ANNUAL STATEMENT

OF THE

FIRST MEDICAL HEALTH PLAN, INC.

Of

Guaynabo

in the state of PR

to the Insurance Department

of the state of

For the Year Ended

December 31, 2016

2016

HEALTH

* 9 5 7 2 2 2 0 1 6 2 0 1 0 0 1 0 0 *

ANNUAL STATEMENT

For the Year Ended December 31, 2016

of the Condition and Affairs of the

FIRST MEDICAL HEALTH PLAN, INC.

NAIC Group Code..... 0, 0 (Current Period) (Prior Period) NAIC Company Code..... 95722 Employer's ID Number..... 660537624

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

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

Incorporated/Organized..... February 1, 1977 Commenced Business..... March 27, 1977

Statutory Home Office	530 Marginal Buchanan….. Guaynabo ..... PR ..... US …. 00966 *(Street and Number) (City or Town, State, Country and Zip Code)*	
Main Administrative Office	530 Marginal Buchanan….. Guaynabo ..... PR ..... US …. 00966 *(Street and Number) (City or Town, State, Country and Zip Code)*	787-474-3999 *(Area Code) (Telephone Number)*
Mail Address	PO Box 191580….. San Juan ..... PR ..... US …. 00966 *(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)*	
Primary Location of Books and Records	530 Marginal Buchanan….. Guaynabo ..... PR ..... US …. 00966 *(Street and Number) (City or Town, State, Country and Zip Code)*	787-474-3999 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.firstmedicalpr.com	
Statutory Statement Contact	José A. Pagán *(Name)*	787-474-3999 *(Area Code) (Telephone Number) (Extension)*
	j.pagan@firstmedicalpr.com *(E-Mail Address)*	787-474-3998 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Francisco J. Artau	President	2. Carmen Feliciano	Secretary
3. José A. Pagán	Sub-Treasurer	4. Juan L. Domínguez	Treasurer

OTHER

DIRECTORS OR TRUSTEES

Francisco J. Artau	Carmen Feliciano	Eduardo Artau Gómez	Eduardo Artau Feliciano
José A. Pagán	Juan L. Domínguez	Marcos Feliciano	Samuel Sostre
Ángel Morales			

State of..... Puerto Rico
County of..... Guaynabo

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

(Signature)	(Signature)	(Signature)
Francisco J. Artau	Carmen Feliciano	José A. Pagán
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Secretary	Sub-Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me
This _____ day of _____ 2017

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

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	30,000	30,000	0	
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	
2.2 Common stocks	18,307,278		18,307,278	18,307,278
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....0 encumbrances)	110,074		110,074	138,416
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....64,323,834, Schedule E-Part 1), cash equivalents ($.....27,263,290, Schedule E-Part 2) and short-term investments ($.....0, Schedule DA)	91,587,124		91,587,124	104,939,209
6. Contract loans (including $.....0 premium notes)			0	
7. Derivatives (Schedule DB)			0	
8. Other invested assets (Schedule BA)			0	
9. Receivables for securities			0	
10. Securities lending reinvested collateral assets (Schedule DL)			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	110,034,476	30,000	110,004,476	123,384,903
13. Title plants less $.....0 charged off (for Title insurers only)			0	
14. Investment income due and accrued			0	646
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	38,246,835		38,246,835	40,794,250
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums ($.....0) and contracts subject to redetermination ($.....0)			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset			0	
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software	634,392	100,126	534,266	678,015
21. Furniture and equipment, including health care delivery assets ($.....0)	1,356,755	1,356,755	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates	1,267,393	1,267,393	0	
24. Health care ($.....22,495,433) and other amounts receivable	22,495,433		22,495,433	19,072,737
25. Aggregate write-ins for other-than-invested assets	13,950,021	1,733,380	12,216,641	7,965,821
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	187,985,305	4,487,654	183,497,651	191,896,372
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. TOTAL (Lines 26 and 27)	187,985,305	4,487,654	183,497,651	191,896,372

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Accounts Receivable - Other	11,616,641		11,616,641	7,918,660
2502. Deposits	166,602	166,602	0	
2503. Construction in Progress			0	
2598. Summary of remaining write-ins for Line 25 from overflow page	2,166,778	1,566,778	600,000	47,161
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	13,950,021	1,733,380	12,216,641	7,965,821

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $.....0 reinsurance ceded)		128,596,556	128,596,556	143,509,903
2. Accrued medical incentive pool and bonus amounts			0	
3. Unpaid claims adjustment expenses		1,316,215	1,316,215	1,755,420
4. Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act			0	
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserves			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance			0	
9. General expenses due or accrued		12,734,354	12,734,354	15,084,239
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized capital gains (losses))		1,015,769	1,015,769	
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable			0	
12. Amounts withheld or retained for the account of others		1,473,367	1,473,367	1,806,313
13. Remittances and items not allocated			0	
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates		4,310,028	4,310,028	1,927,927
16. Derivatives			0	
17. Payable for securities			0	
18. Payable for securities lending			0	
19. Funds held under reinsurance treaties with ($.....0 authorized reinsurers, $.....0 unauthorized reinsurers and $.....0 certified reinsurers)			0	
20. Reinsurance in unauthorized and certified ($.....0) companies			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	
22. Liability for amounts held under uninsured plans		636,310	636,310	
23. Aggregate write-ins for other liabilities (including $.....0 current)	0	600,000	600,000	6,266,222
24. Total liabilities (Lines 1 to 23)	0	150,682,599	150,682,599	170,350,024
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	1,875	1,875
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	2,960,400	2,960,400
29. Surplus notes	XXX	XXX	20,738,860	20,738,860
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	9,113,917	(2,154,787)
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 $.....0)	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 $.....0)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	32,815,052	21,546,348
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	183,497,651	191,896,372

DETAILS OF WRITE-INS

2301. Restricted Fund Reserve		600,000	600,000	600,000
2302. Leases Payable			0	5,666,222
2303. Income Tax Payable			0	
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	600,000	600,000	6,266,222
2501. ACA Fee	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1. Member months	XXX	6,808,295	6,085,646
2. Net premium income (including $.....0 non-health premium income)	XXX	1,048,909,410	882,744,784
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of $.....0 medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	1,048,909,410	882,744,784
Hospital and Medical:			
9. Hospital/medical benefits	750,481,620	750,481,620	639,440,907
10. Other professional services	1,652,401	1,652,401	12,078,918
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs	194,328,979	194,328,979	152,712,303
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)	946,463,000	946,463,000	804,232,128
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)	946,463,000	946,463,000	804,232,128
19. Non-health claims (net)			
20. Claims adjustment expenses, including $.....0 cost containment expenses			
21. General administrative expenses	96,818,518	96,818,518	91,354,007
22. Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)	1,043,281,518	1,043,281,518	895,586,135
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	5,627,892	(12,841,351)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	104,515	104,515	104,892
26. Net realized capital gains or (losses) less capital gains tax of $.....0			(220,000)
27. Net investment gains or (losses) (Lines 25 plus 26)	104,515	104,515	(115,108)
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	5,911,597	5,911,597	423,982
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	11,644,004	(12,532,477)
31. Federal and foreign income taxes incurred	XXX	1,062,930	
32. Net income (loss) (Lines 30 minus 31)	XXX	10,581,074	(12,532,477)

DETAILS OF WRITE-INS

0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901. Interest Income	2,872,926	2,872,926	169,755
2902. Other Income	3,045,301	3,045,301	251,727
2903. Gain on disposal of asset	(6,630)	(6,630)	2,500
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	5,911,597	5,911,597	423,982

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period	21,528,028	35,318,606
34. Net income or (loss) from Line 32	10,581,074	(12,532,477)
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains and (losses) less capital gains tax of $.....0		(14,640)
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	630,949	(1,243,461)
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	0	0
48. Net change in capital and surplus (Lines 34 to 47)	11,212,023	(13,790,578)
49. Capital and surplus end of reporting period (Line 33 plus 48)	32,740,051	21,528,028

DETAILS OF WRITE-INS

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

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	1,051,456,825	878,927,659
2. Net investment income	133,503	
3. Miscellaneous income		320,054
4. Total (Lines 1 through 3)	1,051,590,328	879,247,713
5. Benefit and loss related payments	964,799,043	
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	98,725,923	816,342,120
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	47,161	636,000
10. Total (Lines 5 through 9)	1,063,572,127	816,978,120
11. Net cash from operations (Line 4 minus Line 10)	(11,981,799)	62,269,593
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		5,983,711
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	5,983,711
13. Cost of investments acquired (long-term only):		
13.1 Bonds		
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		1,195,069
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	1,195,069
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	0	4,788,642
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)	(1,426,967)	
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,426,967)	0
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)	(13,408,766)	67,058,235
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	104,939,209	37,880,974
19.2 End of year (Line 18 plus Line 19.1)	91,530,443	104,939,209

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

20.0001		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	1,048,909,410	456,535,268						592,374,142		
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of $.....0 medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	1,048,909,410	456,535,268	0	0	0	0	0	592,374,142	0	0
8. Hospital/medical benefits	750,481,620	317,387,392						433,094,228		XXX
9. Other professional services	1,652,401	698,820						953,581		XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription drugs	194,328,979	82,183,982						112,144,997		XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	946,463,000	400,270,194	0	0	0	0	0	546,192,806	0	XXX
16. Net reinsurance recoveries	0									XXX
17. Total hospital and medical (Lines 15 minus 16)	946,463,000	400,270,194	0	0	0	0	0	546,192,806	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $.....0 cost containment expenses	0									
20. General administrative expenses	96,818,518	61,680,935						35,137,583		
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	1,043,281,518	461,951,129	0	0	0	0	0	581,330,389	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	5,627,892	(5,415,861)	0	0	0	0	0	11,043,753	0	0

DETAILS OF WRITE-INS

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	456,535,268			456,535,268
2. Medicare supplement				0
3. Dental only				0
4. Vision only				0
5. Federal employees health benefits plan				0
6. Title XVIII - Medicare				0
7. Title XIX - Medicaid	592,374,142			592,374,142
8. Other health				0
9. Health subtotal (Lines 1 through 8)	1,048,909,410	0	0	1,048,909,410
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	1,048,909,410	0	0	1,048,909,410

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	961,376,347	404,902,906					102,907	556,370,534		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	961,376,347	404,902,906	0	0	0	0	102,907	556,370,534	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	128,596,556	67,042,500					152,321	61,401,735		
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	128,596,556	67,042,500	0	0	0	0	152,321	61,401,735	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	143,509,903	78,920,755					255,228	64,333,920		
8.2 Reinsurance assumed	0									
8.3 Reinsurance ceded	0									
8.4 Net	143,509,903	78,920,755	0	0	0	0	255,228	64,333,920	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred benefits:										
12.1 Direct	946,463,000	393,024,651	0	0	0	0	0	553,438,349	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	946,463,000	393,024,651	0	0	0	0	0	553,438,349	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Medical and Hospital)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct	61,267,994	55,835,631					(67,822)	5,500,185		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	61,267,994	55,835,631	0	0	0	0	(67,822)	5,500,185	0	0
2. Incurred but unreported:										
2.1 Direct	67,328,562	11,206,869					220,143	55,901,550		
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	67,328,562	11,206,869	0	0	0	0	220,143	55,901,550	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct	128,596,556	67,042,500	0	0	0	0	152,321	61,401,735	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	128,596,556	67,042,500	0	0	0	0	152,321	61,401,735	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 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)	78,657,518	326,245,388	263,237	66,779,263	78,920,755	78,920,755
2. Medicare supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal employees health benefits plan					0	
6. Title XVIII - Medicare	102,907		152,321		255,228	255,228
7. Title XIX - Medicaid	64,333,920	492,036,614		61,401,735	64,333,920	64,333,920
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	143,094,345	818,282,002	415,558	128,180,998	143,509,903	143,509,903
10. Healthcare receivables (a)					0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals (Lines 9 - 10 + 11 + 12)	143,094,345	818,282,002	415,558	128,180,998	143,509,903	143,509,903

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					81,097,278
2. 2012	451,172,192	76,036,904			546,716,156
3. 2013	XXX	583,944,631			564,437,571
4. 2014	XXX	XXX	76,036,904		524,093,806
5. 2015	XXX	XXX	XXX	662,679,309	805,408,611
6. 2016	XXX	XXX	XXX	XXX	818,282,002

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012	614,898,900	546,716,156		0.0	546,716,156	88.9			546,716,156	88.9
2. 2013	643,363,635	564,437,571		0.0	564,437,571	87.7			564,437,571	87.7
3. 2014	586,186,043	524,093,806		0.0	524,093,806	89.4			524,093,806	89.4
4. 2015	882,744,784	805,408,611		0.0	805,408,611	91.2	416		805,409,027	91.2
5. 2016	1,048,909,410	818,506,348		0.0	818,506,348	78.0	128,180	1,316	818,635,844	78.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					81,097,278
2. 2012	451,172,192	76,036,904			546,716,156
3. 2013	XXX	583,944,631			564,437,571
4. 2014	XXX	XXX	76,036,904		524,093,806
5. 2015	XXX	XXX	XXX	662,679,309	805,408,611
6. 2016	XXX	XXX	XXX	XXX	818,282,002

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012	614,898,900	546,716,156		0.0	546,716,156	88.9			546,716,156	88.9
2. 2013	643,363,635	564,437,571		0.0	564,437,571	87.7			564,437,571	87.7
3. 2014	586,186,043	524,093,806		0.0	524,093,806	89.4			524,093,806	89.4
4. 2015	882,744,784	805,408,611		0.0	805,408,611	91.2	416		805,409,027	91.2
5. 2016	1,048,909,410	818,506,348		0.0	818,506,348	78.0	128,180	1,316	818,635,844	78.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012				0.0	0	0.0			0	0.0
2. 2013				0.0	0	0.0			0	0.0
3. 2014				0.0	0	0.0			0	0.0
4. 2015				0.0	0	0.0			0	0.0
5. 2016				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012				0.0	0	0.0			0	0.0
2. 2013				0.0	0	0.0			0	0.0
3. 2014				0.0	0	0.0			0	0.0
4. 2015				0.0	0	0.0			0	0.0
5. 2016				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - VISION ONLY

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012				0.0	0	0.0			0	0.0
2. 2013				0.0	0	0.0			0	0.0
3. 2014				0.0	0	0.0			0	0.0
4. 2015				0.0	0	0.0			0	0.0
5. 2016				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012				0.0	0	0.0			0	0.0
2. 2013				0.0	0	0.0			0	0.0
3. 2014				0.0	0	0.0			0	0.0
4. 2015				0.0	0	0.0			0	0.0
5. 2016				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012				0.0	0	0.0			0	0.0
2. 2013				0.0	0	0.0			0	0.0
3. 2014				0.0	0	0.0			0	0.0
4. 2015				0.0	0	0.0			0	0.0
5. 2016				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012				0.0	0	0.0			0	0.0
2. 2013				0.0	0	0.0			0	0.0
3. 2014				0.0	0	0.0			0	0.0
4. 2015				0.0	0	0.0			0	0.0
5. 2016				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - OTHER

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 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012					
3. 2013	XXX				
4. 2014	XXX	XXX			
5. 2015	XXX	XXX	XXX		
6. 2016	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012				0.0	0	0.0			0	0.0
2. 2013				0.0	0	0.0			0	0.0
3. 2014				0.0	0	0.0			0	0.0
4. 2015				0.0	0	0.0			0	0.0
5. 2016				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $.....0) for investment income	0								
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	0	0	0	0	0	0	0	0	0
7. Reinsurance ceded	0								
8. Totals (net) (Page 3, Line 4)	0	0	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0

DETAILS OF WRITE-INS

0501.	0								
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($.....0 for occupancy of own building)			3,993,124		3,993,124
2. Salaries, wages and other benefits			11,335,692		11,335,692
3. Commissions (less $.....0 ceded plus $.....0 assumed)			8,951,782		8,951,782
4. Legal fees and expenses			211,177		211,177
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services			11,055,578		11,055,578
7. Traveling expenses			20,630		20,630
8. Marketing and advertising			2,519,366		2,519,366
9. Postage, express and telephone			2,911,904		2,911,904
10. Printing and office supplies			831,922		831,922
11. Occupancy, depreciation and amortization			860,805		860,805
12. Equipment			73,392		73,392
13. Cost or depreciation of EDP equipment and software			574,209		574,209
14. Outsourced services including EDP, claims, and other services					0
15. Boards, bureaus and association fees					0
16. Insurance, except on real estate			454,246		454,246
17. Collection and bank service charges			452,824		452,824
18. Group service and administration fees			27,115,880		27,115,880
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			79,219		79,219
23.2 State premium taxes					0
23.3 Regulatory authority licenses and fees					0
23.4 Payroll taxes			892,052		892,052
23.5 Other (excluding federal income and real estate taxes)			13,201,466		13,201,466
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	0	11,412,885	0	11,412,885
26. Total expenses incurred (Lines 1 to 25)	0	0	96,948,153	0	(a) 96,948,153
27. Less expenses unpaid December 31, current year			12,734,354		12,734,354
28. Add expenses unpaid December 31, prior year			15,084,238		15,084,238
29. Amounts receivable relating to uninsured plans, prior year					0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	0	0	99,298,037	0	99,298,037

DETAILS OF WRITE-INS

2501. Donations			19,661		19,661
2502. Parking			183,560		183,560
2503. Dues and subscriptions			88,840		88,840
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	11,120,824	0	11,120,824
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	11,412,885	0	11,412,885

(a) Includes management fees of $.....23,492,055 to affiliates and $.....3,623,826 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a)	
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)	19,184	19,184
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)	113,673
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	19,184	132,857
11.	Investment expenses		(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i) 28,342
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		28,342
17.	Net investment income (Line 10 minus Line 16)		104,515

DETAILS OF WRITE-INS

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

(a) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(b) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued dividends on purchases.
(c) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(d) Includes $.....0 for company's occupancy of its own buildings; and excludes $.....0 interest on encumbrances.
(e) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(f) Includes $.....0 accrual of discount less $.....0 amortization of premium.
(g) Includes $.....0 investment expenses and $.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $.....0 interest on surplus notes and $.....0 interest on capital notes.
(i) Includes $.....28,342 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			0		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)			0		
1.3	Bonds of affiliates			0		
2.1	Preferred stocks (unaffiliated)			0		
2.11	Preferred stocks of affiliates			0		
2.2	Common stocks (unaffiliated)			0		
2.21	Common stocks of affiliates			0		
3.	Mortgage loans			0		
4.	Real estate			0		
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0		
7.	Derivative instruments			0		
8.	Other invested assets			0		
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	0	0	0	0	0

DETAILS OF WRITE-INS

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	30,000	30,000	0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	30,000	30,000	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	100,126	244,883	144,757
21. Furniture and equipment, including health care delivery assets	1,356,755	1,882,017	525,262
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivables from parent, subsidiaries and affiliates	1,267,393	1,781,882	514,489
24. Health care and other amounts receivable			0
25. Aggregate write-ins for other-than-invested assets	1,733,380	1,179,821	(553,559)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25)	4,487,654	5,118,603	630,949
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. TOTALS (Lines 26 and 27)	4,487,654	5,118,603	630,949

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Deposits	166,602	134,451	(32,151)
2502. Vehicles		1,036,609	1,036,609
2503. Construction in progress		8,761	8,761
2598. Summary of remaining write-ins for Line 25 from overflow page	1,566,778	0	(1,566,778)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,733,380	1,179,821	(553,559)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1. Health maintenance organizations	567,300	574,314	571,168	567,819	562,052	6,808,295
2. Provider service organizations						
3. Preferred provider organizations						
4. Point of service						
5. Indemnity only						
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	567,300	574,314	571,168	567,819	562,052	6,808,295

DETAILS OF WRITE-INS

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

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
A&H Premiums Due and Unpaid						
0299998. Premiums due and unpaid not individually listed	28,648,708	3,569,400	1,293,478	4,735,249		38,246,835
0299999. Total group	28,648,708	3,569,400	1,293,478	4,735,249	0	38,246,835
0599999. Accident and health premiums due and unpaid (Page 2, Line 15)	28,648,708	3,569,400	1,293,478	4,735,249	0	38,246,835

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
0199998. Pharmaceutical Rebate Receivables Not Listed Individually	11,411,094					11,411,094
0199999. Total Pharmaceutical Rebate Receivables	11,411,094	0	0	0	0	11,411,094
Other Receivables						
0699998. Other Receivables Not Listed Individually	2,489,096	3,312,004	1,916,091	3,367,148		11,084,339
0699999. Total Other Receivables	2,489,096	3,312,004	1,916,091	3,367,148	0	11,084,339
0799999. Gross Health Care Receivables	13,900,190	3,312,004	1,916,091	3,367,148	0	22,495,433

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

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Heath Care Receivables Accrued as of December 31 of Current Year		5	6
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year	Health Care Receivables in Prior Years (Columns 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
1. Pharmaceutical rebate receivables	6,256,266	1,629,397	429,047	10,982,047	6,685,313	17,685,911
2. Claim overpayment receivables	192,487	1,752,939			192,487	
3. Loans and advances to providers	8,642,535	10,330,394			8,642,535	
4. Capitation arrangement receivables					0	
5. Risk sharing receivables					0	
6. Other health care receivables				11,084,339	0	1,386,826
7. Totals (Lines 1 through 6)	15,091,288	13,712,730	429,047	22,066,386	15,520,335	19,072,737

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

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0299999. Aggregate accounts not individually listed - uncovered	40,157,652	7,981,607	6,831,950	2,960,472	3,749,416	61,681,097
0499999. Subtotals	40,157,652	7,981,607	6,831,950	2,960,472	3,749,416	61,681,097
0599999. Unreported claim and other claim reserves						66,915,459
0799999. Total claims unpaid						128,596,556

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Amounts Due From Parent, Subsidiaries and Affiliates							
0299999. Receivables not individually listed	660,872	68,023	460,826	77,672	1,267,393		
0399999. Total gross amounts receivable	660,872	68,023	460,826	77,672	1,267,393	0	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Amounts Due To Parent, Subsidiaries and Affiliates				
0299999. Payables not individually listed		4,310,028	4,302,610	7,418
0399999. Total gross payables		4,310,028	4,302,610	7,418

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	557,370,534	58.0			425,054,709	132,315,825
2. Intermediaries	1,441,128	0.1			1,441,128	
3. All other providers	0	0.0				
4. Total capitation payments	558,811,662	58.1	0		426,495,837	132,315,825
Other Payments:						
5. Fee-for-service	0	0.0	XXX	XXX		
6. Contractual fee payments	402,564,685	41.9	XXX	XXX	207,773,665	194,791,020
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX		
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	402,564,685	41.9	XXX	XXX	207,773,665	194,791,020
13. Total (Line 4 plus Line 12)	961,376,347	100.0	XXX	XXX	634,269,502	327,106,845

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

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

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	10,190,442		8,833,687	1,356,755	1,356,755	0
2. Medical furniture, equipment and fixtures						0
3. Pharmaceuticals and surgical supplies						0
4. Durable medical equipment						0
5. Other property and equipment						0
6. Total	10,190,442	0	8,833,687	1,356,755	1,356,755	0

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 1 - Summary of Significant Accounting Policies

Organization

First Medical Health Plan, Inc. is a corporation organized in 1977 under the laws of the Commonwealth of Puerto Rico. The corporation is authorized to provide, with profit motive, services related with health care services in the Commonwealth of Puerto Rico. The Company is subject to the regulations of the Commissioner of Insurance of the Commonwealth of Puerto Rico. Hospitalization and health benefits are provided to subscribers through contracts with hospitals, physicians, dentists, laboratories, and other organizations. A substantial portion of the Company's business activity is with government employees which are contracted annually.

In conformity with the Insurance Code of the Commonwealth of Puerto Rico, the corporation is required to pledge with the Insurance Commissioner guarantees, the purpose of which is to protect the subscribers of the plan and the health care providers of insolvency by the corporation.

Accounting Practice

First Medical Health Plan, Inc. recognize only statutory accounting practices prescribed or permitted by the Puerto Rico Office of Insurance Commissioner for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency the Puerto Rico Insurance Law.

The accompanying financial statements and supporting schedules have been completed in accordance with the NAIC Accounting Practices and Procedures Manual and the accounting practices prescribed by the Office of the Insurance Commissioner of Puerto Rico, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Company has adopted the National Association of Insurance Commissioners' statutory accounting practices (NAIC SAP), as the basis of its statutory accounting practices, as long as they do not contradict the provisions of the Puerto Rico Insurance Code or Circular Letters issued by the Commissioner of Insurance.

The Commissioner of Insurance has the right to permit other specific practices that may deviate from prescribed practices. Prescribed statutory accounting practices include a variety of publications of the National Association of Insurance Commissioners (NAIC) including its codification initiative contained in its accounting practices and procedures manual, as well as state laws, regulations, and general administrative rules.

The Commissioner of Insurance has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. However, differences adopted by the Commissioner of Insurance do not have a significant effect on the net income and statutory capital and surplus of the Company.

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 1 - Summary of Significant Accounting Policies (continued)

NET INCOME	State of Domicile	2016	2015
(1) First Medical Health Plan State basis	PR	$10,632,758	($12,514,157)
(2) State Prescribed Practices that increase/decrease NAIC SAP	PR	-	-
(3) State Permitted Practices that Increase/decrease NAIC SAP	PR	-	-
(4) NAIC SAP		$10,637,758	($12,532,477)

SURPLUS			
1) First Medical Health Plan State basis	PR	$16,558,846	$ 5,926,088
(2) State Prescribed Practices that increase/decrease NAIC SAP	PR	-	-
(3) State Permitted Practices that Increase/decrease NAIC SAP	PR	-	-
(4) NAIC SAP		$32,815,052	$21,528,026

Use of Estimates in the Preparation of the Financial Statements

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these statutory financial statements in conformity with the accounting practices prescribed or permitted by the Commissioner of Insurance of the Commonwealth of Puerto Rico. Actual results could differ from those estimates.

Claims payable include estimated amounts to be paid to providers based on past experience and statistical data. The estimates of future medical claims incurred but not reported and other expense payments are developed using actuarial methods and assumptions based upon claims receipt patterns, payment patterns, medical costs inflation, historical developments and other relevant factors. 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 period determined.

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 1 - Summary of Significant Accounting Policies (continued)

Accounting Policies

A-Cash Equivalents

Holding of highly liquid investments with original maturities of three months or less and investments in money market funds are considered to be cash equivalents by the Company.

B-Fair value of financial instruments

For certain of the Company's financial instruments, including cash, certificates of deposits, accounts receivable, accounts payable and accrued liabilities, the carrying amounts represent a reasonable estimate of their fair value due to their short maturities.

The estimated fair value information for financial instruments in the accompanying statutory financial statements were determined as follows:

- Cash and Short-Term Investments – The carrying amount approximates estimated fair value because of the short-term nature of those instruments.

- Investment in Securities – The estimated fair value of investment in securities is based on quoted market prices for those or similar investments.

C-Nonadmitted Assets

Certain assets designated as "nonadmitted assets" have been excluded from the admitted assets by a charge to surplus.

D-Property and Equipment

The fixed assets are recorded at cost. Depreciation has been provided over the estimated useful life of the assets on a straight-line basis as follows:

Building	20 years
Office Equipment	5 years
Furniture and Fixtures	5 years

E-Premiums Revenue

Premium revenues are derived mainly from the Central Government Municipalities and Government agencies, which comprises approximately 36% of total revenues. Membership contracts are on a yearly basis subject to cancellation by the employer group or First Medical Health Plan, Inc., upon thirty days written notice.

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 1 - Summary of Significant Accounting Policies (continued)

Premiums are due monthly and are recognized as revenue during the period in which First Medical Health Plan, Inc. is obligated to provide services to members, and are net of estimated uncollectible amounts.

F-Health Care Service Cost Recognition

Health care costs include claims payments and other costs incurred to provide health insurance costs to its members, as well as estimates of future payments for medical costs provided prior to the balance sheet date. The estimate of future medical claims and other medical expense payments are made on methods and assumptions based on claims payment submission patterns, medical cost inflation, historical and future developments such as new diseases development, coverage changes, terminal illness cases and other relevant factors.

The company contracts with various health care providers for the provision of certain medical care services to its members. It compensates these providers on a fee for service basis.

The cost of other health care services provided or contracted for is accrued in the period in which it is provided to a member based in part on estimates, including an accrual for medical services provided but not reported to the company.

G-Concentration of Credit Risk

A substantial majority of the Company's business activity is with insureds located throughout Puerto Rico, and as such, the Company is subject to the risks associated with the Puerto Rico economy.

H-Investment Securities

Investment Securities at December 31, 2016 and 2015 consisted of a Puerto Rico Bond, money market and mutual fund. The Company classifies its debt securities in one of three categories: trading, available for sale, or held to maturity. The Company classifies its equity securities as trading. Trading securities are bought and held principally for the purpose of selling them in the near term.

Restricted Investments amounting to $600,000 at December 31, 2016 and 2015, represent certificates of deposit held by the Office of the Commissioner of Insurance of the Commonwealth of Puerto Rico (the Commissioner of Insurance) to comply with the deposit requirements of the Insurance Code. These restricted investments are recorded at cost because they are classified as held to maturity, and classified as long term because of the restrictive nature of the Commissioner of Insurance requirements.

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 1 - Summary of Significant Accounting Policies (continued)

Trading and available for sale securities are recorded at fair value. Held to maturity securities are recorded at amortized cost, adjusted for the amortization or accretion of premiums or discounts. Unrealized holding gains and losses on trading securities are included in operations. Unrealized holding gains and losses on available for sale securities are excluded from operations and are reported as a separate component of stockholder's equity, net of related income tax until realized. Realized gains and losses from the sale of available for sale securities are included in operations and determined on a specific identification basis.

A decline in the fair value of any available for sale or held to maturity security below cost that is deemed to be other than temporary impairment ("OTTI") results in a reduction in carrying amount to fair value. For equity and debt securities that are classified as trading or available for sale securities, the impairment is charged to operations and new cost basis for the security is established. For debt securities that are available for sale or held to maturity, the portion of OTTI that is attributable to the credit loss is charged to operations and a reduction to the carrying amount, and the remaining difference between the debt security's amortized cost basis and fair value would be recorded in other comprehensive income. To determine whether the impairment is other than temporary, the Company considers whether evidence indicating the cost of the investment is recoverable outweighs evidence to the contrary. A critical component of the evaluation for OTTI is the identification of credit impaired securities where management does not expect to receive cash flows sufficient to recover the entire amortized cost basis of the security. For securities purchased and classified as available for sale with the expectation of receiving full principal and interest cash flows, this analysis considers the likelihood of receiving all contractual principal and interest. The extent of the Company's analysis regarding credit quality and the stress on assumptions used in the analysis have been refined for securities where the current fair value or other characteristics of the security warrant.

Premiums and discounts are amortized or accreted over the life of the related held to maturity or available for sale security as an adjustment to yield using the effective interest method. Dividend and interest income are recognized when earned.

The Company investments are exposed to three primary sources of risk: credit, interest rate, and liquidity risk. The financial statement risks, stemming from such investment risks, are those associated with the determination of estimated fair values. The diminished ability to sell certain investments in times of strained market conditions, the recognitions of impairments, and the recognition of income on certain investments. These financial statement risks may have a material effect on the amounts presented within the consolidated financial statements.

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 1 - Summary of Significant Accounting Policies (continued)

For statutory purposes, debt and equity securities are valued in accordance with rules promulgated by the NAIC. Debt securities that are designated highest-quality and high-quality (NAIC designation 1 and 2) are reported at amortized cost, with all other debt securities reported at the lower of amortized cost or fair market value. Debt securities eligible for amortization under such rules are stated net of unamortized premiums or discounts. As of December 31, 2016 there are no debt securities reported at fair value on the Statements of Admitted Assets, Liabilities, and Capital and Surplus (classified as Level 2 of the fair value hierarchy under ASC 820 Fair Value Measurements).

I-Advertising

The company expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place. Total advertising expense for the years ended December 31, 2015 and 2014 amounted to $2,325,618 and $1,754,427 respectively.

J-Income taxes

The Company accounts for its income taxes in accordance with the provisions of NAIC SSAP No 10R, *Accounting for Income Taxes*.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

K-Medical Claims Liabilities and Medical Costs

Medical claims liabilities are accrued as services are rendered, including claims in process and other medical claims liabilities. It includes an estimate for claims incurred but not reported (IBNR). The IBNR is determined based upon an actuarial analysis of the Company's historical claim payment patterns, management estimates and other statistics.

The Medical claims liabilities are 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 financial statements of the current year. The actual results could differ materially from the amount recorded in the financial statements of the Company.

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 1 - Summary of Significant Accounting Policies (continued)

The Company contract with independent actuaries to assist in the determination of estimates for claims for claims incurred but not reported (IBNR) at the end of the accounting period.

Medical costs and claims consist of claim payments, capitation payments, compensation to doctors and pharmacy costs, net of rebates, as well as estimates of future payments of claims for services rendered prior to the end of the reporting period.

L-General

Certain comparative figures have been reclassified to conform to current year presentation.

Note 2 – Accounting Changes and Corrections of Errors – Not Applicable

Note 3 – Business Combinations and Goodwill – Not Applicable

Note 4 – Discontinued Operations

During 2014 the Company sold its Medicare Advantage interest to MMM in exchange of common stock of the purchaser's related entity. Consequently, all the subscribers' contracts with CMS were transferred to MMM effective on October 1, 2014. The common stocks were valued at $17.8 million.

The following information summarizes results of discontinued operations (000'):

	2016	2015
Total revenue	$ 0	$ 0
Total costs and expenses	0	5,527
Earnings from discontinued operations	0	(5,527))
Gain on disposal of discontinued Operations	0	0
Other Income	0	192
Income taxes	0	0
Net earnings from discontinued operations	$ 0	($ 5,335)

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 5 – Investments

The amortized cost for debt and equity securities, gross unrealized gains, gross unrealized losses, and estimated fair value by major security type and class of security at December 31, 2016 and 2015 were as follows:

Investments – held to maturity, at fair value:

	Amortized Cost	Gross Unrealized Losses	Estimated Fair Value
PR Government Bonds	$250,000	$(225,000)	$25,000

Investments – available for sale, at fair value:

	Amortized Cost	Gross Unrealized Losses	Estimated Fair Value
Mutual Funds	$500,000	$(14,640)	$485,360

The Company regularly monitors and evaluates the difference between the cost and estimated fair value of investments. For investments with a fair value below cost, the process includes evaluating the length of time and the extent to which cost exceeds fair value, the prospects and financial recovery in fair value, among other factors. This process is not exact and further requires consideration of risks such as credit and interest rate risks.

For debt securities that are not deemed to be credit impaired, the Company performs additional analysis to assess whether it intends to sell or more likely than not would be required to sell the investment before recovery of its amortized cost basis. A critical component of the evaluation for OTTI is the identification of credit impaired securities where management does not expect to receive cash flows sufficient to recover the entire amortized cost basis of the security. For securities purchased and classified as available for sale with the expectation of receiving full principal and interest cash flows, this analysis considers the likelihood of receiving all contractual principal and interest. The extent of the Company's analysis regarding credit quality and the stress on assumptions used in the analysis has been refined for securities where the current fair value or other characteristics of the security warrant.

An impairment was identified for the PR Government Bond. This bond was due on August 2015 and the principal payment was not executed by the PR Government. There is no indication of when this principal payment will be paid, nor any expectation of this payment in the near future.

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies – Not Applicable

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 7 – Investment Income

Net investment income earned of $132,212 and $133,211 for the years ended December 31, 2016 and 2015, respectively, consisted of Bonds from the Commonwealth of Puerto Rico.

Note 8 – Derivative Instruments – Not Applicable

Note 9 – Income Taxes

The Company is subject to Puerto Rico income tax laws regarding its income before taxes. The Company utilizes the direct write off method for tax purposes and the reserve method for book purposes regarding to its accounts receivable. In addition, the Company has recognized income tax benefits for book purposes. Significant reconciling items exist between its tax and book taxable income mainly for these reasons.

First Medical has net operating loss carryforward available to offset future business income as follows:

Arising In	Expiring In	Amount
2008	2020	$ 6,951,259
2014	2024	$12,872,825
2015	2025	$12,317,835

The net operating loss for the year ended December 31, 2016, is presented as book value and do not present the reconciling items to the tax return.

Note 10 – Information Concerning Parent, Subsidiaries and Affiliates and Other Related Parties

The Company accounts transactions with related parties in accordance with SSAP No. 25, Accounting for and Disclosures about Transactions with Affiliates and Other Related Parties. In accordance with the provisions of SSAP No. 25, the financial statements shall disclose all material related party transactions. Transactions between related parties must be in the form of a written agreement and the agreement must provide for a timely settlement of amounts owed with a specific due date.

The majority of the stockholders of the company are also the stockholders of International Medical Card (IMC). IMC is engaged in processing claims, payments and contracting health care providers. To cover administrative services, the Company made payments to IMC in the total amounts of $5,597,424 and $5,503,909 during 2016 and 2015, respectively.

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 10 – Information Concerning Parent, Subsidiaries and Affiliates and Other Related Parties (continued)

There are certain health facilities owned by certain same stockholders of First Medical Health Plan, Inc. and International Medical Card which provide medical services to the group. These are paid by International Medical Card. In addition, there are other services paid directly by the Company. Following is a summary of transactions with affiliates.

Name of Parent Subsidiaries or Affiliates	Concept	Accounts Payable 12/31/2016	Total Amount Paid at 12/31/16
Hospital Dr. Susoni, Incoporado	Medical Claims	44,804	16,558,578
Dr. Susoni Community Health Services Corp	Medical Claims	9,811	23,436,351
Metro Hato Rey Inc.	Medical Claims	6,262	11,940,478
Metro Santurce Inc.	Medical Claims	-	19,087,419
Metro Mayaguez	Medical Claims	-	8,162,136
Metro Pavia Health Systems, Inc	Medical Claims	36,712	51,024
Metrohealth Central Corporation	Medical Claims	838	3,913,318
Metro Health, Inc.	Medical Claims	3,056	14,596,510
San Francisco Health System, Inc.	Medical Claims	7,524	14,478,153
Southwest Health Corporation	Medical Claims	25,641	5,880,049
Yauco Health Care Corporation	Medical Claims	-	3,477,116
Metro Ponce, Inc.	Medical Claims	-	9,151,909
Clinica Yaguez, Inc.	Medical Claims	908,131	6,508,194
Integrate Community Health Systems, Inc.	Medical Claims	-	15,744,368
EJA Property Group, Inc.	Facilities Rent	-	1,185,716
Metro Pavia Health Care Center, Inc.	Medical Claims	3,164,595	22,643,915
First Health Call, Inc.	Telephone Consultation	119,360	748,691
A.M.M.V.R. Group, Inc.	Medical Claims	-	523,090
Optimind, Inc.	Mental Health Services	18,648	204,548
Metrohealth Extended Care	Rent	16,496	190,988
Metrohealth Radiation Oncology Group, Inc.	Medical Claims	63,776	3,075,336
FM Salud, Inc.	Administrative Services	1,253,233	15,837,613
Metro Pavia @ Home	Home Care Services	156,981	1,309,637
IMC Salud	Administrative Services	471,857	5,641,636
APS Healthcare PR, Inc.	Mental Health Services	2,739,782	29,468,966
International Pharmacy	Rent	-	14,557

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 10 – Information Concerning Parent, Subsidiaries and Affiliates and Other Related Parties (continued)

First Medical Health Plan of Florida (FMFL) has contracted with FMHP for various administrative and consulting services. In exchange for FMHP services, FMFL pays a fixed overhead administration fee as defined in the agreement. The administrative fee was waived by FMHP for the years ending December 31, 2016 and 2015.

Note 11 – Debt – Not Applicable

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

The Company has a retirement plan covering all of its eligible employees. Under the plan, the Company may contribute to the plan an amount designated by the Board of Directors to the extent permissible under the Commonwealth of Puerto Rico Internal Revenue Code up to 6% of a maximum $10,000 annually for each qualified employee.

The Plan is a defined contribution plan covering all full-time employees of the Company who have one year of service and are age eighteen or older. It is subject to the provisions of the Employee Retirement Income Security Act (ERISA). Contributions made for the years ended December 31, 2015 and 2014 were $171,368 and $206,822, respectively. The Company had its retirement plan together with two affiliates. At December 31, 2015 and 2014 the fair value of the plan assets was $5,415,655 and $5,239,374, respectively.

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

At December 31, 2016 and 2015, the company had 2,500 common shares authorized of which 1,875 were outstanding. The stocks had a par value of $1 per share. In addition, the Company had additional paid in capital in the amount of $460,000 which was increased by $2,500,000 during the quarter ended on June 30, 2008 for a total of $2,960,040.

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 13 – Capital and Surplus, Shareholders' Dividends Restrictions and Quasi-Reorganizations (continued)

Following are matters related with Capital, Surplus and Dividends:

1. The Company has 2,500 common shares authorized of which 1,875 are issued and outstanding.
2. The Company has no preferred stock outstanding.
3. Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's State of Incorporation.
4. No dividends were declared or paid during 2016 nor 2015.
5. Within the limitations set forth above (3), there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
6. The unassigned surplus has no specific restriction but as part of the overall capital requirements, it has limited availability. The Surplus Notes are subject to restrictions imposed by the Office of the Insurance Commissioner.
7. Surplus Notes are in the amount of $20,738,860.
8. The amounts of stock held by the Company, including stock of affiliated companies, for special purposes are:
    a. For conversion of preferred stock: 0 shares
    b. Employee stock options: 0 shares
    c. For stock purchase warrants: 0 shares
9. There is no changes in the balances of special surplus funds from the prior year.
10. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is $ -0-.
11. The Company issued the following surplus notes:

Date Issued	Interest Rate	Par Value (Face Amount of Note	Carrying Value of Note	Interest and/or Principal Paid Current Year	Total Interest and/or Principal Paid	Unapproved Interest and/or Principal	Date of Maturity
5-21-2008	3.75%	$ 7,358,725	$ 7,358,725	-0-	-0-	-0-	Indefinite
7-28-2009	3.75%	$13,380,135	$13,380,135	-0-	-0-	-0-	Indefinite
Total		$20,738,860	$20,738,860				

The amount of capital and surplus was $32,815,052 at December 31, 2016 and $21,546,348 at December 31, 2015.

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 13 – Capital and Surplus, Shareholders' Dividends Restrictions and Quasi-Reorganizations (continued)

On June 15, 2008 the company issued surplus notes in exchange for cash to Eduardo Artau Gomez in the amount of $9,858,725. In a subsequent determination by the Office of the Insurance Commissioner, the amount of $2,500,000 was determined to be considered as Paid in Capital and the remainder $7,358,725 to constitute surplus notes. These notes will earn interest at a rate of 3.75% annually but are subject to certain restrictions imposed by the Office of the Insurance Commissioner and only to the extent the Company has sufficient surplus earnings to make such payments.

During 2009 Eduardo Artau Gomez made additional cash contributions in the amount of $13,380,135 in surplus notes earning interest at a rate of 3.75% annually but are subject to restrictions imposed by the Office of the Insurance Commissioner and only to the extent the Company has sufficient surplus earnings to make such payments.

Note 14 – Liabilities, Contingencies and Assessments

The Company is involved in various legal proceedings and complaints incidental to the normal course of business. Legal counsel and management are of the opinion that none of these contingencies will have a material adverse effect on the company's financial position or results of operations and are not considered material in relation to the financial position of the Company. The Company has no asset that it considers to be impaired.

On January 1, 2014, the Company was subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014. As of December 31, 2014 and 2015, the Company had written health insurance subject to the ACAS assessment. For the years ended December 31, 2016 and 2015, the Company paid $7,651,348 and $10,503,234, respectively.

Note 15 – Leases

The Company leases its administrative and regional offices under cancelable operating leases expiring on 2016. The rent includes a base monthly rate plus an additional rent covering parking spaces. The future minimum lease payments required under the lease are as follows:

2017	$ 923,332
2018	$ 631,227

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 15 – Leases (continued)

2019	$ 268,892
2020	$ 220,979
2021 and thereafter	$ 102,504

Contracts of other rent premises have expired and are paid on a month to month basis. Facilities rent expense for the years ended December 31, 2016 and 2015 amounted to $2,566,001 and $2,381,113, respectively.

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations – Not Applicable

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities – Not Applicable

Note 18 – Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans – Not Applicable

Note 19 – Direct Premium Written/Produced by Managing General/Third Party Administrators – Not Applicable

Note 20 – Fair Value Measurement

The Company uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures of investments in debt and equity securities that are classified as available-for-sale and derivatives financial instruments on a recurring basis.

The Fair Value Measurements Topic of the FASB Accounting Standards Codification defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements for fair value measurements. The disclosures required under this Topic have been included in this note.

Fair Value Hierarchy

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three 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.

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 20 – Fair Value Measurement (continued)

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.

Note 21 – Other Items – Not Applicable

Note 22 – Events Subsequent

On January 1, 2016, the Company will be subject to an annual fee under section 9010 of the Federal Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2016, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2017.

The Company evaluated subsequent events for recognition and disclosure through March 31, 2016, the date with the financial statements were available to be issued and determined that there were no significant subsequent events needed to be reported.

		Current Year	Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	YES	YES
B.	ACA fee assessment payable for the upcoming year	$ -	$ 4,424,907
C.	ACA fee assessment paid	$ 7,651,348	$ 10,503,234
D.	Premium written subject to ACA 9010 assessment	$ 404,990,701	$ 548,686,043
E.	Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	$ 32,815,052	$ 21,546,348
F.	Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	$ 32,815,052	$ 17,121,441
G.	Authorized Control Level (Five-Year Historical Line 15)	$ 32,927,910	$ 29,484,632
H.	Would reporting the ACA assessment as of Dec. 31, 2015 have triggered an RBC action level (YES/NO)?	YES	YES

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 23 – Reinsurance – Not Applicable

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

Note 25 – Change in Incurred Claims and Claims Adjustment Expenses – Not Applicable

Note 26 – Intercompany Pooling Arrangements – Not Applicable

Note 27 – Structured Settlements – Not Applicable

Note 28 – Healthcare Receivables

A - Pharmaceutical Rebate Receivable

Pharmaceutical rebates arrangements are administered by the Company's Pharmacy Benefit Manager (PBM). The PBM contracts directly with the pharmaceutical companies the terms and conditions applicable for rebatable drugs. Billings of rebates is then performed by the PBM on a quarterly basis. Once collected from the pharmaceutical companies the PBM remits to the Company the Company's share of rebates received. An estimate of quarterly billable rebates is recorded as a reduction of claims expenses in the accompanying statement of earnings. Subsequent adjustments to such estimates are recorded in the period they become known by the Company.

The following table sets forth the estimated rebates recorded for each quarter, the actual rebates as confirmed by the PBM in their most recent Rebate Confirmation schedule and the allocation of such rebate amount to the respective aging collections category, based in the date they were originally billed.

First Medical Health Plan, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Note 28 – Healthcare Receivables (continued)

Quarter	Reported on Financial Statements	Rebates as Invoiced/ Confirmed	Within 90 Days of Invoicing/ Confirmation	Within 91 to 180 Days of Invoicing/ Confirmation	180 Days After Invoicing/ Confirmation	Rebates as of December 31, 2016	Admitted	Non-Admitted
							-	
12/31/2016	$ 3,336,811	$ 3,336,811				3,336,811	3,336,811	
9/30/2016	3,212,437	3,212,437				3,212,437	3,212,437	
6/30/2016	3,429,881	3,429,881		4,794		3,425,087	3,425,087	
3/31/2016	2,632,314	2,632,314			1,624,603	1,007,711	1,007,711	
12/31/2015	2,111,833	2,111,833			2,019,121	92,713	92,713	
9/30/2015	2,205,301	2,205,301		17,466	2,093,771	94,063	94,063	
6/30/2015	1,910,677	1,910,677			1,838,345	72,332	72,332	
3/31/2015	1,548,251	1,548,251			1,519,154	29,096	29,096	
12/31/2014	1,455,540	1,455,540		334,819	1,101,556	19,164	19,164	
9/30/2014	2,185,959	2,185,959		574,312	1,598,097	13,550	13,550	
6/30/2014	2,029,545	2,029,545			2,016,336	13,209	13,209	
3/31/2014	1,998,300	1,998,300			1,943,928	54,372	54,372	
12/31/2013	1,854,694	1,854,694			1,819,183	35,511	35,511	
9/30/2013	1,867,491	1,867,491			1,862,714	4,776	4,776	
6/30/2013	1,781,906	1,781,906			1,780,651	1,255	1,255	
3/31/2013	1,589,185	1,589,185		619,785	970,394	(995)	(995)	
Total	$35,150,125	$35,150,125	$ -	$ 1,551,177	$22,187,854	$11,411,094	$11,411,094	$ -

Note 29 – Participating Policies – Not Applicable

Note 30 – Premium Deficiency Reserves – Not Applicable

Note 31 – Anticipated Salvage and Subrogation – Not Applicable

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 [ ]
If yes, complete Schedule Y, Parts 1, 1A and 2.

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 [ ] No [ ] N/A [X]

1.3 State regulating? Yes

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. 12/31/2012

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. 12/31/2012

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). 10/11/2013

3.4 By what department or departments?
Office of the Insurance Commissioner of PR

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 [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

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 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,

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 with 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 the response to 8.3 is yes, please provide below the names and locations (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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Centeno Figueroa & Co. Maramar Plaza Suite 860 Guaynabo, PR 00968

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 the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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?
Mareb Del Rosario 1F Cond. Hato Rey Plaza, San Juan, PR 00918-4101

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 0

12.13 Total book/adjusted carrying value $ 0

12.2 If yes, provide explanation

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

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

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

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c) Compliance with applicable governmental laws, rules and regulations;

(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e) Accountability for adherence to the code.

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

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

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

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

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

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]

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

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

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 subordinator committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

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

20.11 To directors or other officers $ 0

20.12 To stockholders not officers $ 0

20.13 Trustees, supreme or grand (Fraternal only) $ 0

20.2 Total amount of loans outstanding at the 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 reporting in the statement? Yes [ ] No [X]

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

21.21 Rented from others $

21.22 Borrowed from others $

21.23 Leased from others $

21.24 Other $

22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment $

22.22 Amount paid as expenses $

22.23 Other amounts paid $

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 1,267,393

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

24.01 Were all of stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [ ] No [X]

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

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

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*? Yes [ ] No [ ] N/A [X]

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

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

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.09. Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: $ 0

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

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

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

25.21 Subject to repurchase agreements $ 0

25.22 Subject to reverse repurchase agreements $ 0

25.23 Subject to dollar repurchase agreements $ 0

25.24 Subject to reverse dollar repurchase agreements $ 0

25.25 Placed under option agreements $ 0

25.26 Letter stock or securities restricted as sale – excluding FHLB Capital Stock $ 0

25.27 FHLB Capital Stock $ 0

25.28 On deposit with states $ 0

25.29 On deposit with other regulatory bodies $ 0

25.30 Pledged as collateral – excluding collateral pledged to an FHLB $ 0

25.31 Pledged as collateral to FHLB – including assets backing funding agreements $ 0

25.32 Other $ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		$

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [ ]
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: $

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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [ ] No [X]

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

1 Name of Custodian(s)	2 Custodian's Address

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 [ ]

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 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["…that have access to the investment accounts", "… handle securities"].

1 Name of Firm or Individual	2 Affiliation

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes [ ] No [ ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [ ] No [ ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

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 [X] No [ ]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
543916 10 0	Lord Abbett Short Duration Income Fund A	485,360
29.2999 TOTAL		485,360

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

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	2,324,053	0	(2,324,053)
30.2	Preferred Stocks	0	0	0
30.3	Totals	2,324,053	0	(2,324,053)

30.4 Describe the sources or methods utilized in determining the fair values:

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]

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 Investment Analysis Office* been followed? Yes [ ] No [X]

32.2 If no, list exceptions:
Innovacare, Inc. common stock holding was not submitted to the SVO for valuation.

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? $ 211,177

34.2 List the name of the firm and the amount paid if any such payment 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 departments of government, if any? $ 0

35.2 List the name of the 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

PART 2 – HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only. $ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $ 0

1.62 Total incurred claims $ 0

1.63 Number of covered lives $ 0

All years prior to most current three years:

1.64 Total premium earned $ 0

1.65 Total incurred claims $ 0

1.66 Number of covered lives $ 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $ 0

1.72 Total incurred claims $ 0

1.73 Number of covered lives $ 0

All years prior to most current three years:

1.74 Total premium earned $ 0

1.75 Total incurred claims $ 0

1.76 Number of covered lives $ 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 1,048,909,410	$ 882,744,784
2.2	Premium Denominator	$ 1,048,909,410	$ 882,744,784
2.3	Premium Ratio (2.1/2.2)	$ 100.000	$ 100.000
2.4	Reserve Numerator	$ 0	$ 143,509,903
2.5	Reserve Denominator	$ 128,596,556	$ 143,509,903
2.6	Reserve Ratio (2.4/2.5)	$ 0.000	$ 100.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [ ]

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 and 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:

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

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 0

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 with rate guarantees between 15-36 months $ 0

9.22 Business with rate guarantees over 36 months $ 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [ ] No [X]

10.2 If yes:

10.21 Maximum amount payable bonuses $ 0

10.22 Amount actually paid for year bonuses $ 0

10.23 Maximum amount payable withholds $ 0

10.24 Amount actually paid for year withholds $ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [ ] No [X]

11.13 An Individual Practice Association (IPA), or, Yes [ ] No [X]

11.14 A Mixed Model (combination of above)? Yes [ ] No [X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [ ] No [X]

11.3 If yes, show the name of the state requiring such minimum capital and surplus.

11.4 If yes, show the amount required. $ 0

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [ ]

11.6 If the amount is calculated, show the calculation

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area

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

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [ ] No [ ] N/A [X]

14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
	0		$	$	$	$

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

15.1 Direct Premium Written $ 0

15.2 Total Incurred Claims $ 0

15.3 Number of Covered Lives 0

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

FIVE-YEAR HISTORICAL DATA

	1 2016	2 2015	3 2014	4 2013	5 2012
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	183,497,651	191,896,372	123,603,144	122,715,883	129,635,385
2. Total liabilities (Page 3, Line 24)	150,682,599	170,350,024	88,284,538	89,683,746	105,887,285
3. Statutory minimum capital and surplus requirement					
4. Total capital and surplus (Page 3, Line 33)	32,815,052	21,546,348	35,318,606	33,032,137	23,748,100
Income Statement Items (Page 4)					
5. Total revenues (Line 8)	1,048,909,410	882,744,784	586,186,043	643,363,635	614,656,900
6. Total medical and hospital expenses (Line 18)	946,463,000	804,232,128	521,973,346	564,462,565	546,676,885
7. Claims adjustment expenses (Line 20)					
8. Total administrative expenses (Line 21)	96,818,518	91,354,007	77,586,126	69,841,236	60,796,144
9. Net underwriting gain (loss) (Line 24)	5,627,892	(12,841,351)	(13,373,429)	9,059,834	7,183,871
10. Net investment gain (loss) (Line 27)	104,515	(115,108)	587,502	576,256	
11. Total other income (Lines 28 plus 29)	5,911,597	423,982	18,165,827	408,007	817,417
12. Net income or (loss) (Line 32)	10,581,074	(12,532,477)	2,721,914	7,245,816	6,450,929
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(11,981,799)	62,269,593	(12,155,214)	(3,097,922)	21,729,350
Risk-Based Capital Analysis					
14. Total adjusted capital	32,815,052	21,546,348	35,318,606	33,032,137	23,748,100
15. Authorized control level risk-based capital	26,449,164	29,484,632	20,718,320	21,929,701	21,280,213
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	562,052	567,300	309,228	331,836	344,467
17. Total member months (Column 6, Line 7)	6,808,295	6,085,646	4,049,922	4,030,953	4,114,079
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 (Line 18 plus Line 19)	90.2	91.1	89.0	87.7	88.9
20. Cost containment expenses					
21. Other claims adjustment expenses					
22. Total underwriting deductions (Line 23)	99.5	101.5	102.3	98.6	98.8
23. Total underwriting gain (loss) (Line 24)	0.5	(1.5)	(2.3)	1.4	1.2
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5)	143,509,903	66,912,567	76,036,904	95,543,964	81,114,504
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	143,509,903	64,792,108	76,036,904	95,543,964	81,136,549
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31	0	0	0	0	0
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 [ ]

If no, please explain:

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....FIRST MEDICAL HEALTH PLAN, INC. 2. Guaynabo, PR

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....0 NAIC Company Code.....95722

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	567,300	101,498	169,570						296,232	
2. First quarter	574,314	114,223	165,043						295,048	
3. Second quarter	571,168	113,307	163,897						293,964	
4. Third quarter	567,819	110,383	164,915						292,521	
5. Current year	562,052	108,648	162,971						290,433	
6. Current year member months	6,808,295	1,315,671	1,973,507						3,519,117	
Total Member Ambulatory Encounters for Year:										
7. Physician	3,060,929	720,657	1,253,226						1,087,046	
8. Non-physician	4,139	507	481						3,151	
9. Totals	3,065,068	721,164	1,253,707	0	0	0	0	0	1,090,197	0
10. Hospital patient days incurred	212,881	25,234	41,351						146,296	
11. Number of inpatient admissions	45,515	5,657	8,484						31,374	
12. Health premiums written (b)	1,048,909,410	146,091,286	310,443,982						592,374,142	
13. Life premiums direct	0									
14. Property/casualty premiums written	0									
15. Health premiums earned	1,048,909,410	146,091,286	310,443,982						592,374,142	
16. Property/casualty premiums earned	0									
17. Amount paid for provision of health care services	961,376,347	115,365,162	288,412,904						557,598,281	
18. Amount incurred for provision of health care services	946,463,000	112,075,654	288,194,539						546,192,807	

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....0

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance

SCHEDULE S - PART 2

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	Outstanding Surplus Relief		13	14
										11	12		
NAIC Company Code	ID Number	Effective Date	Name of Company	Domiciliary Jurisdiction	Type of Reinsurance Ceded	Type of Business Ceded	Premiums	Unearned Premiums (estimated)	Reserve Credit Taken Other Than for Unearned Premiums	Current Year	Prior Year	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance

SCHEDULE S - PART 4

Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total (Cols. 5 + 6 + 7)	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9 + 11 + 12 + 13 + 14 But Not in Excess of Col. 8

SCHEDULE S - PART 5

Reinsurance Ceded to Certified Reinsurers as of December 31, Current Year (000 Omitted)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Collateral							23	24	25	26
															16	17	18	19	20	21	22				
NAIC Company Code	ID Number	Effective Date	Name of Reinsurer	Domiciliary Jurisdiction	Certified Reinsurer Rating (1 thru 6)	Effective Date of Certified Reinsurer Rating	Percent Collateral Required for Full Credit (0% - 100%)	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Total Recoverable Reserve Credit Taken (Cols. 9 + 10 + 11)	Miscellaneous Balances (Credit)	Net Obligation Subject to Collateral (Col. 12 - 13)	Dollar Amount of Collateral Required for Full Credit (Col. 14 x Col. 8)	Multiple Beneficiary Trust	Letters of Credit	Issuing or Confirming Bank Reference Number (a)	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Total Collateral Provided (Cols. 16 + 17 + 19 + 20 + 21)	Percent of Collateral Provided for Net Obligation Subject to Collateral (Col. 22 / Col. 14)	Percent Credit Allowed on Net Obligation Subject to Collateral (Col. 23 / Col. 8, not to Exceed 100%)	Amount of Credit Allowed for Net Obligation Subject to Collateral (Col. 14 x Col. 24)	Liability for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 14 - Col. 25)

SCHEDULE S - PART 6

Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2016	2 2015	3 2014	4 2013	5 2012
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					
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					
18. Funds deposited by and withheld from (F)					
19. Letters of credit (L)					
20. Trust agreements (T)					
21. Other (O)					

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)	110,004,476		110,004,476
2.	Accident and health premiums due and unpaid (Line 15)	38,246,835		38,246,835
3.	Amounts recoverable from reinsurers (Line 16.1)			0
4.	Net credit for ceded reinsurance	XXX		0
5.	All other admitted assets (balance)	35,246,340		35,246,340
6.	Totals assets (Line 28)	183,497,651	0	183,497,651
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	128,596,556		128,596,556
8.	Accrued medical incentive pool and bonus payments (Line 2)			0
9.	Premiums received in advance (Line 8)			0
10.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount)			0
11.	Reinsurance in unauthorized companies (Line 20 minus inset amount)			0
12.	Reinsurance with certified reinsurers (Line 20 inset amount)			0
13.	Funds held under reinsurance treaties with certified reinsurers (Line 19 third inset amount)			0
14.	All other liabilities (balance)	22,086,043		22,086,043
15.	Total liabilities (Line 24)	150,682,599	0	150,682,599
16.	Total capital and surplus (Line 33)	32,815,052	XXX	32,815,052
17.	Total liabilities, capital and surplus (Line 34)	183,497,651	0	183,497,651
	NET CREDIT FOR CEDED REINSURANCE			
18.	Claims unpaid	0		
19.	Accrued medical incentive pool	0		
20.	Premiums received in advance	0		
21.	Reinsurance recoverable on paid losses	0		
22.	Other ceded reinsurance recoverables	0		
23.	Total ceded reinsurance recoverables	0		
24.	Premiums receivable	0		
25.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
26.	Unauthorized reinsurance	0		
27.	Reinsurance with certified reinsurers	0		
28.	Funds held under reinsurance treaties with certified reinsurers	0		
29.	Other ceded reinsurance payables/offsets	0		
30.	Total ceded reinsurance payables/offsets	0		
31.	Total net credit for ceded reinsurance	0		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama AL	N							0	
2. Alaska AK	N							0	
3. Arizona AZ	N							0	
4. Arkansas AR	N							0	
5. California CA	N							0	
6. Colorado CO	N							0	
7. Connecticut CT	N							0	
8. Delaware DE	N							0	
9. District of Columbia DC	N							0	
10. Florida FL	N							0	
11. Georgia GA	N							0	
12. Hawaii HI	N							0	
13. Idaho ID	N							0	
14. Illinois IL	N							0	
15. Indiana IN	N							0	
16. Iowa IA	N							0	
17. Kansas KS	N							0	
18. Kentucky KY	N							0	
19. Louisiana LA	N							0	
20. Maine ME	N							0	
21. Maryland MD	N							0	
22. Massachusetts MA	N							0	
23. Michigan MI	N							0	
24. Minnesota MN	N							0	
25. Mississippi MS	N							0	
26. Missouri MO	N							0	
27. Montana MT	N							0	
28. Nebraska NE	N							0	
29. Nevada NV	N							0	
30. New Hampshire NH	N							0	
31. New Jersey NJ	N							0	
32. New Mexico NM	N							0	
33. New York NY	N							0	
34. North Carolina NC	N							0	
35. North Dakota ND	N							0	
36. Ohio OH	N							0	
37. Oklahoma OK	N							0	
38. Oregon OR	N							0	
39. Pennsylvania PA	N							0	
40. Rhode Island RI	N							0	
41. South Carolina SC	N							0	
42. South Dakota SD	N							0	
43. Tennessee TN	N							0	
44. Texas TX	N							0	
45. Utah UT	N							0	
46. Vermont VT	N							0	
47. Virginia VA	N							0	
48. Washington WA	N							0	
49. West Virginia WV	N							0	
50. Wisconsin WI	N							0	
51. Wyoming WY	N							0	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	L	456,535,268		592,374,142				1,048,909,410	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	456,535,268	0	592,374,142	0	0	0	1,048,909,410	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	456,535,268	0	592,374,142	0	0	0	1,048,909,410	0

DETAILS OF WRITE-INS

58001.								0	
58002.								0	
58003.								0	
58998. Summary of remaining write-ins for line 58		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 through 58003 + 58998)		0	0	0	0	0	0	0	0

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

Explanation of basis of allocation by states, premiums by state, etc.

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

SCHEDULE T - PART 2

INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

	Direct Business Only					
States, Etc.	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama AL						0
2. Alaska AK						0
3. Arizona AZ						0
4. Arkansas AR						0
5. California CA						0
6. Colorado CO						0
7. Connecticut CT						0
8. Delaware DE						0
9. District of Columbia DC						0
10. Florida FL						0
11. Georgia GA						0
12. Hawaii HI						0
13. Idaho ID						0
14. Illinois IL						0
15. Indiana IN						0
16. Iowa IA						0
17. Kansas KS						0
18. Kentucky KY						0
19. Louisiana LA						0
20. Maine ME						0
21. Maryland MD						0
22. Massachusetts MA						0
23. Michigan MI						0
24. Minnesota MN						0
25. Mississippi MS						0
26. Missouri MO						0
27. Montana MT						0
28. Nebraska NE						0
29. Nevada NV						0
30. New Hampshire NH						0
31. New Jersey NJ						0
32. New Mexico NM						0
33. New York NY						0
34. North Carolina NC						0
35. North Dakota ND						0
36. Ohio OH						0
37. Oklahoma OK						0
38. Oregon OR						0
39. Pennsylvania PA						0
40. Rhode Island RI						0
41. South Carolina SC						0
42. South Dakota SD						0
43. Tennessee TN						0
44. Texas TX						0
45. Utah UT						0
46. Vermont VT						0
47. Virginia VA						0
48. Washington WA						0
49. West Virginia WV						0
50. Wisconsin WI						0
51. Wyoming WY						0
52. American Samoa AS						0
53. Guam GU						0
54. Puerto Rico PR						0
55. US Virgin Islands VI						0
56. Northern Mariana Islands MP						0
57. Canada CAN						0
58. Aggregate Other Alien OT						0
59. Totals	0	0	0	0	0	0

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership Board, Management Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 Is an SCA Filing Required? (Y/N)	16 *
Members															
			66-0178801				Hospital Dr. Susoni Incorporado	PR	DS	Artau Holdings, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0520807				Dr. Susoni Community Health Services Corp	PR	DS	Artau Holdings, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0677702				Metro Hato Rey, Inc.	PR	DS	Artau Holdings, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0677706				Metro Santurce, Inc.	PR	DS	Artau Holdings, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0677707				Metro Mayaguez, Inc.	PR	DS	Artau Holdings, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0667164				MetroHealth Central Corporation	PR	DS	Artau Holdings II, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0551899				Metro Health, Inc.	PR	DS	Artau Holdings, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0673963				San Francisco Health System, Inc.	PR	DS	Artau Holdings, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0558678				Southwest Health Corporation	PR	DS	Artau Holdings II, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0616947				Yauco Healthcare Corporation	PR	DS	Artau Holdings II, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0714531				Metro Ponce, Inc.	PR	DS	Artau Holdings II, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0558905				Clinica Yaguez, Inc.	PR	DS	Artau Holdings III, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0536996				Integrate Community Health System, Inc.	PR	DS	Artau Holdings III, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0599193				EJA Property Group, Inc.	PR	DS	Artau Holdings III, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0795404				Metro Pavia Health Care Center, Inc.	PR	DS	Artau Holdings III, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0680599				Three A Engineering & Construction, Inc.	PR	DS	Artau Holdings III, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0647511				First Health Call, Inc.	PR	DS	Artau Holdings III, LLC	OWNERSHIP	76.500	Eduardo Artau Gomez	N	
			66-0578061				A.M.M.V.R. Group, Inc.	PR	DS	Eduardo Artau Gomez	OWNERSHIP	70.000	Eduardo Artau Gomez	N	
			66-0473937				International Medical Card, Inc.	PR	DS	Eduardo Artau Gomez	OWNERSHIP	100.000	Eduardo Artau Gomez	N	
			66-0727766				Optimind, Inc.	PR	DS	Eduardo Artau Gomez	OWNERSHIP	100.000	Eduardo Artau Gomez	N	
			66-0557601				Metrohealth Extended Care	PR	DS	Eduardo Artau Gomez	OWNERSHIP	100.000	Eduardo Artau Gomez	N	
			66-0567853				Metrohealth Radiation Oncology Group, Inc.	PR	DS	Eduardo Artau Gomez	OWNERSHIP	37.500	Eduardo Artau Gomez	N	
			66-0830130				FM Salud, Inc.	PR	DS	Eduardo Artau Gomez	OWNERSHIP	100.000	Eduardo Artau Gomez	N	
			66-0819304				Metro Pavia at Home, LLC	PR	DS	Eduardo Artau Gomez	OWNERSHIP	100.000	Eduardo Artau Gomez	N	
							Alpine Health Technologies, Corp.	PR	DS	Artau Holdings III, LLC	OWNERSHIP	100.000	Eduardo Artau Gomez	N	
			66-0567825				APS Healthcare Puerto Rico, Inc.	PR	DS	Eduardo Artau Gomez	OWNERSHIP	100.000	Eduardo Artau Gomez	N	
							Metro Pavia Health System, Inc.	PR	DS	Artau Holdings, LLC	OWNERSHIP	100.000	Eduardo Artau Gomez	N	

SCHEDULE Y

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

1 NAIC Company Code	2 ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
	66-0537624	First Medical Health Plan, Inc.					(233,815,739)				(233,815,739)	
	66-0178801	Hospital Dr. Susoni Incorporado					16,558,578				16,558,578	
	66-0520807	Dr. Susoni Community Health Services Corp					23,436,351				23,436,351	
	66-0677702	Metro Hato Rey, Inc.					11,940,478				11,940,478	
	66-0677706	Metro Santurce, Inc.					19,087,419				19,087,419	
	66-0677707	Metro Mayaguez, Inc.					8,162,136				8,162,136	
	66-0667164	MetroHealth Central Corporation					3,913,318				3,913,318	
	66-0551899	Metro Health, Inc.					14,596,510				14,596,510	
	66-0673963	San Francisco Health System, Inc.					14,478,153				14,478,153	
	66-0558678	Southwest Health Corporation					5,880,049				5,880,049	
	66-0616947	Yauco Healthcare Corporation					3,477,116				3,477,116	
	66-0714531	Metro Ponce, Inc.					9,151,909				9,151,909	
	66-0558905	Clinica Yaguez, Inc.					6,508,194				6,508,194	
	66-0536996	Integrate Community Health System, Inc.					15,744,368				15,744,368	
	66-0599193	EJA Property Group, Inc.					1,185,716				1,185,716	
	66-0795404	Metro Pavia Health Care Center, Inc.					22,643,915				22,643,915	
	66-0680599	Three A Engineering & Construction, Inc.									0	
	66-0647511	First Health Call, Inc.					748,691				748,691	
	66-0578061	A.M.M.V.R. Group, Inc.					523,090				523,090	
	66-0473937	International Medical Card, Inc.					5,641,636				5,641,636	
	66-0727766	Optimind, Inc.					204,548				204,548	
	66-0557601	Metrohealth Extended Care					190,988				190,988	
	66-0567853	Metrohealth Radiation Oncology Group, Inc.					3,075,336				3,075,336	
	66-0830130	FM Salud, Inc.					15,837,613				15,837,613	
	66-0819304	Metro Pavia at Home, LLC					1,309,637				1,309,637	
		Alpine Health Technologies, Corp.									0	
	66-0567825	APS Healthcare Puerto Rico, Inc.					29,468,966				29,468,966	
		Metro Pavia Health System, Inc.					51,024				51,024	
9999999.	Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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	Responses
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 the Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Supplemental Investment Risk 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 the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) 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 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 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?	YES
25.	Will the regulator-only (non-public) Supplemental Health Care Exhibit's Expense 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

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

EXPLANATIONS:	BAR CODE:
1.	
2.	
3.	
4.	
5.	
6.	
7.	*95722201621000000*
8.	
9.	
10.	
11. The data for this supplement is not required to be filed.	*95722201636000000*
12. The data for this supplement is not required to be filed.	*95722201620500000*
13. The data for this supplement is not required to be filed.	*95722201620700000*
14. The data for this supplement is not required to be filed.	*95722201642000000*
15. The data for this supplement is not required to be filed.	*95722201637100000*
16. The data for this supplement is not required to be filed.	*95722201637000000*
17. The data for this supplement is not required to be filed.	*95722201636500000*
18. The data for this supplement is not required to be filed.	*95722201622400000*
19. The data for this supplement is not required to be filed.	*95722201622500000*
20. The data for this supplement is not required to be filed.	*95722201622600000*
21. The data for this supplement is not required to be filed.	*95722201630600000*
22. The data for this supplement is not required to be filed.	*95722201621100000*
23. The data for this supplement is not required to be filed.	*95722201621300000*
24.	
25. The data for this supplement is not required to be filed.	*95722201621700000*
26. The data for this supplement is not required to be filed.	*95722201623900000*

Overflow Page for Write-Ins

Additional Write-ins for Assets:

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31, Prior Year Net Admitted Assets
2504. Prepaid Expenses	1,566,778	1,566,778	0	
2505. Income Tax Payable			0	47,161
2506. Special Deposit	600,000		600,000	
2597. Summary of remaining write-ins for Line 25	2,166,778	1,566,778	600,000	47,161

Additional Write-ins for Liabilities:

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
2304. A/P MMM Holding			0	
2397. Summary of remaining write-ins for Line 23	0	0	0	0

Additional Write-ins for Statement of Revenue:

	Current Year 1 Uncovered	2 Total	Prior Year 3 Total
2904. Realized Loss			
2905. Capital Gain			
2997. Summary of remaining write-ins for Line 29	0	0	0

Additional Write-ins for Underwriting and Investment Exhibit-Part 3:

	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	3 General Administrative Expenses	4 Investment Expenses	5 Total
2504. Reference books			4,013		4,013
2505. Temporary labor and relocation			2,389,804		2,389,804
2506. Software			1,838,395		1,838,395
2507. Insurance			491,680		491,680
2508. Seminars & training			188,475		188,475
2509. Licenses			2,801,506		2,801,506
2510. Miscellaneous			6,981		6,981
2511. Repairs and maintenance			1,449,612		1,449,612
2512. Delivery			2,745		2,745
2513. Transportation expense			527,093		527,093
2514. Office expens, digital imaging, data entry			312,515		312,515
2515. Employee benefits and activities			94,294		94,294
2516. Utilities			583,294		583,294
2517. Entertainment			141,156		141,156
2518. Auto expense			289,261		289,261
2597. Summary of remaining write-ins for Line 25	0	0	11,120,824	0	11,120,824

Additional Write-ins for Nonadmitted Assets:

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. Prepaid Expenses	1,566,778		(1,566,778)
2597. Summary of remaining write-ins for Line 25	1,566,778	0	(1,566,778)

Overflow Page for Write-Ins

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities		0.0			0	0.0
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies		0.0			0	0.0
1.22 Issued by U.S. government sponsored agencies		0.0			0	0.0
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)		0.0			0	0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations		0.0			0	0.0
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.0			0	0.0
1.43 Revenue and assessment obligations		0.0			0	0.0
1.44 Industrial development and similar obligations		0.0			0	0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or guaranteed by GNMA		0.0			0	0.0
1.512 Issued or guaranteed by FNMA and FHLMC		0.0			0	0.0
1.513 All other		0.0			0	0.0
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA		0.0			0	0.0
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-based securities issued or guaranteed by agencies shown in Line 1.521		0.0			0	0.0
1.523 All other		0.0			0	0.0
2. Other debt and other fixed income securities (excluding short-term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)		0.0			0	0.0
2.2 Unaffiliated non-U.S. securities (including Canada)		0.0			0	0.0
2.3 Affiliated securities		0.0			0	0.0
3. Equity interests:						
3.1 Investments in mutual funds		0.0			0	0.0
3.2 Preferred stocks:						
3.21 Affiliated		0.0			0	0.0
3.22 Unaffiliated		0.0			0	0.0
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated		0.0			0	0.0
3.32 Unaffiliated		0.0	485,360		485,360	0.4
3.4 Other equity securities:						
3.41 Affiliated		0.0			0	0.0
3.42 Unaffiliated		0.0	17,821,918		17,821,918	16.2
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated		0.0			0	0.0
3.52 Unaffiliated		0.0			0	0.0
4. Mortgage loans:						
4.1 Construction and land development		0.0			0	0.0
4.2 Agricultural		0.0			0	0.0
4.3 Single family residential properties		0.0			0	0.0
4.4 Multifamily residential properties		0.0			0	0.0
4.5 Commercial loans		0.0			0	0.0
4.6 Mezzanine real estate loans		0.0			0	0.0
5. Real estate investments:						
5.1 Property occupied by company		0.0	110,074		110,074	0.1
5.2 Property held for production of income (including $.....0 of property acquired in satisfaction of debt)		0.0			0	0.0
5.3 Property held for sale (including $.....0 property acquired in satisfaction of debt)		0.0			0	0.0
6. Contract loans		0.0			0	0.0
7. Derivatives		0.0			0	0.0
8. Receivables for securities		0.0			0	0.0
9. Securities lending (Line 10, Asset Page reinvested collateral)		0.0		XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments		0.0	91,587,124		91,587,124	83.3
11. Other invested assets		0.0			0	0.0
12. Total invested assets	0	0.0	110,004,476	0	110,004,476	100.0

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year		138,416
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)		0
3.	Current year change in encumbrances:		
3.1	Totals, Part 1, Column 13		
3.2	Totals, Part 3, Column 11		0
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		
6.2	Totals, Part 3, Column 13		0
7.	Deduct current year's other-than-temporary impairment recognized:		
7.1	Totals, Part 1, Column 12		
7.2	Totals, Part 3, Column 10		0
8.	Deduct current year's depreciation:		
8.1	Totals, Part 1, Column 11	28,342	
8.2	Totals, Part 3, Column 9		28,342
9.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)		110,074
10.	Deduct total nonadmitted amounts		
11.	Statement value at end of current period (Line 9 minus Line 10)		110,074

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)		0
3.	Capitalized deferred interest and other:		
3.1	Totals, Part 1, Column 12		
3.2	Totals, Part 3, Column 11		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
5.1	Totals, Part 1, Column 9		
5.2	Totals, Part 3, Column 8		0
6.	Total gain (loss) on disposals, Part 3, Column 18		
7.	Deduct amounts received on disposals, Part 3, Column 15		
8.	Deduct amortization of premium and mortgage interest points and commitment fees		
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		0
10.	Deduct current year's other-than-temporary impairment recognized:		
10.1	Totals, Part 1, Column 11		
10.2	Totals, Part 3, Column 10		0
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		0
12.	Total valuation allowance		
13.	Subtotal (Line 11 plus Line 12)		0
14.	Deduct total nonadmitted amounts		
15.	Statement value at end of current period (Line 13 minus Line 14)		0

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)		0
3.	Capitalized deferred interest and other:		
	3.1 Totals, Part 1, Column 16		
	3.2 Totals, Part 3, Column 12		0
4.	Accrual of discount		
5.	Unrealized valuation increase (decrease):		
	5.1 Totals, Part 1, Column 13		
	5.2 Totals, Part 3, Column 9		0
6.	Total gain (loss) on disposals, Part 3, Column 19		
7.	Deduct amounts received on disposals, Part 3, Column 16		
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		0
10.	Deduct current year's other-than-temporary impairment recognized:		
	10.1 Totals, Part 1, Column 15		
	10.2 Totals, Part 3, Column 11		0
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		0
12.	Deduct total nonadmitted amounts		
13.	Statement value at end of current period (Line 11 minus Line 12)		0

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year		18,337,278
2.	Cost of bonds and stocks acquired, Part 3, Column 7		
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease):		
	4.1 Part 1, Column 12		
	4.2 Part 2, Section 1, Column 15		
	4.3 Part 2, Section 2, Column 13		
	4.4 Part 4, Column 11		0
5.	Total gain (loss) on disposals, Part 4, Column 19		
6.	Deduct consideration for bonds and stocks disposed of, Part 4, Column 7		
7.	Deduct amortization of premium		
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		0
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		0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)		18,337,278
11.	Deduct total nonadmitted amounts		30,000
12.	Statement value at end of current period (Line 10 minus Line 11)		18,307,278

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	1. United States				
Governments (Including all obligations	2. Canada				
guaranteed by governments)	3. Other Countries				
	4. Totals	0	0	0	0
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	30,000	30,000	250,000	250,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals				
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, SVO Identified	8. United States				
Funds and Hybrid Securities (unaffiliated)	9. Canada				
	10. Other Countries				
	11. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	12. Totals				
	13. Total Bonds	30,000	30,000	250,000	250,000
PREFERRED STOCKS	14. United States				
Industrial and Miscellaneous (Unaffiliated)	15. Canada				
	16. Other Countries				
	17. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks	0	0	0	
COMMON STOCKS	20. United States	18,307,278	18,307,278	500,000	
Industrial and Miscellaneous (Unaffiliated)	21. Canada				
	22. Other Countries				
	23. Totals	18,307,278	18,307,278	500,000	
Parent, Subsidiaries and Affiliates	24. Totals				
	25. Total Common Stocks	18,307,278	18,307,278	500,000	
	26. Total Stocks	18,307,278	18,307,278	500,000	
	27. Total Bonds and Stocks	18,337,278	18,337,278	750,000	

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

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 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.7	9 Total from Column 6 Prior Year	10 % from Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
1. **U.S. Governments**												
1.1 NAIC 1	2,324,053					XXX	2,324,053	98.7		0.0	2,324,053	
1.2 NAIC 2						XXX	0	0.0		0.0		
1.3 NAIC 3						XXX	0	0.0		0.0		
1.4 NAIC 4						XXX	0	0.0		0.0		
1.5 NAIC 5						XXX	0	0.0		0.0		
1.6 NAIC 6						XXX	0	0.0		0.0		
1.7 Totals	2,324,053	0	0	0	0	XXX	2,324,053	98.7	0	0.0	2,324,053	0
2. **All Other Governments**												
2.1 NAIC 1						XXX	0	0.0		0.0		
2.2 NAIC 2						XXX	0	0.0		0.0		
2.3 NAIC 3						XXX	0	0.0		0.0		
2.4 NAIC 4						XXX	0	0.0		0.0		
2.5 NAIC 5						XXX	0	0.0		0.0		
2.6 NAIC 6						XXX	0	0.0		0.0		
2.7 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3. **U.S. States, Territories and Possessions, etc., Guaranteed**												
3.1 NAIC 1						XXX	0	0.0		0.0		
3.2 NAIC 2						XXX	0	0.0		0.0		
3.3 NAIC 3						XXX	0	0.0		0.0		
3.4 NAIC 4						XXX	0	0.0		0.0		
3.5 NAIC 5						XXX	0	0.0		0.0		
3.6 NAIC 6	30,000					XXX	30,000	1.3	30,000	100.0	30,000	
3.7 Totals	30,000	0	0	0	0	XXX	30,000	1.3	30,000	100.0	30,000	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**												
4.1 NAIC 1						XXX	0	0.0		0.0		
4.2 NAIC 2						XXX	0	0.0		0.0		
4.3 NAIC 3						XXX	0	0.0		0.0		
4.4 NAIC 4						XXX	0	0.0		0.0		
4.5 NAIC 5						XXX	0	0.0		0.0		
4.6 NAIC 6						XXX	0	0.0		0.0		
4.7 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**												
5.1 NAIC 1						XXX	0	0.0		0.0		
5.2 NAIC 2						XXX	0	0.0		0.0		
5.3 NAIC 3						XXX	0	0.0		0.0		
5.4 NAIC 4						XXX	0	0.0		0.0		
5.5 NAIC 5						XXX	0	0.0		0.0		
5.6 NAIC 6						XXX	0	0.0		0.0		
5.7 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0

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

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

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.7	9 Total from Column 6 Prior Year	10 % from Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
6. **Industrial and Miscellaneous (unaffiliated)**												
6.1 NAIC 1						XXX	0	0.0		0.0		
6.2 NAIC 2						XXX	0	0.0		0.0		
6.3 NAIC 3						XXX	0	0.0		0.0		
6.4 NAIC 4						XXX	0	0.0		0.0		
6.5 NAIC 5						XXX	0	0.0		0.0		
6.6 NAIC 6						XXX	0	0.0		0.0		
6.7 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7. **Hybrid Securities**												
7.1 NAIC 1						XXX	0	0.0		0.0		
7.2 NAIC 2						XXX	0	0.0		0.0		
7.3 NAIC 3						XXX	0	0.0		0.0		
7.4 NAIC 4						XXX	0	0.0		0.0		
7.5 NAIC 5						XXX	0	0.0		0.0		
7.6 NAIC 6						XXX	0	0.0		0.0		
7.7 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8. **Parent, Subsidiaries and Affiliates**												
8.1 NAIC 1						XXX	0	0.0		0.0		
8.2 NAIC 2						XXX	0	0.0		0.0		
8.3 NAIC 3						XXX	0	0.0		0.0		
8.4 NAIC 4						XXX	0	0.0		0.0		
8.5 NAIC 5						XXX	0	0.0		0.0		
8.6 NAIC 6						XXX	0	0.0		0.0		
8.7 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
9. **SVO Identified Funds**												
9.1 NAIC 1	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.2 NAIC 2	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.3 NAIC 3	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.4 NAIC 4	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.5 NAIC 5	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.6 NAIC 6	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.7 Totals	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0

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

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

NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.7	9 Total from Column 6 Prior Year	10 % from Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
10. **Total Bonds Current Year**												
10.1 NAIC 1	(d) 2,324,053	0	0	0	0	0	2,324,053	98.7	XXX	XXX	2,324,053	0
10.2 NAIC 2	(d) 0	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.3 NAIC 3	(d) 0	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 NAIC 4	(d) 0	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 NAIC 5	(d) 0	0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.6 NAIC 6	(d) 30,000	0	0	0	0	0	(c) 30,000	1.3	XXX	XXX	30,000	0
10.7 Totals	2,354,053	0	0	0	0	0	(b) 2,354,053	100.0	XXX	XXX	2,354,053	0
10.8 Line 10.7 as a % of Col. 7	100.0	0.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. **Total Bonds Prior Year**												
11.1 NAIC 1						XXX	XXX	XXX	0	0.0		
11.2 NAIC 2						XXX	XXX	XXX	0	0.0		
11.3 NAIC 3						XXX	XXX	XXX	0	0.0		
11.4 NAIC 4						XXX	XXX	XXX	0	0.0		
11.5 NAIC 5						XXX	XXX	XXX	(c) 0	0.0		
11.6 NAIC 6	30,000					XXX	XXX	XXX	(c) 30,000	100.0	30,000	
11.7 Totals	30,000	0	0	0	0	XXX	XXX	XXX	(b) 30,000	100.0	30,000	0
11.8 Line 11.7 as a % of Col. 9	100.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**												
12.1 NAIC 1	2,324,053						2,324,053	98.7	0	0.0	2,324,053	XXX
12.2 NAIC 2							0	0.0	0	0.0	0	XXX
12.3 NAIC 3							0	0.0	0	0.0	0	XXX
12.4 NAIC 4							0	0.0	0	0.0	0	XXX
12.5 NAIC 5							0	0.0	0	0.0	0	XXX
12.6 NAIC 6	30,000						30,000	1.3	30,000	100.0	30,000	XXX
12.7 Totals	2,354,053	0	0	0	0	0	2,354,053	100.0	30,000	100.0	2,354,053	XXX
12.8 Line 12.7 as a % of Col. 7	100.0	0.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10	100.0	0.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13. **Total Privately Placed Bonds**												
13.1 NAIC 1							0	0.0	0	0.0	XXX	0
13.2 NAIC 2							0	0.0	0	0.0	XXX	0
13.3 NAIC 3							0	0.0	0	0.0	XXX	0
13.4 NAIC 4							0	0.0	0	0.0	XXX	0
13.5 NAIC 5							0	0.0	0	0.0	XXX	0
13.6 NAIC 6							0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes $.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $.....2,324,053 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 are 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 short-term and cash equivalent bonds by NAIC designation: NAIC 1 $.....2,324,053; 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 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.6	9 Total from Column 6 Prior Year	10 % from Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
1. **U.S. Governments**												
1.1 Issuer Obligations	2,324,053					XXX	2,324,053	98.7		0.0	2,324,053	
1.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
1.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
1.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
1.5 Totals	2,324,053	0	0	0	0	XXX	2,324,053	98.7	0	0.0	2,324,053	0
2. **All Other Governments**												
2.1 Issuer Obligations						XXX	0	0.0		0.0		
2.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
2.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
2.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
2.5 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
3. **U.S. States, Territories and Possessions, Guaranteed**												
3.1 Issuer Obligations	30,000					XXX	30,000	1.3	30,000	100.0	30,000	
3.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
3.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
3.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
3.5 Totals	30,000	0	0	0	0	XXX	30,000	1.3	30,000	100.0	30,000	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**												
4.1 Issuer Obligations						XXX	0	0.0		0.0		
4.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
4.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
4.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
4.5 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**												
5.1 Issuer Obligations						XXX	0	0.0		0.0		
5.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
5.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
5.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
5.5 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
6. **Industrial and Miscellaneous (unaffiliated)**												
6.1 Issuer Obligations						XXX	0	0.0		0.0		
6.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
6.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
6.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
6.5 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
7. **Hybrid Securities**												
7.1 Issuer Obligations						XXX	0	0.0		0.0		
7.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
7.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
7.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
7.5 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0
8. **Parent, Subsidiaries and Affiliates**												
8.1 Issuer Obligations						XXX	0	0.0		0.0		
8.2 Residential Mortgage-Backed Securities						XXX	0	0.0		0.0		
8.3 Commercial Mortgage-Backed Securities						XXX	0	0.0		0.0		
8.4 Other Loan-Backed and Structured Securities						XXX	0	0.0		0.0		
8.5 Totals	0	0	0	0	0	XXX	0	0.0	0	0.0	0	0

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

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 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.6	9 Total from Column 6 Prior Year	10 % from Col. 7 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
9. **SVO Identified Funds**												
9.1 Exchange Traded Funds Identified by the SVO	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.2 Bond Mutual Funds Identified by the SVO	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX		
9.3 Totals	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
10. **Total Bonds Current Year**												
10.1 Issuer Obligations	2,354,053	0	0	0	0	XXX	2,354,053	100.0	XXX	XXX	2,354,053	0
10.2 Residential Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	XXX	XXX	0	0
10.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	XXX	0	0.0	XXX	XXX	0	0
10.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	XXX	0	0.0	XXX	XXX	0	0
10.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	0	0	0.0	XXX	XXX	0	0
10.6 Totals	2,354,053	0	0	0	0	0	2,354,053	100.0	XXX	XXX	2,354,053	0
10.7 Line 10.6 as a % of Col. 7	100.0	0.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. **Total Bonds Prior Year**												
11.1 Issuer Obligations	30,000					XXX	XXX	XXX	30,000	100.0	30,000	
11.2 Residential Mortgage-Backed Securities						XXX	XXX	XXX	0	0.0		
11.3 Commercial Mortgage-Backed Securities						XXX	XXX	XXX	0	0.0		
11.4 Other Loan-Backed and Structured Securities						XXX	XXX	XXX	0	0.0		
11.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
11.6 Totals	30,000	0	0	0	0	XXX	XXX	XXX	30,000	100.0	30,000	0
11.7 Line 11.6 as a % of Col. 9	100.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**												
12.1 Issuer Obligations	2,354,053					XXX	2,354,053	100.0	30,000	100.0	2,354,053	XXX
12.2 Residential Mortgage-Backed Securities						XXX	0	0.0	0	0.0	0	XXX
12.3 Commercial Mortgage-Backed Securities						XXX	0	0.0	0	0.0	0	XXX
12.4 Other Loan-Backed and Structured Securities						XXX	0	0.0	0	0.0	0	XXX
12.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX	0	XXX
12.6 Totals	2,354,053	0	0	0	0	0	2,354,053	100.0	30,000	100.0	2,354,053	XXX
12.7 Line 12.6 as a % of Col. 7	100.0	0.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.8 Line 12.6 as a % of Line 10.6, Col. 7, Section 10	100.0	0.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13. **Total Privately Placed Bonds**												
13.1 Issuer Obligations						XXX	0	0.0	0	0.0	XXX	0
13.2 Residential Mortgage-Backed Securities						XXX	0	0.0	0	0.0	XXX	0
13.3 Commercial Mortgage-Backed Securities						XXX	0	0.0	0	0.0	XXX	0
13.4 Other Loan-Backed and Structured Securities						XXX	0	0.0	0	0.0	XXX	0
13.5 SVO Identified Funds	XXX	XXX	XXX	XXX	XXX		0	0.0	XXX	XXX	XXX	0
13.6 Totals	0	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Line 13.6 as a % of Col. 7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.8 Line 13.6 as a % of Line 10.6, Col. 7, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	0				
2. Cost of short-term investments acquired	0				
3. Accrual of discount	0				
4. Unrealized valuation increase (decrease)	0				
5. Total gain (loss) on disposals	0				
6. Deduct consideration received on disposals	0				
7. Deduct amortization of premium	0				
8. Total foreign exchange change in book/adjusted carrying value	0				
9. Deduct current year's other-than-temporary impairment recognized	0				
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0	0	0	0
11. Deduct total nonadmitted amounts	0				
12. Statement value at end of current period (Line 10 minus Line 11)	0	0	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

SCHEDULE DB - PART A - VERIFICATION BETWEEN YEARS

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)		
2.	Cost paid/(consideration received) on additions:		
2.1	Current year paid/(consideration received) at time of acquisition, still open, Section 1, Column 12		
2.2	Current year paid/(consideration received) at time of acquisition, terminated, Section 2, Column 14		0
3.	Unrealized valuation increase/(decrease):		
3.1	Section 1, Column 17		
3.2	Section 2, Column 19		0
4.	Total gain (loss) on termination recognized, Section 2, Column 22		
5.	Considerations received/(paid) on terminations, Section 2, Column 15		
6.	Amortization:		
6.1	Section 1, Column 19		
6.2	Section 2, Column 21		0
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item:		
7.1	Section 1, Column 20		
7.2	Section 2, Column 23		0
8.	Total foreign exchange change in Book/Adjusted Carrying Value:		
8.1	Section 1, Column 18		
8.2	Section 2, Column 20		0
9.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)		0
10.	Deduct nonadmitted assets		
11.	Statement value at end of current period (Line 9 minus Line 10)		0

SCHEDULE DB - PART B - VERIFICATION BETWEEN YEARS

Futures Contracts

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 6 prior year)				
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change Column)				
3.1	Add:				
	Change in variation margin on open contracts - highly effective hedges:				
3.11	Section 1, Column 15, current year minus				
3.12	Section 1, Column 15, prior year		0		
	Change in the valuation margin on open contracts - all other:				
3.13	Section 1, Column 18, current year minus				
3.14	Section 1, Column 18, prior year		0	0	
3.2	Add:				
	Change in adjustment to basis of hedged item:				
3.21	Section 1, Column 17, current year to date minus				
3.22	Section 1, Column 17, prior year		0		
	Change in amount recognized:				
3.23	Section 1, Column 19, current year to date minus				
3.24	Section 1, Column 19, prior year		0	0	
3.3	Subtotal (Line 3.1 minus Line 3.2)				0
4.1	Cumulative variation margin on terminated contracts during the year (Section 2, Column 15)				
4.2	Less:				
4.21	Amount used to adjust basis of hedged item (Section 2, Column 17)				
4.22	Amount recognized (Section 2, Column 16)		0		
4.3	Subtotal (Line 4.1 minus Line 4.2)				0
5.	Dispositions gains (losses) on contracts terminated in prior year:				
5.1	Total gain (loss) recognized for terminations in prior year				
5.2	Total gain (loss) adjusted into the hedged item(s) for terminations in prior year				
6.	Book/Adjusted Carrying Value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)				0
7.	Deduct nonadmitted assets				
8.	Statement value at end of current period (Line 6 minus Line 7)				0

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of December 31 of Current Year

Replication (Synthetic) Asset Transactions								Components of the Replication (Synthetic Asset) Transactions							
								Derivative Instrument(s) Open			Cash Instrument(s) Held				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Desig. or Other Description	Book/Adjusted Carrying Value	Fair Value

SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1 Number of Positions	2 Total Replication (Synthetic Asset) Transactions Statement Value	3 Number of Positions	4 Total Replication (Synthetic Asset) Transactions Statement Value	5 Number of Positions	6 Total Replication (Synthetic Asset) Transactions Statement Value	7 Number of Positions	8 Total Replication (Synthetic Asset) Transactions Statement Value	9 Number of Positions	10 Total Replication (Synthetic Asset) Transactions Statement Value
1. Beginning Inventory			0	0	0	0	0	0	0	0
2. Add: Opened or Acquired Transactions									0	0
3. Add: Increases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
4. Less: Closed or Disposed of Transactions									0	0
5. Less: Positions Disposed of for Failing Effectiveness Criteria									0	0
6. Less: Decreases in Replication (Synthetic Asset) Transactions Statement Value	XXX		XXX		XXX		XXX		XXX	0
7. Ending inventory	0	0	0	0	0	0	0	0	0	0

SCHEDULE DB - VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

		Book/Adjusted Carrying Value Check	
1.	Part A, Section 1, Column 14		
2.	Part B, Section 1, Column 15 plus Part B, Section 1 Footnote-Total Ending Cash Balance		
3.	Total (Line 1 plus Line 2)		0
4.	Part D, Section 1, Column 5		
5.	Part D, Section 1, Column 6		
6.	Total (Line 3 minus Line 4 minus Line 5)		0
		Fair Value Check	
7.	Part A, Section 1, Column 16		
8.	Part B, Section 1, Column 13		
9.	Total (Line 7 plus Line 8)		0
10.	Part D, Section 1, Column 8		
11.	Part D, Section 1, Column 9		
12.	Total (Line 9 minus Line 10 minus Line 11)		0
		Potential Exposure Check	
13.	Part A, Section 1, Column 21		
14.	Part B, Section 1, Column 20		
15.	Part D, Section 1, Column 11		
16.	Total (Line 13 plus Line 14 minus Line 15)		0

SCHEDULE E - VERIFICATION BETWEEN YEARS

Cash Equivalents

	1 Total	2 Bonds	3 Other (a)
1. Book/adjusted carrying value, December 31 of prior year	0		
2. Cost of cash equivalents acquired	27,263,290	27,263,290	
3. Accrual of discount	0		
4. Unrealized valuation increase (decrease)	0		
5. Total gain (loss) on disposals	0		
6. Deduct consideration received on disposals	0		
7. Deduct amortization of premium	0		
8. Total foreign exchange change in book/adjusted carrying value	0		
9. Deduct current year's other-than-temporary impairment recognized	0		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	27,263,290	27,263,290	0
11. Deduct total nonadmitted amounts	0		
12. Statement value at end of current period (Line 10 minus Line 11)	27,263,290	27,263,290	0

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:...

SCHEDULE A - PART 1

Showing all Real Estate OWNED December 31 of Current Year

1	2	Location		5	6	7	8	9	10	Change in Book/Adjusted Carrying Value Less Encumbrances					16	17
		3	4							11	12	13	14	15		
Description of Property	Code	City	State	Date Acquired	Date of Last Appraisal	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Fair Value Less Encumbrances	Current Year Depreciation	Current Year's Other-Than-Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B./A.C.V. (13 - 11 - 12)	Total Foreign Exchange Change in B./A.C.V	Gross Income Earned Less Interest on Encumbrances	Taxes, Repairs, and Expenses Incurred
Properties Occupied by the Reporting Entity - Health Care Delivery																
Two story building		San Juan	PR	10/15/1996.	06/30/2000.	350,000		110,074	500,000	28,342			(28,342)			
0199999. Properties Occupied by the Reporting Entity - Health Care Delivery						350,000	0	110,074	500,000	28,342	0	0	(28,342)	0	0	0
0399999. Total - Properties Occupied by the Reporting Entity						350,000	0	110,074	500,000	28,342	0	0	(28,342)	0	0	0
0699999. Totals						350,000	0	110,074	500,000	28,342	0	0	(28,342)	0	0	0

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED and Additions Made During the Year

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition

SCHEDULE A - PART 3

Showing all Real Estate DISPOSED During the Year, Including Payments During the Final Year on "Sales under Contract"

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

SCHEDULE B - PART 1

Showing all Mortgage Loans OWNED December 31 of Current Year

1	2	Location		5	6	7	8	Change in Book Value/Recorded Investment					14	15
								9	10	11	12	13		
Loan Number	Code	City	State	Loan Type	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Unrealized Valuation Increase (Decrease)	Current Year (Amortization) Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in Book Value	Value of Land and Buildings	Date of Last Appraisal or Valuation

General Interrogatory:

1. Mortgages in good standing $.....0 unpaid taxes $.....0 interest due and unpaid.
2. Restructured mortgages $.....0 unpaid taxes $.....0 interest due and unpaid.
3. Mortgages with overdue interest over 90 days not in process of foreclosure $.....0 unpaid taxes $.....0 interest due and unpaid.
4. Mortgages in process of foreclosure $.....0 unpaid taxes $.....0 interest due and unpaid.

SCHEDULE B - PART 2

Showing all Mortgage Loans ACQUIRED AND ADDITIONS MADE During the Current Year

1	Location		4	5	6	7	8	9
	2	3						
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings

SCHEDULE B - PART 3

Showing all Mortgage Loans DISPOSED, Transferred or Repaid During the Current Year

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/Recorded Investment Excluding Accrued Interest on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets OWNED December 31 of Current Year

1	2	3	Location		6	7	8	9	10	11	12	Change in Book/Adjusted Carrying Value					18	19	20
			4	5								13	14	15	16	17			
CUSIP Identification	Name or Description	Code	City	State	Name of Vendor or General Partner	NAIC Desig-nation	Date Originally Acquired	Type and Strategy	Actual Cost	Fair Value	Book/Adjusted Carrying Value Less Encumbrances	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Foreign Exchange Change in B./A.C.V.	Investment Income	Commitment for Additional Investment	Percentage of Ownership

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE December 31 of Current Year

1	2	Location		5	6	7	8	9	10	11
		3	4							
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Percentage of Ownership

SCHEDULE BA - PART 3

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

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

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Stated Contractual Maturity Date
U.S. States, Territories & Possessions (Direct and Guaranteed) - Issuer Obligations																					
745291 UZ 5	Puerto Rico PubFin Corp Comwlth Ser A Rf Taxable			1	6FE	250,000	10.000	30,000	250,000	30,000					3.100	4.560	MON	600,000		06/28/2012.	03/01/2015.
1199999. U.S. States, Territories & Possessions - Issuer Obligations						250,000	XXX	30,000	250,000	30,000	0	0	0	0	XXX	XXX	XXX	600,000	0	XXX	XXX
1799999. Total - U.S. States, Territories & Possessions (Direct and Guaranteed)						250,000	XXX	30,000	250,000	30,000	0	0	0	0	XXX	XXX	XXX	600,000	0	XXX	XXX
Totals																					
7799999. Total - Issuer Obligations						250,000	XXX	30,000	250,000	30,000	0	0	0	0	XXX	XXX	XXX	600,000	0	XXX	XXX
8399999. Grand Total - Bonds						250,000	XXX	30,000	250,000	30,000	0	0	0	0	XXX	XXX	XXX	600,000	0	XXX	XXX

SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

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

SCHEDULE D - PART 2 - SECTION 2

Showing all COMMON STOCKS Owned December 31 of Current Year

1	2	Codes		5	6	Fair Value		9	Dividends			Change in Book/Adjusted Carrying Value				17	18
		3	4			7	8		10	11	12	13	14	15	16		
CUSIP Identification	Description	Code	Foreign	Number of Shares	Book/Adjusted Carrying Value	Rate per Share Used to Obtain Fair Value	Fair Value	Actual Cost	Declared but Unpaid	Amount Received During Year	Nonadmitted Declared but Unpaid	Unrealized Valuation Increase (Decrease)	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (13-14)	Total Foreign Exchange Change in B./A.C.V.	NAIC Market Indicator (a)	Date Acquired
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																	
45779N 99 6	InnovaCare, Inc.			3,394,651.000	17,821,918	5.250	17,821,918							0		V	10/01/2014.
9099999. Total - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					17,821,918	XXX	17,821,918	0	0	0	0	0	0	0	0	XXX	XXX
Common Stocks - Mutual Funds																	
543916 10 0	Lord Abbett Short Duration Income Fund A			112,612,000.000	485,360	4.310	485,360	500,000		19,184				0			06/05/2015.
9299999. Total - Common Stocks - Mutual Funds					485,360	XXX	485,360	500,000	0	19,184	0	0	0	0	0	XXX	XXX
9799999. Total - Common Stock					18,307,278	XXX	18,307,278	500,000	0	19,184	0	0	0	0	0	XXX	XXX
9899999. Total Common and Preferred Stock					18,307,278	XXX	18,307,278	500,000	0	19,184	0	0	0	0	0	XXX	XXX

(a) For all common stocks bearing the NAIC market indicator "U" provide: the number of such issues.....0, 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 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest / Stock Dividends Received During Year	Stated Contractual Maturity Date

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 Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	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. (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

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1	2	3	4	5	6	7	8	9	10	Stock of Such Company Owned by Insurer on Statement Date	
										11	12
CUSIP Identification	Description Name of Subsidiary, Controlled or Affiliated Company	Foreign	NAIC Company Code	ID Number	*NAIC Valuation Method (See Purposes and Procedures Manual of the NAIC Investment Analysis Office)*	Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	Total Amount of Such Intangible Assets	Book/Adjusted Carrying Value	Nonadmitted Amount	Number of Shares	% of Outstanding

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	2	3	4	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5	6
CUSIP Identification	Name of Lower-Tier Company	Name of Company Listed in Section 1 Which Controls Lower-Tier Company	Total Amount of Intangible Assets Included in Amount Shown in Column 8, Section 1	Number of Shares	% of Outstanding

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Change in Book/Adjusted Carrying Value				13	14	Interest						21
		3	4					9	10	11	12			15	16	17	18	19	20	
CUSIP Identification	Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/Adjusted Carrying Value	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Par Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bond Not in Default	Nonadmitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1 Description	2 Description of Items(s) Hedged, Used for Income Generation or Replicated	3 Schedule / Exhibit Identifier	4 Type(s) of Risk(s) (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Number of Contracts	9 Notional Amount	10 Strike Price, Rate of Index Received (Paid)	11 Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	12 Current Year Initial Cost of Premium (Received) Paid	13 Current Year Income	14 Book/Adjusted Carrying Value	15 Code	16 Fair Value	17 Unrealized Valuation Increase (Decrease)	18 Total Foreign Exchange Change in B./A.C.V.	19 Current Year's (Amortization) / Accretion	20 Adjustment to Carrying Value of Hedged Items	21 Potential Exposure	22 Credit Quality of Reference Entity	23 Hedge Effectiveness at Inception and at Year-end (b)

SCHEDULE DB - PART A - SECTION 2

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Terminated During Current Year

1 Description	2 Description of Item(s) Hedged, Used for Income Generation or Replicated	3 Schedule / Exhibit Identifier	4 Type(s) of Risk(s) (a)	5 Exchange, Counterparty or Central Clearinghouse	6 Trade Date	7 Date of Maturity or Expiration	8 Termination Date	9 Indicate Exercise, Expiration, Maturity or Sale	10 Number of Contracts	11 Notional Amount	12 Strike Price, Rate or Index Received (Paid)	13 Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	14 Current Year Initial Cost of Premium (Received) Paid	15 Consideration Received (Paid) on Termination	16 Current Year Income	17 Book/Adjusted Carrying Value	18 Code	19 Unrealized Valuation Increase (Decrease)	20 Total Foreign Exchange Change in B./A.C.V.	21 Current Year's (Amorization) / Accretion	22 Gain (Loss) on Termination Recognized	23 Adjustment to Carrying Value of Hedged Item	24 Gain (Loss) on Termination - Deferred	25 Hedge Effectiveness at Inception and at Termination (b)

SCHEDULE DB - PART B - SECTION 1

Futures Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			18	19	20	21	22
														15	16	17					
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin for All Other Hedges	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Year-end (b)	Value of One (1) Point

SCHEDULE DB - PART B - SECTION 2

Futures Contracts Terminated December 31 of Current Year

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Change in Variation Margin			19	20
															16	17	18	Hedge	
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule / Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Termination Date	Termination Price	Indicate Exercise, Expiration, Maturity or Sale	Cumulative Variation Margin at Termination	Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjust Basis of Hedged Item	Deferred	Effectiveness at Inception and at Termination (b)	Value of One (1) Point

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1	2	3	4	Book Adjusted Carrying Value			Fair Value			11	12
				5	6	7	8	9	10		
Description of Exchange, Counterparty or Central Clearinghouse	Master Agreement (Y or N)	Credit Support Annex (Y or N)	Fair Value of Acceptable Collateral	Contracts with Book/Adjusted Carrying Value > 0	Contracts with Book/Adjusted Carrying Value < 0	Exposure Net of Collateral	Contracts with Fair Value > 0	Contracts with Fair Value < 0	Exposure Net of Collateral	Potential Exposure	Off-Balance Sheet Exposure
1. Offset per SSAP No. 64											
2. Net after right of offset per SSAP No. 64				0	0						

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open December 31 of Current Year

1 Exchange Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book/Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)

SCHEDULE DL - PART 1
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation / Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:
   NAIC 1: $.....0 NAIC 2: $.....0 NAIC 3: $.....0 NAIC 4: $.....0 NAIC 5: $.....0 NAIC 6: $.....0

SCHEDULE DL - PART 2
SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned December 31 Current Year

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation / Market Indicator	5 Fair Value	6 Book/Adjusted Carrying Value	7 Maturity Date

General Interrogatories:

1. The activity for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0
2. Average balance for the year: Fair Value $.....0 Book/Adjusted Carrying Value $.....0

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 022-233350	San Juan, PR		1.200	6,686		209,135	XXX
Banco Popular 022-233369	San Juan, PR					(678,743)	XXX
Banco Popular 022-233377	San Juan, PR		0.150	38,570		13,173,482	XXX
Banco Popular 206-323030	San Juan, PR					(674)	XXX
Banco Popular 022-330348	San Juan, PR					(5,597,162)	XXX
Banco Popular 030-013429	San Juan, PR					(516,880)	XXX
Banco Popular 030-014271	San Juan, PR					(3,514,777)	XXX
Banco Popular 030-014123	San Juan, PR		0.250	114,531		49,367,509	XXX
First Bank 020-Business Plus	San Juan, PR					11,880,244	XXX
0199999. Total - Open Depositories		XXX	XXX	159,787	0	64,322,134	XXX
0399999. Total Cash on Deposit		XXX	XXX	159,787	0	64,322,134	XXX
0499999. Cash in Company's Office		XXX	XXX	XXX	XXX	1,700	XXX
0599999. Total Cash		XXX	XXX	159,787	0	64,323,834	XXX

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

1. January	68,997,497	4. April	45,205,818	7. July	54,094,454	10. October	54,527,378
2. February	63,031,928	5. May	58,788,659	8. August	76,968,935	11. November	55,777,658
3. March	58,284,690	6. June	55,430,100	9. September	28,264,312	12. December	64,322,134

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
U.S. Government Bonds - Issuer Obligations							
BBIF Treasury Fund Class 3			0.100		2,324,053	2,323	2,323
0199999. U.S. Government Bonds - Issuer Obligations					2,324,053	2,323	2,323
0599999. Total - U.S. Government Bonds					2,324,053	2,323	2,323
Total Bonds							
7799999. Subtotals - Issuer Obligations					2,324,053	2,323	2,323
8399999. Subtotals - Bonds					2,324,053	2,323	2,323
Other Cash Equivalents							
Popular Money Market WHLD			0.100		24,939,237	2,356	2,356
8599999. Total - Other Cash Equivalents					24,939,237	2,356	2,356
8699999. Total - Cash Equivalents					27,263,290	4,679	4,679

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

	1	2	Deposits for the Benefit of All Policyholders		All Other Special Deposits	
			3	4	5	6
States, Etc.	Type of Deposit	Purpose of Deposit	Book/Adjusting Carrying Value	Fair Value	Book/Adjusting 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		PR SRD	600,000	600,000		
55. US Virgin Islands VI						
56. Northern Mariana Islands MP						
57. Canada CAN						
58. Aggregate Alien and Other OT	XXX	XXX	0	0	0	0
59. Total	XXX	XXX	600,000	600,000	0	0

DETAILS OF WRITE-INS

5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for line 58 from overflow page	XXX	XXX	0	0	0	0
5899. Total (Lines 5801 thru 5803+5898) (Line 58 above)	XXX	XXX	0	0	0	0

Relief Related to the Five-Year Rotation Requirement for Lead Audit Partners

NOTE: The barcode is NOT required for the electronic filing submission or PDFs included in the filing. All of the information on this page will be completely replaced when you insert a PDF (right click, copy file, select the PDF and select Open). Barcodes are only required on hardcopy filings submitted to certain states.

Relief Related to the One-Year Cooling Off Period for Independent CPA

95722201622500100

NOTE: The barcode is NOT required for the electronic filing submission or PDFs included in the filing. All of the information on this page will be completely replaced when you insert a PDF (right click, copy file, select the PDF and select Open). Barcodes are only required on hardcopy filings submitted to certain states.

Relief Related to the Requirements for Audit Committees

95722201622600100

NOTE: The barcode is NOT required for the electronic filing submission or PDFs included in the filing. All of the information on this page will be completely replaced when you insert a PDF (right click, copy file, select the PDF and select Open). Barcodes are only required on hardcopy filings submitted to certain states.

Supplement for the year 2016 of the **FIRST MEDICAL HEALTH PLAN, INC.**

* 9 5 7 2 2 2 0 1 6 3 6 5 0 0 0 0 0 *

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code....0 (To Be Filed By March 1) NAIC Company Code.....95722

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected:					
1.1 Standard Coverage:					
1.11 With Reinsurance Coverage		XXX		XXX	0
1.12 Without Reinsurance Coverage		XXX		XXX	0
1.13 Risk-Corridor Payment Adjustments		XXX		XXX	0
1.2 Supplemental Benefits		XXX		XXX	0
2. Premiums Due and Uncollected-Change:					
2.1 Standard Coverage:					
2.11 With Reinsurance Coverage		XXX		XXX	XXX
2.12 Without Reinsurance Coverage		XXX		XXX	XXX
2.2 Supplemental Benefits		XXX		XXX	XXX
3. Unearned Premium and Advance Premium-Change:					
3.1 Standard Coverage:					
3.11 With Reinsurance Coverage		XXX		XXX	XXX
3.12 Without Reinsurance Coverage		XXX		XXX	XXX
3.2 Supplemental Benefits		XXX		XXX	XXX
4. Risk-Corridor Payment Adjustments-Change:					
4.1 Receivable		XXX		XXX	XXX
4.2 Payable		XXX		XXX	XXX
5. Earned Premiums:					
5.1 Standard Coverage:					
5.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
5.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
5.13 Risk-Corridor Payment Adjustments	0	XXX	0	XXX	XXX
5.2 Supplemental Benefits	0	XXX	0	XXX	XXX
6. Total Premiums	0	XXX	0	XXX	0
7. Claims Paid:					
7.1 Standard Coverage:					
7.11 With Reinsurance Coverage		XXX		XXX	0
7.12 Without Reinsurance Coverage		XXX		XXX	0
7.2 Supplemental Benefits		XXX		XXX	0
8. Claim Reserves and Liabilities-Change:					
8.1 Standard Coverage:					
8.11 With Reinsurance Coverage		XXX		XXX	XXX
8.12 Without Reinsurance Coverage		XXX		XXX	XXX
8.2 Supplemental Benefits		XXX		XXX	XXX
9. Health Care Receivables-Change:					
9.1 Standard Coverage:					
9.11 With Reinsurance Coverage		XXX		XXX	XXX
9.12 Without Reinsurance Coverage		XXX		XXX	XXX
9.2 Supplemental Benefits		XXX		XXX	XXX
10. Claims Incurred:					
10.1 Standard Coverage:					
10.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
10.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
10.2 Supplemental Benefits	0	XXX	0	XXX	XXX
11. Total Claims	0	XXX	0	XXX	0
12. Reinsurance Coverage and Low Income Cost Sharing:					
12.1 Claims Paid - Net of Reimbursements Applied	XXX		XXX		0
12.2 Reimbursements Received but Not Applied-Change	XXX		XXX		0
12.3 Reimbursements Receivable-Change	XXX		XXX		XXX
12.4 Health Care Receivables-Change	XXX		XXX		XXX
13. Aggregate Policy Reserves-Change					XXX
14. Expenses Paid		XXX		XXX	0
15. Expenses Incurred		XXX		XXX	XXX
16. Underwriting Gain/Loss	0	XXX	0	XXX	XXX
17. Cash Flow Result	XXX	XXX	XXX	XXX	0

* 9 5 7 2 2 2 0 1 6 4 2 0 0 0 0 0 0 *

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

SCHEDULE SIS

STOCKHOLDER INFORMATION SUPPLEMENT

For the Year Ended December 31, 2016
(To Be Filed by March 1)

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

TO ANNUAL STATEMENT OF

FIRST MEDICAL HEALTH PLAN, INC.

COMPANY

FINANCIAL REPORTING TO STOCKHOLDERS

1. Did the company distribute to its stockholders prior to the Annual Meeting during the year an Annual Report for the previous year?
   Answer.....
   If answer is "Yes" attach copy. If answer is "No" explain in detail below. Attach separate sheet if necessary.

2. Will the company distribute to its stockholders prior to the Annual Meeting during the following year an Annual Report for the current year?
   Answer.....
   If answer is "Yes" a copy of the report shall be forwarded to the Insurance Commissioner of the company's domiciliary state at the same time as it is distributed to stockholders.
   If answer is "No" explain in detail below. Attach separate sheet if necessary.

3. If an Annual Report to stockholders was distributed for the previous year; (1) was such distribution prior to or contemporaneous with the solicitation of proxies in respect of the Annual Meeting?
   Answer.....
   If answer is "No" explain in detail below. Attach separate sheet if necessary.

   (2) Did it contain the following financial statements (indicate answer in column A) and were such financial statements prepared substantially on the basis (individual or consolidated) as required to be present in the Company's Annual Statement (indicate answer in Column B)?

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

Supplement for the year 2016 of the **FIRST MEDICAL HEALTH PLAN, INC.**

INFORMATION REGARDING MANAGEMENT AND DIRECTORS

1	2	3	4	Benefits Accrued or Set Aside During Year		Est. Annual Benefits Upon Retirement	
				5	6	7	8
Name and Title	Principle Occupation or Employment	Served as Director From	Aggregate Direct Remuneration	Retirement Plan	Other Emp. Benefits	Retirement Plan	Other Emp. Benefits

1. Furnish the following information for each director, and for each of the three highest paid officers, whose aggregate direct remuneration exceeded $100,000 during the year, naming each such person.

		................T O................					

Furnish on a separate sheet the following information as to each of the individuals named above (or state below that such information is not present):

A. Information as to any material interest, direct or indirect, on the part of such individual during the year in any material transaction or any material proposed transaction as to which the Company, or any of its subsidiaries, was or is to be a party.

B. Information as to all options to purchase securities of the Company granted to or exercised by each such individual during the year.

2. Answer "yes" or "no" in each column as to whether or not the information in Item 1 above has been, or will be, furnished to stockholders in any proxy statement relating to (i) the election of directors, (ii) any bonus, profit sharing or other remuneration plan, contract or arrangement in which any director, nominee for election as a director, or officer of the Company will participate, (iii) any pension or retirement plan in which any such person will participate, or (iv) the granting or extension to any such person of any options, warrants, or rights to purchase any securities, other than warrants or rights issued to security holders, as such, on a pro rata basis. If any answer is "no" explain in detail on a separate sheet.

3. Furnish the information specified in Item 1 for all directors and all officers of the company, as a group, without naming them.
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

4. Did the stockholders have an opportunity to vote for or against the election of directors and also other matters to be presented at any stockholder's meeting?
Answer .... If answer is "no" explain on separate sheet.

5. Will the Company solicit proxies from its stockholders during the following year and will such solicitation(s) precede any shareholders' meeting or meetings by at least 10 days?
Answer .... If answer is "yes" and proxies are to be solicited, copies of the proxy statement and form of proxy and other soliciting material to be furnished stockholders shall be submitted to the Insurance Commissioner of the Company's domiciliary state at least 10 days prior to the date such material is first sent or given to stockholders.
If answer is "no" and proxies are not to be solicited from stockholders, explain in detail below. Attach separate sheet if necessary.

Supplement for the year 2016 of the **FIRST MEDICAL HEALTH PLAN, INC.**

STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

1	2	3	Number of Shares 4	5	Disposed of During Current Year 6	7	8	9
Name and title of (a) Each Director and Each Officer with any Ownership and (b) any Other Owner of more than 10%	Title of Security	Nature of Ownership	Owned at End of Prior Year	Acquired During Current Year	Held less Than 6 Months	Held 6 Months or More	Owned at End of Current Year	Percentage of Voting Stock Directly and Indirectly Owned or Controlled at the End of the Current Year
.....	.....	.....	.....	.....	.....	.....	.....	.....

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

Answer ..... If answer is "no" explain in detail on separate sheet.

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

Has the state of domicile granted an exemption or disclaimer of control? Answer.....

If answer is "yes" explain:

FOOTNOTES:

Mareb del Rosario

ACTUARIO
Miembro:
American Academy of Actuaries
International Actuarial Association

Condominio Hato Rey Plaza
200 Ave. Jesús T. Piñero, Apt. 1F
San Juan, Puerto Rico 00918-
Tel. (787) 767-7287

FIRST MEDICAL HEALTH PLAN, INC.

STATEMENT OF ACTUARIAL OPINION
CALENDAR YEAR 2016

I, Mareb del Rosario Cervoni, am a Qualified Actuary, Founder of the Academia de Actuarios de Puerto Rico (1974) and Fellow of the American Academy of Actuaries and the International Association of Actuaries. I meet qualification standards for rendering this opinion, continuing education requirements; and I am familiar with the valuation requirements applicable to health insurance companies for Annual Statement filing purposes.

I am the Appointed Actuary of First Medical Health Plan, Inc. since 2013. First Medical Health Plan, Inc. is a Health Maintenance Organization (HMO) authorized to provide healthcare services in Puerto Rico by the Office of the Commissioner of Insurance since 1977. Membership to December 31, 2016 was 562,052.

The actuarial methods, considerations and analysis used in forming my opinion conform to the appropriate Actuarial Standards of Practice and Compliance Guidelines and are consistent with ASOP's #1,3,5,6,7,8,11,12,18,19,21,22,23,28,41,42,45 & 50, as promulgated by the Actuarial Standards Board, to conform the basis of this statement of opinion for the company 2016 Annual Statement.

My analysis relied on data provided by CPA William Zayas , as certified in the attached statement, and is the responsibility of the Management of First Medical Health Plan, Inc.. I reviewed it for reasonableness and consistency.

MR

Mareb del Rosario
ACTUARIO
American Academy of Actuaries
International Actuarial Association
200 Ave. Jesús T. Piñero, Apt. 1F
San Juan, Puerto Rico 00918-
Tel. (787) 767-7287

I have examined the Company's 2015 filed Annual Statement and the related Auditor's Report to review assets, investments, reserves and other material data.

During 2016 First Medical Health Plan, Inc. underwrote health benefits plans for Direct Payment Subscribers, Groups, Government and three Regions of the Government Health Plan Program. Written Premiums for 2016 were $1,048,909,411 . It is one of the largest providers of health care services in Puerto Rico. The company does not reinsure its business. Aggregate evaluation of business in force considered eight years´ trends for losses development, payments and ultimate losses projections, to approach Reserves and IBNR estimates. . LAE was calculated as 1.5% of total estimated unpaid claims except Pharmacy ($19,013,086). Pharmacy is offered through a PBM on a capitation basis. An Actuarial Memorandum including underlying actuarial work papers supporting my opinion has been provided to the Company.

MR

Actuarial Liability Summary as of Dec.31, 2016

A. Claims Unpaid (Page 3, Line 1)+ IBNR	$109,583,470
B. Accrued medical incentive pool bonus payments (Page3, Line 2)	N/A
C. Unpaid claims adjustment expenses (Page 3, Line 3)	$ 1,643,752
D. Aggregate health policy reserves (Page 3, Line 4) including unearned premium reserves and additional policy reserves from the underwriting and investment Exhibit	$ 553,677
E. Aggregate life policy reserves (Page 3, Line 5	N/A
F. Property/ casualty unearned premium reserves (Page 3, Line 6)	N/A
G. Aggregate earned claim reserves (Page3, Line 7)	N/A
H. Any other loss reserves, actuarial reserves or liabilities, or related items presented as liabilities in an annual statement, and not included in the items above.	N/A
I. Specified actuarial items presented as assets in the annual statement	N/A

MR

Mareb del Rosario

ACTUARIO
American Academy of Actuaries
International Actuarial Association

200 Ave. Jesús T. Piñero, Apt. 1F
San Juan, Puerto Rico 00918-
Tel. (787) 767-7287

In my opinion 2016 Reserves and related actuarial values concerning the statement items identified above:

(a) Are in accordance with presently accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial practices.

(b) Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared.

(c) Meet the requirements of the laws of Puerto Rico; and are at least as great as the minimum aggregate amounts required by the state in which this statement is filed.

(d) Make a good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements as of December 31, 2016.

(e) Are computed on the basis of assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year-end .

(f) Include appropriate provision for all actuarial items that ought to be established.

The 2016 Reserves and related items, when considered in light of the assets held by the company with respect to such reserves and related actuarial items including, but not limited to, the investment earnings on the assets, and the considerations anticipated to be received and retained under the policies and contracts. They make adequate provision, according to presently accepted actuarial standards of practice, for the anticipated cash flows required by the contractual obligations and related expenses of the insurer.

MR

Mareb del Rosario

ACTUARIO
American Academy of Actuaries
International Actuarial Association

200 Ave. Jesús T. Piñero, Apt. 1F
San Juan, Puerto Rico 00918-
Tel. (787) 767-7287

Pursuant to Section 19.140 of the Insurance Code of PR, First Medical Health Plan, Inc. has a Deposit of $600,000 with the OCI, as required in trust as a guarantee of compliance with the obligations towards subscribers, providers and creditors.

I rely on my professional judgment, but since insurance is subject to uncertainty with respect to future events, the development patterns may vary from actual 2016 results calculations. The reserves estimates make no provision for extraordinary future emergence of new classes of losses or types of loss not sufficiently represented in the historical database or which are not yet quantifiable.

This Opinion , the supporting Report and 2016 Work Papers are for the exclusive use of the Company, the Commissioner of Insurance and NAIC filing purposes.

The Statement of Actuarial Opinion is updated annually as required by statute. To the best of my knowledge, there have been no material changes from the applicable date of the annual statement to the date of rendering this opinion which should be considered in reviewing this opinion.

The impact of unanticipated events subsequent to the date of this opinion is beyond the scope of this opinion. The analysis of asset adequacy portion of this opinion should be viewed recognizing that the company's future experience may not follow all the assumptions used in the analysis.

Signature of Actuary

Mareb del Rosario Cervoni, MAAA,
Apt.1F,Condominio Hato Rey Plaza San Juan
Puerto Rico 00918 & Telephone (787) 767-7287

March 27 , 2017
Date Opinion was rendered

FIRST MEDICAL HEALTH PLAN, INC.

Reliance Statement for Year 2016 Data

The following information was prepared for and submitted to Mareb del Rosario, Appointed Actuary. The data was prepared under my direction and, to the best of my knowledge and belief, is substantially accurate and complete.

1. 2015 Audited Financial Statement and Annual Statement
2. Auditor's Report for 2015
3. Financial Statement for 2016-Draft
4. RBC Analysis for 2015
5. Accounting data for:
    a. Written Premiums
    b. Collected Premiums
    c. Incurred Losses
    d. Paid Losses
    e. Unpaid Losses as of 12/31
    f. Administrative Expenses
    g. Numbers of Incurred & Paid Claims
    h. Members
    i. Assets 12/31/2016
    j. Cash Flow 12/31/2016

Signature

VP of Finance
Title

PO Box 191580, San Juan, PR 00919
Address

787-474-3999
Telephone Number

March_ , 2017 at San Juan , Puerto Rico

* 9 5 7 2 2 2 0 1 6 4 6 0 0 0 0 0 0 *

SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended December 31, 2016
(To be filed by March 1)

PART 1 - INTERROGATORIES

1. Is the reporting insurer a member of a group of insurers or other holding company system? Yes [ ] No [ ]
   If yes, do the amounts below represent
   1) total gross compensation paid each individual by or on behalf of all companies which are part of the group; or Yes [ ] No [ ]
   2) allocation to each insurer? Yes [ ] No [ ]
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 [ ]
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 [ ]

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1	2	Annual Compensation							
		3	4	5	6	7	8	9	10
Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	Sign-on Payments	Severance Payments	All Other Compensation	Totals
1. Current: Principal Executive Officer									
	2016								0
	2015								0
	2014								0
2. Current: Principal Financial Officer									
	2016								0
	2015								0
	2014								0
3.	2016								0
	2015								0
	2014								0
4.	2016								0
	2015								0
	2014								0
5.	2016								0
	2015								0
	2014								0
6.	2016								0
	2015								0
	2014								0
7.	2016								0
	2015								0
	2014								0
8.	2016								0
	2015								0
	2014								0
9.	2016								0
	2015								0
	2014								0
10.	2016								0
	2015								0
	2014								0

PART 3 - DIRECTOR COMPENSATION

1	Paid or Deferred for Services as Director				6	7
Name and Principal Position or Occupation and Company (if Outside Director)	2 Direct Compensation	3 Stock Awards	4 Option Awards	5 Other	All Other Compensation Paid or Deferred	Totals
Directors						
						0

PART 4 - NARRATIVE DESCRIPTION OF MATERIAL FACTORS

Provide a narrative description of any material factors necessary to gain an understanding of the information disclosed in the tables.

ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

United States Policy Forms Direct Business Only
For the Year Ended December 31, 2016
(To Be Filed by April 1)

NAIC Group Code.....0

NAIC Company Code.....95722

	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1	5 Number of Policies or Certificates as of December 31	6 Number of Covered Lives as of December 31	7 Member Months
A. INDIVIDUAL BUSINESS							
1. Comprehensive Major Medical:							
1.1 With contract reserves				0.000			
1.2 Without contract reserves				0.000			
1.3 Subtotal	0	0	0	0.000	0	0	0
2. Short-Term Medical:							
2.1 With contract reserves				0.000			
2.2 Without contract reserves				0.000			
2.3 Subtotal	0	0	0	0.000	0	0	0
3. Other Medical (Non-Comprehensive):							
3.1 With contract reserves				0.000			
3.2 Without contract reserves				0.000			
3.3 Subtotal	0	0	0	0.000	0	0	0
4. Specified/Named Disease:							
4.1 With contract reserves				0.000			
4.2 Without contract reserves				0.000			
4.3 Subtotal	0	0	0	0.000	0	0	0
5. Limited Benefit:							
5.1 With contract reserves				0.000			
5.2 Without contract reserves				0.000			
5.3 Subtotal	0	0	0	0.000	0	0	0
6. Student:							
6.1 With contract reserves				0.000			
6.2 Without contract reserves				0.000			
6.3 Subtotal	0	0	0	0.000	0	0	0
7. Accident Only or AD&D:							
7.1 With contract reserves				0.000			
7.2 Without contract reserves				0.000			
7.3 Subtotal	0	0	0	0.000	0	0	0
8. Disability Income - Short Term:							
8.1 With contract reserves				0.000			
8.2 Without contract reserves				0.000			
8.3 Subtotal	0	0	0	0.000	0	0	0

ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1	5 Number of Policies or Certificates as of December 31	6 Number of Covered Lives as of December 31	7 Member Months
A. INDIVIDUAL BUSINESS (Continued)							
9. Disability Income - Long-Term:							
9.1 With contract reserves				0.000			
9.2 Without contract reserves				0.000			
9.3 Subtotal	0	0	0	0.000	0	0	0
10. Long-Term Care:							
10.1 With contract reserves				0.000			
10.2 Without contract reserves				0.000			
10.3 Subtotal	0	0	0	0.000	0	0	0
11. Medicare Supplement (Medigap):							
11.1 With contract reserves				0.000			
11.2 Without contract reserves				0.000			
11.3 Subtotal	0	0	0	0.000	0	0	0
12. Dental:							
12.1 With contract reserves				0.000			
12.2 Without contract reserves				0.000			
12.3 Subtotal	0	0	0	0.000	0	0	0
13. State Children's Health Insurance Program:							
13.1 With contract reserves				0.000			
13.2 Without contract reserves				0.000			
13.3 Subtotal	0	0	0	0.000	0	0	0
14. Medicare:							
14.1 With contract reserves				0.000			
14.2 Without contract reserves				0.000			
14.3 Subtotal	0	0	0	0.000	0	0	0
15. Medicaid:							
15.1 With contract reserves				0.000			
15.2 Without contract reserves				0.000			
15.3 Subtotal	0	0	0	0.000	0	0	0
16. Medicare Part D - Stand-alone							
16.1 With contract reserves				0.000			
16.2 Without contract reserves				0.000			
16.3 Subtotal	0	0	0	0.000	0	0	0
17. Other Individual Business:							
17.1 With contract reserves				0.000			
17.2 Without contract reserves				0.000			
17.3 Subtotal	0	0	0	0.000	0	0	0
18. Total Individual Business:							
18.1 With contract reserves	0	0	0	0.000	0	0	0
18.2 Without contract reserves	0	0	0	0.000	0	0	0
19. Grand Total Individual	0	0	0	0.000	0	0	0

Supplement for the year 2016 of the **FIRST MEDICAL HEALTH PLAN, INC.**

ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1	5 Number of Policies or Certificates as of December 31	6 Number of Covered Lives as of December 31	7 Member Months
B. GROUP BUSINESS							
Comprehensive Medical:							
1. Single Employer:							
1.1 Small employer				0.000			
1.2 Other employer				0.000			
1.3 Single employer subtotal	0	0	0	0.000	0	0	0
2. Multiple Employer Associations and Trusts				0.000			
3. Other Associations and Discretionary Trusts				0.000			
4. Other Comprehensive Major Medical				0.000			
5. Comprehensive/Major Medical Subtotal	0	0	0	0.000	0	0	0
Other Medical (Non-Comprehensive):							
6. Specified/Named Disease				0.000			
7. Limited Benefit				0.000			
8. Student				0.000			
9. Accident Only or AD&D				0.000			
10. Disability Income - Short-Term				0.000			
11. Disability Income - Long-Term				0.000			
12. Long-Term Care				0.000			
13. Medicare Supplement (Medigap)				0.000			
14. Federal Employees Health Benefits Plans				0.000			
15. Tricare				0.000			
16. Dental				0.000			
17. Medicare				0.000			
18. Medicare Part D - Stand-alone				0.000			
19. Other Group Care				0.000			
20. Grand Total Group Business	0	0	0	0.000	0	0	0
C. OTHER BUSINESS							
1. Credit (Individual and Group)				0.000			
2. Stop Loss/Excess Loss				0.000			
3. Administrative Services Only	XXX	XXX	XXX	0.000			
4. Administrative Services Contracts	XXX	XXX	XXX	0.000			
5. Grand Total Other Business	0	0	0	0.000	0	0	0
D. TOTAL BUSINESS							
1. Total Non-U.S. Policy Forms				0.000			
2. Grand Total Individual, Group and Other Business	0	0	0	0.000	0	0	0

ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

PART 1 - INDIVIDUAL POLICIES

SUMMARY

	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. forms direct business				0.000
2. Other forms direct business				0.000
3. Total direct business	0	0	0	0.000
4. Reinsurance assumed				0.000
5. Less reinsurance ceded				0.000
6. Total	0	0	0	0.000

PART 2 - GROUP POLICIES

SUMMARY

	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. forms direct business	1,048,909,410	946,463,000		90.233
2. Other forms direct business				0.000
3. Total direct business	1,048,909,410	946,463,000	0	90.233
4. Reinsurance assumed				0.000
5. Less reinsurance ceded				0.000
6. Total	1,048,909,410	946,463,000	0	90.233

PART 3 - CREDIT POLICIES (Individual and Group)

SUMMARY

	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. forms direct business				0.000
2. Other forms direct business				0.000
3. Total direct business	0	0	0	0.000
4. Reinsurance assumed				0.000
5. Less reinsurance ceded				0.000
6. Total	0	0	0	0.000

PART 4 - ALL INDIVIDUAL, GROUP AND CREDIT POLICIES

SUMMARY

	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. forms direct business	1,048,909,410	946,463,000	0	90.233
2. Other forms direct business	0	0	0	0.000
3. Total direct business	1,048,909,410	946,463,000	0	90.233
4. Reinsurance assumed	0	0	0	0.000
5. Less reinsurance ceded	0	0	0	0.000
6. Total	1,048,909,410	946,463,000	0	90.233

Supplement for the year 2016 of the **FIRST MEDICAL HEALTH PLAN, INC.**

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1

(To Be Filed by April 1 - Not for Rebate Purposes - See Cautionary Statement at http://www.naic.org/documents/committees_e_app_blanks_related_shce_cautionary_statement.pdf)

REPORT: 1. CORPORATION: FIRST MEDICAL HEALTH PLAN, INC. 2. LOCATION: Guaynabo PR

NAIC Group Code.....0 BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2016 NAIC Company Code.....95722

	Business Subject to MLR									10	11	12	13	14	15
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9						
	1	2	3	4	5	6	7	8							
	Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer	Small Group	Large Group	Student Health Plans	Government Business (Excluded by Statute)	Other Health Business	Medicare Advantage Part C and Medicare Pt D Stand-Alone Subject to ACA	Subtotal (Cols 1 thru 12)	Uninsured Plans	Total (Cols 13 + 14)
1. Premium:															
1.1 Health premiums earned (From Part 2, Line 1.11)	107,853,384	20,286,116	328,395,769	0	0	0	0	0	0	##########	0	0	1,048,909,411	XXX	1,048,909,411
1.2 Federal high risk pools													0	XXX	0
1.3 State high risk pools													0	XXX	0
1.4 Premiums earned including state and federal high risk programs (Lines 1.1+1.2+1.3)	107,853,384	20,286,116	328,395,769	0	0	0	0	0	0	##########	0	0	1,048,909,411	XXX	1,048,909,411
1.5 Federal taxes and federal assessments	1,939,090	364,503	5,905,934										8,209,527		8,209,527
1.6 State insurance, premium and other taxes (Similar local taxes of $.....0)	1,078,534	202,861	3,281,683										4,563,078		4,563,078
1.6a Community benefit expenditures (informational only)													0		0
1.7 Regulatory authority licenses and fees	20,560	3,860	62,620										87,040		87,040
1.8 Adjusted premiums earned (Lines 1.4-1.5-1.6-1.7)	104,815,200	19,714,892	319,145,532	0	0	0	0	0	0	##########	0	0	1,036,049,766	XXX	1,036,049,766
1.9 Net assumed less ceded reinsurance premiums earned	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
1.10 Other adjustments due to MLR calculations - premiums	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
1.11 Risk revenue													0	XXX	0
1.12 Net adjusted premiums earned after reinsurance (lines 1.8+1.9+1.10+1.11)	104,815,200	19,714,892	319,145,532	0	0	0	0	0	0	##########	0	0	1,036,049,766	XXX	1,036,049,766
2. Claims:															
2.1 Incurred claims excluding prescription drugs	75,512,498	14,194,559	229,990,226							##########			752,134,021	XXX	752,134,021
2.2 Prescription drugs	20,232,264	3,803,186	61,621,891							##########			206,545,818	XXX	206,545,818
2.3 Pharmaceutical rebates	2,885,617	542,428	8,788,794										12,216,839	XXX	12,216,839
2.4 State stop loss, market stabilization and claim/census based assessments (informational only)													0	XXX	0
3. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
4. Deductible fraud and abuse detection/recovery expenses (for MLR use only)	0	0	0	0	0	0	0	0	0				0		0
5. 5.0 Total incurred claims (Lines 2.1+2.2-2.3+3) (From Part 2, Line 2.15)	92,859,145	17,455,317	282,823,323	0	0	0	0	0	0	##########	0	0	946,463,000	XXX	946,463,000
5.1 Net assumed less ceded reinsurance claims incurred	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	0
5.2 Other adjustments due to MLR calculations - claims													0	XXX	0
5.3 Rebates paid										XXX	XXX		0	XXX	0
5.4 Estimated rebates unpaid prior year										XXX	XXX		0	XXX	0
5.5 Estimated rebates unpaid current year										XXX	XXX		0	XXX	0
5.6 Fee for service and co-pay revenue													0	XXX	0
5.7 Net incurred claims after reinsurance (Lines 5.0+5.1+5.2+5.3-5.4+5.5-5.6)	92,859,145	17,455,317	282,823,323	0	0	0	0	0	0	##########	0	0	946,463,000	XXX	946,463,000
6. Improving health care quality expenses incurred:															
6.1 Improve health outcomes	188,310	35,398	573,594	0	0	0	0	0	0	3,788,158			4,585,460		4,585,460
6.2 Activities to prevent hospital readmissions	78,463	14,749	238,942	0	0	0	0	0	0	1,578,399			1,910,553		1,910,553
6.3 Improve patient safety and reduce medical errors	47,078	8,849	143,365	0	0	0	0	0	0	947,039			1,146,331		1,146,331
6.4 Wellness and health promotion activities	43,027	8,088	131,049	0	0	0	0	0	0	303,580			485,744		485,744
6.5 Health information technology expenses related to health improvement	214,731	40,364	654,011	0	0	0	0	0	0	1,318,889			2,227,995		2,227,995
6.6 Total of defined expenses incurred for improving health care quality (Lines 6.1+6.2+6.3+6.4+6.5)	571,609	107,448	1,740,961	0	0	0	0	0	0	7,936,065	0	0	10,356,083	0	10,356,083
7. Preliminary medical loss ratio: MLR (Lines 4+5.0+6.6-Footnote 2.0) / Line 1.8	0.891	0.891	0.892	0.000	0.000	0.000	0.000	0.000	0.000	XXX	XXX	0.000	XXX	XXX	XXX
8. Claims adjustment expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6													0		0
8.2 All other claims adjustment expenses													0		0
8.3 Total claims adjustment expenses (Lines 8.1+8.2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Claims adjustment expense ratio (Line 8.3 / Line 1.8)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	XXX	XXX	XXX

Supplement for the year 2016 of the **FIRST MEDICAL HEALTH PLAN, INC.**

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1

* 9 5 7 2 2 2 0 1 6 2 1 6 5 9 1 0 0 *

(To Be Filed by April 1 - Not for Rebate Purposes - See Cautionary Statement at http://www.naic.org/documents/committees_e_app_blanks_related_shce_cautionary_statement.pdf)

REPORT: 1. CORPORATION: FIRST MEDICAL HEALTH PLAN, INC. 2. LOCATION: Guaynabo PR

NAIC Group Code.....0 BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2016 NAIC Company Code.....95722

	Business Subject to MLR									10	11	12	13	14	15
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9						
	1	2	3	4	5	6	7	8							
	Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer	Small Group	Large Group	Student Health Plans	Government Business (Excluded by Statute)	Other Health Business	Medicare Advantage Part C and Medicare Pt D Stand-Alone Subject to ACA	Subtotal (Cols 1 thru 12)	Uninsured Plans	Total (Cols 13 + 14)
10. General and administrative (G&A) expenses:															
10.1 Direct sales salaries and benefits	264,704	49,758	806,217										1,120,679		1,120,679
10.2 Agents and brokers fees and commissions	2,114,411	397,459	6,439,913										8,951,783		8,951,783
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)													0		0
10.4 Other general and administrative expenses	9,277,299	1,743,912	28,256,092							35,250,717			74,528,020		74,528,020
10.4a Community benefits expenditures (informational only)													0		0
10.5 Total general and administrative (Lines 10.1+10.2+10.3+10.4)	11,656,414	2,191,129	35,502,222	0	0	0	0	0	0	35,250,717	0	0	84,600,482	0	84,600,482
11. Underwriting gain/(loss) (Lines 1.12-5.7-6.6-8.3-10.5)	(271,968)	(39,002)	(920,974)	0	0	0	0	0	0	(4,137,855)	0	0	(5,369,799)	XXX	(5,369,799)
12. Income from fees of uninsured plans	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
13. Net investment and other gain/(loss)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	0
14. Federal income taxes (excluding taxes on Line 1.5 above)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX	0
15. Net gain or (loss) (Lines 11+12+13-14)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	(5,369,799)	XXX	(5,369,799)
16. ICD-10 Implementation Expenses (information only, already included in general expenses and Line 6.5)	3,807	919	18,262										22,988		22,988
16a. ICD-10 Implementation Expenses (information only; already included in Line 6.5)													0		0
OTHER INDICATORS:															
1. Number of certificates/policies													0		0
2. Number of covered lives													0		0
3. Number of groups	XXX			XXX									0		0
4. Member months													0		0

Is run off business reported in Columns 1 through 9 or 12?.....Yes[ ].....No[ ] If yes, show the amount of premiums and claims included. Premiums $.....0 Claims $.....0

216.1.1

AFFORDABLE CARE ACT (ACA) RECEIPTS, PAYMENTS, RECEIVABLES AND PAYABLES

	Current Year		Prior Year	
	Comprehensive Health Coverage			
	1	2	3	4
	Individual Plans	Small Group Employer Plans	Individual Plans	Small Group Employer Plans
ACA Receivables and Payables				
1. Permanent ACA Risk Adjustment Program				
1.0 Premium adjustments receivable/(payable)				
2. Transactional ACA Reinsurance Program				
2.0 Total amounts recoverable for claims (paid & unpaid)		XXX		XXX
3. Temporary ACA Risk Corridors Program				
3.1 Accrued retrospective premium				
3.2 Reserve for rate credits or policy experience refunds				
ACA Receipts and Payments				
4. Permanent ACA Risk Adjustment Program				
4.0 Premium adjustment receipts/(payments)				
5. Transitional ACA Reinsurance Program				
5.0 Amounts received for claims		XXX		XXX
6. Temporary ACA Risk Corridors Program				
6.1 Retrospective premium received				
6.2 Rate credits or policy experience refunds paid				

Supplement for the year 2016 of the **FIRST MEDICAL HEALTH PLAN, INC.**

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: FIRST MEDICAL HEALTH PLAN, INC. 2. LOCATION: Guaynabo PR

NAIC Group Code.....0 BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2016 NAIC Company Code.....95722

	Business Subject to MLR									10	11	12	13
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9				
	1	2	3	4	5	6	7	8					
	Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer	Small Group	Large Group	Student Health Plans	Government Business (Excluded by Statute)	Other Health Business	Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	Total (a)
1. Health premiums earned:													
1.1 Direct premiums written	108,942,812	20,491,026	331,711,888							592,374,142			1,053,519,868
1.2 Unearned premium prior year													0
1.3 Unearned premium current year													0
1.4 Change in unearned premium (Lines 1.2 - 1.3)	0	0	0	0	0	0	0	0	0	0	0	0	0
1.5 Paid rate credits													0
1.6 Reserve for rate credits current year													0
1.7 Reserve for rate credits prior year													0
1.8 Change in reserve for rate credits (Lines 1.6 -1.7)	0	0	0	0	0	0	0	0	0	0	0	0	0
1.9 Premium balances written off	1,089,428	204,910	3,316,119										4,610,457
1.10 Group conversion charges													0
1.11 Total direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10)	107,853,384	20,286,116	328,395,769	0	0	0	0	0	0	592,374,142	0	0	1,048,909,411
1.12 Assumed premiums earned from non-affiliates													0
1.13 Net assumed less ceded premiums earned from affiliates													0
1.14 Ceded premiums earned to non-affiliates													0
1.15 Other adjustments due to MLR calculation - premiums													0
1.16 Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15)	107,853,384	20,286,116	328,395,769	0	0	0	0	0	0	592,374,142	0	0	1,048,909,411
2. Direct claims incurred:													
2.1 Paid claims during the year	96,416,162	20,986,307	293,569,526							568,889,775			979,861,770
2.2 Direct claim liability current year	7,009,827	1,318,477	21,343,768										29,672,072
2.3 Direct claim liability prior year	7,716,655	1,715,820	30,910,552										40,343,027
2.4 Direct claim reserves current year	6,340,948	1,192,667	19,307,142							56,179,893			83,020,650
2.5 Direct claim reserves prior year	4,762,272	1,058,904	19,076,198							65,617,131			90,514,505
2.6 Direct contract reserves current year													0
2.7 Direct contract reserves prior year													0
2.8 Paid rate credits													0
2.9 Reserve for rate credits current year													0
2.10 Reserve for rate credits prior year													0
2.11 Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c)	0	0	0	0	0	0	0	0	0	0	0	0	0
2.11a Paid medical incentive pools and bonuses current year													0
2.11b Accrued medical incentive pools and bonuses current year													0
2.11c Accrued medical incentive pools and bonuses prior year													0
2.12 Net healthcare receivables (Lines 2.12a - 2.12b)	1,563,872	255,365	3,674,119	0	0	0	0	0	0	9,740,604	0	0	15,233,960
2.12a Healthcare receivables current year	2,695,794	507,051	8,208,249							11,084,339			22,495,433
2.12b Healthcare receivables prior year	1,131,922	251,686	4,534,130							1,343,735			7,261,473
2.13 Group conversion charge													0
2.14 Multi-option coverage blended rate adjustment													0
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)	95,724,138	20,467,362	280,559,567	0	0	0	0	0	0	549,711,933	0	0	946,463,000
2.16 Assumed incurred claims from non-affiliates													0
2.17 Net assumed less ceded incurred claims from affiliates													0
2.18 Ceded incurred claims to non-affiliates													0
2.19 Other adjustments due to MLR calculation - claims													0
2.20 Net incurred claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 + 2.17 - 2.18 + 2.19)	95,724,138	20,467,362	280,559,567	0	0	0	0	0	0	549,711,933	0	0	946,463,000
3. Fraud and abuse recoveries that reduced PAID claims in Line 2.1 above (informational only)													0

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

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: FIRST MEDICAL HEALTH PLAN, INC. 2. LOCATION: Guaynabo PR

NAIC Group Code.....0 BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2016 NAIC Company Code.....95722

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9	10
	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 Claim Adjustment Expenses	General Administrative Expenses	Total Expenses (6 to 9)
1. Individual comprehensive coverage expenses:										
1.1 Salaries (including $.....0 for affiliated services)						0				0
1.2 Outsourced services						0				0
1.3 EDP equipment and software (including $.....0 for affiliated services)						0				0
1.4 Other equipment (excl. EDP) (including $.....0 for affiliated services)						0				0
1.5 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX	0				0
1.6 Other expenses (including $.....0 for affiliated services)	188,310	78,463	47,078	43,027	214,731	571,609				571,609
1.7 Subtotal before reimbursements and taxes (Lines 1.1 to 1.6)	188,310	78,463	47,078	43,027	214,731	571,609	0	0	0	571,609
1.8 Reimbursements by uninsured plans and fiscal intermediaries						0				0
1.9 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
1.10 Total (Lines 1.7 to 1.9)	188,310	78,463	47,078	43,027	214,731	571,609	0	0	0	571,609
1.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only)						0				0
2. Small group comprehensive coverage expenses:										
2.1 Salaries (including $.....0 for affiliated services)						0				0
2.2 Outsourced services						0				0
2.3 EDP equipment and software (including $.....0 for affiliated services)						0				0
2.4 Other equipment (excl. EDP) (including $.....0 for affiliated services)						0				0
2.5 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX	0				0
2.6 Other expenses (including $.....0 for affiliated services)	35,398	14,749	8,849	8,088	40,364	107,448				107,448
2.7 Subtotal before reimbursements and taxes (Lines 2.1 to 2.6)	35,398	14,749	8,849	8,088	40,364	107,448	0	0	0	107,448
2.8 Reimbursements by uninsured plans and fiscal intermediaries						0				0
2.9 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
2.10 Total (Lines 2.7 to 2.9)	35,398	14,749	8,849	8,088	40,364	107,448	0	0	0	107,448
2.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only)						0				0
3. Large group comprehensive coverage expenses:										
3.1 Salaries (including $.....0 for affiliated services)						0				0
3.2 Outsourced services						0				0
3.3 EDP equipment and software (including $.....0 for affiliated services)						0				0
3.4 Other equipment (excl. EDP) (including $.....0 for affiliated services)						0				0
3.5 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX	0				0
3.6 Other expenses (including $.....0 for affiliated services)	573,594	238,942	143,365	131,049	654,011	1,740,961				1,740,961
3.7 Subtotal before reimbursements and taxes (Lines 3.1 to 3.6)	573,594	238,942	143,365	131,049	654,011	1,740,961	0	0	0	1,740,961
3.8 Reimbursements by uninsured plans and fiscal intermediaries						0				0
3.9 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
3.10 Total (Lines 3.7 to 3.9)	573,594	238,942	143,365	131,049	654,011	1,740,961	0	0	0	1,740,961
3.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only)						0				0

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: FIRST MEDICAL HEALTH PLAN, INC. 2. LOCATION: Guaynabo PR

NAIC Group Code.....0 BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2016 NAIC Company Code.....95722

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9	10
	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 Claim Adjustment Expenses	General Administrative Expenses	Total Expenses (6 to 9)
4. Individual mini-med plans expenses:										
4.1 Salaries (including $.....0 for affiliated services)						0				0
4.2 Outsourced services						0				0
4.3 EDP equipment and software (including $.....0 for affiliated services)						0				0
4.4 Other equipment (excl. EDP) (including $.....0 for affiliated services)						0				0
4.5 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX	0				0
4.6 Other expenses (including $.....0 for affiliated services)						0				0
4.7 Subtotal before reimbursements and taxes (Lines 4.1 to 4.6)	0	0	0	0	0	0	0	0	0	0
4.8 Reimbursements by uninsured plans and fiscal intermediaries						0				0
4.9 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
4.10 Total (Lines 4.7 to 4.9)	0	0	0	0	0	0	0	0	0	0
4.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only)						0				0
5. Small group mini-med plans expenses:										
5.1 Salaries (including $.....0 for affiliated services)						0				0
5.2 Outsourced services						0				0
5.3 EDP equipment and software (including $.....0 for affiliated services)						0				0
5.4 Other equipment (excl. EDP) (including $.....0 for affiliated services)						0				0
5.5 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX	0				0
5.6 Other expenses (including $.....0 for affiliated services)						0				0
5.7 Subtotal before reimbursements and taxes (Lines 5.1 to 5.6)	0	0	0	0	0	0	0	0	0	0
5.8 Reimbursements by uninsured plans and fiscal intermediaries						0				0
5.9 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
5.10 Total (Lines 5.7 to 5.9)	0	0	0	0	0	0	0	0	0	0
5.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only)						0				0
6. Large group mini-med plans expenses:										
6.1 Salaries (including $.....0 for affiliated services)						0				0
6.2 Outsourced services						0				0
6.3 EDP equipment and software (including $.....0 for affiliated services)						0				0
6.4 Other equipment (excl. EDP) (including $.....0 for affiliated services)						0				0
6.5 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX	0				0
6.6 Other expenses (including $.....0 for affiliated services)						0				0
6.7 Subtotal before reimbursements and taxes (Lines 6.1 to 6.6)	0	0	0	0	0	0	0	0	0	0
6.8 Reimbursements by uninsured plans and fiscal intermediaries						0				0
6.9 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
6.10 Total (Lines 6.7 to 6.9)	0	0	0	0	0	0	0	0	0	0
6.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only)						0				0

SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3

(To Be Filed by April 1 - Not for Rebate Purposes) REPORT: 1. CORPORATION: FIRST MEDICAL HEALTH PLAN, INC. 2. LOCATION: Guaynabo PR

NAIC Group Code.....0 BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR 2016 NAIC Company Code.....95722

All Expenses	Improving Health Care Quality Expenses						Claims Adjustment Expenses		9	10
	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 Claim Adjustment Expenses	General Administrative Expenses	Total Expenses (6 to 9)
7. Small group expatriate plans expenses										
7.1 Salaries (including $.....0 for affiliated services)						0				0
7.2 Outsourced services						0				0
7.3 EDP equipment and software (including $.....0 for affiliated services)						0				0
7.4 Other equipment (excl. EDP) (including $.....0 for affiliated services)						0				0
7.5 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX	0				0
7.6 Other expenses (including $.....0 for affiliated services)						0				0
7.7 Subtotal before reimbursements and taxes (Lines 7.1 to 7.6)	0	0	0	0	0	0	0	0	0	0
7.8 Reimbursements by uninsured plans and fiscal intermediaries						0				0
7.9 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
7.10 Total (Lines 7.7 to 7.9)	0	0	0	0	0	0	0	0	0	0
7.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only)						0				0
8. Large group expatriate plans expenses										
8.1 Salaries (including $.....0 for affiliated services)						0				0
8.2 Outsourced services						0				0
8.3 EDP equipment and software (including $.....0 for affiliated services)						0				0
8.4 Other equipment (excl. EDP) (including $.....0 for affiliated services)						0				0
8.5 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX	0				0
8.6 Other expenses (including $.....0 for affiliated services)						0				0
8.7 Subtotal before reimbursements and taxes (Lines 8.1 to 8.6)	0	0	0	0	0	0	0	0	0	0
8.8 Reimbursements by uninsured plans and fiscal intermediaries						0				0
8.9 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
8.10 Total (Lines 8.7 to 8.9)	0	0	0	0	0	0	0	0	0	0
8.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only)						0				0
9. Student health plans expenses										
9.1 Salaries (including $.....0 for affiliated services)						0				0
9.2 Outsourced services						0				0
9.3 EDP equipment and software (including $.....0 for affiliated services)						0				0
9.4 Other equipment (excl. EDP) (including $.....0 for affiliated services)						0				0
9.5 Accreditation and certification (including $.....0 for affiliated services)		XXX	XXX	XXX	XXX	0				0
9.6 Other expenses (including $.....0 for affiliated services)						0				0
9.7 Subtotal before reimbursements and taxes (Lines 9.1 to 9.6)	0	0	0	0	0	0	0	0	0	0
9.8 Reimbursements by uninsured plans and fiscal intermediaries						0				0
9.9 Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
9.10 Total (Lines 9.7 to 9.9)	0	0	0	0	0	0	0	0	0	0
9.11 Total fraud and abuse detection/recovery expenses incl. in col. 7 (informational only)						0				0

SUPPLEMENTAL HEALTH CARE EXHIBIT'S EXPENSE ALLOCATION REPORT

(To Be Filed by April 1)

NAIC Group Code.....0 NAIC Company Code.....95722

Description of allocation methodology:

Detailed Description of Quality Improvement Expenses:

Expense Type from Part 3	New	Detailed Description of Expense

SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For the year ended December 31, 2016

(To be filed by April 1)

Of FIRST MEDICAL HEALTH PLAN, INC.

Address (City, State, Zip Code): Guaynabo PR 00966

NAIC Group Code.....0 NAIC Company Code.....95722 Employer's ID Number.....660537624

The Investment Risks 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. $.....183,497,651

2. Ten largest exposures to a single issuer/borrower/investment.

	1 Issuer	2 Description of Exposure	3 Amount	4 Percentage of Total Admitted Assets
2.01			$	0.000 %
2.02			$	0.000 %
2.03			$	0.000 %
2.04			$	0.000 %
2.05			$	0.000 %
2.06			$	0.000 %
2.07			$	0.000 %
2.08			$	0.000 %
2.09			$	0.000 %
2.10			$	0.000 %

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation.

	Bonds	1	2
3.01	NAIC-1	$ 2,324,053	1.267 %
3.02	NAIC-2	$	0.000 %
3.03	NAIC-3	$	0.000 %
3.04	NAIC-4	$	0.000 %
3.05	NAIC-5	$	0.000 %
3.06	NAIC-6	$ 30,000	0.016 %
	Preferred Stocks	**3**	**4**
3.07	P/RP-1	$	0.000 %
3.08	P/RP-2	$	0.000 %
3.09	P/RP-3	$	0.000 %
3.10	P/RP-4	$	0.000 %
3.11	P/RP-5	$	0.000 %
3.12	P/RP-6	$	0.000 %

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 [ ] No [ ]

If response to 4.01 above is yes, responses are not required for interrogatories 5-10.

4.02	Total admitted assets held in foreign investments	$	0.000 %
4.03	Foreign-currency-denominated investments	$	0.000 %
4.04	Insurance liabilities denominated in that same foreign currency	$	0.000 %

5. Aggregate foreign investment exposure categorized by NAIC sovereign designation:

		1	2
5.01	Countries designated NAIC-1	$	0.000 %
5.02	Countries designated NAIC-2	$	0.000 %
5.03	Countries designated NAIC-3 or below	$	0.000 %

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign designation:

	Countries designated NAIC-1:	1	2
6.01	Country 1:	$	0.000 %
6.02	Country 2:	$	0.000 %
	Countries designated NAIC-2:		
6.03	Country 1:	$	0.000 %
6.04	Country 2:	$	0.000 %
	Countries designated NAIC-3 or below:		
6.05	Country 1:	$	0.000 %
6.06	Country 2:	$	0.000 %

		1	2
7.	Aggregate unhedged foreign currency exposure	$	0.000 %

8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign designation:

		1	2
8.01	Countries designated NAIC-1	$	0.000 %
8.02	Countries designated NAIC-2	$	0.000 %
8.03	Countries designated NAIC-3 or below	$	0.000 %

9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign designation:

		1	2
	Countries designated NAIC-1:		
9.01	Country 1:	$	0.000 %
9.02	Country 2:	$	0.000 %
	Countries designated NAIC-2:		
9.03	Country 1:	$	0.000 %
9.04	Country 2:	$	0.000 %
	Countries designated NAIC-3 or below:		
9.05	Country 1:	$	0.000 %
9.06	Country 2:	$	0.000 %

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

	1 Issuer	2 NAIC Designation	3	4
10.01			$	0.000 %
10.02			$	0.000 %
10.03			$	0.000 %
10.04			$	0.000 %
10.05			$	0.000 %
10.06			$	0.000 %
10.07			$	0.000 %
10.08			$	0.000 %
10.09			$	0.000 %
10.10			$	0.000 %

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

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [ ]

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

11.02	Total admitted assets held in Canadian Investments	$	0.000 %
11.03	Canadian currency-denominated investments	$	0.000 %
11.04	Canadian-denominated insurance liabilities	$	0.000 %
11.05	Unhedged Canadian currency exposure	$	0.000 %

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

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [ ]

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

	1	2	3
12.02	Aggregate statement value of investments with contractual sales restrictions	$	0.000 %
	Largest three investments with contractual sales restrictions:		
12.03		$	0.000 %
12.04		$	0.000 %
12.05		$	0.000 %

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

13.01 Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [ ]

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

	1 Name of Issuer	2	3
13.02		$	0.000 %
13.03		$	0.000 %
13.04		$	0.000 %
13.05		$	0.000 %
13.06		$	0.000 %
13.07		$	0.000 %
13.08		$	0.000 %
13.09		$	0.000 %
13.10		$	0.000 %
13.11		$	0.000 %

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 [ ] No [ ]

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

	1	2	3
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities	$	0.000 %
	Largest three investments held in nonaffiliated, privately placed equities:		
14.03		$	0.000 %
14.04		$	0.000 %
14.05		$	0.000 %

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 [ ] No [ ]

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

	1	2	3
15.02	Aggregate statement value of investments held in general partnership interests	$	0.000 %
	Largest three investments in general partnership interests:		
15.03		$	0.000 %
15.04		$	0.000 %
15.05		$	0.000 %

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 [ ] 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	3
16.02		$	0.000 %
16.03		$	0.000 %
16.04		$	0.000 %
16.05		$	0.000 %
16.06		$	0.000 %
16.07		$	0.000 %
16.08		$	0.000 %
16.09		$	0.000 %
16.10		$	0.000 %
16.11		$	0.000 %

Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:

		Loans	
16.12	Construction loans	$	0.000 %
16.13	Mortgage loans over 90 days past due	$	0.000 %
16.14	Mortgage loans in the process of foreclosure	$	0.000 %
16.15	Mortgage loans foreclosed	$	0.000 %
16.16	Restructured mortgage loans	$	0.000 %

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

Loan-to-Value	Residential		Commercial		Agricultural	
	1	2	3	4	5	6
17.01 above 95%	$	0.000 %	$	0.000 %	$	0.000 %
17.02 91% to 95%	$	0.000 %	$	0.000 %	$	0.000 %
17.03 81% to 90%	$	0.000 %	$	0.000 %	$	0.000 %
17.04 71% to 80%	$	0.000 %	$	0.000 %	$	0.000 %
17.05 below 70%	$	0.000 %	$	0.000 %	$	0.000 %

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

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets? Yes [ ] No [ ]

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

Largest five investments in any one parcel or group of contiguous parcels of real estate:

	Description	2	3
18.02		$	0.000 %
18.03		$	0.000 %
18.04		$	0.000 %
18.05		$	0.000 %
18.06		$	0.000 %

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 admitted assets? Yes [ ] No [ ]

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

	1	2	3
19.02	Aggregate statement value of investments held in mezzanine real estate loans	$	0.000 %
	Largest three investments held in mezzanine real estate loans:		
19.03		$	0.000 %
19.04		$	0.000 %
19.05		$	0.000 %

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

		At Year-End		At End of Each Quarter		
				1st Qtr	2nd Qtr	3rd Qtr
		1	2	3	4	5
20.01	Securities lending agreements (do not include assets held as collateral for such transactions)	$	0.000 %	$	$	$
20.02	Repurchase agreements	$	0.000 %	$	$	$
20.03	Reverse repurchase agreements	$	0.000 %	$	$	$
20.04	Dollar repurchase agreements	$	0.000 %	$	$	$
20.05	Dollar reverse repurchase agreements	$	0.000 %	$	$	$

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps and floors:

	Owned		Written	
	1	2	3	4
21.01 Hedging	$	0.000 %	$	0.000 %
21.02 Income generation	$	0.000 %	$	0.000 %
21.03 Other	$	0.000 %	$	0.000 %

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

	At Year-End		At End of Each Quarter		
			1st Qtr	2nd Qtr	3rd Qtr
	1	2	3	4	5
22.01 Hedging	$	0.000 %	$	$	$
22.02 Income generation	$	0.000 %	$	$	$
22.03 Replications	$	0.000 %	$	$	$
22.04 Other	$	0.000 %	$	$	$

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

	At Year-End		At End of Each Quarter		
			1st Qtr	2nd Qtr	3rd Qtr
	1	2	3	4	5
23.01 Hedging	$	0.000 %	$	$	$
23.02 Income generation	$	0.000 %	$	$	$
23.03 Replications	$	0.000 %	$	$	$
23.04 Other	$	0.000 %	$	$	$

LONG-TERM CARE EXPERIENCE REPORTING FORM 1 - ACTUAL VS. EXPECTED CLAIMS AND PERSISTENCY

NAIC Group Code: 0 | REPORTING YEAR 2016 (To Be Filed By April 1) | NAIC Company Code: 95722

	1 Earned Premiums	2 Incurred Claims	3 Valuation Expected Incurred Claims	4 Actual to Expected Incurred Claims	5 Open Claim Count	6 New Claim Count	7 Lives Inforce End of Year	8 Expected Lives Inforce End of Year	9 Actual to Expected Lives Inforce
A. Individual									
Comprehensive									
1. Current				0.00					0.00
2. Prior				0.00					0.00
3. 2nd Prior				0.00					0.00
4. 3rd Prior				0.00					0.00
5. 4th Prior				0.00					0.00
6. 5th Prior				0.00					0.00
7. Form Inception-to-Date				0.00					0.00
8. Total Inception-to-Date			XXX	XXX	XXX	XXX	XXX	XXX	XXX
Institutional Only									
9. Current				0.00					0.00
10. Prior				0.00					0.00
11. 2nd Prior				0.00					0.00
12. 3rd Prior				0.00					0.00
13. 4th Prior				0.00					0.00
14. 5th Prior				0.00					0.00
15. Form Inception-to-Date				0.00					0.00
16. Total Inception-to-Date			XXX	XXX	XXX	XXX	XXX	XXX	XXX
Non-Institutional Only									
17. Current				0.00					0.00
18. Prior				0.00					0.00
19. 2nd Prior				0.00					0.00
20. 3rd Prior				0.00					0.00
21. 4th Prior				0.00					0.00
22. 5th Prior				0.00					0.00
23. Form Inception-to-Date				0.00					0.00
24. Total Inception-to-Date			XXX	XXX	XXX	XXX	XXX	XXX	XXX
B. Group									
Comprehensive									
1. Current				0.00					0.00
2. Prior				0.00					0.00
3. 2nd Prior				0.00					0.00
4. 3rd Prior				0.00					0.00
5. 4th Prior				0.00					0.00
6. 5th Prior				0.00					0.00
7. Form Inception-to-Date				0.00					0.00
8. Total Inception-to-Date			XXX	XXX	XXX	XXX	XXX	XXX	XXX
Institutional Only									
9. Current				0.00					0.00
10. Prior				0.00					0.00
11. 2nd Prior				0.00					0.00
12. 3rd Prior				0.00					0.00
13. 4th Prior				0.00					0.00
14. 5th Prior				0.00					0.00
15. Form Inception-to-Date				0.00					0.00
16. Total Inception-to-Date			XXX	XXX	XXX	XXX	XXX	XXX	XXX
Non-Institutional Only									
17. Current				0.00					0.00
18. Prior				0.00					0.00
19. 2nd Prior				0.00					0.00
20. 3rd Prior				0.00					0.00
21. 4th Prior				0.00					0.00
22. 5th Prior				0.00					0.00
23. Form Inception-to-Date				0.00					0.00
24. Total Inception-to-Date			XXX	XXX	XXX	XXX	XXX	XXX	XXX
C. Summary									
1. Form Inception-to-Date	0	0	0	0.00	0	0	0	0	0.00
2. Total Inception-to-Date	0	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX

* 9 5 7 2 2 2 0 1 6 3 0 2 0 0 0 0 0 *

LONG-TERM CARE EXPERIENCE REPORTING FORM 2
EXPERIENCE RESERVES VS. REPORTED RESERVES BY CALENDAR YEAR

REPORTING YEAR 2016

NAIC Group Code: 0 (To Be Filed By April 1) NAIC Company Code: 95722

Reporting Year	1 Policy Form	2 First Year Issued	3 Last Year Issued	4 Earned Premiums	5 Incurred Claims	6 Loss Ratio	7 Annual Net/ Annual Gross Premiums	8 Current Year Net Premiums	9 Inforce Count Beginning of Year	10 New Issues Current Year End of Year	11 Inforce Count End of Year	12 Persistency Rate	13 Experience Policy Reserves	14 Reported Policy Reserves	15 Experience/ Reported Ratio
A. Individual															
1. Current						0.00						0.00			0.00
2. Prior						0.00						0.00			0.00
3. 2nd Prior						0.00						0.00			0.00

302

Reporting Year	1 Policy Form	2 First Year Issued	3 Last Year Issued	4 Earned Premiums	5 Incurred Claims	6 Loss Ratio	7 Annual Net/ Annual Gross Premiums	8 Current Year Net Premiums	9 Inforce Count Beginning of Year	10 New Issues Current Year End of Year	11 Inforce Count End of Year	12 Persistency Rate	13 Experience Policy Reserves	14 Reported Policy Reserves	15 Experience/ Reported Ratio
B. Group															
1. Current						0.00						0.00			0.00
2. Prior						0.00						0.00			0.00
3. 2nd Prior						0.00						0.00			0.00

Reporting Year	1 Policy Form	2 First Year Issued	3 Last Year Issued	4 Earned Premiums	5 Incurred Claims	6 Loss Ratio	7 Annual Net/ Annual Gross Premiums	8 Current Year Net Premiums	9 Inforce Count Beginning of Year	10 New Issues Current Year End of Year	11 Inforce Count End of Year	12 Persistency Rate	13 Experience Policy Reserves	14 Reported Policy Reserves	15 Experience/ Reported Ratio
C. Summary															
1. Total Current - Individual				0	0	XXX	XXX	0	0	0	0	XXX	0	0	XXX
2. Total Prior - Individual				0	0	XXX	XXX	0	0	0	0	XXX	0	0	XXX
3. Total 2nd Prior - Individual				0	0	XXX	XXX	0	0	0	0	XXX	0	0	XXX
4. Total Current - Group				0	0	XXX	XXX	0	0	0	0	XXX	0	0	XXX
5. Total Prior - Group				0	0	XXX	XXX	0	0	0	0	XXX	0	0	XXX
6. Total 2nd Prior - Group				0	0	XXX	XXX	0	0	0	0	XXX	0	0	XXX
7. Current Year Total				0	0	0.00		0	0	0	0	0.00	0	0	0.00

LONG-TERM CARE EXPERIENCE REPORTING FORM 3
LTC EXPERIENCE DEVELOPMENT ($000 OMITTED)

REPORTING YEAR 2016

(To Be Filed by April 1)

NAIC Group Code: 0

NAIC Company Code: 95722

Incurred Year	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016
A. Individual								
PART 1 - Total (Direct and Transferred) Amount Paid Policyholder								
1. Prior								
2. 2009								
3. 2010	XXX							
4. 2011	XXX	XXX						
5. 2012	XXX	XXX	XXX					
6. 2013	XXX	XXX	XXX	XXX				
7. 2014	XXX	XXX	XXX	XXX	XXX			
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 2 - Sum of Total Amount Paid Policyholders and Claim Liability and Reserve Outstanding at End of Year								
1. Prior								
2. 2009								
3. 2010	XXX							
4. 2011	XXX	XXX						
5. 2012	XXX	XXX	XXX					
6. 2013	XXX	XXX	XXX	XXX				
7. 2014	XXX	XXX	XXX	XXX	XXX			
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 3 - Transferred Reserves								
1. Prior								
2. 2009								
3. 2010	XXX							
4. 2011	XXX	XXX						
5. 2012	XXX	XXX	XXX					
6. 2013	XXX	XXX	XXX	XXX				
7. 2014	XXX	XXX	XXX	XXX	XXX			
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 4 - Present Value of Incurred Claims								
1. Prior								
2. 2009								
3. 2010	XXX							
4. 2011	XXX	XXX						
5. 2012	XXX	XXX	XXX					
6. 2013	XXX	XXX	XXX	XXX				
7. 2014	XXX	XXX	XXX	XXX	XXX			
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

LONG-TERM CARE EXPERIENCE REPORTING FORM 3 (continued)

LTC EXPERIENCE DEVELOPMENT ($000 OMITTED)

REPORTING YEAR 2016

Incurred Year	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016
B. Group								
PART 1 - Total (Direct and Transferred) Amount Paid Policyholder								
1. Prior								
2. 2009								
3. 2010	XXX							
4. 2011	XXX	XXX						
5. 2012	XXX	XXX	XXX					
6. 2013	XXX	XXX	XXX	XXX				
7. 2014	XXX	XXX	XXX	XXX	XXX			
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 2 - Sum of Total Amount Paid Policyholders and Claim Liability and Reserve Outstanding at End of Year								
1. Prior								
2. 2009								
3. 2010	XXX							
4. 2011	XXX	XXX						
5. 2012	XXX	XXX	XXX					
6. 2013	XXX	XXX	XXX	XXX				
7. 2014	XXX	XXX	XXX	XXX	XXX			
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 3 - Transferred Reserves								
1. Prior								
2. 2009								
3. 2010	XXX							
4. 2011	XXX	XXX						
5. 2012	XXX	XXX	XXX					
6. 2013	XXX	XXX	XXX	XXX				
7. 2014	XXX	XXX	XXX	XXX	XXX			
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 4 - Present Value of Incurred Claims								
1. Prior								
2. 2009								
3. 2010	XXX							
4. 2011	XXX	XXX						
5. 2012	XXX	XXX	XXX					
6. 2013	XXX	XXX	XXX	XXX				
7. 2014	XXX	XXX	XXX	XXX	XXX			
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

LONG-TERM CARE EXPERIENCE REPORTING FORM 3 (continued)

LTC EXPERIENCE DEVELOPMENT ($000 OMITTED)

REPORTING YEAR 2016

Incurred Year	1 2009	2 2010	3 2011	4 2012	5 2013	6 2014	7 2015	8 2016
C. Summary								
PART 1 - Total (Direct and Transferred) Amount Paid Policyholder								
1. Prior								
2. 2009								
3. 2010	XXX							
4. 2011	XXX	XXX						
5. 2012	XXX	XXX	XXX					
6. 2013	XXX	XXX	XXX	XXX				
7. 2014	XXX	XXX	XXX	XXX	XXX			
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 2 - Sum of Total Amount Paid Policyholders and Claim Liability and Reserve Outstanding at End of Year								
1. Prior								
2. 2009								
3. 2010	XXX							
4. 2011	XXX	XXX						
5. 2012	XXX	XXX	XXX					
6. 2013	XXX	XXX	XXX	XXX				
7. 2014	XXX	XXX	XXX	XXX	XXX			
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 3 - Transferred Reserves								
1. Prior								
2. 2009								
3. 2010	XXX							
4. 2011	XXX	XXX						
5. 2012	XXX	XXX	XXX					
6. 2013	XXX	XXX	XXX	XXX				
7. 2014	XXX	XXX	XXX	XXX	XXX			
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
PART 4 - Present Value of Incurred Claims								
1. Prior								
2. 2009								
3. 2010	XXX							
4. 2011	XXX	XXX						
5. 2012	XXX	XXX	XXX					
6. 2013	XXX	XXX	XXX	XXX				
7. 2014	XXX	XXX	XXX	XXX	XXX			
8. 2015	XXX	XXX	XXX	XXX	XXX	XXX		
9. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	

* 9 5 7 2 2 2 0 1 6 3 0 4 0 0 0 0 0 *

LONG-TERM CARE EXPERIENCE REPORTING FORM 4
LIFE AND ANNUITY PRODUCTS WITH LTC ACCELERATED BENEFITS

REPORTING YEAR 2016

NAIC Group Code: 0 (To Be Filed By April 1) NAIC Company Code: 95722

Incurred Year	1 Number of Policies In Force	2 Number of Certificates	3 Death Claims	4 LTC Accelerated Claims	5 Total Reserves
A. Individual					
1. Current					
2. Prior					
3. 2nd Prior					
B. Group					
1. Current					
2. Prior					
3. 2nd Prior					
C. Summary					
1. Total Inception-to-Date					

Total Reserves are reserves for these particular life products with LTC accelerated benefits.

Incurred claims are only the policies that claims have been triggered due to acceleration.

LONG-TERM CARE EXPERIENCE REPORTING FORM 5
EXPERIENCE IN THE STATE OF GRAND TOTAL

REPORTING YEAR 2016

NAIC Group Code: 0 (To Be Filed By April 1) NAIC Company Code: 95722

	1 Earned Premiums	2 Incurred Claims	3 Inforce Count End of Year	4 Lives In Force End of Year
1. Individual				
2. Group				
3. Total	0	0	0	0
4. Actual total reported experience through prior year			XXX	XXX
5. Actual total reported experience through statement year	0	0	XXX	XXX

FIRST MEDICAL HEALTH PLAN, INC.
MANAGEMENT DISCUSSION AND ANALYSIS
AS OF DECEMBER 31, 2016

The following analysis of fluctuations and results of operations of the Company should be read in conjunction with the Financial Statements included in this document.

Company Background

The Company is a corporation organized in February 1977 under the laws of the Commonwealth of Puerto Rico. The Corporation is authorized to provide, with profit motive, services related with health care as approved by the Office of the Insurance Commissioner of Puerto Rico.

There has been a significant increase in revenue over the past five years. Premium revenues are derived mainly from the Central Government Municipalities and Government agencies, which comprises approximately 44% of total revenues for the current year. It is one of the largest providers of health care services to public employees in Puerto Rico. Also, the premiums for the Governmental Health Plan have accounted for a significant increase in premium revenue for the last year.

During the last part of 2005, the Company commenced marketing and selling its Medicare Advantage products to the elderly population. In the year 2011 First Medical entered into a contract to provide all the health care services and supplies that are covered by Medicare Advantage Product and the Medicaid wraparound benefit knows as Medicare Platino; to serve "dual eligible" population and the government employees qualified to participate as "dual" in the PRHIA program. Effective on October 1, 2014, First Medical Health Plan, Inc. discontinued the Medicare Advantage line of business, through a novation agreement with Innovacare, Inc. This transaction was properly approved by the Office of Insurance Commissioner as part of our business capitalization plan.

Effective on April 1, 2015, First Medical Health Plan, Inc. was granted by the Puerto Rico Health Insurance Administration (ASES) a contract for the administration of health insurance benefits under the Medicaid and the Children's Health Insurance Program ("CHIP") in the Commonwealth, serving a mixed population including not only the Medicaid and CHIP populations, but also other eligible individuals as established in Act 72; to comply with Puerto Rico's public policy objectives of creating GHP, an integrated system of physical and Behavioral Health Services, with an emphasis on preventative services and access to quality care. Although FMHP made a proposal for two regions, North and Virtual, ASES finally adjudicated three regions: North, San Juan and Virtual. This fact resulted in the increase of the total membership to nearly 562,000 members at the end of the current year, which represent 56% of the total revenues.

Consolidated Results of Operations and Prospective Information

The following table summarizes the results of operations:

	2016	2015
Operating revenue	$1,051,954,711	$882,744,784
Health care costs	958,822,299	804,242,128
Gross profit	93,132,412	78,502,656
Selling, general & administrative	82,740,534	91,354,007
Operating income (loss)	10,391,878	(12,851,351)
Other income and (expenses)	1,303,810	322,554
Income Before Taxes	11,695,688	(12,528,797)
Provision for Income Tax	-	-
Net Income (Loss)	$ 11,695,858	$(12,528,797)

Revenue

There has been a significant increase in revenue over the past five years, specially from prior to current year. In the Commercial line of business, premium revenues are derived mainly from the Central Government Municipalities and Government agencies, which comprises approximately 70% of the revenues in this line of business. The Organization is the largest provider of health care services to public employees in Puerto Rico.

The Governmental Health Plan accounted for $592.4 millions in premium revenues for the year 2016, as result of the contract with ASES that began in April 1, 2015 for the administration of health benefits for three regions. This resulted in adding nearly 290,000 members to the total population served by FMHP, membership that remained mostly consistent during the period ended 12/31/2016.

Effective on January 1, 2016, ASES commenced to discount 1% from the payments made to FMHP due to a quality reserve, for which recoupment is subject to the compliance with certain quality measures detailed in the contract. This withholding increased to 2% effective on July 1, 2016. During the year ended in December 31, 2016, ASES began to reimburse to the Organization a portion of the funds withheld based on the full compliance with the quality measures successfully implemented. As of December 31, 2016, the Organization is pending for the reimbursement of the additional portions of the amounts withheld. FMHP continues its effective working plan in place to ensure full compliance with those quality measures and the collection of the full premium amounts.

During the year ended December 31, 2016, the Company also started Administrative Service Organization (ASO) agreements as third party administrator with certain private groups. Under these agreements, First Medical manages the processing and payments to providers for health services rendered to the members of these private groups, without assuming any risk, for an established admin fee.

Medical Costs

Health care costs include claims payments and other costs incurred to provide health insurance costs to its members, as well as estimates of future payments for medical costs provided prior to the balance sheet date. The estimate of future medical claims and other medical expense payments are made on methods and assumptions based on claims payment submission patterns, medical cost inflation, historical and future developments such as new diseases development, coverage changes, terminal illness cases, increase in use of health care services, new government mandated benefits or other regulatory changes and other relevant factors. Company's costs consist of services provided by hospitals, clinics, pharmacies, eye care, physicians, and laboratories among others. Total consolidated health care costs amounted to $946 million, which represents a utilization ratio for 2016 and 2015 of 90.87% and 91.11% respectively.

The main challenges in medical cost are related to the general increase in pharmacy costs trend that the industry has been facing during the last 12 months, particularly in the Governmental Health Plan. Also, increases in rates to physicians and specialists necessary to retain their contracts due to the continuing migration of these health professionals out of our local market.

At the beginning of 2016 the Organization approved and implemented an aggressive working plan and business initiatives and strategies to enhance the operations, bring premium levels to appropriate levels, increase savings in medical costs, but at the same time focused in the medical needs of our plan members and best business practices. Those initiatives are summarized as follows:

1. Activities to Improve Health Quality
2. Preferred Provider Networks
3. Multidisciplinary Clinics
4. Increase in Premiums for Individuals
5. Opportunities in the Private Sector
6. Increase in Deductibles and Copayments
7. Specialized Pharmacy Network
8. Administrative Services Organizations (ASO)
9. Initiatives for Increase in Membership
10. Recovery Audits
11. Initiatives for the Efficient Use of ERs

Our solid business relationship with our TPA provides Utilization Management services for Commercial and Governmental Health Plan populations, providing an operational system to assure the quality of service, appropriateness of hospitalization using objective criteria for which payment is validated thru a concurrent and retrospective review of all admissions. We are responsible for managing the appropriate utilization of resources in the inpatient setting according to the established policies and criteria.

During this year we also started an initiative for retrospective review of the emergency room cases, to ensure that the population receive quality healthcare service with a responsible an efficient use of the available resources by the contracted providers. The program started as a pilot plan and we are expanding it to several other areas within the island.

Another utmost important and successful initiative has been the implementation of the Medhok platform, which provides for the continued integration of the systems used for Eligibility, Credentials, Pre-authorizations, Grievances, Clinical Data, and Quality Initiatives, among others. We have completed this implementation within the Governmental Health Plan line of business, and started its expansion to the Commercial line of business.

Multidisciplinary Clinics are playing a very important role to control medical costs. Through our affiliated clinics, we have established Diabetes Clinics which provide services from family medicine specialists, nutritionists and social workers under the direct supervision of Endocrinologists. The first clinic of this kind was opened at the end of 2015 in the North area, and the second one opened at the East of the metropolitan area.

Quality Initiatives have been a major player in our business strategy plan during this year. First Medical implemented an aggressive Quality program for the handling and follow up of the necessary quality projects based on clinical and not clinical factors that may need improvement. The program includes formal administrative structure and board, which directly reports to the Administration and Board of Directors. The plan develops guidance and working initiatives on a short, medium and long range timeframes, and is designed considering those higher standards of confidentiality for the adequate protection of patients and providers.

The capitation of Inpatient Services has been also one of the most important initiatives implemented during the year 2016. The inpatient health services were fully capitated through written and formal agreements with certain providers that assumed the full risk of such services, though the design of preferred provider networks. As part of the working plans and strategies to be implemented during the next year, the Organization is designing the expansion of the capitation initiative to Outpatient Services.

Selling, General and Administrative

The Company is related to International Medical Card, Inc. (IMC) which is a corporation engaged in processing claims and payments to health care providers contracted by the Company. First Medical Health Plan, Inc. pays an administrative fee to IMC for its services based on monthly membership.

During the year 2016, the Company continued a strong control over its general and administrative expenses. State and Federal taxes known, such as PCORI, National Tax, Special Additional Tax 1%, and HIP Tax remained during the year and represented of approximately 2.75% in the administrative expenses showed in the accompanying

Financial Statements. The actual administrative and general expenses excluding these taxes amounted to 8%, compared to 10% in the previous year.

The Organization continues growing in the Commercial line of business market, particularly in the products offered to individuals, and continues performing successfully in the Medicaid segment. We continue investing in the best technology to fulfill the requirements of the continuous challenges at the Commercial and Medicaid Programs, as well as the creation and implementation of initiatives for case management, disease management, and prevention and education programs, among others.

Provision for Special Taxes and Other Taxes - The local and federal taxes imposed by both governments resulted in a substantial impact of $5.2 million for PCORI and Legislative 1% Tax for the year 2016, and HIP Fee tax impacted our operations for $7.6 million. The Federal government declared a waiver on the HIP Fee for the year 2017, which will result in savings of approximately $7.5mm for this year.

Income Tax

First Medical has net operating loss carryforward available to offset future business income. However, local tax laws limit the allowable carryforward deduction to 80% of current year net income. For the year ended December 31, 2016, income tax provision amounts to $1 million.

Result of Operations - Net Income and Financial Condition

Compared to the previous year, during 2016 the Company improved substantially its net income as result of the initiatives discussed above and implemented during the year. The main drivers for this improvement were the Inpatient Capitation initiative, approved increases in premiums for certain segments of the Commercial business, the redesign of coverage, deductibles and benefits to various governmental groups, among others. In addition, a 7.5% increase in the premiums for the Governmental Health Plan during half of the year contributed to the financial improvement of our operations.

The primary sources of cash for the Company are from premiums collected and investment income. It has various saving certificates in bank accounts. Among these, $600,000 is pledged with the Puerto Rico Office of the Insurance Commissioner in accordance with the Puerto Rico Insurance Code.

Accounts receivable is composed mainly of government agencies and municipalities. Receivables are in line with prior year.

Claims payable and claims reserve cover for increase in volume, additional benefits and coverage, medical and drugs costs increases, terminal illness exposure, inflation and other factors. The transferring of risk under the inpatient capitation agreements resulted in favorable changes in the required claim reserves.

The major components of general expenses due or accrued are salaries and benefits, network administrative fees, professional services and advertising.

First Medical developed successful business strategic plans for the commercial line of business that resulted in a substantially improved financial position for the year 2016. Our main initiatives are focused to enhance and promote excellency in quality and cost-effective utilization initiatives without affecting the quality, access and service to both providers and patients population. The initiatives included in our working plan will keep us positioned in advance to be ready for the actual reductions, contributions and the serious fiscal situation that affect the Island.

All Health Insurance and Health Organization are required by the Insurance Commissioner of Puerto Rico to comply with the capital levels as established by the National Association of Insurance Commissioners ("NAIC") RBC Model Act. Recently, in the Year 2010, Insurance Regulation No. 92 ("Rule 92") entered into effect in Puerto Rico. This rule established guidelines to implement the RBC requirements. This Rule provides two options for a gradual compliance and a five-year transition period, including dividend payment restriction and exemption to comply with requirements.

During the year 2015, First Medical Health Plan, Inc. solvency requirements were affected mostly by the increase in premium revenue to the incursion of the Company in the Governmental Health Plan, and unfavorable results in the operations for that year. A financial plan was submitted to the Office of the Commissioner of Insurance, which we have been monitoring constantly during the year 2016, and focusing in the financial improvement of the Company. This plan is being currently reviewed and we are confident that our strategic plan will ensure for the compliance of the required solvency levels

First Medical Health Plan, Inc. continues monitoring constantly the solvency of our operations, identifying any risk and or weakness and implementing the necessary actions and initiatives. In the remote and unlikely possible event that these levels of capital are in risk, our Organization is part of a group of successful business organizations, as showed in Formulary B filed at the Office of Insurance Commissioner, with an estimate capital of over $300 million, which have an utmost financial, social and moral commitment with our country, with a solid financial capital.

CENTENO
FIGUEROA & Co.CPA, PSC
Certified Public Accountants
BUSINESS ADVISORS

Board of Directors
First Medical Health Plan, Inc.
San Juan, Puerto Rico

Report on the Financial Statements

We have audited the accompanying statutory statements of admitted assets, liabilities, capital and surplus of First Medical Health Plan, Inc. as of December 31, 2016 and 2015 and the related statements of revenues, expenses and changes in capital and surplus, and statements of cash flows for the years then ended and the related notes to the financial statements.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this include the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure of the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

101 San Patricio Ave., Suite 860, Guaynabo, P.R. 00968 | Tel. 787-706-3060 | Fax 787-706-3048 | www.centenofigueroa.com

Opinion

In our opinion, the financial statements referred to above, present fairly, in all material respects, the admitted assets, liabilities, capital and surplus of First Medical Health Plan, Inc. at December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in conformity with accounting practices prescribed by the Puerto Rico Office of the Insurance Commissioner.

CENTENO FIGUEROA & CO. CPA, PSC
CONTADORES PUBLICOS AUTORIZADOS DE PUERTO RICO
LIC. 224

Centeno Figueroa & Co.
Centeno Figueroa & Co. CPA, PSC

March 31, 2017
Guaynabo, PR