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# ANNUAL STATEMENT

**For the Year Ended December 31, 2011**

of the Condition and Affairs of the

# Pharmacy Insurance Corporation of America, Inc.

NAIC Group Code..... , (Current Period) (Prior Period) NAIC Company Code..... 13134 Employer's ID Number..... 66-0655136

Organized under the Laws of PR State of Domicile or Port of Entry PR Country of Domicile US

Licensed as Business Type.....Health Is HMO Federally Qualified? Yes [ X ] No [ ]

Incorporated/Organized..... March 18, 2005 Commenced Business..... January 1, 2006

| | | |
|---|---|---|
| Statutory Home Office | 650 Muñoz Rivera Suite 702..... San Juan ..... PR ..... 00918<br>*(Street and Number) (City or Town, State and Zip Code)* | |
| Main Administrative Office | 650 Muñoz Rivera Suite 702..... San Juan ..... PR ..... 00918<br>*(Street and Number) (City or Town, State and Zip Code)* | 787-625-4343<br>*(Area Code) (Telephone Number)* |
| Mail Address | 650 Muñoz Rivera Suite 702..... San Juan ..... PR ..... 00918<br>*(Street and Number or P. O. Box) (City or Town, State and Zip Code)* | |
| Primary Location of Books and Records | 650 Muñoz Rivera Suite 702..... Guaynabo ..... PR ..... 00918<br>*(Street and Number) (City or Town, State and Zip Code)* | 787-625-4323<br>*(Area Code) (Telephone Number)* |
| Internet Web Site Address | www.picapr.com | |
| Statutory Statement Contact | Lorenna Villamil<br>*(Name)* | 787-625-4323<br>*(Area Code) (Telephone Number) (Extension)* |
| | lorenna.villamil@picapr.com<br>*(E-Mail Address)* | 787-625-4323<br>*(Fax Number)* |

## OFFICERS

| Name | Title | Name | Title |
|---|---|---|---|
| 1. Jon Borschow | Chairman of the Board | 2. Jason Borschow | President |
| 3. Jason Borschow | Treasurer / Secretary | 4. | |

## OTHER

## DIRECTORS OR TRUSTEES

Jason Borschow Gregory Kaufman Jon Borschow

State of.....
County of.....

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

| | | |
|---|---|---|
| (Signature) | (Signature) | (Signature) |
| Jon Borschow | Jason Borschow | Jason Borschow |
| 1. (Printed Name) | 2. (Printed Name) | 3. (Printed Name) |
| Chairman of the Board | President | Treasurer / Secretary |
| (Title) | (Title) | (Title) |

Subscribed and sworn to before me
This _____ day of _____ 2012

a. Is this an original filing? Yes [ X ] No [ ]
b. If no
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

# ASSETS

| | Current Year 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | Prior Year 4 Net Admitted Assets |
|---|---|---|---|---|
| 1. Bonds (Schedule D) | 3,553,871 | | 3,553,871 | 3,627,215 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | | | 0 | |
| 2.2 Common stocks | 619,266 | | 619,266 | 768,296 |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | | | 0 | |
| 3.2 Other than first liens | | | 0 | |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less $.....0 encumbrances) | | | 0 | |
| 4.2 Properties held for the production of income (less $.....0 encumbrances) | | | 0 | |
| 4.3 Properties held for sale (less $.....0 encumbrances) | | | 0 | |
| 5. Cash ($.....905,921, Sch. E-Part 1), cash equivalents ($.....209,806, Sch. E-Part 2) and short-term investments ($.....0, Sch. DA) | 1,115,727 | | 1,115,727 | 338,452 |
| 6. Contract loans (including $.....0 premium notes) | | | 0 | |
| 7. Derivatives (Schedule DB) | | | 0 | |
| 8. Other invested assets (Schedule BA) | | | 0 | |
| 9. Receivables for securities | | | 0 | |
| 10. Securities lending reinvested collateral assets (Schedule DL) | | | 0 | |
| 11. Aggregate write-ins for invested assets | 600,000 | 0 | 600,000 | 600,000 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 5,888,865 | 0 | 5,888,865 | 5,333,963 |
| 13. Title plants less $.....0 charged off (for Title insurers only) | | | 0 | |
| 14. Investment income due and accrued | 7,703 | | 7,703 | 9,235 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in course of collection | 678,850 | 157,815 | 521,035 | 463,049 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums) | | | 0 | |
| 15.3 Accrued retrospective premiums | | | 0 | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | | | 0 | 9,553 |
| 16.2 Funds held by or deposited with reinsured companies | | | 0 | |
| 16.3 Other amounts receivable under reinsurance contracts | | | 0 | |
| 17. Amounts receivable relating to uninsured plans | | | 0 | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | 0 | |
| 18.2 Net deferred tax asset | | | 0 | |
| 19. Guaranty funds receivable or on deposit | | | 0 | |
| 20. Electronic data processing equipment and software | | | 0 | |
| 21. Furniture and equipment, including health care delivery assets ($.....0) | | | 0 | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | |
| 23. Receivables from parent, subsidiaries and affiliates | 2,477,929 | 905,261 | 1,572,668 | 946,593 |
| 24. Health care ($.....235,072) and other amounts receivable | 236,836 | 1,764 | 235,072 | |
| 25. Aggregate write-ins for other than invested assets | 190,686 | 190,686 | 0 | 3 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 9,480,869 | 1,255,526 | 8,225,343 | 6,762,396 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 | |
| 28. TOTALS (Lines 26 and 27) | 9,480,869 | 1,255,526 | 8,225,343 | 6,762,396 |

**DETAILS OF WRITE-INS**

| | | | | |
|---|---|---|---|---|
| 1101. Insolvency Deposit - CD | 600,000 | | 600,000 | 600,000 |
| 1102. | | | 0 | |
| 1103. | | | 0 | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | 0 | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above) | 600,000 | 0 | 600,000 | 600,000 |
| 2501. Prepaid Other | 128,320 | 128,320 | 0 | |
| 2502. Other PBM Service Receivable | | | 0 | |
| 2503. Other Property and Equipment | 37,617 | 37,617 | 0 | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 24,749 | 24,749 | 0 | 3 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) | 190,686 | 190,686 | 0 | 3 |

# LIABILITIES, CAPITAL AND SURPLUS

| | Current Period | | | Prior Year |
|---|---|---|---|---|
| | 1<br>Covered | 2<br>Uncovered | 3<br>Total | 4<br>Total |
| 1. Claims unpaid (less $.....0 reinsurance ceded) | 543,865 | | 543,865 | 595,640 |
| 2. Accrued medical incentive pool and bonus amounts | | | 0 | |
| 3. Unpaid claims adjustment expenses | | | 0 | |
| 4. Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act | | | 0 | |
| 5. Aggregate life policy reserves | | | 0 | |
| 6. Property/casualty unearned premium reserve | | | 0 | |
| 7. Aggregate health claim reserves | | | 0 | |
| 8. Premiums received in advance | | | 0 | |
| 9. General expenses due or accrued | 251,625 | | 251,625 | 150,742 |
| 10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized capital gains (losses)) | | | 0 | |
| 10.2 Net deferred tax liability | 52,736 | | 52,736 | 40,716 |
| 11. Ceded reinsurance premiums payable | | | 0 | |
| 12. Amounts withheld or retained for the account of others | 97,390 | | 97,390 | 120,104 |
| 13. Remittances and items not allocated | 44,580 | | 44,580 | |
| 14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current) | 26,673 | | 26,673 | 34,583 |
| 15. Amounts due to parent, subsidiaries and affiliates | 31,296 | | 31,296 | 488,412 |
| 16. Derivatives | | | 0 | |
| 17. Payable for securities | | | 0 | |
| 18. Payable for securities lending | | | 0 | |
| 19. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers) | | | 0 | |
| 20. Reinsurance in unauthorized companies | | | 0 | |
| 21. Net adjustments in assets and liabilities due to foreign exchange rates | | | 0 | |
| 22. Liability for amounts held under uninsured plans | | | 0 | |
| 23. Aggregate write-ins for other liabilities (including $.....0 current) | 1,798,557 | 600,000 | 2,398,557 | 2,206,055 |
| 24. Total liabilities (Lines 1 to 23) | 2,846,722 | 600,000 | 3,446,722 | 3,636,252 |
| 25. Aggregate write-ins for special surplus funds | XXX | XXX | 0 | 0 |
| 26. Common capital stock | XXX | XXX | 2,001 | 2,001 |
| 27. Preferred capital stock | XXX | XXX | | |
| 28. Gross paid in and contributed surplus | XXX | XXX | 5,159,813 | 5,159,814 |
| 29. Surplus notes | XXX | XXX | | |
| 30. Aggregate write-ins for other than special surplus funds | XXX | XXX | 0 | 0 |
| 31. Unassigned funds (surplus) | XXX | XXX | (375,694) | (2,028,170) |
| 32. Less treasury stock at cost: | | | | |
| 32.1 .....0.000 shares common (value included in Line 26 $.....0) | XXX | XXX | 7,500 | 7,500 |
| 32.2 .....0.000 shares preferred (value included in Line 27 $.....0) | XXX | XXX | | |
| 33. Total capital and surplus (Lines 25 to 31 minus Line 32) | XXX | XXX | 4,778,620 | 3,126,145 |
| 34. Total liabilities, capital and surplus (Lines 24 and 33) | XXX | XXX | 8,225,342 | 6,762,397 |

**DETAILS OF WRITE-INS**

| | | | | |
|---|---|---|---|---|
| 2301. Accrue Other | 1,798,557 | | 1,798,557 | 1,606,055 |
| 2302. Isolvency Guaranty Deposit | | 600,000 | 600,000 | 600,000 |
| 2303. Long Term Liabilities | | | 0 | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | 0 | 0 | 0 | 0 |
| 2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above) | 1,798,557 | 600,000 | 2,398,557 | 2,206,055 |
| 2501. Accumulated Other Comprehensive Income | XXX | XXX | | |
| 2502. | XXX | XXX | | |
| 2503. | XXX | XXX | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | XXX | XXX | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) | XXX | XXX | 0 | 0 |
| 3001. | XXX | XXX | | |
| 3002. | XXX | XXX | | |
| 3003. | XXX | XXX | | |
| 3098. Summary of remaining write-ins for Line 30 from overflow page | XXX | XXX | 0 | 0 |
| 3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above) | XXX | XXX | 0 | 0 |

# STATEMENT OF REVENUE AND EXPENSES

| | Current Year 1 Uncovered | Current Year 2 Total | Prior Year 3 Total |
|---|---|---|---|
| 1. Member months | XXX | 132,803 | 153,396 |
| 2. Net premium income (including $.....0 non-health premium income) | XXX | 13,822,265 | 14,584,808 |
| 3. Change in unearned premium reserves and reserve for rate credits | XXX | | |
| 4. Fee-for-service (net of $.....0 medical expenses) | XXX | | |
| 5. Risk revenue | XXX | 667,298 | 424,867 |
| 6. Aggregate write-ins for other health care related revenues | XXX | 0 | (31,525) |
| 7. Aggregate write-ins for other non-health revenues | XXX | 0 | 0 |
| 8. Total revenues (Lines 2 to 7) | XXX | 14,489,563 | 14,978,150 |
| **Hospital and Medical:** | | | |
| 9. Hospital/medical benefits | | | |
| 10. Other professional services | | | |
| 11. Outside referrals | | | |
| 12. Emergency room and out-of-area | | | |
| 13. Prescription drugs | | 11,972,947 | 12,905,264 |
| 14. Aggregate write-ins for other hospital and medical | 0 | 0 | 0 |
| 15. Incentive pool, withhold adjustments and bonus amounts | | | |
| 16. Subtotal (Lines 9 to 15) | 0 | 11,972,947 | 12,905,264 |
| **Less:** | | | |
| 17. Net reinsurance recoveries | | 1,421,987 | 953,824 |
| 18. Total hospital and medical (Lines 16 minus 17) | 0 | 10,550,960 | 11,951,440 |
| 19. Non-health claims (net) | | | |
| 20. Claims adjustment expenses, including $.....0 cost containment expenses | | | |
| 21. General administrative expenses | | 3,490,380 | 3,623,246 |
| 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) | 0 | 14,041,340 | 15,574,686 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | XXX | 448,223 | (596,536) |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17) | | 134,338 | 184,960 |
| 26. Net realized capital gains or (losses) less capital gains tax of $.....0 | | 87,619 | |
| 27. Net investment gains or (losses) (Lines 25 plus 26) | 0 | 221,957 | 184,960 |
| 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 | 0 | 11,426 | 0 |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) | XXX | 681,606 | (411,576) |
| 31. Federal and foreign income taxes incurred | XXX | 55,930 | |
| 32. Net income (loss) (Lines 30 minus 31) | XXX | 625,676 | (411,576) |

**DETAILS OF WRITE-INS**

| | | | |
|---|---|---|---|
| 0601. Miscellaneous Income | XXX | | 565,924 |
| 0602. Misscellaneous Income | XXX | | (597,449) |
| 0603. | XXX | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | XXX | 0 | 0 |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) | XXX | 0 | (31,525) |
| 0701. | XXX | | |
| 0702. | XXX | | |
| 0703. | XXX | | |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | XXX | 0 | 0 |
| 0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above) | XXX | 0 | 0 |
| 1401. | | | |
| 1402. | | | |
| 1403. | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | 0 | 0 | 0 |
| 1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above) | 0 | 0 | 0 |
| 2901. Miscellaneous Income | | 11,426 | |
| 2902. | | | |
| 2903. | | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | 0 | 0 | 0 |
| 2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above) | 0 | 11,426 | 0 |

# STATEMENT OF REVENUE AND EXPENSES (Continued)

| CAPITAL AND SURPLUS ACCOUNT | 1<br>Current Year | 2<br>Prior Year |
|---|---|---|
| 33. Capital and surplus prior reporting period | 3,126,145 | 4,528,270 |
| 34. Net income or (loss) from Line 32 | 625,676 | (411,576) |
| 35. Change in valuation basis of aggregate policy and claim reserves | | |
| 36. Change in net unrealized capital gains and (losses) less capital gains tax of $.....0 | 68,105 | 151,643 |
| 37. Change in net unrealized foreign exchange capital gain or (loss) | | |
| 38. Change in net deferred income tax | | (22,746) |
| 39. Change in nonadmitted assets | 958,697 | (1,111,946) |
| 40. Change in unauthorized reinsurance | | |
| 41. Change in treasury stock | | (7,500) |
| 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 | | |
| 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 | 0 | 0 |
| 48. Net change in capital and surplus (Lines 34 to 47) | 1,652,478 | (1,402,125) |
| 49. Capital and surplus end of reporting period (Line 33 plus 48) | 4,778,622 | 3,126,145 |

**DETAILS OF WRITE-INS**

| | | |
|---|---|---|
| 4701. | | |
| 4702. | | |
| 4703. | | |
| 4798. Summary of remaining write-ins for Line 47 from overflow page | 0 | 0 |
| 4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above) | 0 | 0 |

# CASH FLOW

| | 1<br>Current Year | 2<br>Prior Year |
|---|---|---|
| **CASH FROM OPERATIONS** | | |
| 1. Premiums collected net of reinsurance | 13,606,464 | 14,454,621 |
| 2. Net investment income | 135,870 | 175,725 |
| 3. Miscellaneous income | 667,298 | 393,342 |
| 4. Total (Lines 1 through 3) | 14,409,632 | 15,023,688 |
| 5. Benefit and loss related payments | 10,593,182 | 11,990,818 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 3,185,569 | 3,866,486 |
| 8. Dividends paid to policyholders | | |
| 9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses) | 55,930 | |
| 10. Total (Lines 5 through 9) | 13,834,681 | 15,857,304 |
| 11. Net cash from operations (Line 4 minus Line 10) | 574,951 | (833,616) |
| **CASH FROM INVESTMENTS** | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 361,098 | |
| 12.2 Stocks | 170,358 | |
| 12.3 Mortgage loans | | |
| 12.4 Real estate | | |
| 12.5 Other invested assets | | |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | | |
| 12.7 Miscellaneous proceeds | | |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 531,456 | 0 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | 127,277 | 129,434 |
| 13.2 Stocks | 14,060 | 7,582 |
| 13.3 Mortgage loans | | |
| 13.4 Real estate | | |
| 13.5 Other invested assets | | |
| 13.6 Miscellaneous applications | | 600,000 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 141,337 | 737,016 |
| 14. Net increase (decrease) in contract loans and premium notes | 500,000 | |
| 15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14) | (109,881) | (737,016) |
| **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 | | (7,500) |
| 16.3 Borrowed funds | (7,910) | (6,417) |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | |
| 16.5 Dividends to stockholders | | |
| 16.6 Other cash provided (applied) | 320,117 | (376,520) |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | 312,207 | (390,437) |
| **RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS** | | |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17) | 777,277 | (1,961,069) |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 337,742 | 2,298,811 |
| 19.2 End of year (Line 18 plus Line 19.1) | 1,115,019 | 337,742 |

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

| | | |
|---|---|---|
| 20.0001 | | |

# ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1<br>Total | 2<br>Comprehensive (Hospital and Medical) | 3<br>Medicare Supplement | 4<br>Dental Only | 5<br>Vision Only | 6<br>Federal Employees Health Benefit Plans | 7<br>Title XVIII Medicare | 8<br>Title XIX Medicaid | 9<br>Other Health | 10<br>Other Non-Health |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. Net premium income | 13,822,265 | | | | | | | | 13,822,265 | |
| 2. Change in unearned premium reserves and reserve for rate credit | 0 | | | | | | | | | |
| 3. Fee-for-service (net of $.....0 medical expenses) | 0 | | | | | | | | | XXX |
| 4. Risk revenue | 667,298 | | | | | | | | 667,298 | XXX |
| 5. Aggregate write-ins for other health care related revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 6. Aggregate write-ins for other non-health care related revenues | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 7. Total revenues (Lines 1 to 6) | 14,489,563 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,489,563 | 0 |
| 8. Hospital/medical benefits | 0 | | | | | | | | | XXX |
| 9. Other professional services | 0 | | | | | | | | | XXX |
| 10. Outside referrals | 0 | | | | | | | | | XXX |
| 11. Emergency room and out-of-area | 0 | | | | | | | | | XXX |
| 12. Prescription drugs | 11,972,947 | | | | | | | | 11,972,947 | XXX |
| 13. Aggregate write-ins for other hospital and medical | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 14. Incentive pool, withhold adjustments and bonus amounts | 0 | | | | | | | | | XXX |
| 15. Subtotal (Lines 8 to 14) | 11,972,947 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11,972,947 | XXX |
| 16. Net reinsurance recoveries | 1,421,987 | | | | | | | | 1,421,987 | XXX |
| 17. Total hospital and medical (Lines 15 minus 16) | 10,550,960 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,550,960 | XXX |
| 18. Non-health claims (net) | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 19. Claims adjustment expenses including $.....0 cost containment expenses | 0 | | | | | | | | | |
| 20. General administrative expenses | 3,490,380 | | | | | | | | 3,490,380 | |
| 21. Increase in reserves for accident and health contracts | 0 | | | | | | | | | XXX |
| 22. Increase in reserve for life contracts | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 23. Total underwriting deductions (Lines 17 to 22) | 14,041,340 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,041,340 | 0 |
| 24. Net underwriting gain or (loss) (Line 7 minus Line 23) | 448,223 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 448,223 | 0 |

**DETAILS OF WRITE-INS**

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 0501. | 0 | | | | | | | | | XXX |
| 0502. | 0 | | | | | | | | | XXX |
| 0503. | 0 | | | | | | | | | XXX |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 0599. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 0601. | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0602. | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0603. | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 0699. Total (Lines 0601 thru 0603 plus 0698) (Line 6 above) | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 1301. | 0 | | | | | | | | | XXX |
| 1302. | 0 | | | | | | | | | XXX |
| 1303. | 0 | | | | | | | | | XXX |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 1399. Total (Lines 1301 thru 1303 plus 1398) (Line 13 above) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1 - PREMIUMS

| Line of Business | 1<br>Direct Business | 2<br>Reinsurance Assumed | 3<br>Reinsurance Ceded | 4<br>Net Premium Income (Cols. 1 + 2 - 3) |
|---|---|---|---|---|
| 1. Comprehensive (hospital and medical) | | | | 0 |
| 2. Medicare supplement | | | | 0 |
| 3. Dental only | | | | 0 |
| 4. Vision only | | | | 0 |
| 5. Federal employees health benefits plan | | | | 0 |
| 6. Title XVIII - Medicare | | | | 0 |
| 7. Title XIX - Medicaid | | | | 0 |
| 8. Other health | 13,822,265 | | | 13,822,265 |
| 9. Health subtotal (Lines 1 through 8) | 13,822,265 | 0 | 0 | 13,822,265 |
| 10. Life | | | | 0 |
| 11. Property/casualty | | | | 0 |
| 12. Totals (Lines 9 to 11) | 13,822,265 | 0 | 0 | 13,822,265 |

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2 - CLAIMS INCURRED DURING THE YEAR

| | 1<br>Total | 2<br>Comprehensive (Hospital and Medical) | 3<br>Medicare Supplement | 4<br>Dental Only | 5<br>Vision Only | 6<br>Federal Employees Health Benefits Plan | 7<br>Title XVIII Medicare | 8<br>Title XIX Medicaid | 9<br>Other Health | 10<br>Other Non-Health |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. Payments during the year: | | | | | | | | | | |
| 1.1 Direct | 12,024,722 | | | | | | | | 12,024,722 | |
| 1.2 Reinsurance assumed | 0 | | | | | | | | | |
| 1.3 Reinsurance ceded | 0 | | | | | | | | | |
| 1.4 Net | 12,024,722 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,024,722 | 0 |
| 2. Paid medical incentive pools and bonuses | 0 | | | | | | | | | |
| 3. Claim liability December 31, current year from Part 2A: | | | | | | | | | | |
| 3.1 Direct | 543,865 | | | | | | | | 543,865 | |
| 3.2 Reinsurance assumed | 0 | | | | | | | | | |
| 3.3 Reinsurance ceded | 0 | | | | | | | | | |
| 3.4 Net | 543,865 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 543,865 | 0 |
| 4. Claim reserve December 31, current year from Part 2D: | | | | | | | | | | |
| 4.1 Direct | 0 | | | | | | | | | |
| 4.2 Reinsurance assumed | 0 | | | | | | | | | |
| 4.3 Reinsurance ceded | 0 | | | | | | | | | |
| 4.4 Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Accrued medical incentive pools and bonuses, current year | 0 | | | | | | | | | |
| 6. Net healthcare receivables (a) | 0 | | | | | | | | | |
| 7. Amounts recoverable from reinsurers December 31, current year | 0 | | | | | | | | | |
| 8. Claim liability December 31, prior year from Part 2A: | | | | | | | | | | |
| 8.1 Direct | 595,640 | | | | | | | | 595,640 | |
| 8.2 Reinsurance assumed | 0 | | | | | | | | | |
| 8.3 Reinsurance ceded | 0 | | | | | | | | | |
| 8.4 Net | 595,640 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 595,640 | 0 |
| 9. Claim reserve December 31, prior year from Part 2D: | | | | | | | | | | |
| 9.1 Direct | 0 | | | | | | | | | |
| 9.2 Reinsurance assumed | 0 | | | | | | | | | |
| 9.3 Reinsurance ceded | 0 | | | | | | | | | |
| 9.4 Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10. Accrued medical incentive pools and bonuses, prior year | 0 | | | | | | | | | |
| 11. Amounts recoverable from reinsurers December 31, prior year | 0 | | | | | | | | | |
| 12. Incurred benefits: | | | | | | | | | | |
| 12.1 Direct | 11,972,947 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11,972,947 | 0 |
| 12.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12.4 Net | 11,972,947 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11,972,947 | 0 |
| 13. Incurred medical incentive pools and bonuses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

| | 1<br>Total | 2<br>Comprehensive (Medical and Hospital) | 3<br>Medicare Supplement | 4<br>Dental Only | 5<br>Vision Only | 6<br>Federal Employees Health Benefits Plan | 7<br>Title XVIII Medicare | 8<br>Title XIX Medicaid | 9<br>Other Health | 10<br>Other Non-Health |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. Reported in process of adjustment: | | | | | | | | | | |
| 1.1 Direct | 543,865 | | | | | | | | 543,865 | |
| 1.2 Reinsurance assumed | 0 | | | | | | | | | |
| 1.3 Reinsurance ceded | 0 | | | | | | | | | |
| 1.4 Net | 543,865 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 543,865 | 0 |
| 2. Incurred but unreported: | | | | | | | | | | |
| 2.1 Direct | 0 | | | | | | | | | |
| 2.2 Reinsurance assumed | 0 | | | | | | | | | |
| 2.3 Reinsurance ceded | 0 | | | | | | | | | |
| 2.4 Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Amounts withheld from paid claims and capitations: | | | | | | | | | | |
| 3.1 Direct | 0 | | | | | | | | | |
| 3.2 Reinsurance assumed | 0 | | | | | | | | | |
| 3.3 Reinsurance ceded | 0 | | | | | | | | | |
| 3.4 Net | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Totals: | | | | | | | | | | |
| 4.1 Direct | 543,865 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 543,865 | 0 |
| 4.2 Reinsurance assumed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.3 Reinsurance ceded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4.4 Net | 543,865 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 543,865 | 0 |

# UNDERWRITING AND INVESTMENT EXHIBIT

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

| Line of Business | Claims Paid During the Year | | Claim Reserve and Claim Liability December 31 of Current Year | | 5 | 6 |
|---|---|---|---|---|---|---|
| | 1<br>On Claims Incurred Prior to January 1 of Current Year | 2<br>On Claims Incurred During the Year | 3<br>On Claims Unpaid December 31 of Prior Year | 4<br>On Claims Incurred During the Year | Claims Incurred in Prior Years (Columns 1 + 3) | Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
| 1. Comprehensive (hospital and medical) | | | | | 0 | |
| 2. Medicare supplement | | | | | 0 | |
| 3. Dental only | | | | | 0 | |
| 4. Vision only | | | | | 0 | |
| 5. Federal employees health benefits plan | | | | | 0 | |
| 6. Title XVIII - Medicare | 595,640 | 10,007,095 | | 543,865 | 595,640 | 595,639 |
| 7. Title XIX - Medicaid | | | | | 0 | |
| 8. Other health | | | | | 0 | |
| 9. Health subtotal (Lines 1 to 8) | 595,640 | 10,007,095 | 0 | 543,865 | 595,640 | 595,639 |
| 10. Healthcare receivables (a) | | | | | 0 | |
| 11. Other non-health | | | | | 0 | |
| 12. Medical incentive pools and bonus amounts | | | | | 0 | |
| 13. Totals (Lines 9 - 10 + 11 + 12) | 595,640 | 10,007,095 | 0 | 543,865 | 595,640 | 595,639 |

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

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

### SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|---|---|---|---|---|---|
| | 1<br>2007 | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 |
| 1. Prior | | | | | |
| 2. 2007 | 12,330 | | | | |
| 3. 2008 | XXX | 12,180 | 1,117 | | |
| 4. 2009 | XXX | XXX | 12,082 | 1,173 | |
| 5. 2010 | XXX | XXX | XXX | 11,355 | 595 |
| 6. 2011 | XXX | XXX | XXX | XXX | 10,007 |

### SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---|---|---|---|---|---|
| | 1<br>2007 | 2<br>2008 | 3<br>2009 | 4<br>2010 | 5<br>2011 |
| 1. Prior | | | | | |
| 2. 2007 | 15,211 | | | | |
| 3. 2008 | XXX | 13,298 | | | |
| 4. 2009 | XXX | XXX | 13,255 | | |
| 5. 2010 | XXX | XXX | XXX | 11,951 | |
| 6. 2011 | XXX | XXX | XXX | XXX | 10,550 |

### SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

| Years in Which Premiums were Earned and Claims were Incurred | 1<br>Premiums Earned | 2<br>Claim Payments | 3<br>Claim Adjustment Expense Payments | 4<br>Percent (Col. 3/2) | 5<br>Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6<br>Percent (Col. 5/1) | 7<br>Claims Unpaid | 8<br>Unpaid Claim Adjustment Expense | 9<br>Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10<br>Percent (Col. 9/1) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. 2007 | 21,625 | | | 0.0 | 0 | 0.0 | | | 0 | 0.0 |
| 2. 2008 | 19,275 | | | 0.0 | 0 | 0.0 | | | 0 | 0.0 |
| 3. 2009 | 16,723 | | | 0.0 | 0 | 0.0 | | | 0 | 0.0 |
| 4. 2010 | 14,584 | 595 | | 0.0 | 595 | 4.1 | | | 595 | 4.1 |
| 5. 2011 | 13,822 | 10,007 | | 0.0 | 10,007 | 72.4 | 543 | | 10,550 | 76.3 |

# UNDERWRITING AND INVESTMENT EXHIBIT

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

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

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

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - ANALYSIS OF EXPENSES

| | Claim Adjustment Expenses | | 3 | 4 | 5 |
|---|---|---|---|---|---|
| | 1<br>Cost Containment Expenses | 2<br>Other Claim Adjustment Expenses | General Administrative Expenses | Investment Expenses | Total |
| 1. Rent ($.....0 for occupancy of own building) | | | | | 0 |
| 2. Salaries, wages and other benefits | | | 708,914 | | 708,914 |
| 3. Commissions (less $.....0 ceded plus $.....0 assumed) | | | | | 0 |
| 4. Legal fees and expenses | | | 65,228 | | 65,228 |
| 5. Certifications and accreditation fees | | | 18,075 | | 18,075 |
| 6. Auditing, actuarial and other consulting services | | | 404,767 | | 404,767 |
| 7. Traveling expenses | | | 4,823 | | 4,823 |
| 8. Marketing and advertising | | | 152,395 | | 152,395 |
| 9. Postage, express and telephone | | | 152,752 | | 152,752 |
| 10. Printing and office supplies | | | 128,645 | | 128,645 |
| 11. Occupancy, depreciation and amortization | | | 13,867 | | 13,867 |
| 12. Equipment | | | 6,065 | | 6,065 |
| 13. Cost or depreciation of EDP equipment and software | | | 5,230 | | 5,230 |
| 14. Outsourced services including EDP, claims, and other services | | | 1,014,795 | | 1,014,795 |
| 15. Boards, bureaus and association fees | | | | | 0 |
| 16. Insurance, except on real estate | | | 18,104 | | 18,104 |
| 17. Collection and bank service charges | | | 39,672 | | 39,672 |
| 18. Group service and administration fees | | | 270,000 | | 270,000 |
| 19. Reimbursements by uninsured plans | | | | | 0 |
| 20. Reimbursements from fiscal intermediaries | | | | | 0 |
| 21. Real estate expenses | | | | | 0 |
| 22. Real estate taxes | | | | | 0 |
| 23. Taxes, licenses and fees: | | | | | |
| 23.1 State and local insurance taxes | | | 48,485 | | 48,485 |
| 23.2 State premium taxes | | | | | 0 |
| 23.3 Regulatory authority licenses and fees | | | 27,647 | | 27,647 |
| 23.4 Payroll taxes | | | 124,634 | | 124,634 |
| 23.5 Other (excluding federal income and real estate taxes) | | | | | 0 |
| 24. Investment expenses not included elsewhere | | | | | 0 |
| 25. Aggregate write-ins for expenses | 0 | 0 | 286,282 | 0 | 286,282 |
| 26. Total expenses incurred (Lines 1 to 25) | 0 | 0 | 3,490,380 | 0 | (a) 3,490,380 |
| 27. Less expenses unpaid December 31, current year | | | 251,625 | | 251,625 |
| 28. Add expenses unpaid December 31, prior year | | | 150,742 | | 150,742 |
| 29. Amounts receivable relating to uninsured plans, prior year | | | | | 0 |
| 30. Amounts receivable relating to uninsured plans, current year | | | | | 0 |
| 31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) | 0 | 0 | 3,389,497 | 0 | 3,389,497 |

### DETAILS OF WRITE-INS

| | | | | | |
|---|---|---|---|---|---|
| 2501. Miscellaneous Expense | | | 255 | | 255 |
| 2502. Bad Debts Expense | | | 284,652 | | 284,652 |
| 2503. Charitable Contributions | | | 1,375 | | 1,375 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 | 0 | 0 |
| 2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above) | 0 | 0 | 286,282 | 0 | 286,282 |

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

# EXHIBIT OF NET INVESTMENT INCOME

| | | 1<br>Collected<br>During Year | 2<br>Earned<br>During Year |
|---|---|---|---|
| 1. | U.S. government bonds | (a) | |
| 1.1 | Bonds exempt from U.S. tax | (a) | |
| 1.2 | Other bonds (unaffiliated) | (a) | |
| 1.3 | Bonds of affiliates | (a) | |
| 2.1 | Preferred stocks (unaffiliated) | (b) | |
| 2.11 | Preferred stocks of affiliates | (b) | |
| 2.2 | Common stocks (unaffiliated) | 26,044 | 117,988 |
| 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) | 16,352 |
| 7. | Derivative instruments | (f) | |
| 8. | Other invested assets | | |
| 9. | Aggregate write-ins for investment income | 0 | 0 |
| 10. | Total gross investment income | 26,044 | 134,340 |
| 11. | Investment expenses | | (g) |
| 12. | Investment taxes, licenses and fees, excluding federal income taxes | | (g) |
| 13. | Interest expense | | (h) |
| 14. | Depreciation on real estate and other invested assets | | (i) 0 |
| 15. | Aggregate write-ins for deductions from investment income | | 0 |
| 16. | Total deductions (Lines 11 through 15) | | 0 |
| 17. | Net investment income (Line 10 minus Line 16) | | 134,340 |

**DETAILS OF WRITE-INS**

| | | | |
|---|---|---|---|
| 0901. | | | |
| 0902. | | | |
| 0903. | | | |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 |
| 0999. | Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above) | 0 | 0 |
| 1501. | | | |
| 1502. | | | |
| 1503. | | | |
| 1598. | Summary of remaining write-ins for Line 15 from overflow page | | 0 |
| 1599. | Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above) | | 0 |

(a) Includes $.....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<br>Realized<br>Gain (Loss)<br>on Sales<br>or Maturity | 2<br>Other<br>Realized<br>Adjustments | 3<br>Total Realized<br>Capital Gain (Loss)<br>(Columns 1 + 2) | 4<br>Change in<br>Unrealized<br>Capital Gain (Loss) | 5<br>Change in<br>Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
|---|---|---|---|---|---|---|
| 1. | U.S. government bonds | 31,413 | | 31,413 | | |
| 1.1 | Bonds exempt from U.S. tax | | | 0 | | |
| 1.2 | Other bonds (unaffiliated) | | | 0 | | |
| 1.3 | Bonds of affiliates | | | 0 | | |
| 2.1 | Preferred stocks (unaffiliated) | | | 0 | | |
| 2.11 | Preferred stocks of affiliates | | | 0 | | |
| 2.2 | Common stocks (unaffiliated) | 56,203 | | 56,203 | 68,105 | |
| 2.21 | Common stocks of affiliates | | | 0 | | |
| 3. | Mortgage loans | | | 0 | | |
| 4. | Real estate | | | 0 | | |
| 5. | Contract loans | | | 0 | | |
| 6. | Cash, cash equivalents and short-term investments | | | 0 | | |
| 7. | Derivative instruments | | | 0 | | |
| 8. | Other invested assets | | | 0 | | |
| 9. | Aggregate write-ins for capital gains (losses) | 0 | 0 | 0 | 0 | 0 |
| 10. | Total capital gains (losses) | 87,616 | 0 | 87,616 | 68,105 | 0 |

**DETAILS OF WRITE-INS**

| | | | | | | |
|---|---|---|---|---|---|---|
| 0901. | | | | 0 | | |
| 0902. | | | | 0 | | |
| 0903. | | | | 0 | | |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | 0 | 0 | 0 | 0 | 0 |
| 0999. | Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above) | 0 | 0 | 0 | 0 | 0 |

# EXHIBIT OF NONADMITTED ASSETS

| | 1<br>Current Year<br>Total<br>Nonadmitted Assets | 2<br>Prior Year<br>Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
|---|---|---|---|
| 1. Bonds (Schedule D) | | | 0 |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | | | 0 |
| 2.2 Common stocks | | | 0 |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | | | 0 |
| 3.2 Other than first liens | | | 0 |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | | | 0 |
| 4.2 Properties held for the production of income | | | 0 |
| 4.3 Properties held for sale | | | 0 |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) | | | 0 |
| 6. Contract loans | | | 0 |
| 7. Derivatives (Schedule DB) | | | 0 |
| 8. Other invested assets (Schedule BA) | | | 0 |
| 9. Receivables for securities | | | 0 |
| 10. Securities lending reinvested collateral assets (Schedule DL) | | | 0 |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 0 | 0 | 0 |
| 13. Title plants (for Title insurers only) | | | 0 |
| 14. Investment income due and accrued | | | 0 |
| 15. Premiums and considerations: | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 157,815 | | (157,815) |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | 0 |
| 15.3 Accrued retrospective premiums | | | 0 |
| 16. Reinsurance: | | | |
| 16.1 Amounts recoverable from reinsurers | | | 0 |
| 16.2 Funds held by or deposited with reinsured companies | | | 0 |
| 16.3 Other amounts receivable under reinsurance contracts | | | 0 |
| 17. Amounts receivable relating to uninsured plans | | | 0 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | 0 |
| 18.2 Net deferred tax asset | | | 0 |
| 19. Guaranty funds receivable or on deposit | | | 0 |
| 20. Electronic data processing equipment and software | | | 0 |
| 21. Furniture and equipment, including health care delivery assets | | | 0 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 |
| 23. Receivables from parent, subsidiaries and affiliates | 905,261 | 1,656,517 | 751,256 |
| 24. Health care and other amounts receivable | 1,764 | 230,768 | 229,004 |
| 25. Aggregate write-ins for other than invested assets | 190,686 | 326,938 | 136,252 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25) | 1,255,526 | 2,214,223 | 958,697 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 |
| 28. TOTALS (Lines 26 and 27) | 1,255,526 | 2,214,223 | 958,697 |

**DETAILS OF WRITE-INS**

| | | | |
|---|---|---|---|
| 1101. | | | 0 |
| 1102. | | | 0 |
| 1103. | | | 0 |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | 0 | 0 | 0 |
| 1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above) | 0 | 0 | 0 |
| 2501. Prepaid Other | 128,320 | 221,421 | 93,101 |
| 2502. Other PBM Services Receivable | | 35,180 | 35,180 |
| 2503. Other Property and Equipment | 37,617 | 51,483 | 13,866 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 24,749 | 18,854 | (5,895) |
| 2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above) | 190,686 | 326,938 | 136,252 |

# EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment | Total Members at End of | | | | | 6 |
|---|---|---|---|---|---|---|
| | 1<br>Prior<br>Year | 2<br>First<br>Quarter | 3<br>Second<br>Quarter | 4<br>Third<br>Quarter | 5<br>Current<br>Year | Current Year<br>Member<br>Months |
| 1. Health maintenance organizations | 12,250 | 11,222 | 11,012 | 10,856 | 10,694 | 132,803 |
| 2. Provider service organizations | | | | | | |
| 3. Preferred provider organizations | | | | | | |
| 4. Point of service | | | | | | |
| 5. Indemnity only | | | | | | |
| 6. Aggregate write-ins for other lines of business | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Total | 12,250 | 11,222 | 11,012 | 10,856 | 10,694 | 132,803 |

**DETAILS OF WRITE-INS**

| | | | | | | |
|---|---|---|---|---|---|---|
| 0601. | | | | | | |
| 0602. | | | | | | |
| 0603. | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) | 0 | 0 | 0 | 0 | 0 | 0 |

# EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

| 1<br>Name of Debtor | 2<br>1 - 30 Days | 3<br>31 - 60 Days | 4<br>61 - 90 Days | 5<br>Over 90 Days | 6<br>Nonadmitted | 7<br>Admitted |
|---|---|---|---|---|---|---|

# EXHIBIT 3 - HEALTH CARE RECEIVABLES

| 1<br>Name of Debtor | 2<br>1 - 30 Days | 3<br>31 - 60 Days | 4<br>61 - 90 Days | 5<br>Over 90 Days | 6<br>Nonadmitted | 7<br>Admitted |
|---|---|---|---|---|---|---|
| **Other Receivables** | | | | | | |
| P2P | | | | 1,764 | 1,764 | 0 |
| Coverage Gap Receivables | 235,072 | | | | | 235,072 |
| 0699999. Total Other Receivables | 235,072 | 0 | 0 | 1,764 | 1,764 | 235,072 |
| 0799999. Total Health Care Receivables | 235,072 | 0 | 0 | 1,764 | 1,764 | 235,072 |

# EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

## Aging Analysis of Unpaid Claims

| 1<br>Account | 2<br>1 - 30 Days | 3<br>31 - 60 Days | 4<br>61 - 90 Days | 5<br>91 - 120 Days | 6<br>Over 120 Days | 7<br>Total |
|---|---|---|---|---|---|---|
| **Claims Unpaid (Reported)** | | | | | | |
| Prescription Claims Unpaid | 543,865 | | | | | 543,865 |
| 0199999. Individually listed claims unpaid | 543,865 | 0 | 0 | 0 | 0 | 543,865 |
| 0499999. Subtotals | 543,865 | 0 | 0 | 0 | 0 | 543,865 |
| 0799999. Total claims unpaid | | | | | | 543,865 |

# EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

| 1 | 2 | 3 | 4 | 5 | 6 | Admitted | |
|---|---|---|---|---|---|---|---|
| | | | | | | 7 | 8 |
| Name of Affiliate | 1 - 30 Days | 31 - 60 Days | 61 - 90 Days | Over 90 Days | Nonadmitted | Current | Non-Current |
| **Amounts Due From Parent, Subsidiaries and Affiliates** | | | | | | | |
| Due from Related Party | 1,506,709 | 30,033 | 4,629 | 905,261 | 905,261 | 1,506,709 | 34,662 |
| 0199999. Individually listed receivables | 1,506,709 | 30,033 | 4,629 | 905,261 | 905,261 | 1,506,709 | 34,662 |
| 0399999. Total gross amounts receivable | 1,506,709 | 30,033 | 4,629 | 905,261 | 905,261 | 1,506,709 | 34,662 |

# EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

| 1<br>Affiliate | 2<br>Description | 3<br>Amount | 4<br>Current | 5<br>Non-Current |
|---|---|---|---|---|

# EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

| Payment Method | 1<br>Direct Medical Expense Payment | 2<br>Column 1 as a % of Total Payment | 3<br>Total Members Covered | 4<br>Column 3 as a % of Total Members | 5<br>Column 1 Expenses Paid to Affiliated Providers | 6<br>Column 1 Expenses Paid to Non-Affiliated Providers |
|---|---|---|---|---|---|---|
| Capitation Payments: | | | | | | |
| 1. Medical groups | 0 | 0.0 | | | | |
| 2. Intermediaries | 0 | 0.0 | | | | |
| 3. All other providers | 0 | 0.0 | 10,694 | 100.0 | | |
| 4. Total capitation payments | 0 | 0.0 | 10,694 | 100.0 | 0 | 0 |
| Other Payments: | | | | | | |
| 5. Fee-for-service | 0 | 0.0 | XXX | XXX | | |
| 6. Contractual fee payments | 14,773,616 | 100.0 | XXX | XXX | 14,773,616 | |
| 7. Bonus/withhold arrangements - fee-for-service | 0 | 0.0 | XXX | XXX | | |
| 8. Bonus/withhold arrangements - contractual fee payments | 0 | 0.0 | XXX | XXX | | |
| 9. Non-contingent salaries | 0 | 0.0 | XXX | XXX | | |
| 10. Aggregate cost arrangements | 0 | 0.0 | XXX | XXX | | |
| 11. All other payments | 0 | 0.0 | XXX | XXX | | |
| 12. Total other payments | 14,773,616 | 100.0 | XXX | XXX | 14,773,616 | 0 |
| 13. Total (Line 4 plus Line 12) | 14,773,616 | 100.0 | XXX | XXX | 14,773,616 | 0 |

# EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

| 1<br>NAIC Code | 2<br>Name of Intermediary | 3<br>Capitation Paid | 4<br>Average Monthly Capitation | 5<br>Intermediary's Total Adjusted Capital | 6<br>Intermediary's Authorized Control Level RBC |
|---|---|---|---|---|---|

# EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

| Description | 1<br>Cost | 2<br>Improvements | 3<br>Accumulated Depreciation | 4<br>Book Value Less Encumbrances | 5<br>Assets Not Admitted | 6<br>Net Admitted Assets |
|---|---|---|---|---|---|---|
| 1. Administrative furniture and equipment | | | | | | 0 |
| 2. Medical furniture, equipment and fixtures | | | | | | 0 |
| 3. Pharmaceuticals and surgical supplies | | | | | | 0 |
| 4. Durable medical equipment | | | | | | 0 |
| 5. Other property and equipment | 71,000 | | 33,383 | 37,616 | 37,616 | 0 |
| 6. Total | 71,000 | 0 | 33,383 | 37,616 | 37,616 | 0 |