	2.559	2,531,091		2,531,091	2.559
1.512 Issued or Guaranteed by FNMA and FHLMC						
1.513 All other						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	315,580	0.319	315,580		315,580	0.319
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521						
1.523 All other						
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)						
2.2 Unaffiliated Non-U.S. securities (including Canada)						
2.3 Affiliated securities						
3. Equity interests:						
3.1 Investments in mutual funds						
3.2 Preferred stocks:						
3.21 Affiliated						
3.22 Unaffiliated						
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated						
3.32 Unaffiliated						
3.4 Other equity securities:						
3.41 Affiliated						
3.42 Unaffiliated						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated						
3.52 Unaffiliated						
4. Mortgage loans:						
4.1 Construction and land development						
4.2 Agricultural						
4.3 Single family residential properties						
4.4 Multifamily residential properties						
4.5 Commercial loans						
4.6 Mezzanine real estate loans						
5. Real estate investments:						
5.1 Property occupied by company						
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt)						
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt)						
6. Contract loans						
7. Derivatives						
8. Receivables for securities						
9. Securities Lending (Line 10, Asset Page reinvested collateral)				X X X	X X X	X X X
10. Cash, cash equivalents and short-term investments	16,135,466	16.315	16,135,466		16,135,466	16.315
11. Other invested assets						
12. Total invested assets	98,897,606	100.000	98,897,606		98,897,606	100.000

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 6)		
2.2 Additional investment made after acquisition (Part 2, Column 9)		
3. Current year change in encumbrances:		
3.1 Totals, Part 1, Column 13		
3.2 Totals, Part 3, Column 11		
4. Total gain (loss) on disposals, Part 3, Column 18		
5. Deduct amounts received on disposals, Part 3, Column 15		
6. Total foreign exchange change in book/adjusted carrying value	NONE	
6.1 Totals, Part 1, Column 15		
6.2 Totals, Part 3, Column 13		
7. Deduct current year's other-than-temporary impairment recognized:		
7.1 Totals, Part 1, Column 12		
7.2 Totals, Part 3, Column 10		
8. Deduct current year's depreciation:		
8.1 Totals, Part 1, Column 11		
8.2 Totals, Part 3, Column 9		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Lines 9 minus 10)		

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 7)		
2.2 Additional investment made after acquisition (Part 2, Column 8)		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 12		
3.2 Totals, Part 3, Column 11		
4. Accrual of discount		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 9		
5.2 Totals, Part 3, Column 8		
6. Total gain (loss) on disposals, Part 3, Column 18		
7. Deduct amounts received on disposals, Part 3, Column 15	NONE	
8. Deduct amortization of premium and mortgage interest		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
9.1 Totals, Part 1, Column 13		
9.2 Totals, Part 3, Column 13		
10. Deduct current year's other-than-temporary impairment recognized:		
10.1 Totals, Part 1, Column 11		
10.2 Totals, Part 3, Column 10		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Lines 11 plus 12)		
14. Deduct total nonadmitted amounts		
15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 8)		
2.2 Additional investment made after acquisition (Part 2, Column 9)		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 16		
3.2 Totals, Part 3, Column 12		
4. Accrual of discount		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 13		
5.2 Totals, Part 3, Column 9		
6. Total gain (loss) on disposals, Part 3, Column 19	NONE	
7. Deduct amounts received on disposals, Part 3, Column 18		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value:		
9.1 Totals, Part 1, Column 17		
9.2 Totals, Part 3, Column 14		
10. Deduct current year's other-than-temporary impairment recognized:		
10.1 Totals, Part 1, Column 15		
10.2 Totals, Part 3, Column 11		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year		64,309,478
2. Cost of bonds and stocks acquired, Part 3, Column 7		30,319,927
3. Accrual of Discount		8,650
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12		
4.2 Part 2, Section 1, Column 15		
4.3 Part 2, Section 2, Column 13		
4.4 Part 4, Column 11		
5. Total gain (loss) on disposals, Part 4, Column 19		(12,510)
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7		11,150,440
7. Deduct amortization of premium		295,950
8. Total foreign exchange change in book/adjusted carrying value:		
8.1 Part 1, Column 15		
8.2 Part 2, Section 1, Column 19		
8.3 Part 2, Section 2, Column 16		
8.4 Part 4, Column 15		
9. Deduct current year's other-than-temporary impairment recognized:		
9.1 Part 1, Column 14	417,017	
9.2 Part 2, Section 1, Column 17		
9.3 Part 2, Section 2, Column 14		
9.4 Part 4, Column 13		417,017
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		82,762,139
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		82,762,139

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	73,132,614	68,120,652	73,313,062	72,470,080
	2. Canada				
	3. Other Countries				
	4. Totals	73,132,614	68,120,652	73,313,062	72,470,080
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals				
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	9,629,525	9,409,875	9,830,766	9,210,000
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals				
Industrial and Miscellaneous and Hybrid Securities (unaffiliated)	8. United States				
	9. Canada				
	10. Other Countries				
	11. Totals				
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	82,762,139	77,530,527	83,143,828	81,680,080
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States				
	15. Canada				
	16. Other Countries				
	17. Totals				
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks				
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20. United States				
	21. Canada				
	22. Other Countries				
	23. Totals				
Parent, Subsidiaries and Affiliates	24. Totals				
	25. Total Common Stocks				
	26. Total Stocks				
	27. Total Bonds and Stocks	82,762,139	77,530,527	83,143,828	

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 9.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
1. U.S. Governments											
1.1 NAIC 1	579,807	9,499,745	57,607,542	4,054,136	1,391,384	73,132,614	88.36	58,627,029	91.16	73,132,614	
1.2 NAIC 2											
1.3 NAIC 3											
1.4 NAIC 4											
1.5 NAIC 5											
1.6 NAIC 6											
1.7 TOTALS	579,807	9,499,745	57,607,542	4,054,136	1,391,384	73,132,614	88.36	58,627,029	91.16	73,132,614	
2. All Other Governments											
2.1 NAIC 1											
2.2 NAIC 2											
2.3 NAIC 3											
2.4 NAIC 4											
2.5 NAIC 5											
2.6 NAIC 6											
2.7 TOTALS											
3. U.S. States, Territories and Possessions etc., Guaranteed											
3.1 NAIC 1											
3.2 NAIC 2											
3.3 NAIC 3											
3.4 NAIC 4											
3.5 NAIC 5											
3.6 NAIC 6											
3.7 TOTALS											
4. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed											
4.1 NAIC 1	500,000	3,780,542	3,932,888	277,339		8,490,769	10.26	4,125,138	6.41	8,490,769	
4.2 NAIC 2					189,261	189,261	0.23	1,557,311	2.42	189,261	
4.3 NAIC 3		949,495				949,495	1.15			949,495	
4.4 NAIC 4											
4.5 NAIC 5											
4.6 NAIC 6											
4.7 TOTALS	500,000	4,730,037	3,932,888	277,339	189,261	9,629,525	11.64	5,682,449	8.84	9,629,526	
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed											
5.1 NAIC 1											
5.2 NAIC 2											
5.3 NAIC 3											
5.4 NAIC 4											
5.5 NAIC 5											
5.6 NAIC 6											
5.7 TOTALS											

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SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 9.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 NAIC 1											
6.2 NAIC 2											
6.3 NAIC 3											
6.4 NAIC 4											
6.5 NAIC 5											
6.6 NAIC 6											
6.7 TOTALS											
7. Hybrid Securities											
7.1 NAIC 1											
7.2 NAIC 2											
7.3 NAIC 3											
7.4 NAIC 4											
7.5 NAIC 5											
7.6 NAIC 6											
7.7 TOTALS											
8. Parent, Subsidiaries and Affiliates											
8.1 NAIC 1											
8.2 NAIC 2											
8.3 NAIC 3											
8.4 NAIC 4											
8.5 NAIC 5											
8.6 NAIC 6											
8.7 TOTALS											

SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
9. Total Bonds Current Year											
9.1 NAIC 1	(d) 1,079,807	13,280,287	61,540,430	4,331,475	1,391,384	81,623,383	98.62	X X X	X X X	81,623,383	
9.2 NAIC 2	(d)				189,261	189,261	0.23	X X X	X X X	189,261	
9.3 NAIC 3	(d)	949,495				949,495	1.15	X X X	X X X	949,495	
9.4 NAIC 4	(d)							X X X	X X X		
9.5 NAIC 5	(d)					(c)		X X X	X X X		
9.6 NAIC 6	(d)					(c)		X X X	X X X		
9.7 TOTALS	1,079,807	14,229,782	61,540,430	4,331,475	1,580,645	(b) 82,762,139	100.00	X X X	X X X	82,762,140	
9.8 Line 9.7 as a % of Column 6	1.30	17.19	74.36	5.23	1.91	100.00	X X X	X X X	X X X	100.00	
10. Total Bonds Prior Year											
10.1 NAIC 1	1,794,439	4,709,355	49,317,420	4,973,411	1,957,542	X X X	X X X	62,752,167	97.58	62,752,167	
10.2 NAIC 2			1,265,760		291,551	X X X	X X X	1,557,311	2.42	1,557,311	
10.3 NAIC 3						X X X	X X X				
10.4 NAIC 4						X X X	X X X				
10.5 NAIC 5						X X X	X X X	(c)			
10.6 NAIC 6						X X X	X X X	(c)			
10.7 TOTALS	1,794,439	4,709,355	50,583,180	4,973,411	2,249,094	X X X	X X X	(b) 64,309,478	100.00	64,309,478	
10.8 Line 10.7 as a % of Col. 8	2.79	7.32	78.66	7.73	3.50	X X X	X X X	100.00	X X X	100.00	
11. Total Publicly Traded Bonds											
11.1 NAIC 1	1,079,807	13,280,287	61,540,430	4,331,475	1,391,384	81,623,383	98.62	62,752,167	97.58	81,623,383	X X X
11.2 NAIC 2					189,261	189,261	0.23	1,557,311	2.42	189,261	X X X
11.3 NAIC 3		949,495				949,495	1.15			949,495	X X X
11.4 NAIC 4											X X X
11.5 NAIC 5											X X X
11.6 NAIC 6											X X X
11.7 TOTALS	1,079,807	14,229,782	61,540,430	4,331,475	1,580,645	82,762,139	100.00	64,309,478	100.00	82,762,139	X X X
11.8 Line 11.7 as a % of Col. 6	1.30	17.19	74.36	5.23	1.91	100.00	X X X	X X X	X X X	100.00	X X X
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	1.30	17.19	74.36	5.23	1.91	100.00	X X X	X X X	X X X	100.00	X X X
12. Total Privately Placed Bonds											
12.1 NAIC 1										X X X	
12.2 NAIC 2										X X X	
12.3 NAIC 3										X X X	
12.4 NAIC 4										X X X	
12.5 NAIC 5										X X X	
12.6 NAIC 6										X X X	
12.7 TOTALS										X X X	
12.8 Line 12.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9							X X X	X X X	X X X	X X X	

(a) Includes \$.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
 (b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.
 (c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5* designations and \$.....0 current year, \$.....0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.
 (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

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SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
1. U.S. Governments											
1.1 Issuer Obligations	579,807	9,499,745	57,607,542	2,598,848	1,391,384	70,285,942	84.93	53,402,442	83.04	70,285,942	
1.2 Residential Mortgage-Backed Securities				1,455,288		2,846,672	3.44	5,224,587	8.12	2,846,672	
1.3 Commercial Mortgage-Backed Securities											
1.4 Other Loan-Backed and Structured Securities											
1.5 Totals	579,807	9,499,745	57,607,542	4,054,136	1,391,384	73,132,614	88.36	58,627,029	91.16	73,132,614	
2. All Other Governments											
2.1 Issuer Obligations											
2.2 Residential Mortgage-Backed Securities											
2.3 Commercial Mortgage-Backed Securities											
2.4 Other Loan-Backed and Structured Securities											
2.5 Totals											
3. U.S. States, Territories and Possessions, Guaranteed											
3.1 Issuer Obligations											
3.2 Residential Mortgage-Backed Securities											
3.3 Commercial Mortgage-Backed Securities											
3.4 Other Loan-Backed and Structured Securities											
3.5 Totals											
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Issuer Obligations	500,000	4,730,037	3,932,888	277,339	189,261	9,629,525	11.64	5,682,449	8.84	9,629,525	
4.2 Residential Mortgage-Backed Securities											
4.3 Commercial Mortgage-Backed Securities											
4.4 Other Loan-Backed and Structured Securities											
4.5 Totals	500,000	4,730,037	3,932,888	277,339	189,261	9,629,525	11.64	5,682,449	8.84	9,629,525	
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Issuer Obligations											
5.2 Residential Mortgage-Backed Securities											
5.3 Commercial Mortgage-Backed Securities											
5.4 Other Loan-Backed and Structured Securities											
5.5 Totals											
6. Industrial and Miscellaneous											
6.1 Issuer Obligations											
6.2 Residential Mortgage-Backed Securities											
6.3 Commercial Mortgage-Backed Securities											
6.4 Other Loan-Backed and Structured Securities											
6.5 Totals											
7. Hybrid Securities											
7.1 Issuer Obligations											
7.2 Residential Mortgage-Backed Securities											
7.3 Commercial Mortgage-Backed Securities											
7.4 Other Loan-Backed and Structured Securities											
7.5 Totals											
8. Parent, Subsidiaries and Affiliates											
8.1 Issuer Obligations											
8.2 Residential Mortgage-Backed Securities											
8.3 Commercial Mortgage-Backed Securities											
8.4 Other Loan-Backed and Structured Securities											
8.5 Totals											

SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 9.5	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
9. Total Bonds Current Year											
9.1 Issuer Obligations	1,079,807	14,229,782	61,540,430	2,876,187	189,261	79,915,467	96.56	X X X	X X X	79,915,467	
9.2 Residential Mortgage-Backed Securities				1,455,288	1,391,384	2,846,672	3.44	X X X	X X X	2,846,672	
9.3 Commercial Mortgage-Backed Securities								X X X	X X X		
9.4 Other Loan-Backed and Structured Securities								X X X	X X X		
9.5 Totals	1,079,807	14,229,782	61,540,430	4,331,475	1,580,645	82,762,139	100.00	X X X	X X X	82,762,139	
9.6 Line 9.5 as a % of Col. 6	1.30	17.19	74.36	5.23	1.91	100.00	X X X	X X X	X X X	100.00	
10. Total Bonds Prior Year											
10.1 Issuer Obligations	1,794,439	3,340,898	50,557,748	3,100,255	291,551	X X X	X X X	59,084,891	91.88	59,084,891	
10.2 Residential Mortgage-Backed Securities		1,368,456	25,433	1,873,156	1,957,542	X X X	X X X	5,224,587	8.12	5,224,587	
10.3 Commercial Mortgage-Backed Securities						X X X	X X X				
10.4 Other Loan-Backed and Structured Securities						X X X	X X X				
10.5 Totals	1,794,439	4,709,354	50,583,181	4,973,411	2,249,093	X X X	X X X	64,309,478	100.00	64,309,478	
10.6 Line 10.5 as a % of Col. 8	2.79	7.32	78.66	7.73	3.50	X X X	X X X	100.00	X X X	100.00	
11. Total Publicly Traded Bonds											
11.1 Issuer Obligations	1,079,807	14,229,782	61,540,430	2,876,187	189,261	79,915,467	96.56	59,084,891	91.88	79,915,467	X X X
11.2 Residential Mortgage-Backed Securities				1,455,288	1,391,384	2,846,672	3.44	5,224,587	8.12	2,846,672	X X X
11.3 Commercial Mortgage-Backed Securities											X X X
11.4 Other Loan-Backed and Structured Securities											X X X
11.5 Totals	1,079,807	14,229,782	61,540,430	4,331,475	1,580,645	82,762,139	100.00	64,309,478	100.00	82,762,139	X X X
11.6 Line 11.5 as a % of Col. 6	1.30	17.19	74.36	5.23	1.91	100.00	X X X	X X X	X X X	100.00	X X X
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	1.30	17.19	74.36	5.23	1.91	100.00	X X X	X X X	X X X	100.00	X X X
12. Total Privately Placed Bonds											
12.1 Issuer Obligations										X X X	
12.2 Residential Mortgage-Backed Securities										X X X	
12.3 Commercial Mortgage-Backed Securities										X X X	
12.4 Other Loan-Backed and Structured Securities										X X X	
12.5 Totals										X X X	
12.6 Line 12.5 as a % of Col. 6							X X X	X X X	X X X	X X X	
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9							X X X	X X X	X X X	X X X	

SI10 Schedule DA - Verification NONE

SI11 Schedule DB Part A Verification NONE

SI11 Schedule DB Part B Verification NONE

SI12 Schedule DB Part C Sn 1 - Rep. (Syn Asset) Transactions NONE

SI13 Schedule DB Part C Sn 2 - Rep. (Syn Asset) Transactions NONE

SI14 Schedule DB Verification NONE

SI15 Schedule E - Verification NONE

E01 Schedule A - Part 1 Real Estate Owned NONE

E02 Schedule A - Part 2 Real Estate Acquired NONE

E03 Schedule A - Part 3 Real Estate Disposed NONE

E04 Schedule B Part 1 - Mortgage Loans Owned NONE

E05 Schedule B Part 2 - Mortgage Loans Acquired NONE

E06 Schedule B Part 3 - Mortgage Loans Disposed NONE

E07 Schedule BA Part 1 - Long-Term Invested Assets Owned NONE

E08 Schedule BA Part 2 - Long-Term Invested Assets Acquired NONE

E09 Schedule BA Part 3 - Long-Term Invested Assets Disposed NONE

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value					Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	Code	F O R E I G N	Bond CHAR	NAIC Desig- nation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other- Than- Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of Interest	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date	
U.S. Governments - Issuer Obligations																						
3133XDZ20	FHLB Bond 5.46%				1	361,647		106,2070	340,753	320,838			2,037		5.460	6.207	MN	1,654	16,850	06/14/2011	11/27/2015	
3133EC6Y5	FED FARM CRED BANK 2.12% 12/12/22				1	1,794,353		88,6460	1,594,742	1,799,000			389		2.120	2.149	JD	2,013	38,139	03/05/2013	12/12/2022	
31331KXQ8	FED FARM CRED BANK 2.95% 09/09/21				1	766,875		722,2050	766,2940	750,000		(1,595)			2.950	2.723	MS	6,977	22,425	01/26/2012	09/09/2021	
313380RE9	FED NATL MTG ASOC MULTI % 9/27/27				1	1,001,250		95,5120	955,120	1,000,000			(77)		1.250	1.241	MS	3,264	12,500	09/28/2012	09/27/2027	
3133EA3N6	FEDERAL FARM BOND 1.720% DUE 7-9-20				1	250,000		93,9580	234,895	250,000					1.720	1.720	JJ	2,054	3,225	11/02/2012	07/09/2020	
3133EAX45	FEDERAL FARM CRED 2.180% 09/20/21				1	500,005		92,7770	463,885	500,000					2.180	2.180	MS	3,058	10,900	09/20/2012	09/20/2021	
3133ECVL5	FFCB BOND 2.84% DUE 10/29/2020				1	500,875		97,8360	489,180	500,000			(69)		2.840	2.814	AO	2,446	3,550	07/29/2013	10/29/2020	
3133FXDS3	FFCB BOND 1.05% DUE 12/15/2019				1	500,000		94,5640	472,820	500,000					1.050	1.050	JD	233	5,279	12/13/2012	12/15/2019	
3133EAY51	FFCB BOND 1.230% DUE 01/07/2019				1	932,954		96,4970	892,597	925,000			(1,246)		1.230	1.087	JJ	5,499	8,881	10/18/2012	01/07/2019	
3133EA7H5	FFCB BOND 1.24% DUE 11/13/2018				1	1,503,380		96,7090	1,450,635	1,500,000			(548)		1.240	1.201	MN	2,480	18,600	11/13/2012	11/13/2018	
3133EA2N7	FFCB BOND 1.375% DUE 09/26/2019				1	1,004,875		95,9470	959,470	1,000,000			(680)		1.375	1.301	MS	3,628	13,750	10/18/2012	09/26/2019	
3133EAD62	FFCB BOND 1.44% DUE 08/01/2019				1	1,008,774		95,9100	963,896	1,005,000			(520)		1.440	1.384	FA	6,030	14,472	08/02/2012	08/01/2019	
3133EAQY7	FFCB BOND 1.550% DUE 05/16/2019				1	488,204		97,2130	466,622	480,000			(1,170)		1.550	1.286	MN	930	7,440	08/02/2012	05/16/2019	
3133FXDZ7	FFCB BOND 1.650% DUE 02/15/2021				1	1,000,000		93,5010	935,010	1,000,000					1.650	1.650	FA	6,233	7,654	02/26/2013	02/15/2021	
3133ECFB5	FFCB BOND 1.69% DUE 02/13/2020				1	1,752,828		94,7950	1,658,913	1,750,000			(339)		1.690	1.665	FA	11,337	14,788	03/11/2013	02/13/2020	
3133EAN46	FFCB BOND 1.70% DUE 04/27/2020				1	308,403		284,971	308,403	299,000			(1,212)		1.700	1.257	AO	904	5,083	11/09/2012	04/27/2020	
3133EC2B9	FFCB BOND 1.70% DUE 11/09/2021				1	2,016,825		90,9060	1,818,120	2,000,000			(1,781)		1.700	1.599	MN	4,911	34,000	12/12/2012	11/09/2021	
3133EA2U1	FFCB BOND 1.80% DUE 10/01/2020				1	904,505		93,4250	840,825	900,000			(532)		1.800	1.733	AO	4,050	16,200	10/01/2012	10/01/2020	
3133EA7J1	FFCB BOND 1.82% DUE 11/13/2020				1	1,008,005		93,8170	938,170	1,000,000			(946)		1.820	1.712	MN	2,427	18,200	11/16/2012	11/13/2020	
3133ECDX9	FFCB BOND 1.84% DUE 02/04/2021				1	199,500		91,4260	182,852	200,000			49		1.840	1.874	FA	1,503	1,840	02/21/2013	02/04/2021	
3133EAGM4	FFCB BOND 1.85% DUE 03/09/2020				1	96,6440		231,946	96,6440	240,000			(1,420)		1.850	1.207	MS	1,381	4,440	11/09/2012	03/09/2020	
3133EC3V4	FFCB BOND 1.94% DUE 11/26/2021				1	501,755		90,6630	453,315	500,000			(185)		1.940	1.897	MN	943	9,700	12/12/2012	11/26/2021	
3133ECCH5	FFCB BOND 2.00% DUE 01/10/2022				1	1,000,005		92,0580	920,580	1,000,000			(10)		2.000	2.000	JJ	9,500	10,000	02/14/2013	01/10/2022	
3133EASX7	FFCB BOND 2.040% DUE 06/07/2022				1	230,646		91,2890	205,400	225,000			(549)		2.040	1.753	JD	306	4,590	11/21/2012	06/07/2022	
3133ECEB6	FFCB BOND 2.050% DUE 02/01/2022				1	249,375		91,8960	229,740	250,000			249,427		2.050	2.081	FA	52	2,563	02/21/2013	02/01/2022	
3133ECC36	FFCB BOND 2.20% DUE 12/27/2022				1	249,125		90,4970	226,243	250,000			249,191		2.200	2.240	JD	61	5,500	02/21/2013	12/27/2022	
3133EAP51	FFCB BOND 2.200% DUE 08/27/21				1	481,205		92,0210	441,701	480,000			481,037		2.200	2.169	FA	3,637	10,560	09/18/2012	08/27/2021	
3133ECCV4	FFCB BOND 2.220% DUE 01/17/2023				1	997,287		88,8730	888,730	1,000,000			997,483		2.220	2.251	JJ	196	11,100	03/05/2013	01/17/2023	
3133ECDH4	FFCB BOND 2.230% DUE 01/23/2023				1	2,492,016		89,9780	2,249,450	2,500,000			2,492,593		2.230	2.266	JJ	24,468	27,875	03/08/2013	01/23/2023	
3133ECE42	FFCB BOND 2.240% DUE 01/30/2023				1	496,505		90,5450	452,725	500,000			496,741		2.240	2.320	JJ	4,698	5,600	02/21/2013	01/30/2023	
3133ECDA9	FFCB BOND 2.40% DUE 01/17/2024				1	249,625		90,2950	225,738	250,000			249,647		2.400	2.416	JJ	22	3,000	02/21/2013	01/17/2024	
3133ECFH2	FFCB BOND 2.440% DUE 02/14/2023				1	1,001,255		89,5870	895,870	1,000,000			1,001,143		2.440	2.426	FA	9,286	12,200	02/21/2013	02/14/2023	
3133ECD68	FFCB BOND 2.550% DUE 01/17/2025				1	498,880		88,0840	440,420	500,000			498,941		2.550	2.572	JJ	5,808	6,375	02/21/2013	01/17/2025	
31331JX65	FFCB BOND 2.80% DUE 10/28/2020				1	1,110,295		99,6330	996,330	1,000,000			(13,259)		2.800	1.334	AO	4,900	28,000	11/14/2012	10/28/2020	
3133ECVN1	FFCB BOND 3.24% DUE 07/29/2022				1	999,500		98,2350	982,350	1,000,000			999,479		3.240	3.247	JJ	6,750	10,160	07/29/2022	07/29/2022	
31331G4P1	FFCB BOND 3.95% 11-25-19 ML				1	74,010		102,7910	72,000	71,830			71,830		3.950	3.995	MN	284	2,844	04/20/2010	11/25/2019	
3133EC3X0	FFCB CALL BOND 1.87% DUE 08/20/21				1	499,500		92,3270	461,635	500,000			499,545		1.870	1.883	FA	3,402	7,013	01/09/2013	08/20/2021	
3133EC7K4	FFCB CALL BOND 1.94% DUE 12/14/21				1	273,969		91,5990	251,897	275,000			274,070		1.940	1.986	JD	252	5,335	01/11/2013	12/14/2021	
3133EA2Q0	FFCB CALL BOND 2.070% DUE 9/27/21				1	738,180		93,1940	684,976	735,000			737,764		2.070	2.017	MS	3,973	15,215	10/18/2012	09/27/2021	
3133EC5Y6	FFCB CALL BOND 2.100% DUE 12/05/22				1	999,500		90,2370	902,370	1,000,000			999,527		2.100	2.106	JD	1,517	21,000	01/22/2013	12/05/2022	
3133EC2K9	FFCB CALL BOND 2.180% DUE 11/14/22				1	1,002,000		89,4540	894,540	1,000,000			1,001,803		2.180	2.157	MN	2,846	21,800	01/24/2013	11/14/2022	
3133FXDM6	FFCB NTS 1.375% DUE 10/15/2020				1	750,000		93,2000	699,000	750,000			750,000		1.375	1.375	AO	2,177	10,427	10/11/2012	10/15/2020	
3133ECH80	FFCB NTS BOND 2.190% DUE 3/07/2022				1	2,002,261		91,0880	1,821,760	2,000,000			2,002,047		2.230	2.216	MS	14,123	21,900	03/28/2013	03/07/2022	
313373ZY1	FHLB BOND 03.625% DUE 06/11/21				1	1,138,291		104,4950	1,044,950	1,000,000			1,119,280		3.625	1.899	JD	2,014	36,250	09/18/2012	06/11/2021	
313376ZK4	FHLB BOND 1.20% 02/28/18				1	1,999,005		97,9770	1,959,540	2,000,000			1,999,248		1.200	1.209	FA	8,067	24,000	02/28/2012	02/28/2018	
313381C94	FHLB BOND 1.25% DUE 12/13/2019				1	1,506,336		93,9710	1,409,555	1,500,000			1,505,392		1.250	1.187	JD	208	20,260	12/05/2012	12/13/2019	
3133786P1	FHLB BOND 1.28% DUE 02/16/2018				1	747,680		99,2800	744,600	750,000			748,361		1.280	1.335	FA	3,600	9,600	03/14/2012	02/16/2018	
313379PE3	FHLB BOND 1.330% DUE 09/20/2018				1	2,031,827		98,0680	1,961,360	2,000,000			2,024,658		1.330	1.061	MS	7,463	26,600	08/02/2012	09/20/2018	
313380Z75	FHLB BOND 1.37% DUE 10/24/201																					

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F O R E I G N	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of Interest	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
313381AX3	FHLB BOND 2.20% DUE 11/21/2022				1	1,006,630	92.1330	921,330	1,000,000	1,005,958		(607)			2.200	2.126	MN	2,444	22,000	11/27/2012	11/21/2022
313381EE1	FHLB BOND 2.20% DUE 12/05/2022				1	2,074,805	92.1620	1,916,970	2,080,000	2,075,177		372			2.200	2.229	JD	3,305	45,760	02/19/2013	12/05/2022
313380WT0	FHLB BOND 2.25% DUE 10-11-2022				1	1,002,000	91.1120	911,120	1,000,000	1,001,763		(182)			2.250	2.228	AO	5,000	22,500	10/11/2012	10/11/2022
313381AY1	FHLB BOND 2.25% DUE 11/21/2022				1	226,069	91.4040	205,659	225,000	225,959		(97)			2.250	2.197	MN	563	5,063	11/21/2012	11/21/2022
313381ZS7	FHLB BOND 2.30% DUE 02/21/2023				1	1,717,220	91.7050	1,577,326	1,720,000	1,717,396		176			2.300	2.318	FA	14,286	19,780	05/24/2013	02/21/2023
313380QL4	FHLB BOND 2.330% DUE 09/20/22				1	750,005	92.4360	693,270	750,000	749,992					2.330	2.330	MS	4,903	17,475	09/20/2012	09/20/2022
313381HC2	FHLB BOND 2.35% DUE 12/28/2023				1	1,000,000	88.2450	882,450	1,000,000	1,000,000					2.350	2.350	JD	196	23,500	12/28/2012	12/28/2023
313376C94	FHLB BOND 2.625% DYE 12/10/2021				1	512,443	98.0800	490,400	500,000	510,310		(1,169)			2.625	2.339	JD	766	13,125	03/02/2012	12/10/2021
313381B95	FHLB BOND 2.65% DUE 11/21/2025				1	978,656	85.0300	829,043	975,000	978,375		(240)			2.650	2.616	MN	2,871	25,838	11/21/2012	11/21/2025
313375LS4	FHLB BOND 2.750% DUE 09/10/2021				1	1,073,615	97.7360	977,360	1,000,000	1,067,173		(6,442)			2.750	1.810	MS	8,479	27,500	03/08/2013	09/10/2021
313380TV9	FHLB BOND 2.77% DUE 04/04/2025				1	120,420	88.6420	106,370	120,000	120,383		(31)			2.770	2.737	AO	803	3,324	11/13/2012	04/04/2025
3133712Y1	FHLB BOND 3.00% DUE 03/27/20				1	551,495	102.6610	513,305	500,000	543,103		(6,533)			3.000	1.545	MS	3,917	15,000	09/18/2012	03/27/2020
3133735C2	FHLB BOND 3.920% DUE 03/30/21				1	533,756	103.1060	494,909	480,000	526,336		(5,775)			3.920	2.457	MS	4,756	18,816	09/18/2012	03/31/2021
313380C47	FHLB BOND STEP UP 1.25% 08/22/22				1	1,000,005	93.0590	930,590	1,000,000	1,000,001		(1)			1.250	1.250	FA	4,479	12,500	08/22/2012	08/22/2022
3133816M2	FHLB CALL BOND 1.530% DUE 11/21/19				1	500,000	94.4640	472,320	500,000	500,000					1.530	1.530	MN	850	7,650	01/09/2013	11/21/2019
313381HW8	FHLB CALL BOND 2.190% DUE 12/19/22				1	499,000	89.9450	449,725	500,000	499,084		84			2.190	2.213	JD	365	10,950	01/09/2013	12/19/2022
3133XPJ4	FHLB BOND STRUCT NOTE 4.805%				1	82,251	105.0230	80,873	77,005	78,602		(956)			4.805	2.149	MON	280	3,352	12/14/2009	08/20/2015
3133XMHRS	FHLB BONDS 5.2% 7/15/14				1	608,065	102.2870	586,314	573,205	579,807		(11,495)			5.200	1.080	MON	2,318	28,828	06/14/2011	07/15/2014
0199999	Subtotal - U.S. Governments - Issuer Obligations					70,457,079	X X X	65,222,089	69,721,048	70,285,945		(86,991)			X X X	X X X	X X X	303,670	1,201,668	X X X	X X X
U.S. Governments - Residential Mortgage-Backed Securities																					
36295FCD4	GNMA PL 668868X				1	1,079,044	108.0120	1,122,019	1,038,791	1,075,804		(799)			5.000	4.485	MON	3,711	53,982	05/19/2009	09/15/2038
36234CV77	GNMA POOL 425582 UNIT 100				1	28,982	107.8240	29,676	27,523	28,810		(73)			6.500	5.405	MON	115	2,007	06/14/2011	07/15/2026
36234CVB7	GNMA POOL 425582 UNIT 96				1	26,263	100.2500	25,063	25,000	26,106		(66)			6.500	5.430	MON	103	1,625	06/14/2011	01/15/2026
36234CWA9	GNMA POOL 425582 UNIT 97				1	26,275	105.1250	26,281	25,000	26,118		(66)			6.500	5.424	MON	104	1,625	06/14/2011	02/15/2026
36234CV93	GNMA POOL 425582 UNIT 98				1	26,288	107.1250	26,781	25,000	26,132		(66)			6.500	5.422	MON	104	1,625	06/14/2011	04/15/2026
36234CV85	GNMA POOL 425582 UNIT 99				1	26,300	107.3240	26,831	25,000	26,144		(66)			6.500	5.417	MON	104	1,625	06/14/2011	05/15/2026
36234CX26	GNMA POOL 425583 UNIT 100				1	42,406	107.8240	43,443	40,291	42,157		(105)			6.500	5.414	MON	168	2,401	06/14/2011	07/15/2026
36234CX42	GNMA POOL 425583 UNIT 98				1	26,275	105.1250	26,281	25,000	26,112		(69)			6.500	5.409	MON	103	1,625	06/14/2011	10/15/2025
36235LG24	GNMA POOL 470960 UNIT 86				1	25,825	100.2500	25,063	25,000	25,728		(41)			6.500	5.787	MON	104	1,625	06/14/2011	09/15/2026
36235LGZ1	GNMA POOL 470960 UNIT 87				1	26,250	100.2500	25,063	25,000	26,108		(60)			6.500	5.474	MON	105	1,625	06/14/2011	11/15/2026
36235QRM7	GNMA POOL 487543 UNIT 81				1	25,825	105.1250	26,281	25,000	25,732		(40)			6.500	5.798	MON	105	1,625	06/14/2011	02/15/2027
36235QRS4	GNMA POOL 487543 UNIT 79				1	25,063	100.2500	25,063	25,000	25,047		(7)			6.500	6.380	MON	104	1,625	06/14/2011	05/15/2026
36235QRR6	GNMA POOL 487543 UNIT 80				1	25,825	100.2500	25,063	25,000	25,726		(42)			6.500	5.782	MON	104	1,625	06/14/2011	07/15/2026
36235QRP0	GNMA POOL 487543 UNIT 82				1	25,825	100.2500	25,063	25,000	25,731		(40)			6.500	5.805	MON	104	1,625	06/14/2011	10/15/2026
36235QRN5	GNMA POOL 487543 UNIT 83				1	25,825	104.9570	26,239	25,000	25,730		(40)			6.500	5.794	MON	105	1,625	06/14/2011	12/15/2026
36235QRK1	GNMA POOL 487543 UNIT 86				1	26,250	105.1250	26,281	25,000	26,115		(57)			6.500	5.493	MON	105	1,625	06/14/2011	05/15/2027
36235QRH8	GNMA POOL 487543 UNIT 88				1	26,250	107.1250	26,781	25,000	26,119		(56)			6.500	5.505	MON	106	1,625	06/14/2011	09/15/2027
36235QRG0	GNMA POOL 487543 UNIT 89				1	26,263	107.1250	26,781	25,000	26,131		(56)			6.500	5.499	MON	106	1,625	06/14/2011	10/15/2027
36235QRF2	GNMA POOL 487543 UNIT 90				1	26,263	107.1250	26,781	25,000	26,134		(55)			6.500	5.505	MON	106	1,625	06/14/2011	12/15/2027
36235QRE5	GNMA POOL 487543 UNIT 91				1	26,263	107.1250	26,781	25,000	26,136		(54)			6.500	5.511	MON	106	1,625	06/14/2011	02/15/2028
36235QRC9	GNMA POOL 487543 UNIT 93				1	26,275	107.2240	26,806	25,000	26,150		(53)			6.500	5.511	MON	106	1,625	06/14/2011	05/15/2028
36235QRB1	GNMA POOL 487543 UNIT 94				1	26,288	107.3240	26,831	25,000	26,165		(52)			6.500	5.521	MON	106	1,625	06/14/2011	07/15/2028
36235QRA3	GNMA POOL 487543 UNIT 95				1	26,288	107.3240	26,831	25,000	26,165		(52)			6.500	5.513	MON	107	1,625	06/14/2011	09/15/2028
36235QQ89	GNMA POOL 487543 UNIT 97				1	26,300	107.4740	26,869	25,000	26,179		(51)			6.500	5.512	MON	107	1,625	06/14/2011	12/15/2028
36235QQ71	GNMA POOL 487543 UNIT 98				1	26,300	107.5740	26,894	25,000	26,181		(51)			6.500	5.517	MON	107	1,625	06/14/2011	02/15/2029
36235QQ63	GNMA POOL 487543 UNIT 99				1	26,313	107.5740	26,894	25,000	26,194		(51)			6.500	5.511	MON	107	1,625	06/14/2011	03/15/2029
36235TPV3	GNMA POOL 498826 UNIT 100				1	33,179	107.8240	33,974	31,509	33,036		(61)			6.500	5.520	MON	135	2,048	06/14/2011	10/15/2029
36235TP27	GNMA POOL 498826 UNIT 70				1	26,288	105.1250	26,281	25,000	26,164		(52)			6.500	5.518	MON	106	1,625	06/14/2011	06/15/2028
36235TP43	GNMA POOL 498826 UNIT 93				1	26,275	100.2500	25,063	25,000	26,150		(53)			6.500	5.519	MON	106	1,625	06/14/2011	03/15/2028
36235TP35	GNMA POOL 498826 UNIT 94				1	26,288	100.2500	25,063	25,000	26,161		(54)			6.500	5.502	MON	106	1,625	06/14/2011	05/15/2028
36235TPY7	GNMA POOL 498826 UNIT 97				1	26,300	107.1250	26,781	25,000	2											

SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

E102

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value					Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	Code	F O R E I G N	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of Interest	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date	
36235XXE3	GNMA POOL 515329 UNIT 99				1	26,300	107.4740	26,869	25,000	26,191		(46)			6.500	5.543	MON	108	1,625	06/14/2011	01/15/2030	
36236MJ69	GNMA POOL 531508 UNIT 100				1	34,172	108.4000	35,162	32,437	34,040		(57)			7.000	6.021	MON	152	2,271	06/14/2011	11/15/2030	
36236MKG5	GNMA POOL 531508 UNIT 90				1	25,075	100.3000	25,075	25,000	25,062		(6)			7.000	6.876	MON	116	1,750	06/14/2011	05/15/2029	
36236MKF7	GNMA POOL 531508 UNIT 91				1	25,075	100.3000	25,075	25,000	25,062		(5)			7.000	6.877	MON	116	1,750	06/14/2011	07/15/2029	
36236MKE0	GNMA POOL 531508 UNIT 92				1	25,950	100.3000	25,075	25,000	25,868		(35)			7.000	6.253	MON	116	1,750	06/14/2011	08/15/2029	
36236MKD2	GNMA POOL 531508 UNIT 93				1	25,950	105.4580	26,365	25,000	25,869		(35)			7.000	6.256	MON	116	1,750	06/14/2011	10/15/2029	
36236MKC4	GNMA POOL 531508 UNIT 94				1	25,950	105.7500	26,438	25,000	25,870		(34)			7.000	6.260	MON	116	1,750	06/14/2011	12/15/2029	
36236MKB6	GNMA POOL 531508 UNIT 95				1	26,263	105.7500	26,438	25,000	26,160		(44)			7.000	6.054	MON	117	1,750	06/14/2011	03/15/2030	
36236MKA8	GNMA POOL 531508 UNIT 96				1	26,263	107.7500	26,938	25,000	26,160		(44)			7.000	6.054	MON	117	1,750	06/14/2011	03/15/2030	
36236MJ93	GNMA POOL 531508 UNIT 97				1	26,275	107.7500	26,938	25,000	26,176		(43)			7.000	6.067	MON	117	1,750	06/14/2011	06/15/2030	
36236MJ85	GNMA POOL 531508 UNIT 98				1	26,288	108.0000	27,000	25,000	26,186		(44)			7.000	6.043	MON	117	1,750	06/14/2011	06/15/2030	
36236MJ77	GNMA POOL 531508 UNIT 99				1	26,300	108.0990	27,025	25,000	26,199		(43)			7.000	6.040	MON	117	1,750	06/14/2011	08/15/2030	
38378TQ37	GNMA CMO 2013 2.75% DUE 06/2043				1	315,632	97.8470	303,525	310,203	315,580		(52)			2.750	2.665	JD	261	2,861	08/19/2013	06/20/2043	
0299999 Subtotal - U.S. Governments - Residential Mortgage-Backed Securities						2,855,983	X X X	2,898,563	2,749,032	2,846,668		(3,413)			X X X	X X X	X X X	10,021	149,258	X X X	X X X	
0599999 Subtotal - U.S. Governments						73,313,062	X X X	68,120,652	72,470,080	73,132,613		(90,404)			X X X	X X X	X X X	313,691	1,350,926	X X X	X X X	
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																						
015302H62	ALEXANDRIA VA 1.731% DUE 07/01/20				1	231,532	106.1290	212,258	200,000	228,172		(3,360)			1.731	(0.405)	JJ	1,731	4,050	03/26/2013	07/01/2020	
021087TU5	ALPINE UTAH DIST 5% DUE 03/15/24				1	89,096	116.5020	87,377	75,000	88,809		(287)			5.000	2.902	MS	917	2,271	10/03/2013	03/15/2024	
235219FT4	CITY OF DALLAS TX 1.466% 02/15/20				1	307,670	117.1910	292,978	250,000	300,940		(6,730)			1.466	(1.680)	FA	1,385	6,250	03/26/2013	02/15/2020	
232263FA6	CUYAHOGA CNTY 3.60% DUE 06/01/17				1	65,996	103.2580	61,955	60,000	64,397		(1,248)			3.600	1.396	JD	180	2,160	09/19/2012	06/01/2017	
270764AR4	EAST BATON ROUGE 5% DUE 02/01/20				1	101,513	101.4050	101,405	100,000	101,507		(6)			5.000	4.713	FA	111	1,111	12/23/2013	02/01/2020	
29270CYL3	ENERGY NORTHWEST 2.147% DUE7/1/18				1	256,125	100.9740	252,435	250,000	254,833		(1,025)			2.147	1.699	JJ	2,684	4,592	09/27/2012	07/01/2018	
351352KL2	FOX CHAPEL PA 4.00% DUE 08/01/2021				1	245,507	109.7240	230,420	210,000	242,282		(3,225)			4.000	1.820	FA	3,500	3,360	03/07/2013	08/01/2021	
38378LCB1	GOVERNORS ST 4.25% DUE 01/01/18				1	67,035	107.4910	64,495	60,000	65,389		(1,285)			4.250	1.907	JJ	1,275	2,550	09/19/2012	01/01/2018	
395468HG9	GREENSBORO NC ENTP 5% 06/01/21				1	126,511	117.7930	117,793	100,000	123,811		(2,700)			5.000	1.584	JD	417	5,000	02/08/2013	06/01/2021	
416489NE8	HARTFORD CNTY 5% 06/01/2022				1	281,412	117.4240	264,204	225,000	276,322		(5,090)			5.000	2.037	JD	938	5,625	02/01/2013	06/01/2022	
452152BH3	ILLINOIS ST 3.321% DUE 02/01/19				1	227,076	106.4060	218,132	205,000	224,290		(2,787)			3.321	1.397	FA	2,837	5,497	03/26/2013	02/01/2019	
452152HS3	ILLINOIS ST 5.365% DUE 03/01/17				1	278,773	107.7920	269,480	250,000	270,788		(6,223)			5.365	2.611	MS	4,471	13,413	09/18/2012	03/01/2017	
4521517V9	ILLINOIS ST SR A 3.75% DUE 9/1/16				1	32,609	106.2620	31,879	30,000	31,777		(649)			3.750	1.476	MS	375	1,125	09/19/2012	09/01/2016	
529284D99	LEXINGTON MASS 4.00% 02/15/2021				1	289,909	111.1100	272,220	245,000	285,140		(4,768)			4.000	1.560	FA	3,702	4,737	02/07/2013	02/15/2021	
529264MD2	METRO WAC DC 5% DUE 10/01/18				1	272,680	102.9090	257,273	250,000	268,273		(3,498)			5.000	3.323	AO	3,125	12,500	09/27/2012	10/01/2018	
59447PTX9	MICHIGAN FIN AUTH 5% 10/01/2024				1	281,086	113.1070	254,491	225,000	277,339		(3,747)			5.000	2.516	AO	2,813	6,906	02/11/2013	10/01/2024	
645020J25	NEW HAVEN CT 3.00% DUE 11/01/20				1	264,145	99.6570	249,143	250,000	262,059		(1,617)			3.000	2.235	MN	1,250	7,500	09/17/2012	11/01/2020	
64579FY31	NEW JERSEY HEALTH CARE4.00% 7/1/16				1	65,611	107.1060	64,264	60,000	63,741		(1,459)			4.000	1.451	JJ	1,200	2,207	09/19/2012	07/01/2016	
64990HHS2	NEW YORK ST DORM BOND 5% 07/01/20				1	154,248	116.0530	145,066	125,000	151,456		(2,791)			5.000	1.563	JJ	3,125	3,125	04/10/2013	07/01/2020	
650367KL8	NEWARK NJ 2.498% DUE 04/01/20				1	207,156	96.1130	192,226	200,000	206,420		(736)			2.498	1.950	AO	1,249	4,110	03/26/2013	04/01/2020	
64971M2C9	NYC TRANS FIN 1.552% DUE 08/01/18				1	290,290	107.3760	288,440	250,000	281,589		(7,111)			1.552	(1.126)	FA	1,617	11,165	10/11/2012	08/01/2018	
68608UWQ5	OREGON ST 5.00% 05/01/2023				1	127,752	117.2420	117,242	100,000	125,568		(2,184)			5.000	1.985	MN	833	3,472	02/14/2013	05/01/2023	
688022CB6	OSCEOLA CNTY FL 4% DUE10/01/17				1	66,900	108.6220	65,173	60,000	65,192		(1,333)			4.000	1.612	AO	600	2,400	09/19/2012	10/01/2017	
702750CT5	PASSAIC CNTY 5.00% DUE 05/01/18				1	70,547	113.8500	68,310	60,000	68,223		(1,813)			5.000	1.705	MN	500	3,000	09/19/2012	05/01/2018	
70914PLX8	PENNSYLVANIA ST 1.217% DUE 2/15/19				1	261,064	116.8840	251,301	215,000	254,748		(6,316)			1.217	(2.175)	FA	988	5,375	03/26/2013	02/15/2019	
72177LBW8	PIMA CNTY AZ 5.00% DUE 07/01/17				1	70,107	110.7000	66,420	60,000	67,458		(2,067)			5.000	1.352	JJ	1,500	3,000	09/19/2012	07/01/2017	
745160PR6	PR ACUEDU SEWER 6.1% 07/01/2034				2	189,261	63.0870	189,261	300,000	189,261		192	102,482		6.100	6.342	JJ	9,150	18,299	06/14/2011	07/01/2034	
745185BF4	PR HWY & TRANS 5.55% 07/01/18				3FE	949,495	75.6570	949,495	1,255,000	949,495		(1,731)	314,534		5.550	5.368	JJ	34,826	69,653	06/14/2011	07/01/2018	
763665XU5	RICHLAND CNTY 5% 03/01/2022				1	280,305	116.9270	263,086	225,000	275,344		(4,961)			5.000	2.015	MS	3,750	11,250	02/14/2013	03/01/2022	
763682ZV6	RICHLAND CNTY 5.00% 05/01/2023				1	276,782	114.3500	257,288	225,000	272,643		(4,139)			5.000	2.448	MN	1,875	11,250	02/01/2013	05/01/2023	
770873KY2	ROBINSON TWP PA 5.375% DUE 5/15/18				1	69,600	108.9450	65,367	60,000	67,516		(1,626)			5.375	2.326	MN	502	3,225	09/19/2012	05/05/2018	
771694LE4	ROCHESTER NY 1.763% 02/01/2020				1	362,379	115.7690	347,307	300,000	355,176		(7,203)			1.763	(1.147)	FA	2,204	6,958	03/26/2013	02/01/2020	
795685EJ1	SALT LAKE CNTY 5% 02/01/2023				1	261,606	116.0470	261,106	225,000	277,036		(4,569)			5.000	2.180	FA	4,688	5,625	02/11/2013	02/01/2023	
810489NP5	SCOTTSDALE ARIZ MUN 5.00% 07/01/20				1	280,375	117.8030	265,057	225,													

E11 Schedule D - Part 2 Sn 1 Prfrd Stocks Owned NONE

E12 Schedule D - Part 2 Sn 2 Common Stocks Owned NONE

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
Bonds - U.S. Governments								
3133EC6Y5	FED FARM CRED BANK 2.12% 12/12/22		03/02/2013	Merill Lynch	X X X	795,853	799,000	2,315
3133ECVL5	FFCB BOND 2.84% DUE 10/29/2020		07/29/2013	Merill Lynch	X X X	500,875	500,000	
3133FXDZ7	FFCB BOND 1.650% DUE 02/15/2021		02/26/2013	UBS Financial Services	X X X	1,000,000	1,000,000	
3133ECFB5	FFCB BOND 1.69% DUE 02/13/2020		03/11/2013	UBS Financial Services	X X X	1,752,828	1,750,000	1,244
3133ECDX9	FFCB BOND 1.84% DUE 02/04/2021		02/21/2013	Merill Lynch	X X X	199,500	200,000	174
3133ECCH5	FFCB BOND 2.00% DUE 01/10/2022		02/14/2013	UBS Financial Services	X X X	1,000,005	1,000,000	1,889
3133ECEB6	FFCB BOND 2.05% DUE 02/01/2022		02/21/2013	Merill Lynch	X X X	249,375	250,000	285
3133ECC36	FFCB BOND 2.20% DUE 12/27/2022		02/21/2013	Merill Lynch	X X X	249,125	250,000	825
3133ECCV4	FFCB BOND 2.220% DUE 01/17/2023		03/05/2013	Merill Lynch	X X X	997,287	1,000,000	2,528
3133ECDH4	FFCB BOND 2.230% DUE 01/23/2023		03/08/2013	UBS Financial Services	X X X	2,492,016	2,500,000	5,265
3133ECE42	FFCB BOND 2.240% DUE 01/30/2023		02/21/2013	UBS Financial Services	X X X	496,505	500,000	653
3133ECDA9	FFCB BOND 2.40% DUE 01/17/2024		02/21/2013	Merill Lynch	X X X	249,625	250,000	567
3133ECFH2	FFCB BOND 2.440% DUE 02/14/2023		02/21/2013	UBS Financial Services	X X X	1,001,255	1,000,000	474
3133ECD68	FFCB BOND 2.550% DUE 01/17/2025		02/21/2013	UBS Financial Services	X X X	498,880	500,000	1,204
3133ECVN1	FFCB BOND 3.24% DUE 07/29/2022		10/16/2013	Merill Lynch	X X X	999,500	1,000,000	6,930
3133EC3X0	FFCB CALL BOND 1.87% DUE 08/20/21		01/09/2013	Merill Lynch	X X X	499,500	500,000	1,273
3133EC7K4	FFCB CALL BOND 1.94% DUE 12/14/21		01/11/2013	Merill Lynch	X X X	273,969	275,000	400
3133EC5Y6	FFCB CALL BOND 2.100% DUE 12/05/22		01/22/2013	Merill Lynch	X X X	999,500	1,000,000	2,742
3133EC2K9	FFCB CALL BOND 2.180% DUE 11/14/22		01/24/2013	Merill Lynch	X X X	1,002,000	1,000,000	4,239
3133ECH80	FFCB NTS BOND 2.190% DUE 03/07/2022		03/28/2013	UBS Financial Services	X X X	2,002,261	2,000,000	1,338
3133827M9	FHLB BOND 1.93% DUE 12/01/2021		03/28/2013	UBS Financial Services	X X X	914,477	900,000	2,171
313381HU2	FHLB BOND 2.04% DUE 06/28/2022		01/24/2013	Merill Lynch	X X X	1,000,000	1,000,000	1,473
313381C60	FHLB BOND 2.080% DUE 06/07/2022		03/05/2013	Merill Lynch	X X X	449,263	450,000	2,086
313381EE1	FHLB BOND 2.20% DUE 12/05/2022		02/19/2013	UBS Financial Services	X X X	2,074,805	2,080,000	9,406
313381ZS7	FHLB BOND 2.30% DUE 02/21/2023		05/24/2013	Merill Lynch	X X X	1,717,220	1,720,000	1,754
313375LS4	FHLB BOND 2.750% DUE 09/10/2021		03/08/2013	UBS Financial Services	X X X	1,073,615	1,000,000	13,597
3133816M2	FHLB CALL BOND 1.530% DUE 11/21/19		01/09/2013	Merill Lynch	X X X	500,000	500,000	1,020
313381HW8	FHLB CALL BOND 2.190% DUE 12/19/22		01/09/2013	Merill Lynch	X X X	499,000	500,000	608
38378TQ37	GNMA CMO 2013 2.75% DUE 06/2043		08/19/2013	Merill Lynch	X X X	331,638	325,934	25
0599999 Subtotal - Bonds - U.S. Governments						25,819,877	25,749,934	66,487
Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)								
015302H62	ALEXANDRIA VA 1.731% DUE 07/01/20		03/26/2013	UBS Financial Services	X X X	231,532	200,000	1,913
021087TU5	ALPINE UTAH DIST 5% DUE 03/15/24		10/03/2013	Merill Lynch	X X X	89,096	75,000	
235219FT4	CITY OF DALLAS TX 1.4666% 02/15/20		03/26/2013	UBS Financial Services	X X X	307,670	250,000	1,424
270764AR4	EAST BATON ROUGE 5% DUE 02/01/20		12/23/2013	Merill Lynch	X X X	101,513	100,000	1,972
351352KL2	FOX CHAPEL PA 4.00% DUE 08/01/2021		03/07/2013	Merill Lynch	X X X	245,507	210,000	
395468HG9	GREENSBORO NC ENTP 5% 06/01/21		02/08/2013	Merill Lynch	X X X	126,511	100,000	986
416489NE8	HARTFORD CNTY 5% 06/01/2022		02/01/2013	Merill Lynch	X X X	281,412	225,000	375
452152BH3	ILLINOIS ST 3.321% DUE 02/01/19		03/26/2013	UBS Financial Services	X X X	227,076	205,000	1,680
529284D99	LEXINGTON MASS 4.00% 02/15/2021		02/07/2013	Merill Lynch	X X X	289,909	245,000	
59447PTX9	MICHIGAN FIN AUTH 5% 10/01/2024		02/11/2013	Merill Lynch	X X X	281,088	225,000	
64990HHS2	NEW YORK ST DORM BOND 5% 07/01/20		04/10/2013	Merill Lynch	X X X	154,248	125,000	1,753
650367KL8	NEWARK NJ 2.49% DUE 04/01/20		03/26/2013	UBS Financial Services	X X X	207,156	200,000	968
68608UWQ5	OREGON ST 5.00% 05/01/2023		02/14/2013	Merill Lynch	X X X	127,752	100,000	
70914PLX8	PENNSYLVANIA ST 1.217% DUE 02/15/19		03/26/2013	UBS Financial Services	X X X	261,064	215,000	1,224
763665XU5	RICHLAND CNTY 5% 03/01/2022		02/14/2013	Merill Lynch	X X X	280,305	225,000	5,250
763682ZV6	RICHLAND CNTY 5.00% 05/01/2013		02/01/2013	Merill Lynch	X X X	276,782	225,000	2,969
771694LE4	ROCHESTER NY 1.763% 02/01/2020		03/26/2013	UBS Financial Services	X X X	362,379	300,000	1,750
795685EJ1	SALT LAKE CNTY 5% 02/01/2023		02/11/2013	Merill Lynch	X X X	281,606	225,000	406
810489NP5	SCOTTDALE ARIZ MUN 5.00% 07/01/20		02/01/2013	Merill Lynch	X X X	280,375	225,000	
131537ZB1	CALVERT CNTY BOND 4% DUE 04/01/22		06/05/2013	Merill Lynch	X X X	87,074	75,000	

SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1	2	3	4	5	6	7	8	9
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends
2499999 Subtotal - Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)						4,500,050	3,750,000	22,670
8399997 Subtotal - Bonds - Part 3						30,319,927	29,499,934	89,157
8399999 Subtotal - Bonds						30,319,927	29,499,934	89,157
9899999 Subtotal - Preferred and Common Stocks							X X X	
9999999 Totals						30,319,927	X X X	89,157

SCHEDULE D - PART 4

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date		
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other-Than- Temporary Impairment Recognized	14 Total Change in B./A.C.V. (Cols. 11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
Bonds - U.S. Governments																						
3133XDZ20	FHLB Bond 5.46%		12/27/2013	MATURITY	X X X	170,221	170,221	191,872	166,879											3,615	11/27/2015	
3133EAE18	FED FARM CRED BANK 2.43% 02/22/21		02/22/2013	Merrill Lynch	X X X	930,000	930,000	934,418	934,022			3,342	(50)	(50)	170,221					933,972	11,300	02/22/2021
3133EACW6	FED FARM CRED BANK 2.45% 02/08/22		03/05/2013	VARIOUS	X X X	2,000,000	2,000,000	2,000,030	2,000,006			(464)	(464)	(464)	1,999,541			459	459	28,175	02/08/2022	
31331K5H9	FFCB BOND 1.440% DUE 01/03/2017		01/03/2013	UBS Financial Services	X X X	500,000	500,000	502,005	501,618			(2)	(2)	(2)	501,616				(1,616)	(1,616)	3,600	01/03/2017
3133EAC5	FFCB BOND 2.190% DUE 03/13/2020		03/13/2013	UBS Financial Services	X X X	1,000,000	1,000,000	1,003,505	1,003,167			(68)	(68)	(68)	1,003,099				(3,099)	(3,099)	10,950	03/13/2020
31331VVR4	FFCB Bond 5.1%		08/05/2013	MATURITY	X X X	500,000	500,000	550,360	506,971			(6,971)	(6,971)	(6,971)	500,000					25,500	08/05/2013	
31331KWS5	FFCB CALL BONDS 2.24% SEP 06, 2018		10/04/2013	Undefined	X X X	1,990,000	1,990,000	1,995,970	1,994,885			(609)	(609)	(609)	1,994,276			(4,276)	(4,276)	48,043	09/06/2018	
31331GPN3	FHLB BOND 2.6%		03/04/2013	MATURITY	X X X	1,035,000	1,035,000	1,049,200	1,035,638			(638)	(638)	(638)	1,035,000					13,455	03/04/2013	
3133XSP93	FHLB BOND 3.125%		12/13/2013	MATURITY	X X X	250,000	250,000	258,732	251,830			(1,830)	(1,830)	(1,830)	250,000					7,813	12/13/2013	
3133XPJ4	FHLB BOND STRUCT NOTE 4.805%		12/15/2013	PRINCIPAL RECEIPT	X X X	48,663	48,663	51,978	50,276			(1,613)	(1,613)	(1,613)	48,663					972	08/20/2015	
3133XMR5	FHLB BONDS 5.2% 7/15/14		12/15/2013	PRINCIPAL RECEIPT	X X X	160,825	160,825	170,606	165,903			(5,078)	(5,078)	(5,078)	160,825					4,031	07/15/2014	
313380B89	FHLB STEP UP CALL BOND 1% 8/16/22		05/16/2013	UBS Financial Services	X X X	1,275,000	1,275,000	1,275,011	1,275,007			(2)	(2)	(2)	1,275,005			(5)	(5)	9,563	08/16/2022	
36295FCD4	GNMA PL 668868X		08/15/2013	PRINCIPAL RECEIPT	X X X	850,000	850,000	882,937	880,940			(30,940)	(30,940)	(30,940)	850,000					17,645	09/15/2038	
36234CWD3	GNMA POOL 425582 UNIT 94		01/20/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	25,825	25,763			(763)	(763)	(763)	25,000					135	10/15/2025	
36234CWC5	GNMA POOL 425582 UNIT 95		08/20/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,250	26,159			(1,159)	(1,159)	(1,159)	25,000					1,083	11/15/2025	
36234CX83	GNMA POOL 425583 UNIT 94		06/20/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	25,825	25,760			(760)	(760)	(760)	25,000					813	04/15/2025	
36234CX75	GNMA POOL 425583 UNIT 95		06/15/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,250	26,156			(1,156)	(1,156)	(1,156)	25,000					813	06/15/2025	
36234CX67	GNMA POOL 425583 UNIT 96		06/20/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,250	26,156			(1,156)	(1,156)	(1,156)	25,000					813	07/15/2025	
36235GFV2	GNMA POOL 459463 UNIT 94		02/20/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,250	26,169			(1,169)	(1,169)	(1,169)	25,000					271	12/15/2026	
36235LG65	GNMA POOL 470960 UNIT 82		01/20/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	25,063	25,053			(53)	(53)	(53)	25,000					135	02/15/2026	
36235LG57	GNMA POOL 470960 UNIT 83		11/20/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	25,825	25,766			(766)	(766)	(766)	25,000					1,490	04/15/2026	
36235TQC4	GNMA POOL 498826 UNIT 85		01/20/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,250	26,170			(1,170)	(1,170)	(1,170)	25,000					135	02/15/2027	
36235TQB6	GNMA POOL 498826 UNIT 86		04/20/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,250	26,171			(1,171)	(1,171)	(1,171)	25,000					542	03/15/2027	
36235TQA8	GNMA POOL 498826 UNIT 87		04/20/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,250	26,172			(1,172)	(1,172)	(1,172)	25,000					542	05/15/2027	
36235TP92	GNMA POOL 498826 UNIT 88		04/20/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,250	26,173			(1,173)	(1,173)	(1,173)	25,000					542	07/15/2027	
36235TP84	GNMA POOL 498826 UNIT 89		05/20/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,263	26,186			(1,186)	(1,186)	(1,186)	25,000					677	08/15/2027	
36235TP68	GNMA POOL 498826 UNIT 91		10/15/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,263	26,188			(1,188)	(1,188)	(1,188)	25,000					1,354	12/15/2027	
36235TP50	GNMA POOL 498826 UNIT 92		10/15/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,275	26,200			(1,200)	(1,200)	(1,200)	25,000					1,354	01/15/2028	
36236MKH3	GNMA POOL 531508 UNIT 89		10/15/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	25,075	25,067			(67)	(67)	(67)	25,000					1,458	03/15/2029	
36240Y9D3	PR GNMA PL00678424X 9D3		02/15/2013	PRINCIPAL RECEIPT	X X X	25,000	25,000	25,500	25,433			(433)	(433)	(433)	25,000					208	04/15/2021	
38378TQ37	GNMA CMO 2013 2.75% DUE 06/20/43		12/20/2013	MATURITY	X X X	15,731	15,731	16,006	16,006			(275)	(275)	(275)	15,731					72	06/20/2043	
0599999	Subtotal - Bonds - U.S. Governments					11,150,440	11,150,440	11,324,544	11,207,884			(60,940)	(60,940)	(60,940)	11,162,949			(12,510)	(12,510)	197,099	X X X	
8399997	Subtotal - Bonds - Part 4					11,150,440	11,150,440	11,324,544	11,207,884			(60,940)	(60,940)	(60,940)	11,162,949			(12,510)	(12,510)	197,099	X X X	
8399999	Subtotal - Bonds					11,150,440	11,150,440	11,324,544	11,207,884			(60,940)	(60,940)	(60,940)	11,162,949			(12,510)	(12,510)	197,099	X X X	
9899999	Subtotal - Preferred and Common Stocks						X X X														X X X	
9999999	Totals					11,150,440	X X X	11,324,544	11,207,884			(60,940)	(60,940)	(60,940)	11,162,949			(12,510)	(12,510)	197,099	X X X	

E15	Schedule D - Part 5 LT Bonds/Stocks Acquired/Disp	NONE
E16	Schedule D - Part 6 Sn 1	NONE
E16	Schedule D - Part 6 Sn 2	NONE
E17	Schedule DA - Part 1 Short-Term Investments Owned	NONE
E18	Schedule DB - Part A Sn 1 Opt/Cap/Floors/Collars/Swaps/Forwards Open . . .	NONE
E19	Schedule DB - Part A Sn 2 Opt/Cap/Floors/Collars/Swaps/Forwards Term. . . .	NONE
E20	Schedule DB - Part B Sn 1 Futures Contracts Open	NONE
E21	Schedule DB - Part B Sn 2 Futures Contracts Terminated	NONE
E22	Schedule DB - Part D Sn 1 Counterparty Exposure for Derivative Instruments .	NONE
E23	Schedule DB - Part D Sn 2 - Collateral Pledged By Reporting Entity	NONE
E23	Schedule DB - Part D Sn 2 - Collateral Pledged To Reporting Entity	NONE
E24	Schedule DL - Part 1 - Securities Lending Collateral Assets	NONE
E25	Schedule DL - Part 2 - Securities Lending Collateral Assets	NONE

SCHEDULE E - PART 1 - CASH

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *	
open depositories							
Banco Popular		Ave. Ponce de Leon, Hato Rey, PR			9,662,460	X X X	
UBS	606		4,192,167	X X X	
Merril Lynch	212		1,389,146	X X X	
Government Development Bank		Po Box 42001 San Juan, PR 00940-2001	0.750	4,520	869	891,694	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories							
			X X X			X X X	
0199999 Totals - Open Depositories							
			X X X	5,338	869	16,135,466	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories							
			X X X			X X X	
0299999 Totals - Suspended Depositories							
			X X X			X X X	
0399999 Total Cash On Deposit							
			X X X	5,338	869	16,135,466	X X X
0499999 Cash in Company's Office							
			X X X	X X X	X X X	X X X	
0599999 Total Cash							
			X X X	5,338	869	16,135,466	X X X

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	78,235,285	4. April	40,702,579	7. July	32,061,705	10. October	33,029,245
2. February	64,817,031	5. May	108,695,030	8. August	134,105,213	11. November	110,150,087
3. March	42,801,319	6. June	16,393,933	9. September	36,514,590	12. December	16,135,466

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

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
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> N O N E </div>							
8699999 Total Cash Equivalents							

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

	States. Etc.	1	2	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
		Type of Deposit	Purpose of Deposit	3	4	5	6
				Book/Adjusted Carrying Value	Fair Value	Book/Adjusted Carrying Value	Fair Value
1.	Alabama (AL)						
2.	Alaska (AK)						
3.	Arizona (AZ)						
4.	Arkansas (AR)						
5.	California (CA)						
6.	Colorado (CO)						
7.	Connecticut (CT)						
8.	Delaware (DE)						
9.	District of Columbia (DC)						
10.	Florida (FL)						
11.	Georgia (GA)						
12.	Hawaii (HI)						
13.	Idaho (ID)						
14.	Illinois (IL)						
15.	Indiana (IN)						
16.	Iowa (IA)						
17.	Kansas (KS)						
18.	Kentucky (KY)						
19.	Louisiana (LA)						
20.	Maine (ME)						
21.	Maryland (MD)						
22.	Massachusetts (MA)						
23.	Michigan (MI)						
24.	Minnesota (MN)						
25.	Mississippi (MS)						
26.	Missouri (MO)						
27.	Montana (MT)						
28.	Nebraska (NE)						
29.	Nevada (NV)						
30.	New Hampshire (NH)						
31.	New Jersey (NJ)						
32.	New Mexico (NM)						
33.	New York (NY)						
34.	North Carolina (NC)						
35.	North Dakota (ND)						
36.	Ohio (OH)						
37.	Oklahoma (OK)						
38.	Oregon (OR)						
39.	Pennsylvania (PA)						
40.	Rhode Island (RI)						
41.	South Carolina (SC)						
42.	South Dakota (SD)						
43.	Tennessee (TN)						
44.	Texas (TX)						
45.	Utah (UT)						
46.	Vermont (VT)						
47.	Virginia (VA)						
48.	Washington (WA)						
49.	West Virginia (WV)						
50.	Wisconsin (WI)						
51.	Wyoming (WY)						
52.	American Samoa (AS)						
53.	Guam (GU)						
54.	Puerto Rico (PR)	C	Statutory Deposit Requirement	641,694	641,694		
55.	U.S. Virgin Islands (VI)						
56.	Northern Mariana Islands (MP)						
57.	Canada (CAN)						
58.	Aggregate Alien and Other (OT)	X X X	X X X				
59.	Total	X X X	X X X	641,694	641,694		
DETAILS OF WRITE-INS							
5801.							
5802.							
5803.							
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X				
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	X X X				



SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended December 31, 2013
(To be filed by March 1)

PART 1 - INTERROGATORIES

1. The reporting insurer is a member of a group of insurers or other holding company system:
If yes, do the below amounts represent 1) total gross compensation paid to each individual by or on behalf of all companies that are part of the group:
or 2) allocation to each insurer: Yes [] No [X]
2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity? Yes [] No [X]
3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement? Yes [] No [X]

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1	2	Annual Compensation			
		3	4	5	6
Name and Principal Position	Year	Salary	Bonus	All Other Compensation	Totals
1. Chief Executive Officer	2013				
	2012				
	2011				
NONE					
2.					
3.	2012				
	2011				
4.	2013				
	2012				
	2011				
5.	2013				
	2012				
	2011				
6.	2013				
	2012				
	2011				
7.	2013				
	2012				
	2011				
8.	2013				
	2012				
	2011				
9.	2013				
	2012				
	2011				
10.	2013				
	2012				
	2011				

PART 3 - DIRECTOR COMPENSATION

1	2	3	4
Name and Principal Position or Occupation	Compensation Paid or Deferred for Services as Director	All Other Compensation Paid or Deferred	Totals
NONE			
9999999			



SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For the year ended December 31, 2013
(To Be Filed by April 1)

Of The MCS Advantage Inc.
 Address (City, State, Zip Code) San Juan, PR, 00917
 NAIC Group Code 1301 NAIC Company Code 13022 Employer's ID Number 660642758

The Investment Risk Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.
 Answer the following interrogatories by reporting the applicable U. S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. \$ 189,023,133

1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2. Ten largest exposures to a single issuer/borrower/investment.			
2.01	Banco Popular de Puerto Rico Cash	9,662,460	5.112
2.02	Rochester NY Bond	355,176	0.188
2.03	UBS Money Market Cash	4,192,167	2.218
2.04	Merrill Lynch Cash	1,389,146	0.735
2.05	Chicago IL Proj Bond	500,000	0.265
2.06	City of Dallas TX Bond	300,940	0.159
2.07	Lexington Mass Bond	285,140	0.151
2.08	San Francisco CA City Bond	361,173	0.191
2.09	PR HWY & Trans Bond	949,495	0.502
2.10	Mississippi St Telecom Bond	652,083	0.345

NAIC Designation	1 Amount	2 Percent
3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation.		
Bonds		
3.01 NAIC 1	81,623,383	43.182
3.02 NAIC 2	189,261	0.100
3.03 NAIC 3	949,495	0.502
3.04 NAIC 4		
3.05 NAIC 5		
3.06 NAIC 6		
Preferred Stocks		
3.07 P/RP-1		
3.08 P/RP-2		
3.09 P/RP-3		
3.10 P/RP-4		
3.11 P/RP-5		
3.12 P/RP-6		

4. Assets held in foreign investments:
 4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[]
 If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

	1 Amount	2 Percent
4.02 Total admitted assets held in foreign investments		
4.03 Foreign-currency-denominated investments		
4.04 Insurance liabilities denominated in that same foreign currency		

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

	1 Amount	2 Percent
NAIC Sovereign Designation		
5. Aggregate foreign investment exposure categorized by NAIC sovereign designation:		
5.01 Countries designated NAIC 1		
5.02 Countries designated NAIC 2		
5.03 Countries designated NAIC 3 or below		

	1 Amount	2 Percent
NAIC Sovereign Designation		
6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:		
Countries designated NAIC 1:		
6.01		
6.02		
Countries designated NAIC 2:		
6.03		
6.04		
Countries designated NAIC 3 or below:		
6.05		
6.06		

	1 Amount	2 Percent
Description		
7. Aggregate unhedged foreign currency exposure		

	1 Amount	2 Percent
NAIC Sovereign Designation		
8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign designation:		
8.01 Countries designated NAIC 1		
8.02 Countries designated NAIC 2		
8.03 Countries designated NAIC 3 or below		

	1 Amount	2 Percent
NAIC Sovereign Designation		
9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign designation:		
Countries designated NAIC 1:		
9.01		
9.02		
Countries designated NAIC 2:		
9.03		
9.04		
Countries designated NAIC 3 or below:		
9.05		
9.06		

	2 NAIC Designation	3 Amount	4 Percent
1 Issuer			
10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:			
10.01			
10.02			
10.03			
10.04			
10.05			
10.06			
10.07			
10.08			
10.09			
10.10			

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets?

Yes[X] No[]

If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.

Description	1 Amount	2 Percent
11.02 Total admitted assets held in Canadian Investments
11.03 Canadian-currency-denominated investments
11.04 Canadian-denominated insurance liabilities
11.05 Unhedged Canadian currency exposure

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets?

Yes[X] No[]

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

1 Contractual Sales Restrictions	2 Amount	3 Percent
12.02 Aggregate statement value of investments with contractual sales restrictions
Largest 3 investments with contractual sales restrictions:		
12.03
12.04
12.05

13. Amounts and percentages of admitted assets held in the ten largest equity interests:

13.01 Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets?

Yes[X] No[]

If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

1 Name of Issuer	2 Amount	3 Percent
Assets held in equity interests:		
13.02
13.03
13.04
13.05
13.06
13.07
13.08
13.09
13.10
13.11

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets?

Yes[X] No[]

If response to 14.01 above is yes, responses are not required for the remainder of Interrogatory 14.

1 Investment Category		2 Amount	3 Percent
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities		
	Largest 3 investments held in nonaffiliated, privately placed equities:		
14.03	.....	
14.04	.....	
14.05	.....	

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets?

Yes[X] No[]

If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.

1 Investments in General Partnerships		2 Amount	3 Percent
15.02	Aggregate statement value of investments held in general partnership interests		
	Largest 3 investments in general partnership interests:		
15.03	.....	
15.04	.....	
15.05	.....	

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets?

Yes[X] No[]

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

1 Type (Residential, Commercial, Agricultural)		2 Amount	3 Percent
Total admitted assets held in Mortgage Loans			
16.02		
16.03		
16.04		
16.05		
16.06		
16.07		
16.08		
16.09		
16.10		
16.11		

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

Description	Loans	
	2 Amount	3 Percent
Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:		
16.12 Construction loans		
16.13 Mortgage loans over 90 days past due		
16.14 Mortgage loans in the process of foreclosure		
16.15 Mortgage loans foreclosed		
16.16 Restructured mortgage loans		

Loan-to-Value	Residential		Commercial		Agricultural	
	1 Amount	2 Percent	3 Amount	4 Percent	5 Amount	6 Percent
17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:						
17.01 Above 95%						
17.02 91% to 95%						
17.03 81% to 90%						
17.04 71% to 80%						
17.05 Below 70%						

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets?

Yes[X] No[]

If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

1 Description	2 Amount	3 Percent
Largest 5 investments in any one parcel or group of contiguous parcels of real estate:		
18.02		
18.03		
18.04		
18.05		
18.06		

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets?

Yes[X] No[]

If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

1 Description	2 Amount	3 Percent
19.02 Aggregate statement value of investments held in mezzanine real estate loans		
Largest three investments held in mezzanine real estate loans:		
19.03		
19.04		
19.05		

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

Description	At Year-End		Amount at End of Each Quarter		
	Amount 1	Percent 2	1st Qtr 3	2nd Qtr 4	3rd Qtr 5
20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:					
20.01 Securities lending agreements (do not include assets held as collateral for such transactions)					
20.02 Repurchase agreements					
20.03 Reverse repurchase agreements					
20.04 Dollar repurchase agreements					
20.05 Dollar reverse repurchase agreements					

Description	Owned		Written	
	1 Amount	2 Percent	3 Amount	4 Percent
21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:				
21.01 Hedging				
21.02 Income generation				
21.03 Other				

Description	At Year-End		Amount at End of Each Quarter		
	Amount 1	Percent 2	1st Qtr 3	2nd Qtr 4	3rd Qtr 5
22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:					
22.01 Hedging					
22.02 Income generation					
22.03 Replications					
22.04 Other					

Description	At Year-End		Amount at End of Each Quarter		
	Amount 1	Percent 2	1st Qtr 3	2nd Qtr 4	3rd Qtr 5
23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:					
23.01 Hedging					
23.02 Income generation					
23.03 Replications					
23.04 Other					

Supp8 A H Policy Experience Exhibit (Individual 1-8) NONE

Supp9 A H Policy Experience Exhibit (Individual 9-19) NONE

Supp10 A H Policy Experience Exhibit (Group) NONE

Supp11 A H Policy Experience Exhibit - Part 1 Summary NONE

Supp11 A H Policy Experience Exhibit - Part 2 Summary NONE

Supp11 A H Policy Experience Exhibit - Part 3 Summary NONE

Supp11 A H Policy Experience Exhibit - Part 4 Summary NONE



MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT
For The Year Ended December 31, 2013

(To be filed by March 1)
FOR THE STATE OF PUERTO RICO

NAIC Group Code: 1301

NAIC Company Code: 13022

Address (City, State and Zip Code): San Juan, PR 00917

Person Completing This Exhibit:

Title:

Telephone Number:

1 Compliance with OBRA	2 Policy Form Number	3 Standardized Medicare Supplement Benefit Plan	4 Medicare Select	5 Plan Characteristics	6 Date Approved	7 Date Approval Withdrawn	8 Date Last Amended	9 Date Closed	10 Policy Marketing Trade Name	Policies Issued Through 2010				Policies Issued in 2011, 2012, 2013			
										11 Premiums Earned	12 Incurred Claims		14 Number of Covered Lives	15 Premiums Earned	16 Incurred Claims		18 Number of Covered Lives
											12 Amount	13 Percent of Premiums Earned			16 Amount	17 Percent of Premiums Earned	
NONE																	
0299999 Total Experience on Group Policies																	

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details:
2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
 - 2.1 Address:
 - 2.2 Contact Person and Phone Number:
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B)
 - 3.1 Address:
 - 3.2 Contact Person and Phone Number:
4. Explain any policies identified above as policy type "O":

Suppl 12 Puerto Rico



NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
SCHEDULE SIS

STOCKHOLDER INFORMATION SUPPLEMENT

FOR THE YEAR ENDED
December 31, 2013

(To Be Filed by March 1)

REQUIRED BY THE APPLICABLE QUESTION ON THE SUPPLEMENTAL EXHIBITS AND SCHEDULES
INTERROGATORIES FOR THE PROPERTY / CASUALTY, LIFE ACCIDENT AND HEALTH, TITLE
AND HEALTH INSURANCE BLANKS

TO ANNUAL STATEMENT OF THE

MCS Advantage Inc.

COMPANY

FINANCIAL REPORTING TO STOCKHOLDERS

1. Did the company distribute to its stockholders prior to the Annual Meeting during the year an Annual Report for the previous year? Yes[] No[X]
 If answer is "Yes" attach copy. If answer is "No" explain in detail below. Attach separate sheet if necessary.: MCS Advantage is owned on a 100% by Medical Card System Inc. (MCS) MCS receive receive quarterly reporting from MCS Advantage.

2. Will the company distribute to its stockholders prior to the Annual Meeting during the following year an Annual Report for the current year? Yes[] No[X]
 If answer is "Yes" a copy of the report shall be forwarded to the Insurance Commissioner of the company's domiciliary state at the same time as it is distributed to stockholders. If answer is "No" explain in detail below. Attach separate sheet if necessary.: MCS Advantage is owned on a 100% by Medical Card System Inc. (MCS) MCS receive receive quarterly reporting from MCS Advantage.

3. If an Annual Report to stockholders was distributed for the previous year; (1) was such distribution prior to or contemporaneous with the solicitation of proxies in respect to the Annual Meeting? Yes[] No[X]
 If answer is "No" explain in detail below. Attach separate sheet if necessary.: MCS Advantage is owned on a 100% by Medical Card System Inc. (MCS) MCS receive receive quarterly reporting from MCS Advantage.
 (2) Did it contain the following financial statements (indicate answer in Column A) and were such financial statements prepared substantially on the basis (individual or consolidated) as required to be present in the Company's Annual Statement (indicate answer in Column B)?

	Column A	Column B
To be answered by Life and A & H Companies:		
a. Statement of Assets, Liabilities, Surplus and Other Funds	Yes[] No[X]	Yes[] No[X]
b. Summary of Operations	Yes[] No[X]	Yes[] No[X]
c. Surplus Account	Yes[] No[X]	Yes[] No[X]
To be answered by Property and Casualty Companies:		
a. Statement of Assets, Liabilities, Surplus and Other Funds	Yes[] No[X]	Yes[] No[X]
b. Statement of Income	Yes[] No[X]	Yes[] No[X]
c. Capital and Surplus Account	Yes[] No[X]	Yes[] No[X]
To be answered by Title Insurance Companies		
a. Statement of Assets, Liabilities, Surplus and Other Funds	Yes[] No[X]	Yes[] No[X]
b. Statement of Income - Operations and Investment Exhibit	Yes[] No[X]	Yes[] No[X]
c. Capital and Surplus Account	Yes[] No[X]	Yes[] No[X]
To be answered by Health Insurance Companies:		
a. Statement of Assets, Liabilities, Capital and Surplus	Yes[] No[X]	Yes[] No[X]
b. Statement of Revenue and Expenses	Yes[] No[X]	Yes[] No[X]
c. Capital and Surplus Account	Yes[] No[X]	Yes[] No[X]

STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

(See Instructions Below)

1	2	3	Number of Shares					
			4	5	Disposed of During Current Year		8	9
					6	7		
Name and Title of (a) Each Director and Each Officer with any ownership and (b) any other Owner of more than 10%	Title of Security	Nature of Ownership	Owned at end of Prior Year	Acquired During Current Year	Held Less Than 6 Months	Held 6 Months or More	Owned at End of Current Year	Percentage of Voting Stock Directly and Indirectly Owned or Controlled at the End of the Current Year
Medical Card System Inc	Common Stock	Direct	1				1	100.000

Note: Answer "yes" or "no" as to whether the information concerning the number of shares owned at the end of the year (as shown in Column 8) by each Director and the three highest paid Officers whose aggregate direct remuneration exceeded \$100,000 during the year, has been or will be furnished to stockholders in a proxy statement or otherwise. No If answer is "no", explain in detail on a separate sheet.

State the number of stockholders of record of the company at the end of the year. Answer: 1

Has the state of domicile granted an exemption or disclaimer of control? Answer: No

If answer is "yes" explain:



Medicare Part D Coverage Supplement (Net of Reinsurance)

NAIC Group Code: 1301

(To be Filed By March 1)

NAIC Company Code: 13022

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected					
1.1 Standard Coverage					
1.11 With Reinsurance Coverage		X X X		X X X	
1.12 Without Reinsurance Coverage		X X X		X X X	
1.13 Risk-Corridor Payment Adjustments		X X X		X X X	
1.2 Supplemental Benefits		X X X		X X X	
2. Premiums Due and Uncollected - change					
2.1 Standard Coverage					
2.11 With Reinsurance Coverage		X X X		X X X	X X X
2.12 Without Reinsurance Coverage		X X X		X X X	X X X
2.2 Supplemental Benefits		X X X		X X X	X X X
3. Unearned Premium and Advance Premium - change					
3.1 Standard Coverage					
3.11 With Reinsurance Coverage		X X X		X X X	X X X
3.12 Without Reinsurance Coverage		X X X		X X X	X X X
3.2 Supplemental Benefits		X X X		X X X	X X X
4. Risk-Corridor Payment Adjustments - change					
4.1 Receivable		X X X		X X X	X X X
4.2 Payable		X X X		X X X	X X X
5. Earned Premiums					
5.1 Standard Coverage					
5.11 With Reinsurance Coverage		X X X		X X X	X X X
5.12 Without Reinsurance Coverage		X X X		X X X	X X X
5.13 Risk-Corridor Payment Adjustments		X X X		X X X	X X X
5.2 Supplemental Benefits		X X X		X X X	X X X
6. Total Premiums		X X X		X X X	
7. Claims Paid					
7.1 Standard Coverage					
7.11 With Reinsurance Coverage		NONE		X X X	
7.12 Without Reinsurance Coverage		NONE		X X X	
7.2 Supplemental Benefits		NONE		X X X	
8. Claim Reserves and Liabilities - change					
8.1 Standard Coverage					
8.11 With Reinsurance Coverage		X X X		X X X	X X X
8.12 Without Reinsurance Coverage		X X X		X X X	X X X
8.2 Supplemental Benefits		X X X		X X X	X X X
9. Healthcare Receivables - change					
9.1 Standard Coverage					
9.11 With Reinsurance Coverage		X X X		X X X	X X X
9.12 Without Reinsurance Coverage		X X X		X X X	X X X
9.2 Supplemental Benefits		X X X		X X X	X X X
10. Claims Incurred					
10.1 Standard Coverage					
10.11 With Reinsurance Coverage		X X X		X X X	X X X
10.12 Without Reinsurance Coverage		X X X		X X X	X X X
10.2 Supplemental Benefits		X X X		X X X	X X X
11. Total Claims		X X X		X X X	
12. Reinsurance Coverage and Low Income Cost Sharing					
12.1 Claims Paid - Net of reimbursements applied	X X X		X X X		
12.2 Reimbursements Received but Not Applied - change	X X X		X X X		
12.3 Reimbursements Receivable - change	X X X		X X X		X X X
12.4 Healthcare Receivables - change	X X X		X X X		X X X
13. Aggregate Policy Reserves - change					X X X
14. Expenses Paid		X X X		X X X	
15. Expenses Incurred		X X X		X X X	X X X
16. Underwriting Gain/Loss		X X X		X X X	X X X
17. Cash Flow Result	X X X	X X X	X X X	X X X	

Supp18 Long Term Care Form 1 NONE

Supp19 Long Term Care Form 2 NONE

Supp20 Long Term Care Form 3 - Part A NONE

Supp21 Long Term Care Form 3 - Part B NONE

Supp22 Long Term Care Form 3 - Part C NONE

Supp23 Long Term Care Form 4 NONE

Supp24 Long Term Care Form 5 NONE

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1

(To Be Filed by April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION: MCS Advantage Inc. 2. LOCATION: San Juan, PR 00917



NAIC Group Code 1301

BUSINESS IN THE STATE OF Puerto Rico DURING THE YEAR 2013

NAIC Company Code 13022

Supp80 Puerto Rico

	Business Subject to MLR								9 Student Health Plans	10 Government Business (Excluded by Statute)	11 Other Health Business	12 Aggregate (2% Rule)	13 Subtotal (Cols. 1 thru 12)	14 Uninsured Plans	15 Total (Cols. 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans								
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
1. Premium:															
1.01 Health premiums earned (From Part 2, Line 1.11)														XXX	
1.02 Federal high risk pools														XXX	
1.03 State high risk pools														XXX	
1.04 Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)														XXX	
1.05 Federal taxes and federal assessments															
1.06 State insurance, premium and other taxes (Similar local taxes of \$#####)															
1.06A Community Benefit Expenditures (informational only)															
1.07 Regulatory authority licenses and fees															
1.08 Adjusted Premiums Earned (Lines 1.4 - 1.5 - 1.6 - 1.7)														XXX	
1.09 Net assumed less ceded reinsurance premiums earned														XXX	
1.10 Other adjustments due to MLR calculations - Premiums														XXX	
1.11 Risk Revenue														XXX	
1.12 Net adjusted premiums earned after reinsurance (Lines 1.8 + 1.9 + 1.10 + 1.11)														XXX	
2. Claims:															
2.1 Incurred claims excluding prescription drugs														XXX	
2.2 Prescription drugs														XXX	
2.3 Pharmaceutical rebates														XXX	
2.4 State stop-loss, market stabilization and claim/census based assessments (informational only)														XXX	
3. Incurred medical incentive pools and bonuses														XXX	
4. Deductible Fraud and Abuse Detection/Recovery Expenses (for MLR use only)															
5.0 Total Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 3) (From Part 2, Line 2.15)														XXX	
5.1 Net assumed less ceded reinsurance claims incurred														XXX	
5.2 Other adjustments due to MLR calculations - Claims														XXX	
5.3 Rebates Paid										XXX	XXX	XXX		XXX	
5.4 Estimated rebates unpaid prior year										XXX	XXX	XXX		XXX	
5.5 Estimated rebates unpaid current year										XXX	XXX	XXX		XXX	
5.6 Fee for service and co-pay revenue														XXX	
5.7 Net incurred claims after reinsurance (Lines 5.0 + 5.1 + 5.2 + 5.3 - 5.4 + 5.5 - 5.6)														XXX	

NONE

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1 (Continued)

(To Be Filed by April 1 - Not for Rebate Purposes)

Supp81 Puerto Rico

	Business Subject to MLR									10 Government Business (Excluded by Statute)	11 Other Health Business	12 Aggregate (2% Rule)	13 Subtotal (Cols. 1 thru 12)	14 Uninsured Plans	15 Total (Cols. 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9 Student Health Plans						
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes															
6.2 Activities to prevent hospital readmissions															
6.3 Improve patient safety and reduce medical errors															
6.4 Wellness and health promotion activities															
6.5 Health Information Technology expenses related to health improvement															
6.6 Total of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1 to 6.5)															
7. Preliminary Medical Loss Ratio: MLR (Lines 4 + 5.0 + 6.6) / Line 1.8										XXX	XXX	XXX	XXX	XXX	XXX
8. Claim Adjustment Expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6															
8.2 All other claims adjustment expenses															
8.3 Total claims adjustment expenses (Lines 8.1 + 8.2)															
9. Claims Adjustment Expense Ratio (Line 8.3 / Line 1.8)													XXX	XXX	XXX
10. General and Administrative (G&A) Expenses:															
10.1 Direct sales salaries and benefits															
10.2 Agents and brokers fees and commissions															
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)															
10.4 Other general and administrative expenses															
10.4A Community Benefit Expenditures (informational only)															
10.5 Total general and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4)															
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)														XXX	
12. Income from fees of uninsured plans	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Net investment and other gain/(loss)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
14. Federal income taxes (excluding taxes on Line 1.5 above)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
16. ICD-10 Implementation Expenses (informational only; already included in general expenses and Line 6.5)															
16A. ICD-10 Implementation Expenses (informational only; already included in Line 6.5)															
O. OTHER INDICATORS:															
O1. Number of Certificates / Policies															
O2. Number of Covered Lives															
O3. Number of Groups	XXX			XXX											
O4. Member Months															

NONE

(a) Is run off business reported in Columns 1 through 9? Yes [] No [X]
 (b) If yes, show the amount of premiums and claims included: Premiums \$.....0 Claims \$.....0

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2

(To Be Filed By April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION: MCS Advantage Inc. 2. LOCATION: San Juan, PR 00917

NAIC Group Code 1301

BUSINESS IN THE STATE OF Puerto Rico DURING THE YEAR 2013

NAIC Company Code 13022

Supp82 Puerto Rico

	Business Subject to MLR										10 Government Business (Excluded by Statute)	11 Other Health Business	12 Aggregate (2% Rule)	13 Total (a)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9 Student Health Plans					
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group						
1. Health Premiums Earned														
1.01 Direct premiums written														
1.02 Unearned premium prior year														
1.03 Unearned premium current year														
1.04 Change in unearned premium (Lines 1.2 - 1.3)														
1.05 Paid rate credits														
1.06 Reserve for rate credits current year														
1.07 Reserve for rate credits prior year														
1.08 Change in reserve for rate credits (Lines 1.6 - 1.7)														
1.09 Premium balances written off														
1.10 Group conversion charges														
1.11 TOTAL direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10)														
1.12 Assumed premiums earned from non-affiliates														
1.13 Net assumed less ceded premiums earned from affiliates														
1.14 Ceded premiums earned to non-affiliates														
1.15 Other adjustments due to MLR calculation - Premiums														
1.16 Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15)														
2. Direct Claims Incurred:														
2.01 Paid claims during the year														
2.02 Direct claim liability current year														
2.03 Direct claim liability prior year														
2.04 Direct claim reserves current year														
2.05 Direct claim reserves prior year														
2.06 Direct contract reserves current year														
2.07 Direct contract reserves prior year														
2.08 Paid rate credits														
2.09 Reserve for rate credits current year														
2.10 Reserve for rate credits prior year														
2.11 Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c)														
2.11A Paid medical incentive pools and bonuses current year														
2.11B Accrued medical incentive pools and bonuses current year														
2.11C Accrued medical incentive pools and bonuses prior year														
2.12 Net healthcare receivables (Lines 2.12a - 2.12b)														
2.12A Healthcare receivables current year														
2.12B Healthcare receivables prior year														
2.13 Group conversion charge														
2.14 Multi-option coverage blended rate adjustment														
2.15 TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 2.4 - 2.5 + 2.6 - 2.7 + 2.8 + 2.9 - 2.10 + 2.11 - 2.12 + 2.13 + 2.14)														
2.16 Assumed Incurred Claims from non-affiliates														
2.17 Net Assumed less Ceded Incurred Claims from affiliates														
2.18 Ceded Incurred Claims to non-affiliates														
2.19 Other Adjustments due to MLR calculation - Claims														
2.20 Net Incurred Claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 + 2.17 - 2.18 + 2.19)														
3. Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only)														

(a) Column 13, Line 1.1 includes direct written premium of \$.....0 for stand-alone dental and \$.....0 for stand-alone vision policies.

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)
 (To Be Filed By April 1 - Not for Rebate Purposes)

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses			8 Other Claims Adjustment Expenses
4.	Individual Mini-Med Plans Expenses									
4.01	Salaries (including \$.....0 for affiliated services)									
4.02	Outsourced services									
4.03	EDP equipment and software (including \$.....0 for affiliated services)									
4.04	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
4.05	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
4.06	Other expenses (including \$.....0 for affiliated services)									
4.07	Subtotal before reimbursements and taxes (Lines 4.1 to 4.6)									
4.08	Reimbursements by uninsured plans and fiscal intermediaries									
4.09	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
4.10	TOTAL (Lines 4.7 to 4.9)									
4.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
5.	Small Group Mini-Med Plans Expenses									
5.01	Salaries (including \$.....0 for affiliated services)									
5.02	Outsourced services									
5.03	EDP Equipment and Software (including \$.....0 for affiliated services)									
5.04	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
5.05	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
5.06	Other expenses (including \$.....0 for affiliated services)									
5.07	Subtotal before reimbursements and taxes (Lines 5.1 to 5.6)									
5.08	Reimbursements by uninsured plans and fiscal intermediaries									
5.09	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
5.10	TOTAL (Lines 5.7 to 5.9)									
5.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
6.	Large Group Mini-Med Plans Expenses									
6.01	Salaries (including \$.....0 for affiliated services)									
6.02	Outsourced services									
6.03	EDP equipment and software (including \$.....0 for affiliated services)									
6.04	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
6.05	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
6.06	Other expenses (including \$.....0 for affiliated services)									
6.07	Subtotal before reimbursements and taxes (Lines 6.1 to 6.6)									
6.08	Reimbursements by uninsured plans and fiscal intermediaries									
6.09	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
6.10	TOTAL (Lines 6.7 to 6.9)									
6.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

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SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)
 (To Be Filed By April 1 - Not for Rebate Purposes)

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (Cols. 6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses		
7.	Small Group Expatriate Plans Expenses									
7.01	Salaries (including \$.....0 for affiliated services)									
7.02	Outsourced services									
7.03	EDP equipment and software (including \$.....0 for affiliated services)									
7.04	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
7.05	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
7.06	Other expenses (including \$.....0 for affiliated services)									
7.07	Subtotal before reimbursements and taxes (Lines 7.1 to 7.6)									
7.08	Reimbursements by uninsured plans and fiscal intermediaries									
7.09	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
7.10	TOTAL (Lines 7.7 to 7.9)									
7.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
8.	Large Group Expatriate Plans Expenses									
8.01	Salaries (including \$.....0 for affiliated services)									
8.02	Outsourced services									
8.03	EDP equipment and software (including \$.....0 for affiliated services)									
8.04	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
8.05	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
8.06	Other expenses (including \$.....0 for affiliated services)									
8.07	Subtotal before reimbursements and taxes (Lines 8.1 to 8.6)									
8.08	Reimbursements by uninsured plans and fiscal intermediaries									
8.09	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
8.10	TOTAL (Lines 8.7 to 8.9)									
8.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
9.	Student Health Plans Expenses									
9.01	Salaries (including \$.....0 for affiliated services)									
9.02	Outsourced services									
9.03	EDP equipment and software (including \$.....0 for affiliated services)									
9.04	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
9.05	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
9.06	Other expenses (including \$.....0 for affiliated services)									
9.07	Subtotal before reimbursements and taxes (Lines 9.1 to 9.6)									
9.08	Reimbursements by uninsured plans and fiscal intermediaries									
9.09	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
9.10	TOTAL (Lines 9.7 to 9.9)									
9.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

Supp85 Puerto Rico

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1 (Continued)

(To Be Filed by April 1 - Not for Rebate Purposes)

Supp81 Grand Total

	Business Subject to MLR									10 Government Business (Excluded by Statute)	11 Other Health Business	12 Aggregate (2% Rule)	13 Subtotal (Cols. 1 thru 12)	14 Uninsured Plans	15 Total (Cols. 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9 Student Health Plans						
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes															
6.2 Activities to prevent hospital readmissions															
6.3 Improve patient safety and reduce medical errors															
6.4 Wellness and health promotion activities															
6.5 Health Information Technology expenses related to health improvement															
6.6 Total of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1 to 6.5)															
7. Preliminary Medical Loss Ratio: MLR (Lines 4 + 5.0 + 6.6) / Line 1.8										XXX	XXX	XXX	XXX	XXX	XXX
8. Claim Adjustment Expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6															
8.2 All other claims adjustment expenses															
8.3 Total claims adjustment expenses (Lines 8.1 + 8.2)															
9. Claims Adjustment Expense Ratio (Line 8.3 / Line 1.8)													XXX	XXX	XXX
10. General and Administrative (G&A) Expenses:															
10.1 Direct sales salaries and benefits															
10.2 Agents and brokers fees and commissions															
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)															
10.4 Other general and administrative expenses															
10.4A Community Benefit Expenditures (informational only)															
10.5 Total general and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4)															
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)														XXX	
12. Income from fees of uninsured plans	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
13. Net investment and other gain/(loss)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
14. Federal income taxes (excluding taxes on Line 1.5 above)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
16. ICD-10 Implementation Expenses (informational only; already included in general expenses and Line 6.5)															
16A. ICD-10 Implementation Expenses (informational only; already included in Line 6.5)															
O. OTHER INDICATORS:															
O1. Number of Certificates / Policies															
O2. Number of Covered Lives															
O3. Number of Groups	XXX			XXX											
O4. Member Months															

(a) Is run off business reported in Columns 1 through 9? Yes [] No [X]
 (b) If yes, show the amount of premiums and claims included: Premiums \$.....0 Claims \$.....0

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2

(To Be Filed By April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION: MCS Advantage Inc. 2. LOCATION: San Juan, PR 00917

NAIC Group Code 1301

BUSINESS IN THE STATE OF Grand Total DURING THE YEAR 2013

NAIC Company Code 13022

Supp82 Grand Total

	Business Subject to MLR									10 Government Business (Excluded by Statute)	11 Other Health Business	12 Aggregate (2% Rule)	13 Total (a)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9 Student Health Plans				
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group					
1. Health Premiums Earned													
1.01 Direct premiums written													
1.02 Unearned premium prior year													
1.03 Unearned premium current year													
1.04 Change in unearned premium (Lines 1.2 - 1.3)													
1.05 Paid rate credits													
1.06 Reserve for rate credits current year													
1.07 Reserve for rate credits prior year													
1.08 Change in reserve for rate credits (Lines 1.6 - 1.7)													
1.09 Premium balances written off													
1.10 Group conversion charges													
1.11 TOTAL direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10)													
1.12 Assumed premiums earned from non-affiliates													
1.13 Net assumed less ceded premiums earned from affiliates													
1.14 Ceded premiums earned to non-affiliates													
1.15 Other adjustments due to MLR calculation - Premiums													
1.16 Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15)													
2. Direct Claims Incurred:													
2.01 Paid claims during the year													
2.02 Direct claim liability current year													
2.03 Direct claim liability prior year													
2.04 Direct claim reserves current year													
2.05 Direct claim reserves prior year													
2.06 Direct contract reserves current year													
2.07 Direct contract reserves prior year													
2.08 Paid rate credits													
2.09 Reserve for rate credits current year													
2.10 Reserve for rate credits prior year													
2.11 Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c)													
2.11A Paid medical incentive pools and bonuses current year													
2.11B Accrued medical incentive pools and bonuses current year													
2.11C Accrued medical incentive pools and bonuses prior year													
2.12 Net healthcare receivables (Lines 2.12a - 2.12b)													
2.12A Healthcare receivables current year													
2.12B Healthcare receivables prior year													
2.13 Group conversion charge													
2.14 Multi-option coverage blended rate adjustment													
2.15 TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 2.4 - 2.5 + 2.6 - 2.7 + 2.8 + 2.9 - 2.10 + 2.11 - 2.12 + 2.13 + 2.14)													
2.16 Assumed Incurred Claims from non-affiliates													
2.17 Net Assumed less Ceded Incurred Claims from affiliates													
2.18 Ceded Incurred Claims to non-affiliates													
2.19 Other Adjustments due to MLR calculation - Claims													
2.20 Net Incurred Claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 + 2.17 - 2.18 + 2.19)													
3. Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only)													

(a) Column 13, Line 1.1 includes direct written premium of \$.....0 for stand-alone dental and \$.....0 for stand-alone vision policies.

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)
 (To Be Filed By April 1 - Not for Rebate Purposes)

All Expenses		Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses			8 Other Claims Adjustment Expenses
4.	Individual Mini-Med Plans Expenses									
4.01	Salaries (including \$.....0 for affiliated services)									
4.02	Outsourced services									
4.03	EDP equipment and software (including \$.....0 for affiliated services)									
4.04	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
4.05	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
4.06	Other expenses (including \$.....0 for affiliated services)									
4.07	Subtotal before reimbursements and taxes (Lines 4.1 to 4.6)									
4.08	Reimbursements by uninsured plans and fiscal intermediaries									
4.09	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
4.10	TOTAL (Lines 4.7 to 4.9)									
4.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
5.	Small Group Mini-Med Plans Expenses									
5.01	Salaries (including \$.....0 for affiliated services)									
5.02	Outsourced services									
5.03	EDP Equipment and Software (including \$.....0 for affiliated services)									
5.04	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
5.05	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
5.06	Other expenses (including \$.....0 for affiliated services)									
5.07	Subtotal before reimbursements and taxes (Lines 5.1 to 5.6)									
5.08	Reimbursements by uninsured plans and fiscal intermediaries									
5.09	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
5.10	TOTAL (Lines 5.7 to 5.9)									
5.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
6.	Large Group Mini-Med Plans Expenses									
6.01	Salaries (including \$.....0 for affiliated services)									
6.02	Outsourced services									
6.03	EDP equipment and software (including \$.....0 for affiliated services)									
6.04	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
6.05	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
6.06	Other expenses (including \$.....0 for affiliated services)									
6.07	Subtotal before reimbursements and taxes (Lines 6.1 to 6.6)									
6.08	Reimbursements by uninsured plans and fiscal intermediaries									
6.09	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
6.10	TOTAL (Lines 6.7 to 6.9)									
6.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

Supp84 Grand Total

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)
 (To Be Filed By April 1 - Not for Rebate Purposes)

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (Cols. 6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses			8 Other Claims Adjustment Expenses
7.	Small Group Expatriate Plans Expenses									
7.01	Salaries (including \$.....0 for affiliated services)									
7.02	Outsourced services									
7.03	EDP equipment and software (including \$.....0 for affiliated services)									
7.04	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
7.05	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
7.06	Other expenses (including \$.....0 for affiliated services)									
7.07	Subtotal before reimbursements and taxes (Lines 7.1 to 7.6)									
7.08	Reimbursements by uninsured plans and fiscal intermediaries									
7.09	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
7.10	TOTAL (Lines 7.7 to 7.9)									
7.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
8.	Large Group Expatriate Plans Expenses									
8.01	Salaries (including \$.....0 for affiliated services)									
8.02	Outsourced services									
8.03	EDP equipment and software (including \$.....0 for affiliated services)									
8.04	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
8.05	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
8.06	Other expenses (including \$.....0 for affiliated services)									
8.07	Subtotal before reimbursements and taxes (Lines 8.1 to 8.6)									
8.08	Reimbursements by uninsured plans and fiscal intermediaries									
8.09	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
8.10	TOTAL (Lines 8.7 to 8.9)									
8.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
9.	Student Health Plans Expenses									
9.01	Salaries (including \$.....0 for affiliated services)									
9.02	Outsourced services									
9.03	EDP equipment and software (including \$.....0 for affiliated services)									
9.04	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
9.05	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
9.06	Other expenses (including \$.....0 for affiliated services)									
9.07	Subtotal before reimbursements and taxes (Lines 9.1 to 9.6)									
9.08	Reimbursements by uninsured plans and fiscal intermediaries									
9.09	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
9.10	TOTAL (Lines 9.7 to 9.9)									
9.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

Supp85 Grand Total



SUPPLEMENTAL HEALTH CARE EXHIBIT'S EXPENSE ALLOCATION REPORT

(To Be Filed by April 1)

NAIC Group Code: 1301

NAIC Company Code: 13022

Description of allocation methodology:

Detailed Description of Quality Improvement Expenses:

1 Expense Type from Part 3	2 New	3 Detailed Description of Expense



Approval from State of Domicile for Relief related to 5-Year Rotation Requirement for Lead Audit Partner



Approval from State of Domicile for Relief related to 1-Year Cooling Off Period for Independent CPA



Approval from State of Domicile for Relief related to the Requirement for Audit Committees



Management's Discussion and Analysis

This discussion provides an assessment by management of the current financial position, results of operations, cash flow and liquidity, and changes in financial position of the Company. Information presented in this discussion supplements the financial statements, exhibits and schedules in the Annual Statement.

MCS Advantage, Inc. (the Company) is a health maintenance organization operating under the provisions of the Insurance Code and Insurance Regulations of the Commonwealth of Puerto Rico. All of the Company's business activities are in the Commonwealth of Puerto Rico, which exposes the Company to geographical risk. The Company is a wholly owned subsidiary of Medical Card System, Inc. (MCS) (formerly known as Medical Card System, Inc.)

The Company is primarily engaged in offering MA insurance coverage pursuant to 2 contracts with the Centers for Medicaid & Medicare Services (CMS), a federal agency within the U.S. Department of Health and Human Services. Under the terms of these contracts, CMS pays the Company, a fixed premium for each healthcare member of its coordinated care plan and this subsidiary provides the coverage to that member for the health services provided. Contracts are for Medicare Advantage and Prescription Drugs (MAPD) plans and for Prescription Drug Program (PDP) plans. The contracts with CMS are for a period of one year commencing January 1 and ending on December 31, and can be renewed for periods of one year, as defined in the contract. The two contracts were renewed effective January 1, 2013 for a period of one year.

The MA plans offered by the Company provide coverage to residents of Puerto Rico who are eligible for Medicare benefits. These plans provide plan members with full Medicare benefits plus coverage of Medicare deductibles and copayment amounts and additional benefits that Medicare does not provide. Also, the Company provides enhanced benefit coverage to Medicaid-eligible members under the Medicare Platino Program sponsored by the Puerto Rico Health Insurance Administration (ASES, for its acronyms in Spanish)

Financial Position

The Company's financial position at December 31 was as follows:

(In thousands)

	<u>2013</u>	<u>2012</u>
Bonds	\$ 82,762	\$ 64,309
Cash and short-term investments	16,135	73,128
Cash and invested assets	<u>98,898</u>	<u>137,437</u>
Premiums due and unpaid	55,077	21,601
Prepaid income taxes	6,685	7,087
Healthcare receivables	4,564	7,872
Uninsured plan and retrospective premiums receivable	18,461	19,210
Other assets	5,339	6,888
Total admitted assets	<u>189,023</u>	<u>200,095</u>
Claims payable	104,313	118,716
Aggregate policy reserves	-	-
Income taxes payable	-	-
Other liabilities	21,615	18,596
Total liabilities	<u>125,928</u>	<u>137,312</u>
Capital and Surplus	<u>63,095</u>	<u>62,783</u>
Total liabilities and capital and surplus	\$ 189,023	\$ 200,095
Cash & Invested assets to total admitted assets	52.32%	68.69%
Claims liab to capital & surplus	165.33%	189.09%
Claims to total admitted assets	55.19%	59.33%
Capital & surplus to total admitted assets	33.38%	31.38%

The Company maintains an adequate level of liquidity to respond for claims payable. Cash and invested assets amounts to \$98.9

Management's Discussion and Analysis

million representing 52.32% of total admitted assets. In addition, the uncollected premium balance of \$55.0 million is mainly from CMS sources and considered highly liquid. The uninsured plan and retrospective premium receivable amounted to \$18.4 million is related Part D settlements. Other admitted assets include healthcare receivables composed of pharmacy rebates and P2P receivable.

Claims payable amounted to \$104 million in 2013 or a 55.19% of total admitted assets.

Other payables include \$11 million in payable to suppliers.

Capital and surplus amounts to \$63.1 million, which represents 33.38% of total admitted assets.

Results of Operations

The Company's result of operations is summarized as follows:

(In thousands)

	<u>2013</u>	<u>2012</u>
Net Premiums	\$ 1,173,785	\$ 1,146,435
Medical costs	989,074	968,817
Claims adjustment expenses	14,124	8,287
Administrative expenses	166,573	145,496
Total	<u>1,169,770</u>	<u>1,122,600</u>
Net underwriting gain	4,015	23,835
Net investment income	1,187	3,538
other income or expenses	-	-
Income before taxes	<u>5,202</u>	<u>27,373</u>
Income taxes	1,476	35
Net Income	\$ 3,725	\$ 27,338
MLR	84.26%	84.51%
Expense rate	14.19%	12.69%

Net premiums in 2013 amounted to \$1,173.785 million. Due to sequestration adjustment, the premium was reduced by \$16.8 million.

Claims for medical services amounted to \$989.1 million in 2013. The claims ratio was 84.26% representing a positive trend from the 84.51 % in 2012.

Administration expenses amounted to \$166.6 million in 2013. The ratio of administrative cost to net premium income was 14.19%.

Net investment income for 2013 amounted to \$1.2 million.

Cash Flow and Liquidity

The Company cash flows are summarized as follows:

Management's Discussion and Analysis

	<u>2013</u>	<u>2012</u>
Cash provided from operating activities	(40,601)	3,220
Cash from investing activities	(19,169)	43,625
Cash from financing activities	2,778	(7,215)
Net change in cash	<u>(56,993)</u>	<u>39,630</u>



Audited Financial Report



Accountant's Letter of Qualification



Communication of Internal Control Related Matters Noted in an Audit



Management's Report of Internal Control over Financial Reporting

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**ANNUAL DISKETTE TRANSMITTAL FORM AND CERTIFICATION
(HEALTH)**

Name of Insurer MCS Advantage Inc.

Date _____ FEIN 660642758
 NAIC Group # 1301 NAIC Company # 13022

THIS FORM IS REQUIRED FOR ALL DISKETTE TRANSMITTALS, WITH THE EXCEPTION OF RBC FILINGS,
 PLEASE PROVIDE ANY ADDITIONAL COMMENTS THAT MAY HELP TO IDENTIFY DISKETTE CONTENT

	March	April	June
1. Is this the first time you've submitted this filing? (Y/N)	N/A	N/A	N/A
2. Is this being re-filed at the request of the NAIC or a state insurance department? (Y/N)	N/A	N/A	N/A
3. Is this being re-filed due to changes to the data originally filed? (Y/N)	N/A	N/A	N/A
4. Other? (Y/N)	N/A	N/A	N/A
(If "yes" attach an explanation.)			

B. Additional comments if necessary for clarification:

C. Diskette Contact Person: Javier Perez
 Phone: (787)758-2500
 Address:

D. Software Vendor: SunGard iWORKS - Statutory
 Version: 2013.A.1

E. Have material validation failures been addressed in the explanation file? Yes [] No[X]

F. The undersigned hereby certifies that, according to the best of his/her knowledge and belief: that the diskettes submitted with this form were prepared in compliance with the NAIC specifications, that the diskettes have been tested against the validations included with these specifications, and that annual statement information required to be contained on diskette is identical to the information in the 2013 Annual Statement blank filed with the insurer's domiciliary state insurance department. In addition, the diskettes have been scanned through a virus detection software package, and no viruses are present on the diskettes. The virus detection software used was (name):

(version number):

(Signed) _____

Type Name and Title:

Amended Explanation Page