

ANNUAL STATEMENT

OF THE

MCS Health Management Options, 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, 2012

2012



ANNUAL STATEMENT

For the Year Ending December 31, 2012

OF THE CONDITION AND AFFAIRS OF THE

MCS Health Management Options, Inc.

NAIC Group Code	1301 <small>(Current Period)</small>	1301 <small>(Prior Period)</small>	NAIC Company Code	95779	Employer's ID Number	66-0411947
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[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	01/15/1985		Commenced Business	04/01/1997		
Statutory Home Office	Suite 203, 255 Ponce de Leon Ave. <small>(Street and Number)</small>		San Juan, PR, 00917 <small>(City or Town, State, Country and Zip Code)</small>			
Main Administrative Office	San Juan, PR, 00917 <small>(City or Town, State, Country and Zip Code)</small>		Suite 203, 255 Ponce de Leon Ave. <small>(Street and Number)</small>		(787)758-2500-2462 <small>(Area Code) (Telephone Number)</small>	
Mail Address	PO Box 193310 <small>(Street and Number or P.O. Box)</small>		San Juan, PR, 00919-3310 <small>(City or Town, State, Country and Zip Code)</small>			
Primary Location of Books and Records	San Juan, PR, 00917 <small>(City or Town, State, Country and Zip Code)</small>		Suite 203, 255 Ponce de Leon Ave. <small>(Street and Number)</small>		(787)758-2500-2462 <small>(Area Code) (Telephone Number)</small>	
Internet Website Address	www.mcs.com.pr					
Statutory Statement Contact	David P Schaffer, --- <small>(Name)</small>		(787)758-2500-2920 <small>(Area Code)(Telephone Number)(Extension)</small>			
	davids@medicalcardsystem.com <small>(E-Mail Address)</small>		(Fax Number)			

OFFICERS

Name	Title
James P O'drobinak	CEO
Jose Duran	President
David P Schaffer	CFO & Treasurer
Maritza Munich	Secretary

OTHERS

DIRECTORS OR TRUSTEES

James O'drobinak Carmen Conde Gerald Landgraf Daniel Agroskin Robert Van Hees	Alexander R. Castaldi Jay H Wagner Cyril Meduna Paul S. Levy
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State of Puerto Rico
 County of USA 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) Jose Duran	(Signature) David P. Schaffer	(Signature)
(Printed Name) 1. President	(Printed Name) 2. CFO - Treasurer	(Printed Name) 3.
(Title)	(Title)	(Title)

Subscribed and sworn to before me this _____ day of _____, 2013

- 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)	730,008		730,008	2,061,299
2. Stocks (Schedule D)				
2.1 Preferred stocks				
2.2 Common Stocks	212,730		212,730	220,776
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 (\$.....2,931,048 Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....0 Schedule DA)	2,931,048		2,931,048	4,356,896
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)	3,873,786		3,873,786	6,638,971
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	1,219		1,219	103,021
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	6,176,357		6,176,357	65,266,899
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				
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				224,959
18.1 Current federal and foreign income tax recoverable and interest thereon	752,390		752,390	752,389
18.2 Net deferred tax asset				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				
24. Health care (\$.....0) and other amounts receivable				5,428,009
25. Aggregate write-ins for other than invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	10,803,751		10,803,751	78,414,248
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	10,803,751		10,803,751	78,414,248
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid				
2502. Deposits				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	5,958,277		5,958,277	67,032,661
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses				833,760
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	51,458		51,458	3,843,138
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	3,509		3,509	4,716
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	849,027		849,027	2,431,038
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	61,316		61,316	2,972,956
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)	7,523,588		7,523,588	77,718,270
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X	10,000	10,000
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	1,430,000	1,430,000
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	1,840,164	(744,021)
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	3,280,164	695,979
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	10,803,751	78,414,248
DETAILS OF WRITE-INS				
2301. Statutory deposit	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		8,467,659
2. Net premium income (including \$.....0 non-health premium income)	X X X		928,396,759
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		928,396,759
Hospital and Medical:			
9. Hospital/medical benefits			751,273,734
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs			135,094,853
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)			886,368,587
Less:			
17. Net reinsurance recoveries			
18. TOTAL Hospital and Medical (Lines 16 minus 17)			886,368,587
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....0 cost containment expenses			13,955,181
21. General administrative expenses		329,761	45,667,891
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)		329,761	945,991,659
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(329,761)	(17,594,900)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,012,149	977,950
26. Net realized capital gains (losses) less capital gains tax of \$.....0		56,444	251,859
27. Net investment gains (losses) (Lines 25 plus 26)		1,068,593	1,229,809
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	738,832	(16,365,091)
31. Federal and foreign income taxes incurred	X X X		(92,841)
32. Net income (loss) (Lines 30 minus 31)	X X X	738,832	(16,272,250)
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. Interest expense			
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	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	695,979	18,894,365
34.	Net income or (loss) from Line 32	738,832	(16,272,250)
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	(8,045)	(30,079)
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	(554,451)	(235,175)
39.	Change in nonadmitted assets	2,407,850	(1,060,882)
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		
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		(600,000)
48.	Net change in capital and surplus (Lines 34 to 47)	2,584,185	(18,198,386)
49.	Capital and surplus end of reporting year (Line 33 plus 48)	3,280,164	695,979
DETAILS OF WRITE-INS			
4701.	Statutory Deposits		(600,000)
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)		(600,000)

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	59,090,542	1,005,215,830
2. Net investment income	1,082,484	1,023,789
3. Miscellaneous income		
4. Total (Lines 1 through 3)	60,173,026	1,006,239,619
5. Benefit and loss related payments	61,074,385	983,865,115
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	4,730,242	56,826,651
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	0	718,611
10. Total (Lines 5 through 9)	65,804,626	1,041,410,377
11. Net cash from operations (Line 4 minus Line 10)	(5,631,600)	(35,170,758)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,419,203	20,278,555
12.2 Stocks		6,136
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)	1,419,203	20,284,691
13. Cost of investments acquired (long-term only):		
13.1 Bonds		4,737,320
13.2 Stocks		1,776
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		2
13.7 Total investments acquired (Lines 13.1 to 13.6)		4,739,098
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)	1,419,203	15,545,593
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		
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)	2,786,550	(2,865,138)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	2,786,550	(2,865,138)
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)	(1,425,848)	(22,490,303)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	4,356,896	26,847,199
19.2 End of year (Line 18 plus Line 19.1)	2,931,048	4,356,896

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 Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income										
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)										
8. Hospital/medical benefits										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										X X X
13. Aggregate write-ins for other hospital and medical										X X X
14. Incentive pool, withhold adjustments and bonus amounts										X X X
15. Subtotal (Lines 8 to 14)										X X X
16. Net reinsurance recoveries										X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16)										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										
20. General administrative expenses	329,761							329,761		
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)	329,761							329,761		
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(329,761)							(329,761)		
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	NONE			.....
7. Title XIX - Medicaid	NONE			.....
8. Other health	NONE			.....
9. Health subtotal (Lines 1 through 8) .....	.....	.....	.....	.....
10. Life .....	.....	.....	.....	.....
11. Property/casualty .....	.....	.....	.....	.....
12. TOTALS (Lines 9 to 11) .....	.....	.....	.....	.....

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	61,074,384							61,074,384		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	61,074,384							61,074,384		
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	5,958,277							5,958,277		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	5,958,277							5,958,277		
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										
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	67,032,661							67,032,661		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	67,032,661							67,032,661		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct										
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net										
13. Incurred medical incentive pools and bonuses										

(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	943,658							943,658		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	943,658							943,658		
2. Incurred but Unreported:										
2.1 Direct	2,027,343							2,027,343		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	2,027,343							2,027,343		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	2,987,276							2,987,276		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	2,987,276							2,987,276		
4. TOTALS										
4.1 Direct	5,958,277							5,958,277		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	5,958,277							5,958,277		

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)	61,074,384		5,958,277		67,032,661	67,032,661
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid						
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	61,074,384		5,958,277		67,032,661	67,032,661
10.	Healthcare receivables (a)						
11.	Other non-health						
12.	Medical incentive pool and bonus amounts						
13.	TOTALS (Lines 9 - 10 + 11 + 12)	61,074,384		5,958,277		67,032,661	67,032,661

(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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	492,401	492,401	498,383	498,654	498,654
2.	2008	394,057	394,057	453,085	453,616	453,616
3.	2009	X X X	405,434	483,898	484,909	484,909
4.	2010	X X X	X X X	480,209	636,129	636,129
5.	2011	X X X	X X X	X X X	829,132	890,206
6.	2012	X X X	X X X	X X X	X X X	

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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	496,666	497,368	498,383	498,654	498,654
2.	2008	474,030	453,007	453,438	453,616	453,616
3.	2009	X X X	495,240	485,386	484,909	484,909
4.	2010	X X X	X X X	643,251	640,656	636,129
5.	2011	X X X	X X X	X X X	888,638	896,165
6.	2012	X X X	X X X	X X X	X X X	

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.	2008	505,481	453,616			453,616	89.739			453,616	89.739
2.	2009	531,098	484,909			484,909	91.303			484,909	91.303
3.	2010	683,813	636,129			636,129	93.027			636,129	93.027
4.	2011	928,397	890,206			890,206	95.886	5,958		896,165	96.528
5.	2012										

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

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

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	492,401	492,401	498,383	498,654	498,654
2.	2008	394,057	394,057	453,085	453,616	453,616
3.	2009	X X X	405,434	483,898	484,909	484,909
4.	2010	X X X	X X X	480,209	636,129	636,129
5.	2011	X X X	X X X	X X X	829,132	890,206
6.	2012	X X X	X X X	X X X	X X X	

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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	496,666	497,368	498,383	498,654	498,654
2.	2008	474,030	453,007	453,438	453,616	453,616
3.	2009	X X X	495,240	485,386	484,909	484,909
4.	2010	X X X	X X X	643,251	640,656	636,129
5.	2011	X X X	X X X	X X X	888,638	896,165
6.	2012	X X X	X X X	X X X	X X X	

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.	2008	505,481	453,616			453,616	89.739			453,616	89.739
2.	2009	531,098	484,909			484,909	91.303			484,909	91.303
3.	2010	683,813	636,129			636,129	93.027			636,129	93.027
4.	2011	928,397	890,206			890,206	95.886	5,958		896,165	96.528
5.	2012										

12 Title XIX-Medicaid

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)					
2. Salaries, wages and other benefits					
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)					
4. Legal fees and expenses					
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services					
7. Traveling expenses					
8. Marketing and advertising					
9. Postage, express and telephone					
10. Printing and office supplies					
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					
15. Boards, bureaus and association fees					
16. Insurance, except on real estate					
17. Collection and bank service charges					
18. Group service and administration fees					
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					
23.4 Payroll taxes					
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere				1,173	1,173
25. Aggregate write-ins for expenses			329,761		329,761
26. TOTAL Expenses Incurred (Lines 1 to 25)			329,761	1,173	(a) 330,934
27. Less expenses unpaid December 31, current year			51,458		51,458
28. Add expenses unpaid December 31, prior year		833,760	3,843,138		4,676,898
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)		833,760	4,121,441	1,173	4,956,374
DETAILS OF WRITE-INS					
2501. Miscellaneous Expenses			23,761		23,761
2502. Incentive program			300,000		300,000
2503. Penalties			6,000		6,000
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			329,761		329,761

(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) 16,297	(91,605)
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 14,223	3,744
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) 307	1,183
7. Derivative instruments	(f)	
8. Other invested assets		1,100,000
9. Aggregate write-ins for investment income		
10. Total gross investment income	30,827	1,013,322
11. Investment expenses		(g) 1,173
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)		1,173
17. Net Investment income (Line 10 minus Line 16)		1,012,149

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	44,726		44,726		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	11,718		11,718		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)				(8,045)	
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)	56,444		56,444	(8,045)	

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			
18.2 Net deferred tax asset		555,658	555,658
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			
24. Health care and other amounts receivable		1,842,192	1,842,192
25. Aggregate write-ins for other than invested assets		10,000	10,000
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)		2,407,850	2,407,850
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)		2,407,850	2,407,850
DETAILS OF WRITE-INS			
1101. Prepays			
1102. Deposits			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Prepaid Expenses			
2502. Deposits		10,000	10,000
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)		10,000	10,000

17 Exhibit 1 - Enrollment By Product Type NONE

18 Exhibit 2 - Accident and Health Premiums NONE

19 Exhibit 3 - Health Care Receivables NONE

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
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	943,658					943,658
0499999 Subtotals	943,658					943,658
0599999 Unreported claims and other claim reserves						2,027,343
0699999 Total Amounts Withheld						2,987,276
0799999 Total Claims Unpaid						5,958,277
0899999 Accrued Medical Incentive Pool and Bonus Amounts						

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
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> N O N E </div>							
0399999 Total gross amounts receivable							

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Individually listed payables				
MCS Life Insurance Company		280,358	280,358	
Medical Card Sytem Inc		(219,041)	(219,041)	
0199999 Total - Individually listed payables	X X X	61,316	61,316	
0299999 Payables not individually listed	X X X			
0399999 Total gross payables	X X X	61,316	61,316	

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	4,151,054	6.797				4,151,054
2. Intermediaries						
3. All other providers						
4. TOTAL Capitation Payments	4,151,054	6.797				4,151,054
Other Payments:						
5. Fee-for-service			X X X	X X X		
6. Contractual fee payments	56,923,330	93.203	X X X	X X X		56,923,330
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	56,923,330	93.203	X X X	X X X		56,923,330
13. TOTAL (Line 4 plus Line 12)	61,074,384	100.000	X X X	X X X		61,074,384

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
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

Notes to Financial Statements

MCS Health Management Options, 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 expose the Company to geographical risk. The Company is ultimately wholly owned by Medical Card System, Inc. (MCS).

The Company exclusively served medically indigent persons, as defined, under the MiSalud Program (Mi Salud) through a contract with the Puerto Rico Health Insurance Administration (the Administration). This contract ended on October 31, 2011- see Note 4. Under the former Mi Salud contract, the Company provided comprehensive healthcare services to the subscribers on a prepaid basis. The Company contracts with independent professional associations (IPAs) and a network of providers to render medical services to its subscribers. The Company pays capitation to IPAs and negotiated fees for services rendered by providers.

Note 1 - Summary of Significant Accounting Policies

(a) Accounting Practices - Basis of Presentation

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 prescribed or permitted by the Insurance Commissioner of Puerto Rico.

(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) Investments

Bonds and short-term investments are carried at amortized cost. Premiums and discounts are amortized or accreted over the life of the related security using the effective interest method.

Preferred and common stocks are carried at estimated fair value with unrealized holding gains and losses reported in capital and surplus.

(d) Claim Liabilities

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. Also, there are contracts with various independent professional associations (IPAs) for certain medical care services to insured members. The IPAs are compensated based on capitation basis, and a portion of the capitation payments is retained to provide for incurred but not reported claims.

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. In addition, the claims payables include a portion of the capitation payments that the Company has retained to provide for incurred but not reported claims attributed to the IPAs.

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 the statement of operations and accumulated surplus of the current year.

(e) Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is calculated using the

Notes to Financial Statements

straight-line method over an estimated useful life of three years.

(f) Revenue Recognition

Premiums are billed in advance of their respective coverage period and the related revenue is recorded as earned during the coverage period, including any unbilled premium.

The Company carried its premiums receivables net of allowances for billing adjustments and doubtful amounts based on the evaluation of the aging and such other factors that deserve recognition.

(g) Cash and Short-term Investments

Cash includes money market accounts and funds. Short-term investments include debt securities with maturity of one year or less at the time of purchase.

Note 2 - Accounting Changes and Corrections of Errors

None

Note 3 - Business Combinations and Goodwill

None

Note 4 - Discontinued Operations

The Company and the Administration could not agree on the new Per Member Per Month rates for each service region under the Mi Salud Program to be effective for the Program Fiscal Year commencing on July 1, 2011. As a result, MCS HMO provided notice of non-renewal which in effect constitutes a notice of termination of the contract with the Administration. MCS HMO was a contractor for the provision of physical health services under the MI Salud Program in six service regions of said Program pursuant to a contract entered into between MCS HMO and the Puerto Rico Health Insurance Administration ("ASES" for its Spanish acronym) (the "MI Salud Contract"). Effective July 1, 2011, ASES and MCS HMO entered into a Transition Plan Agreement (the "Transition Agreement") in order to proceed with the transition of the regions services by MCS HMO under the MI Salud Contract to a new physical health services provider designated by ASES.

The transition period commenced as of July 1, 2011 and ended on October 31, 2011. Since November 1, 2011, MCS HMO is not an insurer under the MI Salud Program, has not transacted any new insurance business and has no insureds. From November 1, 2011 to the present, MCS HMO's activities have been limited to processing provider claims as required under the MI Salud Contract for the services covered during the duration of the MI Salud Contract and the Transition Agreement. Under the Transition Agreement, MCS HMO agreed to maintain claims-processing functions for the period from November 1, 2011 to August 31, 2012 (the "Run-Out Period") in order to complete the adjudication of claims process. MCS HMO has complied with its obligation under the MI Salud Contract and the Transition Agreement and processed all claims originally submitted by the providers. ASES and MCS HMO agreed to extend the term of the Run-Out Period to December 31, 2012. MCS HMO has submitted to ASES all information required by the Transition Agreement, and the only pending matter is to finalize [the claims' adjustment] and certain administrative processes dealing with provider claims. MCS HMO continued to process and pay, if appropriate, the adjustments to claims submitted by providers and its only activities at the present time are the claims-processing functions described above.

Note 5 - Investments in Mortgage Loans, Reverse Mortgages, Debt Restructuring, Loan-backed Securities and Repurchase Agreements

None

Note 6 - Joint Ventures, Partnerships and Limited Liability companies

None

Note 7 - Investment Income

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.

Notes to Financial Statements

No investment income has been excluded as non-admitted.

Note 8 - Derivatives

None

Note 9 - Income Taxes

None

The reconciliation of total deferred tax assets to admitted deferred tax assets as of December 31, 2012 and 2011 is as follows:

	2012	2011
Gross deferred tax assets (admitted and nonadmitted)	\$ -	555,658
Gross deferred tax liability	<u>(3,509)</u>	<u>(4,176)</u>
	(3,509)	551,482
Deferred tax asset non-admitted	<u> </u>	<u>555,658</u>
Deferred tax assets (liability), net	<u>\$ (3,509)</u>	<u>(4,176)</u>

Deferred income taxes reflect the tax effects of: (a) temporary differences between carrying amounts of assets and liabilities for both financial reporting and income tax purposes and (b) operating loss and tax credit carry forwards. The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2012 and 2011 are presented below:

	2012	2011
Deferred tax (liability) asset related to the net unrealized loss/gain on available-for-sale securities	\$ (3,509)	(4,716)
Deferred tax asset related to net realized losses on sales of securities and impairment charges	—	—
Deferred tax asset on accrued expenses	—	—
Deferred tax asset on nonadmitted assets	—	—
Deferred tax asset, net	<u>\$ (3,509)</u>	<u>(4,716)</u>

Under SAP, gross deferred tax assets generally are admitted to the extent the Company's federal income taxes paid in prior years that can be recovered through loss carrybacks; plus the lesser of (a) the amount of gross deferred tax assets expected to be realized within one year (three years under SAP 10R) after year-end or (b) 10% (15% under SAP 10R) of statutory capital and surplus as of year-end; plus any remaining deferred tax assets that can be offset against existing gross deferred tax liabilities. The amount of deferred tax asset considered admitted could be significantly reduced in the near term if estimates of future taxable income during the subsequent period are reduced due to lower operating margins than expected. The Company examined the guidance in SSAP 10R and concluded was not applicable to the Company.

On March 9, 2009, the Government of Puerto Rico signed into law Act No. 7, *Special Act Declaring State of Fiscal Emergency and Establishing an Integrated Fiscal Stabilizing Plan to Save the Credit of Puerto Rico*. The plan is organized with revenue generating measures, permanent and temporary, cost reducing, and financial measures. Among the tax related measures, the law affects corporations operating in Puerto Rico by requiring a five percent (5%) surtax over the determined tax liability. These measures are effective for tax years commenced after December 31, 2008 and before January 1, 2012.

Recently, the Government of Puerto Rico adopted a comprehensive tax reform in two phases. The first phase of the tax reform was enacted in the last quarter of 2010 and was mostly related to reducing the income tax burden to individuals. In 2010 only, corporations received an income tax credit amounting to 7% of the tax determined, defined as a tax liability less certain credits. The second phase of the reform, which was approved on January 31, 2011, provides for the reduction of maximum corporate income tax rate from 40.95% to approximately 30% including the elimination of the above mentioned 5% additional special tax for corporations, as well adding several tax credits and deductions, among other tax reliefs and changes.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

Notes to Financial Statements

The Company is wholly-owned by MCS, Inc. The Company is also affiliated by common ownership and management with MCS Life Insurance Company (MCS Life) and with MCS Advantage, Inc., wholly owned subsidiaries of MCS.

MCS, Inc. provides administrative services to the Company, such as claims processing, consulting, and other administrative services, in addition to providing for the use of facilities and equipment for the Company's operations pursuant to the terms of a service agreement between the parties. Fees under the service agreement are based on direct costs and an allocation of indirect costs, as defined, plus a profit percentage. Under this agreement, the administrative fees are limited to an annual maximum amount based on a percentage of premiums.

In 2012 and 2011, administrative charges under the service agreement amounted to \$0 and \$55.6 million, respectively. A portion of these administrative charges amounting to \$0 and \$12.9 million, respectively, are related to claim adjustment expenses and are reported as healthcare benefits.

At December 31, 2012, the Company had a receivable due from MCS, Inc. amounting to \$.2 million and payables to MCS Life of \$.3 million.

Note 11 - Debt

None

Note 12 - Retirement Plans, Deferred Compensation, Post Employment Benefits and Compensated Absences and Other Retirement Benefit Plans

None

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

The Company has 1,000,000 shares authorized, 10,000 shares issued and outstanding. All shares are common stock.

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

Accumulated earnings	1,843,673
Deferred tax liability	(3,509)
Unassigned surplus	<u><u>1,840,164</u></u>

Note 14 - Contingencies

The Company is a defendant in legal actions arising in the ordinary course of business. Management, after consultation with its legal counselors, is of the opinion that the ultimate liability, if any, resulting from such pending legal actions, would not be material in relation to the financial position and results of operations of the Company.

The Company and its auditors have not yet completed the annual audit for calendar year 2011. Material changes and reclassifications could result upon completion of the audit.

Note 15 - Leases

None

Note 16 - Information about Financial Instruments with Off Balance Sheet Risk and Financial Instruments with Concentration of Credit Risks

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 the Puerto Rico health

Notes to Financial Statements

reform insurance program covering insured's located throughout Puerto Rico, and as such, the Company is subject to the risks associated with the Puerto Rico economy.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None

Note 18 - Gain or Loss on Uninsured Plans and on the Uninsured Portion of Partially Insured Plans

None

Note 19 - Direct Premiums Written by Managing General Agents (MGA) or Third Party Administrators (TPA)

None

Note 20 - Fair Value Measurements

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 SAP 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.

Note 21 - Other Items

Investments with a carrying value of approximately \$650,000 as of December 31, 2012 (amortized cost approximates fair value) were deposited with the Commissioner of Insurance to comply with the deposit requirements of the Insurance Code.

The contracts for the health insurance services provide for a return of premiums if the net income before return premiums exceeds 2.5% of premium. The return premiums are equal to the 75% of the excess of net income over 2.5%. There were no return premiums or return premium liabilities recorded at December 31, 2012 and 2011.

Note 22 - Events Subsequent

None

Notes to Financial Statements

Note 23 - Reinsurance

None

Note 24 - Retrospectively Rated Contracts

None

Note 25 - Change in Incurred Claims

None

Note 26 - Intercompany Polling Arrangements

None

Note 27 - Structured Settlements

None

Note 28 - Health Care Receivables

None

Note 29 - Participating Policies

None

Note 30 - Premium Deficiency Reserves

None

Note 31 - Anticipated Salvage and Subrogation

None

Notes to Financial Statements

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
- 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. 12/31/2005
- 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). 12/31/2005
- 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[] No[] N/A[X]
- 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?
Matt Chamblee, Milliman, Tampa, Florida
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[] No[X]
- 12.11 Name of real estate holding company _____
- 12.12 Number of parcels involved _____
- 12.13 Total book/adjusted carrying value \$ 0

GENERAL INTERROGATORIES (Continued)

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes No N/A
 Yes No N/A
 Yes No N/A

13.3 Have there been any changes made to any of the trust indentures during the year?
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes No

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

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended?

Yes No

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes No

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes No

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes No

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes No

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes No

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes No

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers

\$ 0

20.12 To stockholders not officers

\$ 0

20.13 Trustees, supreme or grand (Fraternal only)

\$ 0

20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers

\$ 0

20.22 To stockholders not officers

\$ 0

20.23 Trustees, supreme or grand (Fraternal only)

\$ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes No

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

21.21 Rented from others

\$ 0

21.22 Borrowed from others

\$ 0

21.23 Leased from others

\$ 0

21.24 Other

\$ 0

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes No

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment

\$ 0

22.22 Amount paid as expenses

\$ 0

22.23 Other amounts paid

\$ 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes No

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

\$ 0

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes No

24.02 If no, give full and complete information, relating thereto

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes No N/A

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$ 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs.

\$ 0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes No N/A

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes No N/A

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

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

GENERAL INTERROGATORIES (Continued)

24.103 Total payable for securities lending reported on the liability page. \$ 0

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

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

25.21 Subject to repurchase agreements	\$	0
25.22 Subject to reverse repurchase agreements	\$	0
25.23 Subject to dollar repurchase agreements	\$	0
25.24 Subject to reverse dollar repurchase agreements	\$	0
25.25 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	\$	0
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
Consultiva Securities, Inc	Scotiabank, Suite 1201, 273 Ponce de Leon, Hato Rey, 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 advisers, 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
0	0	0

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	730,008	750,000	19,992
30.2 Preferred stocks			
30.3 Totals	730,008	750,000	19,992

30.4 Describe the sources or methods utilized in determining the fair values
Independent confirmations with brokers

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

OTHER

- 33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 0
- 33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid

- 34.1 Amount of payments for legal expenses, if any? \$ 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 .....	.....	928,308,748
2.2 Premium Denominator .....	.....	928,396,759
2.3 Premium Ratio (2.1 / 2.2) .....	.....	1.000
2.4 Reserve Numerator	5,958,277	63,991,901
2.5 Reserve Denominator	5,958,277	67,032,661
2.6 Reserve Ratio (2.4 / 2.5)	1.000	0.955

- 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:
- 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 9,021
- 8.2 Number of providers at end of reporting year 0
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months 0
- 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [] No[X]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ 0
- 10.22 Amount actually paid for year bonuses \$ 0
- 10.23 Maximum amount payable withholds \$ 0
- 10.24 Amount actually paid for year withholds \$ 0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No[X]
- 11.13 An Individual Practice Association (IPA), or, Yes [] No[X]
- 11.14 A Mixed Model (combination of above)? Yes[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. Yes[X] No []
- 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 [] No[X]
- 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 2012	2 2011	3 2010	4 2009	5 2008
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	10,803,751	78,414,248	189,510,303	135,329,866	128,066,581
2. TOTAL Liabilities (Page 3, Line 24)	7,523,588	77,718,270	170,615,938	101,239,320	109,917,520
3. Statutory surplus	600,000	600,000	600,000	600,000	600,000
4. TOTAL Capital and Surplus (Page 3, Line 33)	3,280,164	695,979	18,894,365	34,090,546	18,149,061
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)		928,396,759	683,813,126	531,097,627	505,480,794
6. TOTAL Medical and Hospital Expenses (Line 18)		886,368,587	634,490,172	474,917,474	472,457,583
7. Claims adjustment expenses (Line 20)		13,955,181	8,456,160	5,783,528	5,766,314
8. TOTAL Administrative Expenses (Line 21)	329,761	45,667,891	30,640,768	27,422,718	40,156,841
9. Net underwriting gain (loss) (Line 24)	(329,761)	(17,594,900)	10,226,026	22,973,907	(12,899,945)
10. Net investment gain (loss) (Line 27)	1,068,593	1,229,809	942,120	1,912,303	5,062,833
11. TOTAL Other Income (Lines 28 plus 29)			(1,700,000)		
12. Net income or (loss) (Line 32)	738,832	(16,272,250)	5,788,911	17,745,298	(7,696,780)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(5,631,600)	(35,170,758)	(13,059,002)	20,014,557	(29,400,595)
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	3,280,164	695,979	18,894,365	34,090,546	18,149,061
15. Authorized control level risk-based capital	51,428	31,609,937	15,827,947	17,101,184	17,523,479
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)			826,056	418,315	401,771
17. TOTAL Members Months (Column 6, Line 7)		8,467,659	6,176,905	4,866,393	4,904,778
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)		95.5	92.8	89.4	93.5
20. Cost containment expenses					
21. Other claims adjustment expenses		1.5	1.2	1.1	1.1
22. TOTAL Underwriting Deductions (Line 23)		101.9	98.5	95.7	102.6
23. TOTAL Underwriting Gain (Loss) (Line 24)		(1.9)	1.5	4.3	(2.6)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	67,032,661	162,259,758	81,871,761	74,656,871	69,365,918
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	67,032,661	164,529,189	90,632,410	84,238,056	69,365,918
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 95779

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
TOTAL Members at end of:										
1. Prior Year										
2. First Quarter										
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months										
TOTAL Member Ambulatory Encounters for Year:										
7. Physician										
8. Non-Physician										
9. TOTAL										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (b)										
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned										
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	61,074,384								61,074,384	
18. Amount Incurred for Provision of Health Care Services										

(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 95779

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
TOTAL Members at end of:										
1. Prior Year										
2. First Quarter										
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months										
TOTAL Member Ambulatory Encounters for Year:										
7. Physician										
8. Non-Physician										
9. TOTAL										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (b)										
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned										
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	61,074,384								61,074,384	
18. Amount Incurred for Provision of Health Care Services										

(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

29 Grand Total

30 Schedule S - Part 1 - Section 2 NONE

31 Schedule S - Part 2 NONE

32 Schedule S - Part 3 - Section 2 NONE

33 Schedule S - Part 4 NONE

34 Schedule S - Part 5 NONE

35 Schedule S - Part 5 (continued) NONE

SCHEDULE S - PART 6
Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2012	2 2011	3 2010	4 2009	5 2008
A. OPERATIONS ITEMS					
1. Premiums					
2. Title XVIII-Medicare					
3. Title XIX - Medicaid					
4. Commissions and reinsurance expense allowance					
5. TOTAL Hospital and Medical Expenses					
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable					
8. Reinsurance recoverable on paid losses					
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances due					
11. Unauthorized reinsurance offset					
12. Offset for reinsurance with Certified Reinsurers		X X X	X X X	X X X	X X X
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
13. Funds deposited by and withheld from (F)					
14. Letters of credit (L)					
15. Trust agreements (T)					
16. Other (O)					
D. REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)					
17. Multiple Beneficiary Trust		X X X	X X X	X X X	X X X
18. Funds deposited by and withheld from (F)		X X X	X X X	X X X	X X X
19. Letters of credit (L)		X X X	X X X	X X X	X X X
20. Trust agreements (T)		X X X	X X X	X X X	X X X
21. Other (O)		X X X	X X X	X X X	X X X

SCHEDULE S - PART 7

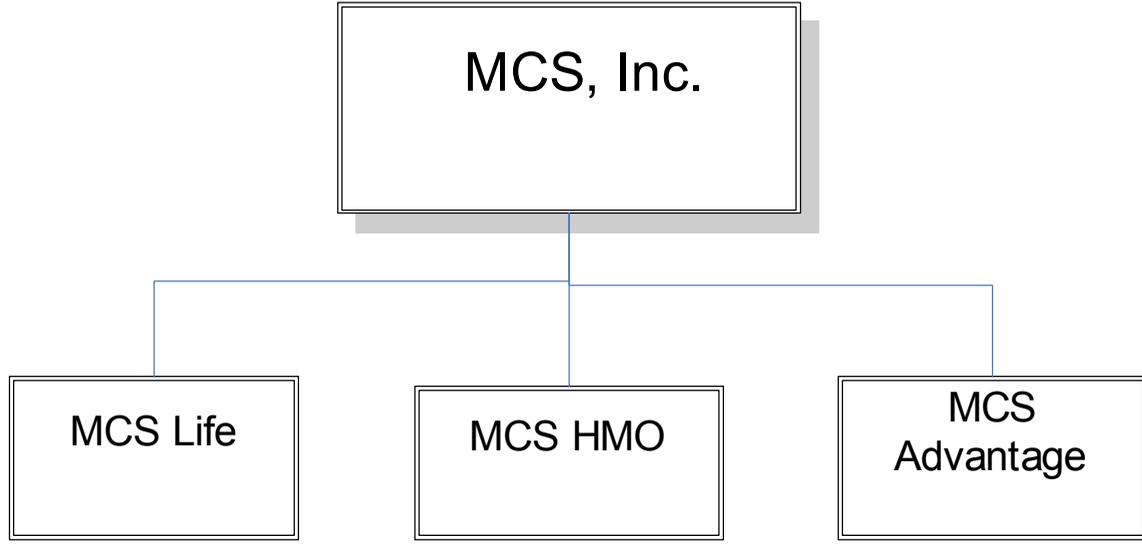
Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	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)	3,873,786		3,873,786
2. Accident and health premiums due and unpaid (Line 15)	6,176,357		6,176,357
3. Amounts recoverable from reinsurers (Line 16.1)			
4. Net credit for ceded reinsurance	X X X		
5. All other admitted assets (Balance)	753,609		753,609
6. TOTAL Assets (Line 28)	10,803,751		10,803,751
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	5,958,277		5,958,277
8. Accrued medical incentive pool and bonus payments (Line 2)			
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)	1,565,311		1,565,311
15. TOTAL Liabilities (Line 24)	7,523,588		7,523,588
16. TOTAL Capital and Surplus (Line 33)	3,280,164	X X X	3,280,164
17. TOTAL Liabilities, Capital and Surplus (Line 34)	10,803,751		10,803,751
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			

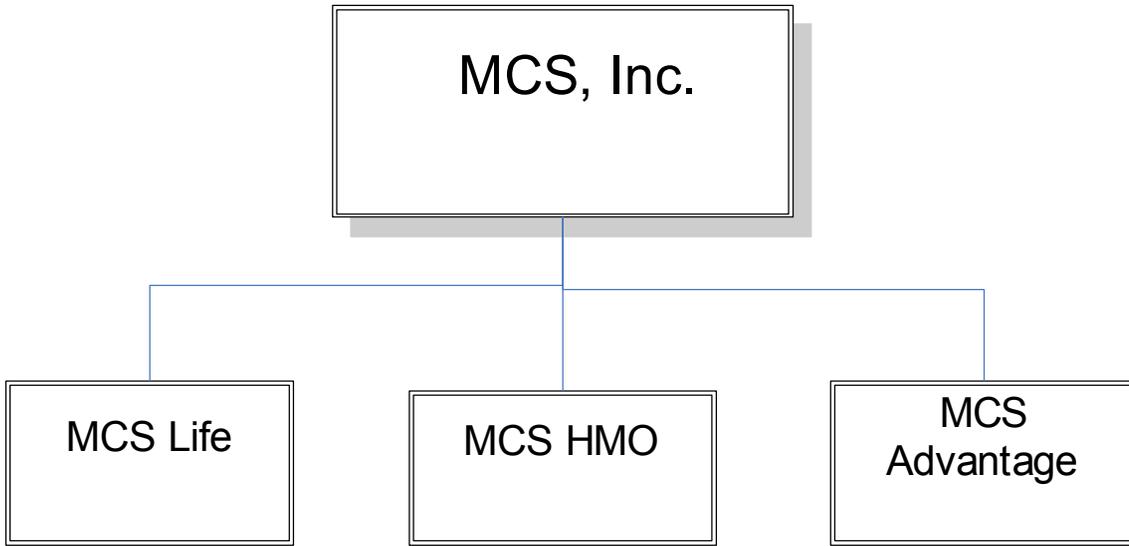
38 Schedule T - Premiums and Other Considerations NONE

39 Schedule T - Part 2 - Interstate Compact - Exhibit of Premiums Written NONE

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



**SCHEDULE Y - INFORMATION CONCERNING
MEMBERS OF A HOLDING COMPAN
PART 1 - ORGANIZATIONAL CH**



**SCHEDULE Y - INFORMATION CONCERNING
MEMBERS OF A HOLDING COMPAN
PART 1 - ORGANIZATIONAL CH**

**SCHEDULE Y - INFORMATION CONCERNING
MEMBERS OF A HOLDING COMPAN
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MEMBERS OF A HOLDING COMPAN
PART 1 - ORGANIZATIONAL CH**

**SCHEDULE Y - INFORMATION CONCERNING
MEMBERS OF A HOLDING COMPAN
PART 1 - ORGANIZATIONAL CH**

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)	*
0000 ..	Medical Card System, Inc.	95779	66-0411947 .	.....	.....	.....	MCS Health Management Options Inc	PR .	UDP .	Medical Card System, Inc	Ownership	100.0	JLL Partners .....	.....
1301 ..	Medical Card System	13022	66-0642758 .	.....	.....	.....	MCS ADVANTAGE INC	PR .	IA ..	Medical Card System, Inc	Ownership	100.0	JLL Partners .....	.....
1301 ..	Medical Card System, Inc.	60030	66-0520918 .	.....	.....	.....	MCS LIFE INS CO	PR .	IA ..	Medical Card System, Inc	Ownership	100.0	JLL Partners .....	.....

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)
.. 00000 ..	.. 66-0396197 ..	Medical Card System, Inc .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.. 95779 ..	.. 66-0411947 ..	MCS Health Management Options Inc .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9999999 Control Totals .....			.....	.....	.....	.....	.....	.....	XXX	.....	.....	.....

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? | Yes |
| 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? | No |
| 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:

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



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



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

Approval for Relief related to Require. for Audit Committees



95779201222600000 2012 Document Code: 226

LTC Supplemental Interrogatories



95779201230600000 2012 Document Code: 306

Analysis of Annuity Operations by Lines of Business



95779201221400000 2012 Document Code: 214

Health Property/Casualty Supplement - Insurance Expense Exhibit



95779201221300000 2012 Document Code: 213

Supplemental Health Care Exhibit



95779201221600000 2012 Document Code: 216

Supplemental Health Care Exhibit's Expense Allocation Report



95779201221700000 2012 Document Code: 217

Management's Report of Internal Control over Financial Reporting



95779201222300000 2012 Document Code: 223

OVERFLOW PAGE FOR WRITE-INS

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
2504. LAE Adjustment Expense					
2597. Summary of remaining write-ins for Line 25 (Lines 2504 through 2596)					

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						
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	500,000	12.907	500,000		500,000	12.907
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						
1.512 Issued or Guaranteed by FNMA and FHLMC						
1.513 All other	230,008	5.938	230,008		230,008	5.938
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA						
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	212,730	5.492	212,730		212,730	5.492
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	2,931,048	75.664	2,931,048		2,931,048	75.664
11. Other invested assets						
12. Total invested assets	3,873,786	100.000	3,873,786		3,873,786	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:		
6.1 Totals, Part 1, Column 15	NONE	
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		2,282,075
2. Cost of bonds and stocks acquired, Part 3, Column 7		
3. Accrual of Discount		32,775
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	(8,045)	
4.4 Part 4, Column 11		(8,045)
5. Total gain (loss) on disposals, Part 4, Column 19		56,444
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7		1,419,203
7. Deduct amortization of premium		1,307
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		
9.2 Part 2, Section 1, Column 17		
9.3 Part 2, Section 2, Column 14		
9.4 Part 4, Column 13		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		942,739
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		942,739

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	230,008	250,000	220,000	250,000
	2. Canada				
	3. Other Countries				
	4. Totals	230,008	250,000	220,000	250,000
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	500,000	500,000	210,662	500,000
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	730,008	750,000	430,662	750,000
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	212,730	212,730	189,336	
	21. Canada				
	22. Other Countries				
	23. Totals	212,730	212,730	189,336	
Parent, Subsidiaries and Affiliates	24. Totals				
	25. Total Common Stocks	212,730	212,730	189,336	
	26. Total Stocks	212,730	212,730	189,336	
	27. Total Bonds and Stocks	942,739	962,730	619,998	

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 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)
1. U.S. Governments											
1.1 Class 1				230,008		230,008	31.51	816,796	39.63	230,008	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 TOTALS				230,008		230,008	31.51	816,796	39.63	230,008	
2. All Other Governments											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 TOTALS											
3. U.S. States, Territories and Possessions etc., Guaranteed											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 TOTALS											
4. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed											
4.1 Class 1								99,984	4.85		
4.2 Class 2								636,556	30.88		
4.3 Class 3	500,000					500,000	68.49	468,998	22.75	500,000	
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 TOTALS	500,000					500,000	68.49	1,205,538	58.48	500,000	
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed											
5.1 Class 1											
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 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

Quality Rating Per the 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)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 Class 1								38,965	1.89		
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 TOTALS								38,965	1.89		
7. Hybrid Securities											
7.1 Class 1											
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 TOTALS											
8. Parent, Subsidiaries and Affiliates											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 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

Quality Rating Per the 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 Class 1	(d).....			230,008		230,008	31.51	XXX	XXX	230,008	
9.2 Class 2	(d).....							XXX	XXX		
9.3 Class 3	(d) 500,000					500,000	68.49	XXX	XXX	500,000	
9.4 Class 4	(d).....							XXX	XXX		
9.5 Class 5	(d).....							XXX	XXX		
9.6 Class 6	(d).....							XXX	XXX		
9.7 TOTALS	500,000			230,008		730,008	100.00	XXX	XXX	730,008	
9.8 Line 9.7 as a % of Column 6	68.49			31.51		100.00	XXX	XXX	XXX	100.00	
10. Total Bonds Prior Year											
10.1 Class 1	62,615	373,782	187,225	302,893	29,229	XXX	XXX	955,745	46.37	955,744	
10.2 Class 2	636,556					XXX	XXX	636,556	30.88	636,556	
10.3 Class 3		468,998				XXX	XXX	468,998	22.75	468,998	
10.4 Class 4						XXX	XXX				
10.5 Class 5						XXX	XXX				
10.6 Class 6						XXX	XXX				
10.7 TOTALS	699,171	842,780	187,225	302,893	29,229	XXX	XXX	2,061,299	100.00	2,061,298	
10.8 Line 10.7 as a % of Col. 8	33.92	40.89	9.08	14.69	1.42	XXX	XXX	100.00	XXX	100.00	
11. Total Publicly Traded Bonds											
11.1 Class 1				230,008		230,008	31.51	955,744	46.37	230,008	XXX
11.2 Class 2								636,556	30.88		XXX
11.3 Class 3	500,000					500,000	68.49	468,998	22.75	500,000	XXX
11.4 Class 4											XXX
11.5 Class 5											XXX
11.6 Class 6											XXX
11.7 TOTALS	500,000			230,008		730,008	100.00	2,061,298	100.00	730,008	XXX
11.8 Line 11.7 as a % of Col. 6	68.49			31.51		100.00	XXX	XXX	XXX	100.00	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	68.49			31.51		100.00	XXX	XXX	XXX	100.00	XXX
12. Total Privately Placed Bonds											
12.1 Class 1										XXX	
12.2 Class 2										XXX	
12.3 Class 3										XXX	
12.4 Class 4										XXX	
12.5 Class 5										XXX	
12.6 Class 6										XXX	
12.7 TOTALS										XXX	
12.8 Line 12.7 as a % of Col. 6							XXX	XXX	XXX	XXX	
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9							XXX	XXX	XXX	XXX	

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(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.

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

Distribution by Type		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
1.	U.S. Governments											
1.1	Issuer Obligations								175,917	8.53		
1.2	Residential Mortgage-Backed Securities				230,008		230,008	31.51	640,879	31.09	230,008	
1.3	Commercial Mortgage-Backed Securities											
1.4	Other Loan-Backed and Structured Securities											
1.5	Totals				230,008		230,008	31.51	816,796	39.63	230,008	
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					500,000	68.49	1,205,538	58.48	500,000	
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					500,000	68.49	1,205,538	58.48	500,000	
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								38,965	1.89		
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								38,965	1.89		
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	500,000					500,000	68.49	X X X	X X X	500,000	
9.2 Residential Mortgage-Backed Securities				230,008		230,008	31.51	X X X	X X X	230,008	
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	500,000			230,008		730,008	100.00	X X X	X X X	730,008	
9.6 Line 9.5 as a % of Col. 6	68.49			31.51		100.00	X X X	X X X	X X X	100.00	
10. Total Bonds Prior Year											
10.1 Issuer Obligations	636,556	644,915		138,949		X X X	X X X	1,420,420	68.91	1,420,420	
10.2 Residential Mortgage-Backed Securities	62,615	197,865	187,225	163,944	29,229	X X X	X X X	640,879	31.09	640,878	
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	699,171	842,780	187,225	302,893	29,229	X X X	X X X	2,061,299	100.00	2,061,298	
10.6 Line 10.5 as a % of Col. 8	33.92	40.89	9.08	14.69	1.42	X X X	X X X	100.00	X X X	100.00	
11. Total Publicly Traded Bonds											
11.1 Issuer Obligations	500,000					500,000	68.49	1,420,420	68.91	500,000	X X X
11.2 Residential Mortgage-Backed Securities				230,008		230,008	31.51	640,878	31.09	230,008	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	500,000			230,008		730,008	100.00	2,061,298	100.00	730,008	X X X
11.6 Line 11.5 as a % of Col. 6	68.49			31.51		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	68.49			31.51		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 CUSIP Identification	2 Description	Codes			6 NAIC Design- nation	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book Adjusted Carrying Value				Interest					Dates	
		3 Code	4 F O R E I G N	5 Bond CHAR			8 Rate Used to Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of Interest	18 When Paid	19 Admitted Amount Due and Accrued	20 Amount Received During Year	21 Acquired	22 Stated Contractual Maturity Date
U.S. Governments - Residential Mortgage-Backed Securities																					
86357RAB4	SMPGT 94-1H				1	220,000	100,000	250,000	250,000	230,008		1,090			5.625	7.642	MON	1,133		12/26/2000	02/24/2024
0299999 Subtotal - U.S. Governments - Residential Mortgage-Backed Securities						220,000	X X X	250,000	250,000	230,008		1,090			X X X	X X X	X X X	1,133		X X X	X X X
0599999 Subtotal - U.S. Governments						220,000	X X X	250,000	250,000	230,008		1,090			X X X	X X X	X X X	1,133		X X X	X X X
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
74527PBG7	PR HOUSING FIN CORP.	@			3	210,662	100,000	500,000	500,000	500,000		31,002			6.504	N/A				06/01/1988	01/01/2013
1899999 Subtotal - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations						210,662	X X X	500,000	500,000	500,000		31,002			X X X	X X X	X X X			X X X	X X X
2499999 Subtotal - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)						210,662	X X X	500,000	500,000	500,000		31,002			X X X	X X X	X X X			X X X	X X X
7799999 Subtotals - Issuer Obligations						210,662	X X X	500,000	500,000	500,000		31,002			X X X	X X X	X X X			X X X	X X X
7899999 Subtotals - Residential Mortgage-Backed Securities						220,000	X X X	250,000	250,000	230,008		1,090			X X X	X X X	X X X	1,133		X X X	X X X
8399999 Grand Total - Bonds						430,662	X X X	750,000	750,000	730,008		32,092			X X X	X X X	X X X	1,133		X X X	X X X

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Par Value Per Share	7 Rate Per Share	8 Book/Adjusted Carrying Value	Fair Value		11 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value				20 NAIC Designation	21 Date Acquired		
		3 Code	4 For- eign					9 Rate Per Share Used to Obtain Fair Value	10 Fair Value		12 Declared but Unpaid	13 Amount Received During Year	14 Nonadmitted Declared But Unpaid	15 Unrealized Valuation Increase/ (Decrease)	16 Current Year's (Amortization) Accretion	17 Current Year's Other than Temporary Impairment Recognized	18 Total Change in B./A.C.V. (15+16-17)			19 Total Foreign Exchange Change in B./A.C.V.	
								N O N E													
8999999 Total Preferred Stocks .....								... X X X ...												. X X X .	. X X X .

SCHEDULE D - PART 2 - SECTION 2

Showing All COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Book/Adjusted Carrying Value	Fair Value		9 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value				17 NAIC Market Indicator (a)	18 Date Acquired
		3 Code	4 For- eign			7 Rate per Share Used to Obtain Fair Value	8 Fair Value		10 Declared but Unpaid	11 Amount Received During Year	12 Nonadmitted Declared But Unpaid	13 Unrealized Valuation Increase/ (Decrease)	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B./A.C.V. (Col. 13-14)	16 Total Foreign Exchange Change in B./A.C.V.		
Mutual Funds																	
000000000	GLOBAL OPORTUNITIES CAPITAL			23,663.000	212,730	8.990	212,730	189,336				(8,045)		(8,045)		L	12/01/2011
9299999	Subtotal - Mutual Funds				212,730	X X X	212,730	189,336				(8,045)		(8,045)		X X X	X X X
9799999	Total Common Stocks				212,730	X X X	212,730	189,336				(8,045)		(8,045)		X X X	X X X
9899999	Total Preferred and Common Stocks				212,730	X X X	212,730	189,336				(8,045)		(8,045)		X X X	X X X

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues0, the total \$ value (included in Column 8) of all such issues \$.....0.

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
8399998	Summary item from Part 5 for Bonds							
8999998	Summary Item from Part 5 for Preferred Stocks						X X X	
9799998	Summary Item from Part 5 for Common Stocks						X X X	
9899999	Subtotal - Preferred and Common Stocks						X X X	
9999999	Totals						X X X	

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 Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/Adjusted Carrying Value	10 Change in Book/Adjusted Carrying Value					16 Book/Adjusted 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																			
313771AA5	FHLB Subordinated	06/25/2012	Santander	X X X	202,606	175,000.00	176,313	175,917						175,829		26,777	26,777	4,922	06/13/2016
36234CX91	GNMA POOL 425583 UNIT 93	05/31/2012	VARIOUS	X X X	25,959	25,000.00	25,978	25,756	(88)			(88)		25,748		210	210	677	03/15/2025
36234CX59	GNMA POOL 425583 UNIT 97	05/31/2012	VARIOUS	X X X	26,677	25,000.00	25,978	25,757	(8)			(8)		25,749		928	928	713	09/15/2025
36234CX34	GNMA POOL 425583 UNIT 99	05/31/2012	VARIOUS	X X X	27,146	25,000.00	25,978	25,758	(8)			(8)		25,750		1,396	1,396	713	12/15/2025
36235GFW0	GNMA POOL 459463 UNIT 93	05/31/2012	VARIOUS	X X X	26,427	25,000.00	25,875	25,697	(7)			(7)		25,690		737	737	713	10/15/2026
36235LG40	GNMA POOL 470960 UNIT 84	05/31/2012	VARIOUS	X X X	26,052	25,000.00	25,875	25,697	(7)			(7)		25,690		362	362	713	05/15/2026
36235LG32	GNMA POOL 470960 UNIT 85	05/31/2012	VARIOUS	X X X	26,052	25,000.00	25,875	25,698	(7)			(7)		25,691		361	361	713	07/15/2026
36235QRT2	GNMA POOL 487543 UNIT 78	05/31/2012	VARIOUS	X X X	25,084	25,000.00	25,938	25,747	(10)			(10)		25,737		(654)	(654)	713	03/15/2023
36235QRQ8	GNMA POOL 487543 UNIT 81	05/31/2012	VARIOUS	X X X	25,865	25,000.00	25,938	25,762	(8)			(8)		25,755		110	110	713	09/15/2026
36235QRL9	GNMA POOL 487543 UNIT 85	05/31/2012	VARIOUS	X X X	26,427	25,000.00	25,938	25,764	(7)			(7)		25,757		670	670	713	04/15/2027
36235QRJ4	GNMA POOL 487543 UNIT 87	05/31/2012	VARIOUS	X X X	26,501	25,000.00	25,938	25,765	(7)			(7)		25,758		743	743	713	07/15/2027
36235QRD7	GNMA POOL 487543 UNIT 92	05/31/2012	VARIOUS	X X X	26,740	25,000.00	25,938	25,767	(7)			(7)		25,761		979	979	713	03/15/2028
36235QQ97	GNMA POOL 487543 UNIT 96	05/31/2012	VARIOUS	X X X	27,146	25,000.00	25,938	25,769	(7)			(7)		25,763		1,383	1,383	713	10/15/2028
36235TP76	GNMA POOL 498826 UNIT 90	05/31/2012	VARIOUS	X X X	26,271	25,000.00	25,875	25,727	(7)			(7)		25,720		551	551	713	10/15/2027
36235TPZ4	GNMA POOL 498826 UNIT 96	05/31/2012	VARIOUS	X X X	26,802	25,000.00	25,875	25,717	(6)			(6)		25,711		1,091	1,091	713	08/15/2028
36235XXK9	GNMA POOL 515329 UNIT 94	05/31/2012	VARIOUS	X X X	26,621	25,000.00	25,938	25,788	(6)			(6)		25,781		840	840	713	05/15/2029
36235XXF0	GNMA POOL 515329 UNIT 98	05/31/2012	VARIOUS	X X X	27,021	25,000.00	25,938	25,789	(6)			(6)		25,783		1,238	1,238	713	11/15/2029
0599999 Subtotal - U.S. Governments					625,397	575,000.00	591,126	587,875		(204)		(204)		587,673		37,722	37,722	16,294	X X X
Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)																			
29216MAF7	EMPLY RETRMT SYS/CMW PR 5.85%	06/25/2012	Santander	X X X	100,629	100,000.00	100,002	99,984		(1)		(1)		99,983		646	646	2,438	07/01/2023
74514LKP1	PR COMWLTH GO BDS 200 5.5%	05/08/2012	Ramirez A. Ramirez & Comp	X X X	641,810	635,000.00	647,184	636,556		(1,103)		(1,103)		635,454		6,356	6,356	11,786	07/01/2012
2499999 Subtotal - Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)					742,439	735,000.00	747,186	736,540		(1,104)		(1,104)		735,437		7,003	7,003	14,224	X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)																			
524995AF4	LGBT 93-3 G	12/30/2012	The Bank and Trust	X X X	51,367	51,885.37	43,507	38,965		684		684		39,649		11,718	11,718		10/24/2022
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					51,367	51,885.37	43,507	38,965		684		684		39,649		11,718	11,718		X X X
8399997 Subtotal - Bonds - Part 4					1,419,203	1,361,885.37	1,381,819	1,363,380		(624)		(624)		1,362,759		56,444	56,444	30,518	X X X
8399998 Summary Item from Part 5 for Bonds																			X X X
8399999 Subtotal - Bonds					1,419,203	1,361,885.37	1,381,819	1,363,380		(624)		(624)		1,362,759		56,444	56,444	30,518	X X X
8999998 Summary Item from Part 5 for Preferred Stocks																			X X X
9799998 Summary Item from Part 5 for Common Stocks																			X X X
9899999 Subtotal - Preferred and Common Stocks																			X X X
9999999 Totals					1,419,203	X X X	1,381,819	1,363,380		(624)		(624)		1,362,759		56,444	56,444	30,518	X X X

E14

SCHEDULE D - PART 5

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

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value					17	18	19	20	21
											12	13	14	15	16					
CUSIP Identifi- cation	Description	F O R E I G N	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) Number of Shares (Stock)	Actual Cost	Consider- ation	Book/ Adjusted Carrying Value at Disposal	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (Col. 12+ 13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
9999999 Totals																				

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures manual)	6 Do Insurer's Assets Include Intangible Assets connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
1999999 Total - Preferred and Common Stocks .....								... X X X ...	... X X X ...

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$.....0.
2. Total amount of intangible assets nonadmitted \$.....0.

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
N O N E					
0399999 Total - Preferred and Common Stocks .....				... X X X ...	... X X X ...

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 Counterparty Exposure for Derivative Instruments Open NONE

E23 Schedule DL - Part 1 - Securities Lending Collateral Assets NONE

E24 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 de Puerto Rico					2,615,082	X X X
Governmental Development Bank			798	130	172,365	X X X
UBS					120,742	X X X
Ramirez			4		22,858	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	802	130	2,931,048	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	802	130	2,931,048	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	802	130	2,931,048	X X X

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

1. January	8,730,635	4. April	3,642,985	7. July	3,179,775	10. October	5,928,394
2. February	4,515,805	5. May	3,891,824	8. August	4,230,394	11. November	6,587,867
3. March	3,885,687	6. June	2,729,005	9. September	3,563,830	12. December	2,931,048

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
NONE							
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)	O	Statutory Deposit Requirement	672,365	672,365		
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	672,365	672,365		
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, 2012
(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	2012				
	2011				
	2010				
2.	NONE				
3.	2011				
	2010				
4.	2012				
	2011				
	2010				
5.	2012				
	2011				
	2010				
6.	2012				
	2011				
	2010				
7.	2012				
	2011				
	2010				
8.	2012				
	2011				
	2010				
9.	2012				
	2011				
	2010				
10.	2012				
	2011				
	2010				

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, 2012
(To Be Filed by April 1)

Of The MCS Health Management Options, Inc.
 Address (City, State, Zip Code) San Juan, PR, 00917
 NAIC Group Code 1301 NAIC Company Code 95779 Employer's ID Number 66-0411947

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. \$ 10,803,751

1	2	3	4
Issuer	Description of Exposure	Amount	Percentage of Total Admitted Assets
2. Ten largest exposures to a single issuer/borrower/investment.			
2.01 Banco Popular de Puerto Rico	Cash	2,615,082	24.205
2.02 UBS	Cash	120,365	1.114
2.03 Puerto Rico Housing Fin Auth	Bond	500,000	4.628
2.04 SMPGT	Bond	230,008	2.129
2.05 Ramirez A. Ramirez & Co.	Cash	22,858	0.212
2.06 Governmental Development Bank of PR	Cash	172,365	1.595
2.07			
2.08	\		
2.09 0	0		
2.10 0	0		

NAIC Rating	1	2
	Amount	Percent
3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating.		
Bonds		
3.01 NAIC-1	230,008	2.129
3.02 NAIC-2		
3.03 NAIC-3	500,000	4.628
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	2
	Amount	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 Rating		
5. Aggregate foreign investment exposure categorized by NAIC sovereign rating:		
5.01 Countries rated NAIC-1		
5.02 Countries rated NAIC-2		
5.03 Countries rated NAIC-3 or below		

	1 Amount	2 Percent
NAIC Sovereign Rating		
6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign rating:		
Countries rated NAIC-1:		
6.01		
6.02		
Countries rated NAIC-2:		
6.03		
6.04		
Countries rated 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 Rating		
8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign rating:		
8.01 Countries rated NAIC-1		
8.02 Countries rated NAIC-2		
8.03 Countries rated NAIC-3 or below		

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

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

Yes[X] No[]

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

Yes[X] No[]

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

Yes[X] No[]

	1 Name of Issuer	2 Amount	3 Percent
Assets held in equity interests:			
13.02	0		
13.03	0		
13.04	0		
13.05	0		
13.06	0		
13.07	0		
13.08	0		
13.09	0		
13.10	0		
13.11	0		

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 percents 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 9-18) 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

Supp13 SIS Title NONE

Supp14 SIS Financial Reporting NONE

Supp15 SIS Inform. - Management and Directors NONE

Supp16 SIS Statement Beneficial Ownership NONE



Medicare Part D Coverage Supplement (Net of Reinsurance)

NAIC Group Code: 1301

(To be Filed By March 1)

NAIC Company Code: 95779

	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 Health Management Options, Inc. 2. LOCATION: San Juan, PR 00917



NAIC Group Code 1301

BUSINESS IN THE STATE OF Puerto Rico DURING THE YEAR 2012

NAIC Company Code 95779

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 Health Management Options, Inc. 2. LOCATION: San Juan, PR 00917

BUSINESS IN THE STATE OF Puerto Rico DURING THE YEAR 2012

NAIC Group Code 1301

NAIC Company Code 95779

	Business Subject to MLR										10 Government Business (Excluded by Statute)	11 Other Health Business	12 Aggregate (2% Rule)	13 Total
	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)														

NONE

Supp82 Puerto Rico

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

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

REPORT FOR: 1. CORPORATION: MCS Health Management Options, Inc. 2. LOCATION: San Juan, PR 00917
 BUSINESS IN THE STATE OF Puerto Rico DURING THE YEAR 2012

NAIC Group Code 1301

NAIC Company Code 95779

	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		
1.	Individual Comprehensive Coverage Expenses:									
1.01	Salaries (including \$##### for affiliated services)									
1.02	Outsourced services									
1.03	EDP Equipment and Software (incl \$##### for affiliated services)									
1.04	Other Equipment (excluding EDP) (incl \$##### for affiliated services)									
1.05	Accreditation and Certification (incl \$##### for affiliated services)		X X X	X X X	X X X	X X X				
1.06	Other Expenses (incl \$##### for affiliated services)									
1.07	Subtotal before reimbursements and taxes (Lines 1.1 to 1.6)									
1.08	Reimbursements by uninsured plans and fiscal intermediaries									
1.09	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
1.10	TOTAL (Lines 1.7 to 1.9)									
1.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
2.	Small Group Comprehensive Coverage Expenses:									
2.01	Salaries (including \$##### for affiliated services)									
2.02	Outsourced services									
2.03	EDP Equipment and Software (incl \$##### for affiliated services)									
2.04	Other Equipment (excluding EDP) (incl \$##### for affiliated services)									
2.05	Accreditation and Certification (incl \$##### for affiliated services)		X X X	NONE		X	X X X			
2.06	Other Expenses (incl \$##### for affiliated services)									
2.07	Subtotal before reimbursements and taxes (Lines 2.1 to 2.6)									
2.08	Reimbursements by uninsured plans and fiscal intermediaries									
2.09	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
2.10	TOTAL (Lines 2.7 to 2.9)									
2.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
3.	Large Group Comprehensive Coverage Expenses:									
3.01	Salaries (including \$##### for affiliated services)									
3.02	Outsourced services									
3.03	EDP Equipment and Software (incl \$##### for affiliated services)									
3.04	Other Equipment (excluding EDP) (incl \$##### for affiliated services)									
3.05	Accreditation and Certification (incl \$##### for affiliated services)		X X X	X X X	X X X	X X X				
3.06	Other Expenses (incl \$##### for affiliated services)									
3.07	Subtotal before reimbursements and taxes (Lines 3.1 to 3.6)									
3.08	Reimbursements by uninsured plans and fiscal intermediaries									
3.09	Taxes, licenses and fees (in total, for tying purposes)	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
3.10	TOTAL (Lines 3.7 to 3.9)									
3.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

Supp83 Puerto Rico

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 \$##### for affiliated services)									
4.02	Outsourced services									
4.03	EDP equipment and software (including \$##### for affiliated services)									
4.04	Other equipment (excluding EDP) (including \$##### for affiliated services)									
4.05	Accreditation and certification (including \$##### for affiliated services)		XXX	XXX	XXX	XXX				
4.06	Other expenses (including \$##### 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 \$##### for affiliated services)									
5.02	Outsourced services									
5.03	EDP Equipment and Software (including \$##### for affiliated services)									
5.04	Other equipment (excluding EDP) (including \$##### for affiliated services)									
5.05	Accreditation and certification (including \$##### for affiliated services)		XXX		X	XXX				
5.06	Other expenses (including \$##### 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 \$##### for affiliated services)									
6.02	Outsourced services									
6.03	EDP equipment and software (including \$##### for affiliated services)									
6.04	Other equipment (excluding EDP) (including \$##### for affiliated services)									
6.05	Accreditation and certification (including \$##### for affiliated services)		XXX	XXX	XXX	XXX				
6.06	Other expenses (including \$##### 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 Puerto Rico

NONE

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 \$##### for affiliated services)									
7.02	Outsourced services									
7.03	EDP equipment and software (including \$##### for affiliated services)									
7.04	Other equipment (excluding EDP) (including \$##### for affiliated services)									
7.05	Accreditation and certification (including \$##### for affiliated services)		XXX	XXX	XXX	XXX				
7.06	Other expenses (including \$##### 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	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 \$##### for affiliated services)									
8.02	Outsourced services									
8.03	EDP equipment and software (including \$##### for affiliated services)									
8.04	Other equipment (excluding EDP) (including \$##### for affiliated services)									
8.05	Accreditation and certification (including \$##### for affiliated services)		XXX		X	XXX				
8.06	Other expenses (including \$##### 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	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 \$##### for affiliated services)									
9.02	Outsourced services									
9.03	EDP equipment and software (including \$##### for affiliated services)									
9.04	Other equipment (excluding EDP) (including \$##### for affiliated services)									
9.05	Accreditation and certification (including \$##### for affiliated services)		XXX	XXX	XXX	XXX				
9.06	Other expenses (including \$##### 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	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

NONE

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1

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

REPORT FOR: 1. CORPORATION: MCS Health Management Options, Inc. 2. LOCATION: San Juan, PR 00917



NAIC Group Code 1301

BUSINESS IN THE STATE OF Grand Total DURING THE YEAR 2012

NAIC Company Code 95779

Supp80 Grand Total

	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 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															

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 Health Management Options, Inc. 2. LOCATION: San Juan, PR 00917

NAIC Group Code 1301

BUSINESS IN THE STATE OF Grand Total DURING THE YEAR 2012

NAIC Company Code 95779

Supp82 Grand Total

	Business Subject to MLR										10 Government Business (Excluded by Statute)	11 Other Health Business	12 Aggregate (2% Rule)	13 Total
	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)														

NONE

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 \$##### for affiliated services)									
4.02	Outsourced services									
4.03	EDP equipment and software (including \$##### for affiliated services)									
4.04	Other equipment (excluding EDP) (including \$##### for affiliated services)									
4.05	Accreditation and certification (including \$##### for affiliated services)		XXX	XXX	XXX	XXX				
4.06	Other expenses (including \$##### 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 \$##### for affiliated services)									
5.02	Outsourced services									
5.03	EDP Equipment and Software (including \$##### for affiliated services)									
5.04	Other equipment (excluding EDP) (including \$##### for affiliated services)									
5.05	Accreditation and certification (including \$##### for affiliated services)		XXX		X	XXX				
5.06	Other expenses (including \$##### 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 \$##### for affiliated services)									
6.02	Outsourced services									
6.03	EDP equipment and software (including \$##### for affiliated services)									
6.04	Other equipment (excluding EDP) (including \$##### for affiliated services)									
6.05	Accreditation and certification (including \$##### for affiliated services)		XXX	XXX	XXX	XXX				
6.06	Other expenses (including \$##### 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

NONE

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 \$##### for affiliated services)									
7.02	Outsourced services									
7.03	EDP equipment and software (including \$##### for affiliated services)									
7.04	Other equipment (excluding EDP) (including \$##### for affiliated services)									
7.05	Accreditation and certification (including \$##### for affiliated services)		XXX	XXX	XXX	XXX				
7.06	Other expenses (including \$##### 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 \$##### for affiliated services)									
8.02	Outsourced services									
8.03	EDP equipment and software (including \$##### for affiliated services)									
8.04	Other equipment (excluding EDP) (including \$##### for affiliated services)									
8.05	Accreditation and certification (including \$##### for affiliated services)		XXX		X	XXX				
8.06	Other expenses (including \$##### 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 \$##### for affiliated services)									
9.02	Outsourced services									
9.03	EDP equipment and software (including \$##### for affiliated services)									
9.04	Other equipment (excluding EDP) (including \$##### for affiliated services)									
9.05	Accreditation and certification (including \$##### for affiliated services)		XXX	XXX	XXX	XXX				
9.06	Other expenses (including \$##### 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

NONE



SUPPLEMENTAL HEALTH CARE EXHIBIT'S EXPENSE ALLOCATION REPORT

(To Be Filed by April 1)

NAIC Group Code: 1301

NAIC Company Code: 95779

Description of allocation methodology:

Detailed Description of Quality Improvement Expenses:

1 Expense Type from Part 3	NONE	3 Detailed Description of Expense



Statement of Actuarial Opinion



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.

Financial Position

The Company's financial position at December 31, 2012 and 2011 was as follows:

(In thousands)

	2012	Percentage	2011	Percentage
Admitted Assets				
Bonds, notes, and mortgage-backed securities	\$730,008		\$2,061,299	
Common stocks	\$212,730		\$220,776	
Cash, cash equivalents, and short-term investments	2,931,048		4,356,896	
Total cash and invested assets	<u>3,873,786</u>	35.87%	<u>6,638,971</u>	8.47%
Premiums receivable, net	6,176,357	57.19%	65,266,899	83.24%
Accrued interest receivable	1,219	0.01%	103,021	0.13%
Amount receivable related to uninsured plans	0	0.00%	224,959	0.29%
Deferred tax asset, net	-3,509	-0.03%	-4,716	-0.01%
Healthcare receivables	0		5,428,009	
Prepaid income tax	752,390		752,389	
Total admitted assets	<u>10,800,243</u>	100%	<u>78,409,532</u>	100%
Unpaid claims	5,958,277	55.17%	67,866,421	86.55%
Accounts payable and accrued liabilities	961,802	8.91%	9,247,132	11.79%
Income Taxes payable	0	0.00%	0	0.00%
Other liabilities	600,000	5.56%	600,000	0.77%
Total liabilities	<u>7,520,079</u>		<u>77,713,553</u>	
Capital and Surplus	<u>3,280,164</u>	30.37%	<u>695,979</u>	0.89%
Total liabilities and capital and surplus	<u>\$10,800,243</u>	100%	<u>\$78,409,532</u>	100%

MCS Health Management Options, 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 ultimately wholly owned by MCS, Inc.

The Company exclusively serves medically indigent persons, as defined, of the Puerto Rico Health Insurance Program under contracts with the Puerto Rico Health Insurance Administration. Under the Puerto Rico Health Business (the Mi Salud), the Company provides comprehensive healthcare to the Mi Salud subscribers, on a prepaid basis. The Company contracts with independent professional associations (IPAs) and a network of providers to render medical services to its subscribers. The Company pays capitation to IPAs and negotiated fees for services rendered by providers.

At December 31, 2012, there were no subscribers given that the Company effectively terminated its contract on July 1, 2011 with the Administration when it provided notice of non-renewal to ASES. The Company entered into a Transition Agreement on August 18, 2011, effective July 1, 2011, and ending on October 31, 2011 with the Administration. Under the Transition Agreement, MCS HMO maintained claims-processing and other functions as specified in the Contract, as may be necessary, for a period not to exceed ten (10) consecutive months beginning November 1, 2011 and ending on or before August 31, 2012, in order to complete the adjudication of all Claims. ASES and MCS HMO agreed to extend the term of the Run-Out Period to December 31, 2012. MCS HMO continued to process and pay, if appropriate, the adjustments to claims submitted by providers and its only activities at the present time are the claims-processing functions described above.

The Company has established an allowance to cover potential membership discrepancies arising from the reconciliation process. Management is of the opinion that the ultimate membership discrepancies, if any, arising from this reconciliation would not be material in relation to the financial position and results of operations of the Company. As of December 31, 2012 and 2011, the Company has premiums receivable net of the allowance for membership discrepancies from the Administration of approximately \$6.2 million and \$65.5 million respectively, reported as part of the premiums receivable and other, net in the accompanying balance sheets.

All of the Company's premiums are related to its business activities under the Mi Salud contracts with the Administration. This exposes the Company to business concentration risk. Funding for the Mi Salud program is mostly dependent on the Government of the Commonwealth of Puerto Rico (the Government).

Management's Discussion and Analysis

Cash and invested assets amounts to \$3,873,786 in 2012 and \$6,638,971 in 2011. This reduction of cash and invested assets is mainly related to the winding down of the contract as explained. The Company has adopted investment policies and practices to manage the investment portfolio and asset allocation. Short-term investment and bonds are primarily government securities from agencies and instrumentalities of the federal government and of the government of Puerto Rico. The Company maintains an adequate level of liquidity to respond for claims payable. Cash, short-term investments and cash equivalents amount to \$2,931,048 at December 31, 2012.

The remaining admitted assets amount to \$6,929,965 on December 31, 2012 and include \$1,219 in accrued investment income, and \$6,176,357 in uncollected premium revenues.

Claims payable amounts to \$5,958,277 in 2012 and \$67,866,421 in 2011, an expected significant reduction year over year due to the termination of the contract.

The Company is managed by MCS under the provisions of an administrative service agreement.

Results of Operations

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

(In thousands)

	<u>2012</u>	<u>Percentage</u>	<u>2011</u>	<u>Percentage</u>
Net Premium income	\$0		\$928,396,759	
Medical costs	0	0.00%	886,368,587	93.70%
Claims adjustment expenses	0	0.00%	13,955,181	1.48%
Administrative expenses	329,761	100.00%	45,667,891	4.83%
Total	329,761		945,991,659	
Net underwriting gain	-329,761		-17,594,900	
Net investment income	1,068,593		1,229,809	
other income	-		-	
Income before taxes	\$738,832		(\$16,365,091)	
Income taxes	\$0		(\$92,841)	
Net Income (loss)	\$738,832		(\$16,272,250)	
MLR			95.47%	
Expense rate			4.92%	



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 Health Management Options, Inc.

Date _____ FEIN 66-0411947
 NAIC Group # 1301 NAIC Company # 95779

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: David P Schaffer 0
 Phone: 0
 Address: PO BOX 193310, SAN JUAN, PR

D. Software Vendor: SunGard iWORKS - Statutory
 Version: 2012.A.2

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 2012 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