

**ANNUAL STATEMENT**

**OF THE**

**MCS Life Insurance Company**

**of**

**San Juan**

**in the state of**

**Puerto Rico**

**TO THE**

**Insurance Department**

**OF THE STATE OF**

**Puerto Rico**

**For the Year Ended**  
**DECEMBER 31, 2017**

**2017**



# ANNUAL STATEMENT

## For the Year Ended DECEMBER 31, 2017

### OF THE CONDITION AND AFFAIRS OF THE

# MCS Life Insurance Company

NAIC Group Code	1301 <small>(Current Period)</small>	1301 <small>(Prior Period)</small>	NAIC Company Code	60030	Employer's ID Number	66-0520918
Organized under the Laws of	Puerto Rico		State of Domicile or Port of Entry	PR		
Country of Domicile	Puerto Rico					
Incorporated/Organized	02/02/1995		Commenced Business	01/01/1996		
Statutory Home Office	Suite 900 255 Ponce de Leon Avenue <small>(Street and Number)</small>			San Juan, PR, 00917 <small>(City or Town, State, Country and Zip Code)</small>		
Main Administrative Office	Suite 900 255 Ponce de Leon Ave <small>(Street and Number)</small>					
	San Juan, PR, 00917 <small>(City or Town, State, Country and Zip Code)</small>			(787)758-2500-2920 <small>(Area Code) (Telephone Number)</small>		
Mail Address	P O Box 193310 <small>(Street and Number or P.O. Box)</small>			San Juan, PR, 00919-3310 <small>(City or Town, State, Country and Zip Code)</small>		
Primary Location of Books and Records	Suite 900 255 Ponce de Leon Ave <small>(Street and Number)</small>					
	San Juan, PR, 00917 <small>(City or Town, State, Country and Zip Code)</small>			(787)758-2500-2920 <small>(Area Code) (Telephone Number)</small>		
Internet Website Address	www.mcs.com.pr					
Statutory Statement Contact	David P Schaffer <small>(Name)</small>			(787)758-2500-2920 <small>(Area Code)(Telephone Number)(Extension)</small>		
	davids@medicalcardsystem.com <small>(E-Mail Address)</small>			(787)764-5866 <small>(Fax Number)</small>		

### OFFICERS

Name	Title
Roberto Pando	President
Yumac Velez	CFO
Rosa M Lázaro	Secretary

### OTHERS

### DIRECTORS OR TRUSTEES

Eugene Davis Paul S Levy Cyril Meduna Jose R Aponte Yumac Velez	Gerald Landgraf James P O'Drobinak Keith Maib Roberto Pando Richard Luna
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State of           Puerto Rico            
 County of           US                ss

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

_____ (Signature) Roberto Pando (Printed Name) 1. President (Title)	_____ (Signature) Yumac Velez (Printed Name) 2. Chief Financial Officer (Title)	_____ (Signature) _____ (Printed Name) 3. _____ (Title)
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2018

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

Yes[X] No[ ]

\_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 (Notary Public Signature)

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	32,669,124		32,669,124	9,206,029
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	359,150		359,150	354,860
2.2 Common Stocks .....				215,532
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....42,953,383, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA) .....	42,953,383		42,953,383	39,622,455
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....				
10. Securities Lending Reinvested Collateral Assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	75,981,657		75,981,657	49,398,875
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	111,315		111,315	66,816
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	14,525,158		14,525,158	12,139,792
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....	6,108,290		6,108,290	6,039,967
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$.....0) and other amounts receivable .....	816,356		816,356	1,063,183
25. Aggregate write-ins for other than invested assets .....	485,000	485,000		
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	98,027,775	485,000	97,542,775	68,708,634
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	98,027,775	485,000	97,542,775	68,708,634
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. Prepaid expenses and other deposits .....	485,000	485,000		
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	485,000	485,000		

## LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$.....0 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve) .....		
2. Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve) .....		
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve) .....		
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Column 1 less sum of Columns 9, 10, and 11) .....	250,000	250,000
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Columns 9, 10, and 11) .....	31,459,775	27,056,822
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10) .....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco) .....		
6.2 Dividends not yet apportioned (including \$.....0 Modco) .....		
6.3 Coupons and similar benefits (including \$.....0 Modco) .....		
7. Amount provisionally held for deferred dividend policies not included in Line 6 .....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....1,528,447 accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Lines 4 and 14) .....	1,528,447	2,167,023
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts .....		
9.2 Provision for experience rating refunds, including the liability of \$.....0 accident and health experience rating refunds of which \$.....0 is for medical loss ratio rebate per the Public Health Service Act .....		
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....0 ceded .....		
9.4 Interest Maintenance Reserve (IMR, Line 6) .....		
10. Commissions to agents due or accrued-life and annuity contracts \$.....0 accident and health \$.....0 and deposit-type contract funds \$.....0 .....	1,331,550	1,205,972
11. Commissions and expense allowances payable on reinsurance assumed .....		
12. General expenses due or accrued (Exhibit 2, Line 12, Column 6) .....	3,423,984	2,903,517
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances) .....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5) .....	3,094,398	3,083,086
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses) .....	2,910,371	1,803,766
15.2 Net deferred tax liability .....	21,537	25,175
16. Unearned investment income .....		
17. Amounts withheld or retained by company as agent or trustee .....	616,331	987,778
18. Amounts held for agents' account, including \$.....0 agents' credit balances .....		
19. Remittances and items not allocated .....		
20. Net adjustment in assets and liabilities due to foreign exchange rates .....		
21. Liability for benefits for employees and agents if not included above .....		
22. Borrowed money \$.....0 and interest thereon \$.....0 .....		
23. Dividends to stockholders declared and unpaid .....		
24. Miscellaneous liabilities:		
24.01 Asset Valuation Reserve (AVR, Line 16, Column 7) .....	203,220	197,971
24.02 Reinsurance in unauthorized and certified (\$.....0) companies .....		
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$.....0) reinsurers .....		
24.04 Payable to parent, subsidiaries and affiliates .....	4,730,171	5,168,342
24.05 Drafts outstanding .....	670,549	455,624
24.06 Liability for amounts held under uninsured plans .....	3,743,448	2,852,372
24.07 Funds held under coinsurance .....		
24.08 Derivatives .....		
24.09 Payable for securities .....		
24.10 Payable for securities lending .....		
24.11 Capital notes \$.....0 and interest thereon \$.....0 .....		
25. Aggregate write-ins for liabilities .....		
26. TOTAL Liabilities excluding Separate Accounts Business (Lines 1 to 25) .....	53,983,780	48,157,447
27. From Separate Accounts Statement .....		
28. TOTAL LIABILITIES (Lines 26 and 27) .....	53,983,780	48,157,447
29. Common capital stock .....	2,500,000	2,500,000
30. Preferred capital stock .....		
31. Aggregate write-ins for other than special surplus funds .....	6,200,000	
32. Surplus Notes .....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Column 2 plus Page 4, Line 51.1, Column 1) .....	7,760,000	7,760,000
34. Aggregate write-ins for special surplus funds .....		
35. Unassigned funds (surplus) .....	27,098,995	10,291,187
36. Less treasury stock, at cost:		
36.1 .....0 shares common (value included in Line 29 \$.....0) .....		
36.2 .....0 shares preferred (value included in Line 30 \$.....0) .....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (Including \$.....0 in Separate Accounts Statement) .....	41,058,995	18,051,187
38. TOTALS of Lines 29, 30 and 37 (Page 4, Line 55) .....	43,558,995	20,551,187
39. TOTALS of Lines 28 and 38 (Page 2, Line 28, Column 3) .....	97,542,775	68,708,634
<b>DETAILS OF WRITE-INS</b>		
2501. ....		
2502. ....		
2503. ....		
2598. Summary of remaining write-ins for Line 25 from overflow page .....		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....		
3101. Federal Health Provider (IPF) .....	6,200,000	
3102. ....		
3103. ....		
3198. Summary of remaining write-ins for Line 31 from overflow page .....		
3199. TOTALS (Lines 3101 through 3103 plus 3198) (Line 31 above) .....	6,200,000	
3401. ....		
3402. ....		
3403. ....		
3498. Summary of remaining write-ins for Line 34 from overflow page .....		
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) .....		

## SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col.11)	309,966,818	308,418,224
2. Considerations for supplementary contracts with life contingencies		
3. Net investment income (Exhibit of Net Investment Income, Line 17)	391,011	179,135
4. Amortization of Interest Maintenance Reserve (IMR, Line 5)		
5. Separate Accounts net gain from operations excluding unrealized gains or losses		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Column 1)		
7. Reserve adjustments on reinsurance ceded		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts		
8.2 Charges and fees for deposit-type contracts		
8.3 Aggregate write-ins for miscellaneous income		
9. TOTALS (Lines 1 to 8.3)	310,357,829	308,597,359
10. Death benefits	430,750	432,125
11. Matured endowments (excluding guaranteed annual pure endowments)		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Columns 4 + 8)		
13. Disability benefits and benefits under accident and health contracts	244,616,688	257,302,037
14. Coupons, guaranteed annual pure endowments and similar benefits		
15. Surrender benefits and withdrawals for life contracts		
16. Group conversions		
17. Interest and adjustments on contract or deposit-type contract funds		
18. Payments on supplementary contracts with life contingencies		
19. Increase in aggregate reserves for life and accident and health contracts		
20. TOTALS (Lines 10 to 19)	245,047,438	257,734,162
21. Commissions on premiums, annuity considerations, and deposit type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1)	13,617,450	11,797,705
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Column 1)		
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	19,997,003	18,778,298
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Columns 1 + 2 + 3)	3,799,436	3,728,606
25. Increase in loading on deferred and uncollected premiums		
26. Net transfers to or (from) Separate Accounts net of reinsurance		
27. Aggregate write-ins for deductions		5,348,734
28. TOTALS (Lines 20 to 27)	282,461,327	297,387,505
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	27,896,502	11,209,854
30. Dividends to policyholders		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	27,896,502	11,209,854
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	4,868,993	1,957,862
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	23,027,509	9,251,992
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....0 (excluding taxes of \$.....0 transferred to the IMR)	(596,246)	(35,000)
35. Net Income (Line 33 plus Line 34)	22,431,263	9,216,992
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Column 2)	20,551,187	10,392,238
37. Net Income (Line 35)	22,431,263	9,216,992
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(18,189)	69,855
39. Change in net unrealized foreign exchange capital gain (loss)		
40. Change in net deferred income tax	3,638	(13,971)
41. Change in nonadmitted assets	596,346	(1,035,044)
42. Change in liability for reinsurance in unauthorized companies and certified companies		
43. Change in reserve on account of change in valuation basis, (increase) or decrease		
44. Change in asset valuation reserve	(5,250)	(78,883)
45. Change in treasury stock (Page 3, Lines 36.1 and 36.2 Column 2 minus Column 1)		
46. Surplus (contributed to) withdrawn from Separate Accounts during period		
47. Other changes in surplus in Separate Accounts Statement		
48. Change in surplus notes		
49. Cumulative effect of changes in accounting principles		
50. Capital changes:		
50.1 Paid in		
50.2 Transferred from surplus (Stock Dividend)		
50.3 Transferred to surplus		
51. Surplus adjustment:		
51.1 Paid in		2,000,000
51.2 Transferred to capital (Stock Dividend)		
51.3 Transferred from capital		
51.4 Change in surplus as a result of reinsurance		
52. Dividends to stockholders		
53. Aggregate write-ins for gains and losses in surplus		
54. Net change in capital and surplus for the year (Lines 37 through 53)	23,007,808	10,158,949
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	43,558,995	20,551,187
<b>DETAILS OF WRITE-INS</b>		
08.301.		
08.302.		
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page		
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)		
2701. Federal Health Insurance Providers Fees		5,348,734
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page		
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)		5,348,734
5301.		
5302.		
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page		
5399. TOTALS (Lines 5301 through 5303 plus 5398) (Line 53 above)		

**CASH FLOW**

		1	2
		Current Year	Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	307,605,125	312,526,457
2.	Net investment income .....	447,295	235,291
3.	Miscellaneous income .....		
4.	TOTAL (Lines 1 through 3) .....	308,052,420	312,761,748
5.	Benefit and loss related payments .....	240,644,484	267,149,545
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	35,933,778	43,590,652
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	3,762,388	0
10.	TOTAL (Lines 5 through 9) .....	280,340,650	310,740,197
11.	Net cash from operations (Line 4 minus Line 10) .....	27,711,769	2,021,551
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	3,600,907	1,880,946
12.2	Stocks .....	221,780	
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 .....	(405,269)	
12.7	Miscellaneous proceeds .....		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7) .....	3,417,418	1,880,946
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	27,384,488	4,947,038
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....	0	
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6) .....	27,384,488	4,947,038
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(23,967,070)	(3,066,092)
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....		2,000,000
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) .....	(413,771)	(4,550,480)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(413,771)	(2,550,480)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	3,330,928	(3,595,021)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	39,622,455	43,217,476
19.2	End of year (Line 18 plus Line 19.1) .....	42,953,383	39,622,455

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

20.0001	.....		
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**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts	309,966,818						2,154,270		285,117,822		22,694,725	
2. Considerations for supplementary contracts with life contingencies												
3. Net investment income	391,011						2,700		360,043		28,268	
4. Amortization of Interest Maintenance Reserve (IMR)												
5. Separate Accounts net gain from operations excluding unrealized gains or losses												
6. Commissions and expense allowances on reinsurance ceded												
7. Reserve adjustments on reinsurance ceded												
8. Miscellaneous Income												
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts												
8.2 Charges and fees for deposit-type contracts												
8.3 Aggregate write-ins for miscellaneous income												
9. TOTALS (Lines 1 to 8.3)	310,357,829						2,156,971		285,477,865		22,722,994	
10. Death benefits	430,750						430,750					
11. Matured endowments (excluding guaranteed annual pure endowments)												
12. Annuity benefits												
13. Disability benefits and benefits under accident and health contracts	244,616,688								225,811,417		18,805,271	
14. Coupons, guaranteed annual pure endowments and similar benefits												
15. Surrender benefits and withdrawals for life contracts												
16. Group conversions												
17. Interest and adjustments on contract or deposit-type contract funds												
18. Payments on supplementary contracts with life contingencies												
19. Increase in aggregate reserves for life and accident and health contracts												
20. TOTALS (Lines 10 to 19)	245,047,438						430,750		225,811,417		18,805,271	
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	13,617,450						(50,375)		13,261,794		406,030	
22. Commissions and expense allowances on reinsurance assumed												
23. General insurance expenses	19,997,003						189,046		18,347,017		1,460,941	
24. Insurance taxes, licenses and fees, excluding federal income taxes	3,799,436						29,486		3,491,897		278,054	
25. Increase in loading on deferred and uncollected premiums												
26. Net transfers to or (from) Separate Accounts net of reinsurance												
27. Aggregate write-ins for deductions												
28. TOTALS (Lines 20 to 27)	282,461,327						598,907		260,912,125		20,950,295	
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 - Line 28)	27,896,502						1,558,064		24,565,740		1,772,698	
30. Dividends to policyholders												
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 - Line 30)	27,896,502						1,558,064		24,565,740		1,772,698	
32. Federal income taxes incurred (excluding tax on capital gains)	4,868,993						272,008		4,308,464		288,522	
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	23,027,509						1,286,056		20,257,276		1,484,176	
<b>DETAILS OF WRITE-INS</b>												
08.301.												
08.302.												
08.303.												
08.398. Summary of remaining write-ins for Line 8.3 from overflow page												
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)												
2701. Federal Health Providers Fees												
2702.												
2703.												
2798. Summary of remaining write-ins for Line 27 from overflow page												
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)												

(a) Includes the following amounts for FEGLI/SGLI: Line 1 \$.....0, Line 10 \$.....0, Line 16 \$.....0, Line 23 \$.....0, Line 24 \$.....0.

## ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
<b>Involving Life or Disability Contingencies (Reserves)</b>								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year .....								
2. Tabular net premiums or considerations .....								
3. Present value of disability claims incurred .....					X X X			
4. Tabular interest .....								
5. Tabular less actual reserve released .....								
6. Increase in reserve on account of change in valuation basis .....								
6.1 Change in Excess of VM-20 Deterministic / Stochastic Reserve over Net Premium Reserve .....				X X X	X X X	X X X	X X X	X X X
7. Other increases (net) .....								
8. TOTALS (Lines 1 to 7) .....								
9. Tabular cost .....					X X X			
10. Reserves released by death .....				X X X	X X X			X X X
11. Reserves released by other terminations (net) .....								
12. Annuity, supplementary contract, and disability payments involving life contingencies .....								
13. Net transfers to or (from) Separate Accounts .....								
14. TOTAL Deductions (Lines 9 to 13) .....								
15. Reserve December 31, current year .....								

N O N E

## EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 215,522	203,854
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 96,728	43,988
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 24,778	24,778
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 148,425	148,425
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. TOTAL Gross investment income	485,452	421,044
11. Investment expenses		(g) 30,033
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. TOTAL Deductions (Lines 11 through 15)		30,033
17. Net Investment income (Line 10 minus Line 16)		391,011

**DETAILS OF WRITE-INS**

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

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

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(32)		(32)		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	(219,670)		(219,670)		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)				4,290	
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)		28,726	28,726	(22,479)	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments		(405,270)	(405,270)		
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	(219,702)	(376,544)	(596,246)	(18,189)	

**DETAILS OF WRITE-INS**

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

**EXHIBIT 1 - PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS**

6

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group and Individual)	10 Other	
<b>FIRST YEAR (other than single)</b>											
1.	Uncollected										
2.	Deferred and accrued										
3.	Deferred, accrued and uncollected:										
3.1	Direct										
3.2	Reinsurance assumed										
3.3	Reinsurance ceded										
3.4	Net (Line 1 + Line 2)										
4.	Advance										
5.	Line 3.4 - Line 4										
6.	Collected during year:										
6.1	Direct										
6.2	Reinsurance assumed										
6.3	Reinsurance ceded										
6.4	Net										
7.	Line 5 + Line 6.4										
8.	Prior year (uncollected + deferred and accrued - advance)										
9.	First year premiums and considerations:										
9.1	Direct										
9.2	Reinsurance assumed										
9.3	Reinsurance ceded										
9.4	Net (Line 7 - Line 8)										
<b>SINGLE</b>											
10.	Single premiums and considerations:										
10.1	Direct										
10.2	Reinsurance assumed										
10.3	Reinsurance ceded										
10.4	Net										
<b>RENEWAL</b>											
11.	Uncollected	14,525,158						13,878,233		646,925	
12.	Deferred and accrued										
13.	Deferred, accrued and uncollected:										
13.1	Direct	14,525,158						13,878,233		646,925	
13.2	Reinsurance assumed										
13.3	Reinsurance ceded										
13.4	Net (Line 11 + Line 12)	14,525,158						13,878,233		646,925	
14.	Advance	1,528,447						1,094,395		434,051	
15.	Line 13.4 - Line 14	12,996,711						12,783,838		212,874	
16.	Collected during year:										
16.1	Direct	310,510,878				2,416,373		285,262,165		22,832,340	
16.2	Reinsurance assumed										
16.3	Reinsurance ceded	1,400,980				262,103		1,046,812		92,065	
16.4	Net	309,109,899				2,154,270		284,215,353		22,740,276	
17.	Line 15 + Line 16.4	322,106,610				2,154,270		296,999,190		22,953,149	
18.	Prior year (uncollected + deferred and accrued - advance)	12,139,792						11,881,368		258,424	
19.	Renewal premiums and considerations:										
19.1	Direct	311,367,797				2,416,373		286,164,634		22,786,790	
19.2	Reinsurance assumed										
19.3	Reinsurance ceded	1,400,980				262,103		1,046,812		92,065	
19.4	Net (Line 17 - Line 18)	309,966,818				2,154,270		285,117,822		22,694,725	
<b>TOTAL</b>											
20.	TOTAL Premiums and annuity considerations:										
20.1	Direct	311,367,797				2,416,373		286,164,634		22,786,790	
20.2	Reinsurance assumed										
20.3	Reinsurance ceded	1,400,980				262,103		1,046,812		92,065	
20.4	Net (Lines 9.4 + 10.4 + 19.4)	309,966,818				2,154,270		285,117,822		22,694,725	

**EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)**

	1	2	Ordinary		5	Group		Accident and Health			11
			3	4		6	7	8	9	10	
	Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
<b>DIVIDENDS AND COUPONS APPLIED (included in Part 1)</b>											
21.											
22.											
<b>REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED</b>											
23.											
23.1											
23.2											
23.3											
24.											
24.1											
24.2											
24.3											
25.											
25.1											
25.2											
25.3											
26.											
26.1											
26.2											
26.3											
<b>COMMISSIONS INCURRED (direct business only)</b>											
27.											
28.											
29.	13,617,450					(50,375)		13,261,794		406,030	
30.											
31.	13,617,450					(50,375)		13,261,794		406,030	

## EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5 Investment	6 Total
	1 Life	Accident and Health		4 All Other Lines of Business		
		2 Cost Containment	3 All Other			
1. Rent	1,134		144,979			146,113
2. Salaries and wages	17,489		2,236,084			2,253,573
3.11 Contributions for benefit plans for employees	1,069		136,735			137,804
3.12 Contributions for benefit plans for agents						
3.21 Payments to employees under non-funded benefit plans						
3.22 Payments to agents under non-funded benefit plans						
3.31 Other employee welfare	734		93,823			94,557
3.32 Other agent welfare						
4.1 Legal fees and expenses	331		42,315			42,646
4.2 Medical examination fees						
4.3 Inspection report fees						
4.4 Fees of public accountants and consulting actuaries	1,961		250,772			252,733
4.5 Expense of investigation and settlement of policy claims	18,548		2,371,502			2,390,050
5.1 Traveling expenses	173		22,152			22,326
5.2 Advertising	1,869		238,952			240,821
5.3 Postage, express, telegraph and telephone	542		69,287			69,829
5.4 Printing and stationery	613		78,430			79,043
5.5 Cost or depreciation of furniture and equipment						
5.6 Rental of equipment						
5.7 Cost or depreciation of EDP equipment and software	3		342			345
6.1 Books and periodicals	771		98,579			99,350
6.2 Bureau and association fees	37		4,668			4,705
6.3 Insurance, except on real estate	476		60,874			61,350
6.4 Miscellaneous losses	1,135		145,073			146,208
6.5 Collection and bank service charges	4,250		543,443			547,693
6.6 Sundry general expenses						
6.7 Group service and administration fees	137,911		17,632,890			17,770,801
6.8 Reimbursements by uninsured plans			(4,362,942)			(4,362,942)
7.1 Agency expense allowance						
7.2 Agents' balances charged off (less \$.....0 recovered)						
7.3 Agency conferences other than local meetings						
9.1 Real estate expenses						
9.2 Investment expenses not included elsewhere				30,033		30,033
9.3 Aggregate write-ins for expenses						
10. General expenses Incurred	189,046		19,807,958		30,033 (a)	20,027,037
11. General expenses unpaid December 31, prior year			2,903,517			2,903,517
12. General expenses unpaid December 31, current year			3,423,984			3,423,984
13. Amounts receivable relating to uninsured plans, prior year						
14. Amounts receivable relating to uninsured plans, current year						
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)	189,046		19,287,491		30,033	19,506,570

**DETAILS OF WRITE-INS**

09.301. Other expenses						
09.302.						
09.303.						
09.398. Summary of remaining write-ins for Line 9.3 from overflow page						
09.399. TOTALS (Lines 09.301 through 09.303 plus 09.398) (Line 9.3 above)						

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

## EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance			4 Investment	5 Total
	1 Life	Accident and Health			
		2 All Other Lines of Business	3 Investment		
1. Real estate taxes					
2. State insurance department licenses and fees	1,386	177,263			178,649
3. State taxes on premiums	25,831	3,302,709			3,328,540
4. Other state taxes, incl. \$.....0 for employee benefits	1,040	133,002			134,042
5. U.S. Social Security taxes	1,228	156,977			158,205
6. All other taxes					
7. Taxes, licenses and fees incurred	29,486	3,769,951			3,799,436
8. Taxes, licenses and fees unpaid December 31, prior year		3,083,086			3,083,086
9. Taxes, licenses and fees unpaid December 31, current year		3,094,398			3,094,398
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	29,486	3,758,638			3,788,124

## EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
	1. Applied to pay renewal premiums	
2. Applied to shorten the endowment or premium-paying period		
3. Applied to provide paid-up additions		
4. Applied to provide paid-up annuities		
5. TOTAL (Lines 1 through 4)		
6. Paid-in cash		
7. Left on deposit		
8. Aggregate write-ins for dividend or refund options		
9. TOTAL (Lines 5 through 8)		
10. Amount due and unpaid		
11. Provision for dividends or refunds payable in the following calendar year	<b>NONE</b>	
12. Terminal dividends		
13. Provision for deferred dividend contracts		
14. Amount provisionally held for deferred dividend contracts not included in line 13		
15. TOTAL (Lines 10 through 14)		
16. TOTAL from prior year		
17. TOTAL Dividends or refunds (Lines 9 + 15 - 16)		

**DETAILS OF WRITE-INS**

0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page		
0899. TOTALS (Lines 0801 through 0803 plus 0898) (Line 8 above)		

## EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
NONE					
9999999 Totals - (Net) -Page 3, Line 1 .....					

## EXHIBIT 5 - INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes[ ] No[X]  
 1.2 If not, state which kind is issued:  
     Non- participating contracts
- 2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes[ ] No[X]  
 2.2 If not, state which kind is issued.  
     Non- participating contracts
3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes[ ] No[X]  
 If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.
4. Has the reporting entity any assessment or stipulated premium contracts in force? Yes[ ] No[X]  
 If so, state:  
 4.1 Amount of insurance: \$ ..... 0  
 4.2 Amount of reserve: \$ ..... 0  
 4.3 Basis of reserve  
 4.4 Basis of regular assessments  
 4.5 Basis of special assessments  
 4.6 Assessments collected during the year \$ ..... 0
5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts
6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes[ ] No[X]  
 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$ ..... 0  
 6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1, and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: \$ ..... 0  
 Attach statement of methods employed in their valuation.
7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? Yes[ ] No[X]  
 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements: \$ ..... 0  
 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount  
 7.3 State the amount of reserves established for this business: \$ ..... 0  
 7.4 Identify where the reserves are reported in the blank
8. Does the reporting entity have any Contingent Deferred Annuity contracts or agreements in effect as of December 31 of the current year? Yes[ ] No[X]  
 8.1 If yes, state the total dollar amount of account value covered by these contracts or agreements: \$ ..... 0  
 8.2 State the amount of reserves established for this business: \$ ..... 0  
 8.3 Identify where the reserves are reported in the blank:
9. Does the reporting entity have any Guaranteed Lifetime Income Benefit contracts, agreements or riders in effect as of December 31 of the current year? Yes[ ] No[X]  
 9.1 If yes, state the total dollar amount of any account value associated with these contracts, agreements or riders: \$ ..... 0  
 9.2 State the amount of reserves established for this business: \$ ..... 0  
 9.3 Identify where the reserves are reported in the blank:

## EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due to Change
	2 Changed From	3 Changed To	
9999999 TOTAL (Column 4 Only) .....			

14 Exhibit 6 - Aggregate Reserve for Acc. and Health ..... NONE

15 Exhibit 7 - Deposit Type Contracts ..... NONE

## EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

### PART 1 - Liability End of Current Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1. Due and Unpaid:											
1.1 Direct											
1.2 Reinsurance assumed											
1.3 Reinsurance ceded											
1.4 Net											
2. In course of settlement:											
2.1 Resisted:											
2.11 Direct											
2.12 Reinsurance assumed											
2.13 Reinsurance ceded											
2.14 Net			(b)	(b)		(b)	(b)				
2.2 Other:											
2.21 Direct	17,034,521								16,103,314		931,207
2.22 Reinsurance assumed											
2.23 Reinsurance ceded											
2.24 Net	17,034,521		(b)	(b)		(b)	(b)		16,103,314	(b)	931,207
3. Incurred but unreported:											
3.1 Direct	14,675,255						250,000		13,494,873		930,382
3.2 Reinsurance assumed											
3.3 Reinsurance ceded											
3.4 Net	14,675,255		(b)	(b)		(b)	250,000		13,494,873	(b)	930,382
4. TOTALS:											
4.1 Direct	31,709,775						250,000		29,598,187		1,861,589
4.2 Reinsurance assumed											
4.3 Reinsurance ceded											
4.4 Net	31,709,775	(a)	(a)				250,000		29,598,187		1,861,589

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$.....0 in Column 2, \$.....0 in Column 3 and \$.....0 in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$.....0, Individual Annuities \$.....0, Credit Life (Group and Individual) \$.....0, and Group Life \$.....0, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$.....0, Credit (Group and Individual) Accident and Health \$.....0 and Other Accident and Health \$.....0 are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

## EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

### PART 2 - Incurred During the Year

	1	2	Ordinary			6	Group		Accident and Health		
			3	4	5		7	8	9	10	11
	Total	Industrial Life (a)	Life Insurance (b)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit (Group and Individual)	Other
1. Settlements during the year:											
1.1 Direct	240,644,484						430,750		220,910,322		19,303,412
1.2 Reinsurance assumed											
1.3 Reinsurance ceded											
1.4 Net (d)	240,644,484						430,750		220,910,322		19,303,412
2. Liability December 31, current year from Part 1:											
2.1 Direct	31,709,775						250,000		29,598,187		1,861,589
2.2 Reinsurance assumed											
2.3 Reinsurance ceded											
2.4 Net	31,709,775						250,000		29,598,187		1,861,589
3. Amounts recoverable from reinsurers December 31, current year											
4. Liability December 31, prior year:											
4.1 Direct	27,306,822						250,000		24,697,092		2,359,730
4.2 Reinsurance assumed											
4.3 Reinsurance ceded											
4.4 Net	27,306,822						250,000		24,697,092		2,359,730
5. Amounts recoverable from reinsurers December 31, prior year											
6. Incurred benefits:											
6.1 Direct	245,047,438						430,750		225,811,417		18,805,271
6.2 Reinsurance assumed											
6.3 Reinsurance ceded											
6.4 Net	245,047,438						430,750		225,811,417		18,805,271

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$.....0 in Line 6.4.  
 (b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$.....0 in Line 6.4.  
 (c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$.....0 in Line 6.4.  
 (d) Includes \$.....0 premiums waived under total and permanent disability benefits.

**EXHIBIT OF NONADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....			
13. Title plants (for Title insurers only) .....			
14. Invested income due and accrued .....			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....		662,249	662,249
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....			
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....			
21. Furniture and equipment, including health care delivery assets .....			
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivables from parent, subsidiaries and affiliates .....		65,035	65,035
24. Health care and other amounts receivable .....			
25. Aggregate write-ins for other than invested assets .....	485,000	354,062	(130,938)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	485,000	1,081,346	596,346
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. TOTAL (Lines 26 and 27) .....	485,000	1,081,346	596,346
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....			
2501. Prepaid expenses and other deposits .....	485,000	354,062	(130,938)
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	485,000	354,062	(130,938)

## Notes to Financial Statements

MCS Life Insurance Company (the "Company") is a wholly owned subsidiary of Medical Card System, Inc. ("MCS" and the Company's ultimate parent company) and operates as a life and health insurance company under the provisions of the Insurance Code and Insurance Regulations of the Commonwealth of Puerto Rico. On January 20, 2016, Medical Card System, Inc. ("MCS") entered into a Restructuring and Exchange Agreement (the Exchange Agreement) pursuant to which the MCS agreed to contribute substantially all of its operating assets, agreements and obligations to a newly formed subsidiary, MCS Healthcare Holding, LLC ("MCSHH"), as a contribution to capital in exchange for 100% of the membership interests in the same. As a result of this, the Company is now a wholly owned subsidiary of MCS Healthcare Holdings, LLC and Medical Card System, Inc., remained as the ultimately parent company. The Company, it is primarily engaged in offering group health and life insurance.

All of the Company's business is from insurance written in Puerto Rico, which exposes the Company to geographical risk. Substantially all of the premiums are due and collected on a monthly basis.

### 1. Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices

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

	<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>12/31/2017</u>	<u>12/31/2016</u>
<b>NET INCOME</b>					
(1) <u>MCS Life state basis (Page 4, Line 32, Columns 2 &amp; 3)</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>\$ 22,431,263</u>	<u>\$ 9,216,992</u>
(2) <u>State Prescribed Practices that increase/(decrease) NAIC SAP:</u>					
(3) <u>State Permitted Practices that increase/(decrease) NAIC SAP:</u>					
(4) <u>NAIC SAP (1-2-3=4)</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>\$ 22,431,263</u>	<u>\$ 9,216,992</u>
<b>SURPLUS</b>					
(5) <u>MCS Life state basis (Page 3, Line 33, Columns 3 &amp; 4)</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>\$ 43,558,995</u>	<u>\$ 20,551,187</u>
(6) <u>State Prescribed Practices that increase/(decrease) NAIC SAP:</u>					
(7) <u>State Permitted Practices that increase/(decrease) NAIC SAP:</u>					
(8) <u>NAIC SAP (5-6-7=8)</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>\$ 43,558,995</u>	<u>\$ 20,551,187</u>

#### B. Use of Estimates

Management used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with the NAIC Accounting Practices and Procedures Manual. The most significant items subject to such estimates and assumptions include deferred tax assets, valuation of investments, rebates to policyholders and claims liabilities. Actual results could differ from those estimates.

#### C. Accounting Policies

##### Revenue Recognition

Premiums are recorded as revenue when earned. Expenses incurred in connection to the acquisition of business, such as sales and broker commissions, are charged to operations as incurred. The Company also provides administrative services to self-insured contracts for certain groups. The Company charges self-insured groups administrative fees that are recorded as management service revenue when due.

## Notes to Financial Statements

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

### Cash, Cash Equivalent, and Short-Term Investments

The Company defines cash, cash equivalents, and short term investments as cash on hand and in bank, and certificates of deposit with maturity dates of one year or less from acquisition date. Cash equivalents are highly liquid investments with original maturities of three months or less.

### Claims Liabilities

Claims liabilities consist of the liability for reported claims and an estimate for claims incurred but not reported based on experience and accumulated statistical data. Loss adjustment expenses related to such claims are accrued currently based on estimated future expense necessary to process such claims. The methods for making such estimates and for establishing the resulting liability are continually reviewed, including periodic review by consulting actuaries, and any adjustments are reflected in the statutory statements of operations of the current year.

Certain Assets designated as non-admitted assets have been excluded from the statutory statements of admitted assets, liabilities and capital and surplus by a charge to surplus. Non Admitted assets as of December 31, 2017 consist of \$485,000 of prepaid expenses and other assets.

In addition, the company uses the following accounting policies:

1. Basis of valuation of short term investments - Short-term investments include debt securities with maturities of one year or less at the time of purchase and are stated at amortized cost, which approximates fair market value.
2. Basis of valuation of bonds - Debt securities are valued in accordance with rules promulgated by the NAIC. Debt securities eligible for amortization under such rules (classified 1 through 5 by the Securities and Valuation Office (SVO) of the NAIC) are stated at amortized cost net of unamortized premiums and/or discounts. Debt securities classified 6 by the SVO are stated at the lower of amortized cost or fair market value for entities that maintain an asset valuation reserve (AVR).
3. Basis of valuation of common stocks – Investments in common stocks are presented at estimated fair market value. Unrealized gains or losses on investments in common stock are accounted as direct increases or decreases in surplus.
4. Basis of valuation of preferred stock - Investments in nonredeemable preferred stock are presented at estimated fair market value. Unrealized gains or losses on investments in nonredeemable preferred stock are accounted as direct increases or decreases in surplus. A decline in the estimated fair value of any investment in debt securities, nonredeemable preferred and common stock below cost that is deemed to be other than temporary results in a reduction in the carrying amount to fair value. The impairment is charged to operations and a new cost basis for the security is established.
5. The company has no mortgage loans or real state.
6. The Company applies the provisions of SAP No. 43, Loan-Backed and Structured Securities (SSAP No. 43), which requires insurers to separate other-than-temporary impairments between interest and noninterest-related declines in the value of all loan-backed and structured securities. Premiums and discounts are amortized or accreted over the life of the investment as an adjustment to yield using the effective-interest method. Interest and dividend income are recognized when earned. Realized gains or losses on the sale of investments are included in the statutory statements of operations and are determined on a specific-identification basis.
7. The company does not have investments in subsidiaries or affiliated entities.
8. The company does not have investments in joint venture, partnership and limited liability entities.
9. The company does not invest in derivatives.
10. The company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
11. Independent care providers such as hospitals, physicians, clinics, and others provide health services under contractual arrangements. Services rendered to insured members are billed and paid on a fee-

## Notes to Financial Statements

for-service basis up to established limits based on eligible members. Claim payables represent accrued medical claims and related expenses (hospitalization and other outside medical services) for amounts billed and not paid and an estimate of cost incurred for unbilled services provided to the balance sheet date based on experience and accumulated statistical data on claims processed, incomplete and unreported. The liabilities are necessarily based on estimates and, while management believes that the amounts are adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in current operations.

12. The company has not modified its capitalization policy from the prior period.
13. The company estimate anticipated pharmacy rebates receivable using the analysis of historical recovery.
14. An asset valuation reserve is maintained for the purpose of stabilizing the surplus of the Company against fluctuations in the market value of bonds and stocks held as investments.

D. Going Concern – None

### 2. Accounting Changes and corrections of Errors

None

### 3. Business Combinations and Goodwill

- A. Statutory Purchase Method – None
- B. Statutory Merge – None
- C. Assumption Reinsurance – None
- D. Impairment Loss – None

### 4. Discontinued Operations

The company had no discontinued operations during the period ended December 31, 2017.

### 5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – Not applicable
- B. Debt Restructuring – None
- C. Reverse Mortgage – None
- D. Loan-Backed Securities
  1. Prepayment assumptions for mortgage-backed/loan-backed and structured securities were obtained from broker dealer survey values or internal estimates.
  2. Other-than temporary impairment – None.
  3. Each security, by CUSIP, with an Other-than-temporary impairment – None.
  4. All impaired securities for which an other than temporary impairment has not been recognized in earnings as a realized loss:

## Notes to Financial Statements

## a. The aggregate amount of unrealized losses:

1. Less than 12 months	\$	186,459
2. 12 Months or longer	\$	105,507

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

1. Less than 12 months	\$	25,243,019
2. 12 Months or longer	\$	4,841,805

The unrealized losses on investments in fixed income securities were caused mainly by changes in interest rates during 2017. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than the amortized cost of the investment. Because the Company has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired. In the case of the U.S. Treasury securities, management of the Company examined the guidance in SSAP No. 26, Bonds, Excluding Loan-Backed and Structured Securities, and concluded that the Company has the ability and intent to hold its investment in bonds until a market price recovery or maturity. For the mortgage-backed securities, management evaluated SSAP No. 43R, Loan-Backed and Structured Securities, and concluded that the Company does not intend to sell such security, and it is more likely that it will not be required to sell such security prior to the recovery of its amortized cost basis.

The amortized cost, gross unrealized gains, gross unrealized losses, and estimated fair value of investment securities at December 31, 2017 and 2016 were as follows:

	2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury securities and obligations of U.S. Government instrumentalities and states	\$ 32,109,030	\$ 7,464	\$ (289,826)	\$ 31,826,669
Corporate debt securities	323,406	120,412	-	443,818
Mortgage-backed securities	236,689	3,037	(2,141)	237,585
Investment in bonds and notes	\$ 32,669,124	\$ 130,913	\$ (291,966)	\$ 32,508,071
Common and preferred stocks	251,464	107,686	-	359,150
<b>Total</b>	<b>\$ 32,920,589</b>	<b>\$ 238,599</b>	<b>\$ (291,966)</b>	<b>\$ 32,867,221</b>

	2016			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
U.S. Treasury securities and obligations of U.S. Government instrumentalities and states	\$ 8,343,649	\$ 54,515	\$ (86,769)	\$ 8,311,394
Obligations of the Commonwealth of PR and its instrumentalities	275,424	4,918	(15,000)	265,342
Corporate debt securities	323,299	97,374	-	420,673
FHLB bonds and mortgage-backed securities	263,657	14,717	-	278,374
Investment in bonds and notes	\$ 9,206,029	\$ 171,524	\$ (101,769)	\$ 9,275,784
Common and preferred stocks	444,517	126,383	(508)	570,392
<b>Total</b>	<b>\$ 9,650,546</b>	<b>\$ 297,907</b>	<b>\$ (102,277)</b>	<b>\$ 9,846,176</b>

The amortized cost and estimated fair value of investment securities at December 31, 2017, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

## Notes to Financial Statements

	Amortized	
	cost	Fair value
Due less than one year	\$ 2,111,607	\$ 2,119,053
Due after one year through five years	29,997,423	29,707,616
Due after five years through ten years	120,980	157,098
Due after ten years through Twenty years	202,426	286,720
Mortgage-backed securities	236,689	237,585
Equity securities	251,464	359,150
	<u>\$ 32,920,589</u>	<u>\$ 32,867,221</u>

The following tables show the Company's investments' gross unrealized losses and estimated fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2017.

	2017								
	Less than 12 months			12 months or more			Total		
	Estimated fair value	Gross Unrealized losses	Number of Securities	Estimated fair value	Gross Unrealized losses	Number of Securities	Estimated fair value	Gross Unrealized losses	Number of Securities
U.S. Treasury securities and obligations of U.S. government instrumentalities	25,165,811	(184,318)	13	4,841,805	(105,507)	4	30,007,616	(289,826)	17
Corporate debt securities	-	-	-	-	-	-	-	-	-
Common and preferred stocks	-	-	-	-	-	-	-	-	-
Mortgage-backed securities	77,208	(2,141)	3	-	-	-	77,208	(2,141)	3
Total	<u>25,243,019</u>	<u>(186,459)</u>		<u>4,841,805</u>	<u>(105,507)</u>		<u>30,084,823</u>	<u>(291,966)</u>	

E. Repurchase Agreements and /or Securities Lending Transactions - None

F. Real Estate – None

G. Investment in low-income housing tax credits (LIHTC) – None

H. Restricted Assets

### 1. Restricted Assets

#### 1. Restricted Assets

Restricted Asset Category	(1 + 3)								Percentage		
	Gross Restricted					6	7	8	9	10	11
	Current Year										
	1	2	3	4	5						
	Total General Account (G/A)	G/A Supporting S/A Activity	Total Separate Account (S/A) Restricted Assets	S/A Supporting G/A Activity	Total	Total From Prior Year	Increase / (Decrease)	Total Nonadmitted Restricted	Total Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	0%
b. Collateral held under security lending agreements					-		-			0%	0%
c. Subject to repurchase agreements					-		-			0%	0%
d. Subject to reverse repurchase agreements					-		-			0%	0%
e. Subject to dollar repurchase agreements					-		-			0%	0%
f. Subject to dollar reverse repurchase agreements					-		-			0%	0%
g. Placed under option contracts					-		-			0%	0%
h. Letter stock or securities restricted as to sale					-		-			0%	0%
i. On deposit with states	1,259,058		-		1,259,058	1,655,398	(396,340)		1,259,058	1.284%	1.291%
j. On deposit with other regulatory bodies					-		-			0%	0%
k. Pledged as collateral not captured in other categories					-		-			0%	0%
l. Other restricted assets					-		-			0%	0%
m. Total Restricted Assets	\$1,259,058	\$ -	\$ -	\$ -	\$ 1,259,058	\$ 1,655,398	\$(396,340)		\$1,259,058	1.284%	1.291%

## Notes to Financial Statements

At December 31, 2017 the company has a deposit of \$1,259,058 at the office of the Commissioner of Puerto Rico.

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

3. Detail of Other Restricted Assets – None

- I. Working Capital Finance Investments – None
- J. Offsetting and Netting of Assets and Liabilities – None
- K. Structured Notes – None
- L. 5\* Securities – None

### 6. Join Ventures, Partnerships and Limited Liability Companies

- A. The company has no investment in joint ventures, partnerships or limited liability companies.
- B. The company did not recognize any impairment write downs for its impairments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

### 7. Investment Income

- A. Interest income is recognized when earned. Realized gains and losses from the sale of securities are determined using the specific identification method for determining the cost of the security sold.
- B. The company did not have any non-admitted due and accrued investment income as of December 31, 2017.

Component of Investment income for the years ended December 31, 2017 and 2016 were as follows:

	2017	2016
Bonds and other debt securities	\$ 247,843	\$ 162,683
Cash and short-term investment	148,425	7,745
Preferred stocks	24,778	24,778
	\$ 421,045	\$ 195,206
Less: Investment and interest expenses incurred	30,033	16,071
Total Net Investment Income	\$ 391,011	\$ 179,135

### 8. Derivative Instruments

The company has no Derivative Instrument during the statement periods.

### 9. Income Taxes

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

- A. The company has not recognized DTA as of December 31, 2017.

## Notes to Financial Statements

	12/31/2017			12/31/2016			Change		
	1 Ordinary	2 Capital	3 (1+2) Total	4 Ordinary	5 Capital	6 (4+5) Total	7 (1-4) Ordinary	8 (2-5) Capital	9 (7+8) Total
(a) Gross Deferred Tax Assets Statutory Valuation Allowance	\$ 10,192,569	\$ 318,949	\$ 10,511,518	\$ 4,137,774	\$ 318,949	\$ 4,456,723	\$ 6,054,795	\$ -	\$ 6,054,795
(b) Adjustment Adjusted Gross Deferred Tax	\$ 10,192,569	\$ 318,949	10,511,518	\$ 4,137,774	\$ 318,949	4,456,723	6,054,795	-	6,054,795
(c) Assets	-	-	-	-	-	-	-	-	-
(d) Deferred Tax Assets Nonadmitted Subtotal net Admitted Deferred Tax	-	-	-	-	-	-	-	-	-
(e) Asset	-	-	-	-	-	-	-	-	-
(f) Deferred Tax Liabilities Net Admitted Deferred Tax Asset /	-	21,537	21,537	-	25,175	25,175	-	(3,638)	(3,638)
(g) (Net Deferred Tax Liability)	\$ -	\$ (21,537)	\$ (21,537)	\$ -	\$ (25,175)	\$ (25,175)	\$ -	\$ 3,638	\$ 3,638

B. The company has \$21,537 in deferred tax liabilities as of December 31, 2017.

C. The company is a qualified domestic insurance company, which was incorporated under the law of the Commonwealth of Puerto Rico. The company is exempt from federal income tax. Current income taxes incurred consist of the following major components:

## Notes to Financial Statements

	12/31/2017	12/31/2016	Change
<b>1. Current Income Tax</b>			
(a) Federal	\$ -	\$ -	\$ -
(b) Foreign			-
(c) Subtotal			-
(d) Federal income tax on net capital gains			-
(e) Utilization of capital loss carry-forwards			-
(f) Other	4,868,993	1,957,862	2,911,131
(g) Federal and foreign income taxes incurred	\$ 4,868,993	\$ 1,957,862	\$ 2,911,131
<b>2. Deferred Tax Assets</b>			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ -	\$ -	\$ -
(2) Unearned premium reserve			-
(3) Policyholder reserves			-
(4) Investments - Loss of sale and impairment	318,949	318,949	-
(5) Deferred acquisition costs			-
(6) Policyholder dividends accrual			-
(7) Fixed assets			-
(8) Compensation and benefits accrual			-
(9) Pension accrual			-
(10) Receivables – nonadmitted	189,150	421,725	(232,575)
(11) Net operating loss carry-forward			-
(12) Tax credit carry-forward - AMT	9,213,373	2,387,121	6,826,252
(13) Other (including items <5% of total ordinary tax assets)	790,046	1,328,928	(538,882)
(99) Subtotal	\$10,511,518	\$ 4,456,723	\$ 6,054,795
(b) Statutory valuation allowance adjustment	\$10,511,518	\$ 4,456,723	6,054,795
(c) Nonadmitted			-
(d) Admitted ordinary deferred tax assets	\$ (0)	\$ (0)	\$ (0)
<b>3. Deferred Tax Liabilities</b>			
(a) Ordinary			
(1) Investments	\$ 21,537	\$ 25,175	\$ (3,638)
(2) Fixed assets			-
(3) Deferred and uncollected premium			-
(4) Policyholder reserves			-
(5) Other (including items <5% of total ordinary tax liabilities)			-
(99) Subtotal	\$ 21,537	\$ 25,175	\$ (3,638)
(b) Capital:			
(1) Investments	\$ -	\$ -	\$ -
(2) Real estate			-
(3) Other (including items <5% of total capital tax liabilities)			-
(99) Subtotal	\$ -	\$ -	\$ -
(c) Deferred tax liabilities	\$ 21,537	\$ 25,175	\$ (3,638)
<b>4. Net deferred tax assets/liabilities</b>	\$ (21,537)	\$ (25,175)	\$ 3,638

- D. Significant book tax adjustment - None
- E. Operating loss and tax credit carry forwards – None
- F. Consolidated federal income tax return – None
- G. Federal or foreign income tax loss contingencies – None

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

- A. B, C & F. MCSHH, provide administrative services to the Company. These services includes claims processing, network administration, medical management, enrollment and other administrative services. Fees for these services are based on membership served. Total fees for the period ended December 31, 2017 amounts to \$17.8 million. The Company provides group life and health insurance to the employees of MCSHH Inc. Amount paid by MCSHH LLC., to the Company amounted to \$6.3 million.
- D. At December 31, 2017, the company reported \$4.6 million due to MCS Advantage and \$85,087 due to MCS Healthcare Holding, LLC.
- E. There are no guarantees or undertaking for the benefit of a subsidiary or affiliated party.
- G. All outstanding shares of the company are owned by the company.

## Notes to Financial Statements

- H. The company owns no shares of the stock of its parent or any of its affiliates.
- I. Investment in subsidiaries – None
- J. Write down for impairment of investments in affiliates – Not applicable
- K. Investment in foreign insurance subsidiaries – Not applicable
- L. Investment in downstream noninsurance holding companies – None.
- M. SCA Investment – None.
- N. Investment in an insurance SCA –None.

### 11. Debt

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

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

- A. (A, B, C & D) - The company has no defined benefit plan.
- E. The company provides pension benefits to employees under a defined contribution plan. Under this plan, the Company matches 25% of employee contributions up to 6% of total employee compensation. The Company's contribution for the plan as of December 31, 2017 was \$33,994.
- F. The company does not participate in a multiemployer plan.
- G. The company does not participate in a consolidated/holding company plan.
- H. Compensated vacation pay is recorded as an accrued liability.
- I. Impact or Medicare Modernization Act on Postretirement Benefits – Not applicable

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

1. The company has 3,000 shares authorized, and 1,600 shares issued and outstanding. All shares are common stock shares with a par value of \$1,562.50.
2. The company has no preferred stock authorized.
3. (3, 4 & 5) - The Company's surplus is restricted as to payment of dividends by statutory limitations applicable to insurance companies.

The Company is required to maintain a minimum capital and surplus of \$2.5 million. Generally, the payment of dividends is limited to unassigned surplus. Unassigned surplus is detailed as follows:

Accumulated earnings	\$ 34,008,752
Non-admitted assets	(485,000)
Asset valuation reserve	(203,220)
Deferred income taxes	(21,537)
Special Surplus - Health Insurance Providers Fees	<u>(6,200,000)</u>
Unassigned surplus	<u>\$ 27,098,995</u>

The Commonwealth of Puerto Rico enacted Law No. 32 (the Law) to add a new Chapter 45, Risk-Based Capital (Chapter 45), to the Insurance Code of Puerto Rico. The RBC Model serves as a benchmark for the regulation of insurance companies by state insurance regulators. RBC provides for targeted surplus levels based on formulas that specify various weighting factors that are applied to the financial balances or various levels of activity based on the perceived degree of risk and are set forth in the RBC requirements. Such formulas focus on four general types of risk, which includes the risk with respect to the Company's assets (asset or default risk), the risk of adverse insurance experience with respect to the Company's liabilities and obligations (insurance or underwriting risk), the interest rate risk with respect to the Company's business (asset/liability matching), and all other business risks

## Notes to Financial Statements

(management, regulatory action, and contingencies). The amount determined under such formulas is called the authorized control level RBC (ACLCL).

The RBC guidelines define specific capital levels based on a company's ACLCL that are determined by the ratio of the company's total adjusted capital (TAC) to its ACLCL. TAC is equal to statutory capital, plus or minus certain other specified adjustments. The specific capital levels, in declining order, and applicable ratios are generally as follows: "Company Action Level" where TAC is less than or equal to 300% ACLCL; "Regulatory Action Level" where TAC is less than or equal to 150% ACLCL; "Authorized Control Level" where TAC is less than or equal to 100% ACLCL; and "Mandatory Control Level" where TAC is less than or equal to 70% ACLCL. Companies at the Company Action Level must submit a comprehensive financial plan to the Commissioner of Insurance. Companies at the Regulatory Action Level are subject to a mandatory examination or analysis by the Commissioner of Insurance and possible required corrective actions. At the Authorized Control Level, a company may be subject to, among other things, the Commissioner of Insurance placing it under regulatory control. At the Mandatory Control Level, the Commissioner of Insurance is required, to place a company under regulatory control.

The Law requires, among other things, that all Insurance Company, authorized to conduct business in Puerto Rico to comply with the RBC requirements as adopted by the NAIC, to annually file an RBC report with the NAIC and the Commissioner of Insurance on or before March 31, and to maintain a minimum RBC level of 300% of the ACLCL. At December 31, 2017, the Company was in compliance with the requirement as the actual RBC was 438%. At December 31, 2016, the Company was not in compliance with the requirement as the actual RBC of the Company was 194%. The RBC level achieved at December 31, 2016 placed the Company within the scope of into an Insurer Action Level (Type 1 Event) which required the Company to file with the Office of Commissioner of Insurance a comprehensive financial plan (RBC Plan). The most recent updated RBC Plan was filed by the Company in November 2016 and approved by the Commissioner of Insurance in December 2016.

The Company's surplus is restricted as to payment of dividends by statutory limitations applicable to insurance companies. As a condition to the approval of the Company's RBC Plan, the Company must obtain authorization from the Commissioner of Insurance prior to the payment of any dividends.

6. Unassigned funds – None
7. There have been no advances to surplus.
8. Amount of stock held by the company for special purposes - \$0
9. Change in the balance of special surplus funds from prior year – \$6,200,000.
10. The portion of unassigned funds surplus represented or (reduced) by each item below is as follows:
  - Unrealized gain and losses - \$(86,149).
11. The company has not issued any surplus note or debentures or similar obligations.
12. Impact of quasi-reorganizations – Not applicable.
13. Date of quasi-reorganizations – Not applicable.

### 14. Contingencies

- A. Contingent commitments – None
- B. Assessment

Pursuant to the Puerto Rico Insurance Code, the Company is a member of the Puerto Rico Insurance Guaranty Association for Life and Disability. As a member, the Company is required to provide funds for the payment of claims and unearned premiums reimbursements for policies issued by insurance companies declared insolvent by the Commissioner of Insurance of the Commonwealth of Puerto Rico.

- C. Gain contingencies – None
- D. Extra contractual obligations – None
- E. Joint and Several Liabilities
- F. All Other Contingencies - The Company is defendant in legal actions arising in the ordinary course of business. Management, after consultation with its legal counselors, is of the opinion that the ultimate liability, if any, resulting from such pending legal actions, would not be material in relation to the financial position and results of operations of the Company.

### 15. Leases

- A. Lessee Leasing Arrangements – None

## Notes to Financial Statements

### B. Lesser Leasing Arrangements – None

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

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of premiums receivable, accrued interest receivable, and other receivables. The Company's business activity is for insured's located throughout Puerto Rico, and as such, the Company is subject to the risks associated with the Puerto Rico economy.

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

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

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

- A. ASO Plans – None
- B. ASC Plans

The Company provides administrative services such as claims processing to various groups under cost-based reimbursement contracts for uninsured health plans. In accordance with SSAP No. 47, Uninsured Plans, earned premiums and benefits to policyholders related to health plans insured by the Company shall exclude the operations resulting from uninsured administrative service contracts. Additionally, administrative fees and related reimbursements from the plan sponsor are deducted from general and administrative expenses.

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans were as follows for the year ended December 31, 2017:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a			
Gross reimbursement for medical cost incurred	\$ 62,711,770	\$ -	\$ 62,711,770
b			
Gross administrative fees accrued	7,035,079	-	7,035,079
c			
Other income or expenses (including interest paid to or received from plans)	-	-	-
d			
Gross expenses incurred (claims and administrative)	<u>65,383,907</u>	<u>-</u>	<u>65,383,907</u>
e			
Total net gain or loss from operations	<u>\$ 4,362,942</u>	<u>\$ -</u>	<u>\$ 4,362,942</u>

- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract - Not applicable.

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

None

### 20. Fair Value Measurements

## Notes to Financial Statements

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

- Included in various investment-related line items in the statutory financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or, for certain bonds and preferred stock when carried at the lower of cost or market. The fair value of an asset is the amount at which that asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

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

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

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

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

The following table presents the fair value hierarchy level for the company's assets and liabilities that are measured at fair market value at December 31, 2017.

#### (1) Fair Value Measurements at reporting Date

**2017**

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Bonds				
Us Treasury Securities and Us Obligation of the US Gov Instr and States	\$ -	\$ 31,826,669	\$ -	\$ 31,826,669
Corp Debt Securities	-	\$ 443,818		443,818
Mortgage-backed Securities	-	\$ 237,585		237,585
Common and Preferred Stocks	-	359,150		359,150
Money Market Funds	1,035,439			1,035,439
Total Bonds	<u>\$ 1,035,439</u>	<u>\$ 32,867,221</u>	<u>\$ -</u>	<u>\$ 33,902,661</u>
Separate account assets	\$ -	\$ -	\$ -	\$ -
Total assets at fair value	<u>\$ 1,035,439</u>	<u>\$ 32,867,221</u>	<u>\$ -</u>	<u>\$ 33,902,661</u>

- The company has no assets or liabilities measured at fair value in the Level 3 category.

## Notes to Financial Statements

3. No transfers into or out of Level 3.

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

B. Other Fair Value disclosures – Non applicable.

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

<u>Type of financial Instruments</u>	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Not Practicable (Carrying Value)</u>
Bonds	\$ 32,508,071	\$ 32,669,125		\$ 32,508,071		
Preferred Stock	\$ 359,150	\$ 359,150		\$ 359,150		
Cash, cash equivalent and short-term investments	\$ 42,953,383	\$ 42,953,383	\$ 1,035,439			

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

### 21. Other Items

A. Unusual or Infrequent Items – Not applicable.

B. Troubled Debt Restructuring – Not applicable.

C. A Certificate of deposit of \$1,259,058 is deposited at the office of the Commissioner of Insurance to comply with deposit requirements of the Insurance Code.

D. Business Interruption Insurance Recovery – Not applicable.

E. The company has not investment in State Transferable Tax Credits.

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

G. Retained Assets – Not applicable.

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

### 22. Events Subsequent

Type I – Recognized Subsequent Events – None

Type II – No recognized Subsequent Events:

Information regarding the ACA assessment was as follow:

## Notes to Financial Statements

	<u>Current Year</u>	<u>Prior Year</u>
<u>A.</u> <u>Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)?</u>	YES	
<u>B.</u> ACA fee assessment payable for the upcoming year	\$ 6,200,000	\$ -
<u>C.</u> ACA fee assessment paid	\$ -	\$ -
<u>D.</u> Premium written subject to ACA 9010 assessment	\$ 309,966,818	\$ -
<u>E.</u> Total Adjusted Capital before surplus adjustment <u>(Five-Year Historical Line 30)</u>	\$ 43,762,215	
<u>F.</u> Total Adjusted Capital after surplus adjustment <u>(Five-Year Historical Line 30 minus 22B above)</u>	\$ 37,562,215	
<u>G.</u> Authorized Control Level after surplus adjustment <u>(Five-Year Historical Line 31)</u>	\$ 9,997,010	
<u>H.</u> Would reporting the ACA assessment as of December 31, 2016, have triggered an RBC action level (YES/NO)?	NO	

**23. Reinsurance**

## A. Ceded Reinsurance Report

## Section 1 - General Interrogatories

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

Yes ( ) No ( X )

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

Yes ( ) No ( X )

## Section 2 - Ceded Reinsurance Report Part A

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

Yes ( ) No ( X )

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

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

Yes ( ) No ( X )

If yes, give full details.

## Notes to Financial Statements

### Section 3 - Ceded Reinsurance Report Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement?  
\$0.
2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes ( ) No ( X )

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments?

- B. As of December 31, 2017, the Company had no uncollectible reinsurance balances written off through income and expenses.
- C. The company has not commuted any ceded reinsurance during the period.
- D. Certified Reinsurer Downgraded or Status Subject to Revocation – None.
- E. Reinsurance of variable annuity contract - None.
- F. Reinsurance agreement with an affiliated captive reinsurer – None.
- G. Ceding entities that utilize captive – None.

### 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The company estimates accrued retrospective premium adjustments related to MLR rebates for its group and individual insurance using actual experience by segment (individual, small group, large group). A three year MLR calculation as established by the regulation is used.
- B. The company records accrued retrospective premium as an adjustment to written premium.
- C. None
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act. - None
- E. Risk Sharing Provisions of the Affordable Care Act (ACA). - None

### 25. Change in Incurred Losses and Loss Adjustment Expenses

	<u>2017</u>	<u>2016</u>
Unpaid medical claims, at beginning of year	\$ 27,306,822	\$ 36,722,205
<u>Incurring claims:</u>		
Current period insured events	244,505,199	258,804,263
Prior period insured events	542,239	(1,070,101)
Total incurred	245,047,438	257,734,162
<u>Payment for claims:</u>		
Current period insured events	217,719,040	232,614,985
Prior period insured events	22,925,444	34,534,560
Total paid	240,644,484	267,149,545
Unpaid medical claims, at end of year	\$ 31,709,775	\$ 27,306,822

## Notes to Financial Statements

Reserves as of December 31, 2016 were \$27,306,822 million. As of December 31, 2017, \$22,925,444 million has been paid for incurred losses and loss adjustment expense attributable to insured events of prior period years. Reserves remaining for prior years are now \$4,402,953 million as a result of re-estimation of unpaid claims and claim adjustments expenses. Therefore, there has been a \$542,239 unfavorable prior year development.

### 26. Intercompany Pooling Arrangements

None

### 27. Structured Settlements

None

### 28. Health Care Receivables

#### A. Pharmaceutical Rebates Receivable

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received within 90 days of billing	Actual rebates received within 91 to 180 days of billing	Actual rebates received more than 180 days after billing
12/31/2017	814,639	771,341	771,341		
9/30/2017	754,966	701,356	701,356		
6/30/2017	795,186	795,186	795,186		
3/31/2017	839,851	839,851	839,851		
12/31/2016	921,907	993,036	993,036		
9/30/2016	913,603	919,988	919,988		
6/30/2016	868,136	969,142	969,142		
3/31/2016	890,589	1,019,648	1,019,648		
12/31/2015	279,932	317,522	316,640		267,428
9/30/2015	283,971	298,918	298,918	260,673	
6/30/2015	310,482	312,282	312,065	167	229,250
3/31/2015	553,621	326,068	325,558	240,284	-

The Company estimates the rebate receivable based on historical trends data and rebate's confirmation received from the Pharmacy Benefit Manager. The estimated balance of pharmacy rebate receivable as of December 31, 2017 is \$814,639.

#### B. Risk Sharing Receivable – None

### 29. Participating Policies

None

### 30. Premium Deficiency Reserves

None

### 31. Reserves for Life Contracts and Annuity Contracts

None

### 32. Analysis of Annuity Actuarial Reserves and Deposit Type Liabilities by Withdrawal Characteristics

None

### 33. Premiums and Annuity Considerations Deferred and Uncollected

None

### 34. Separate Accounts

## Notes to Financial Statements

None

### 35. Loss/Claim Adjustment Expenses

The balance in the liability for unpaid accident and health claim adjustment expenses as of December 31, 2017 was \$31,709,775.

The company incurred \$245,047,438 and paid \$240,644,484 of claim in the current year, of which \$22,925,444 of the paid amount was attributable to insured or covered events of prior years.

Because unpaid claims include various actuarially developed estimates, the Company's actual medical costs and claims expense may be more or less than the Company's previously developed estimates. As a result of change in estimate of insured events in prior years, the incurred claims for prior period insured events during the period ended December 31, 2017 were lower due to a favorable development of claims that is attributed to less-than-expected cost per service and utilization trends.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
If yes, complete Schedule Y, Parts 1, 1A and 2. Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[ ] No[ ] N/A[X]
- 1.3 State Regulating? Puerto Rico
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]
- 2.2 If yes, date of change: \_\_\_\_\_
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009
- 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. 12/31/2009
- 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). 10/31/2014
- 3.4 By what department or departments?
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[X] No[ ] N/A[ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[ ] No[ ] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[ ] No[X]
- 4.12 renewals? Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[ ] No[X]
- 4.22 renewals? Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

1 Nationality	2 Type of Entity
.....	.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and 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
.....	.....	No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
KPMG- San Juan Office
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[ ] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[ ] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[ ] N/A[ ]
- 10.6 If the response to 10.5 is no or n/a please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Matthew P. Chamblee, Milliman, Tampa Fla
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[ ] No[X]



## GENERAL INTERROGATORIES (Continued)

- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ ..... 0
  - 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ ..... 0
  - 24.103 Total payable for securities lending reported on the liability page. \$ ..... 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[ ]
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements \$ ..... 0
  - 25.22 Subject to reverse repurchase agreements \$ ..... 0
  - 25.23 Subject to dollar repurchase agreements \$ ..... 0
  - 25.24 Subject to reverse dollar repurchase agreements \$ ..... 0
  - 25.25 Placed under option agreements \$ ..... 0
  - 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$ ..... 0
  - 25.27 FHLB Capital Stock \$ ..... 0
  - 25.28 On deposit with states \$ ..... 1,259,058
  - 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[X]  
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[ ] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$ ..... 0

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

1 Name of Custodian(s)	2 Custodian's Address
First Clearance .....	1 N. JEFFERSON AVE, ST LOUIS, MO 63103 .....
Pershing LLC .....	ONE PERSHING PLAZA, JERSEY CITY, NEW JERSEY 07399 .....

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

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

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

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

28.05 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

- 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[X]
- 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[X]
- 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.

## GENERAL INTERROGATORIES (Continued)

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 [ ] No [X]

29.2 If yes, complete the following schedule:

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

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

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	32,669,124	32,508,074	(161,050)
30.2 Preferred stocks	359,150	359,150	
30.3 Totals	33,028,274	32,867,224	(161,050)

30.4 Describe the sources or methods utilized in determining the fair values:  
Standard publications of market valuation

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No [ ] N/A [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

32.2 If no, list exceptions:

33. By self-designation 5\*GI securities, the reporting entity is certifying the following elements for each self-designated 5\*GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting-entity self-designated 5\*GI securities? Yes [ ] No[X]

### OTHER

34.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 40,000

34.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
ACODESE	40,000

35.1 Amount of payments for legal expenses, if any? \$ 43,963

35.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
ONEILL & BORGES	22,641
VIÑAS LAW OFFICE	17,404

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 0

36.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

## GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
.....	.....

## GENERAL INTERROGATORIES (Continued)

### PART 2 - LIFE 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 .....	307,812,547	306,183,063
2.2 Premium Denominator .....	309,966,818	308,418,224
2.3 Premium Ratio (2.1 / 2.2) .....	0.993	0.993
2.4 Reserve Numerator .....	31,459,775	27,056,822
2.5 Reserve Denominator .....	31,709,775	27,306,822
2.6 Reserve Ratio (2.4 / 2.5) .....	0.992	0.991

- |   |                        |            |
|---|------------------------|------------|
| 3.1 Does this reporting entity have Separate Accounts?  | Yes [ ] No [X]         |            |
| 3.2 If yes, has a Separate Accounts statement been filed with this department?  | Yes [ ] No [ ] N/A [X] |            |
| 3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account?  |                        | \$ ..... 0 |
| 3.4 State the authority under which Separate Accounts are maintained:   |                        |            |
| 3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31?   | Yes [ ] No [X]         |            |
| 3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31?   | Yes [ ] No [X]         |            |
| 3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?"   |                        | \$ ..... 0 |
| 4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)?   | Yes [ ] No [X]         |            |
| 4.2 Net reimbursement of such expenses between reporting entities:  |                        |            |
| 4.21 Paid   |                        | \$ ..... 0 |
| 4.22 Received   |                        | \$ ..... 0 |
| 5.1 Does the reporting entity write any guaranteed interest contracts?  | Yes [ ] No [X]         |            |
| 5.2 If yes, what amount pertaining to these items is included in:   |                        |            |
| 5.21 Page 3, Line 1   |                        | \$ ..... 0 |
| 5.22 Page 4, Line 1   |                        | \$ ..... 0 |
| 6. For stock reporting entities only:   |                        |            |
| 6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity:   |                        | \$ ..... 0 |
| 7. Total dividends paid stockholders since the organization of the reporting entity:  |                        |            |
| 7.11 Cash   |                        | \$ ..... 0 |
| 7.12 Stock  |                        | \$ ..... 0 |
| 8.1 Does the reporting entity reinsure any Workers' Compensation Carve-Out business defined as: Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance. | Yes [ ] No [X]         |            |
| 8.2 If yes, has the reporting entity completed the WORKERS' COMPENSATION CARVE-OUT SUPPLEMENT to the Annual Statement?  | Yes [ ] No [X] N/A [ ] |            |
| 8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:  |                        |            |

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium .....			
8.32 Paid claims .....			
8.33 Claim liability and reserve (beginning of year) .....			
8.34 Claim liability and reserve (end of year) .....			
8.35 Incurred claims .....			

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column (1) are:

## GENERAL INTERROGATORIES (Continued)

	Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
8.41	< \$25,000 .....		
8.42	\$25,000 - 99,999 .....		
8.43	\$100,000 - 249,999 .....		
8.44	\$250,000 - 999,999 .....		
8.45	\$1,000,000 or more .....		

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools? \$ ..... 0

9. For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

9.1 Amount of loss reserves established by these annuities during the current year: \$ ..... 1

9.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1 P&C Insurance Company and Location	2 Statement Value on Purchase Date of Annuities (i.e., Present Value)
.....	.....

10.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X] 0

10.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ ..... 0

10.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X] 0

10.4 If yes, please provide the balance of the funds administered as of the reporting date: \$ ..... 0

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

11.2 If the answer to 12.1 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
.....	.....	.....	.....	.....	.....	.....

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

12.1 Direct Premium Written \$ ..... 0

12.2 Total incurred claims \$ ..... 0

12.2 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**

Show Amounts in Whole Dollars Only, No Cents; Show Percentages to One Decimal Place, i.e., 17.6.

\$000 omitted for amounts of life insurance

	1 2017	2 2016	3 2015	4 2014	5 2013
<b>Life Insurance in Force (Exhibit of Life Insurance)</b>					
1. Ordinary - whole life and endowment (Line 34, Column 4) .....					
2. Ordinary - term (Line 21, Column 4, less Line 34, Column 4) .....					
3. Credit life (Line 21, Column 6) .....					
4. Group, excluding FEGLI/SGLI (Line 21, Column 9 less Lines 43 & 44, Column 4) .....	857,844	964,498	986,956	1,068,133	1,072,616
5. Industrial (Line 21, Column 2) .....					
6. FEGLI/SGLI (Lines 43 & 44, Column 4) .....					
7. TOTAL (Line 21, Column 10) .....	857,844	964,498	986,956	1,068,133	1,072,616
7.1 Total in force for which VM-20 Deterministic / Stochastic Reserves are calculated .....		X X X	X X X	X X X	X X X
<b>New Business Issued (Exhibit of Life Insurance)</b>					
8. Ordinary - whole life and endowment (Line 34, Column 2) .....					
9. Ordinary - term (Line 2, Column 4, less Line 34, Column 2) .....					
10. Credit life (Line 2, Column 6) .....					
11. Group (Line 2, Column 9) .....	77,707	160,319	253,503	184,772	212,275
12. Industrial (Line 2, Column 2) .....					
13. TOTAL (Line 2, Column 10) .....	77,707	160,319	253,503	184,772	212,275
<b>Premium Income-Lines of Business (Exhibit 1 - Part 1)</b>					
14. Industrial life (Exhibit 1 - Part 1, Line 20.4, Column 2) .....					
15.1 Ordinary life insurance (Exhibit 1 - Part 1, Line 20.4, Column 3) .....					
15.2 Ordinary individual annuities (Exhibit 1 - Part 1, Line 20.4, Column 4) .....					
16. Credit life, (group and individual) (Exhibit 1 - Part 1, Line 20.4, Column 5) .....					
17.1 Group life insurance (Exhibit 1 - Part 1, Line 20.4, Column 6) .....	2,154,270	2,235,161	2,423,387	2,468,431	2,481,564
17.2 Group annuities (Exhibit 1 - Part 1, Line 20.4, Column 7) .....					
18.1 A & H group (Exhibit 1 - Part 1, Line 20.4, Column 8) .....	285,117,822	279,400,603	265,129,754	249,211,965	225,887,617
18.2 A & H credit (group and individual) (Exhibit 1 - Part 1, Line 20.4, Column 9) .....					
18.3 A & H other (Exhibit 1 - Part 1, Line 20.4 Column 10) .....	22,694,725	26,782,460	38,838,556	25,853,444	24,013,200
19. Aggregate of all other lines of business (Exhibit 1 - Part 1, Line 20.4, Column 11) .....					
20. TOTAL .....	309,966,818	308,418,224	306,391,696	277,533,840	252,382,382
<b>Balance Sheet Items (Pages 2 and 3)</b>					
21. TOTAL Admitted Assets excluding Separate Accounts business (Page 2, Line 26, Column 3) .....	97,542,775	68,708,634	71,656,818	60,883,994	67,332,962
22. TOTAL Liabilities excluding Separate Accounts business (Page 3, Line 26) .....	53,983,780	48,157,447	61,264,579	40,656,158	45,164,454
23. Aggregate life reserves (Page 3, Line 1) .....					
23.1 Excess VM-20 Deterministic / Stochastic Reserves over NPR related to Line 7.1 .....		X X X	X X X	X X X	X X X
24. Aggregate A & H reserves (Page 3, Line 2) .....					
25. Deposit-type contract funds (Page 3, Line 3) .....					
26. Asset valuation reserve (Page 3, Line 24.1) .....	203,220	197,971	119,087	167,941	108,467
27. Capital (Page 3, Lines 29 & 30) .....	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
28. Surplus (Page 3, Line 37) .....	41,058,995	18,051,187	7,892,238	17,727,836	19,668,508
<b>Cash Flow (Page 5)</b>					
29. Net Cash from Operations (Line 11) .....	27,711,769	2,021,551	4,522,564	(2,232,090)	(929,906)
<b>Risk-Based Capital Analysis</b>					
30. TOTAL Adjusted Capital .....	43,762,215	20,749,158	10,511,325	20,395,777	22,276,975
31. Authorized control level risk-based capital .....	9,997,010	10,650,295	11,239,092	9,637,320	9,183,386
<b>Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Line No./Page 2, Line 12, Column 3) x 100.0</b>					
32. Bonds (Line 1) .....	43.0	18.6	12.5	30.5	43.2
33. Stocks (Lines 2.1 and 2.2) .....	0.5	1.2	1.0	1.4	1.2
34. Mortgage loans on real estate (Line 3.1 and 3.2) .....					
35. Real estate (Lines 4.1, 4.2 and 4.3) .....					
36. Cash, cash equivalents and short-term investments (Line 5) .....	56.5	80.2	86.5	68.1	55.6
37. Contract loans (Line 6) .....					
38. Derivatives (Page 2, Line 7) .....					
39. Other invested assets (Line 8) .....					
40. Receivables for securities (Line 9) .....					
41. Securities lending reinvested collateral assets (Line 10) .....					
42. Aggregate write-ins for invested assets (Line 11) .....					
43. Cash, cash equivalents and invested assets (Line 12) .....	100.0	100.0	100.0	100.0	100.0

## FIVE - YEAR HISTORICAL DATA (Continued)

	1 2017	2 2016	3 2015	4 2014	5 2013
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
44. Affiliated bonds (Schedule D Summary, Line 12 Column 1) .....					
45. Affiliated preferred stocks (Schedule D Summary, Line 18, Column 1) .....					
46. Affiliated common stocks (Schedule D Summary, Line 24, Column 1) .....					
47. Affiliated short-term investments (subtotal included in Schedule DA Verification, Column 5, Line 10) .....					
48. Affiliated mortgage loans on real estate .....					
49. All other affiliated .....					
50. TOTAL of above Lines 44 to 49 .....					
51. TOTAL Investment in Parent included in Lines 44 to 49 above .....					
<b>TOTAL Nonadmitted and Admitted Assets</b>					
52. TOTAL Nonadmitted Assets (Page 2, Line 28, Column 2) .....	485,000	1,081,346	46,302	968,067	733,298
53. TOTAL Admitted Assets (Page 2, Line 28, Column 3) .....	97,542,775	68,708,634	71,656,818	60,883,994	67,332,962
<b>Investment Data</b>					
54. Net investment income (Exhibit of Net Investment Income) .....	391,011	179,135	681,966	652,595	748,858
55. Realized capital gains (losses) (Page 4, Line 34, Column 1) .....	(596,246)	(35,000)	(853,271)	(196,239)	(363,707)
56. Unrealized capital gains (losses) (Page 4, Line 38, Col. 1) .....	(18,189)	69,855	(78,015)	43,904	(36,734)
57. TOTAL of Above Lines 54, 55, and 56 .....	(223,424)	213,990	(249,320)	500,260	348,416
<b>Benefits and Reserve Increase (Page 6)</b>					
58. TOTAL Contract Benefits-Life (Lines 10, 11, 12, 13, 14 and 15, Col. 1 minus Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11) .....	430,750	432,125	1,191,000	768,500	752,746
59. TOTAL Contract Benefits - A & H (Lines 13 & 14, Columns 9, 10 & 11) .....	244,616,688	257,302,037	271,959,180	228,190,811	211,795,866
60. Increase in life reserves-other than group and annuities (Line 19, Columns 2 & 3) .....					
61. Increase in A & H reserves (Line 19, Columns 9, 10 & 11) .....					
62. Dividends to policyholders (Line 30, Column 1) .....					
<b>Operating Percentages</b>					
63. Insurance expense percent (Page 6, Column 1, Lines 21, 22 & 23 less Line 6) / (Page 6 Column 1, Line 1 plus Exhibit 7, Column 2, Line 2) x 100.00 .....	10.8	9.9	11.5	15.8	14.8
64. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Column 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Column 4, Lines 1 & 21)] x 100.00 .....					
65. A & H loss percent (Schedule H, Part 1, Line 5 + Line 6, Column 2) .....	79.5	84.0	89.5	83.1	84.7
66. A & H cost containment percent (Schedule H, Part 1, Line 4, Column 2) .....					
67. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Column 2) .....	12.1	11.1	12.6	17.0	15.5
<b>A &amp; H Claim Reserve Adequacy</b>					
68. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1, Column 2) .....	25,731,508	28,903,263	19,060,182	20,048,579	17,616,124
69. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2, Column 2) .....	24,697,092	29,562,304	20,607,091	22,124,898	16,922,547
70. Incurred losses on prior years' claims - health other than group (Schedule H, Part 3, Line 3.1, Column 1 less Col. 2) .....	1,867,553	6,498,841	2,663,106	2,425,409	2,034,317
71. Prior years' claim liability and reserve - health other than group (Schedule H, Part 3, Line 3.2, Column 1 less Col. 2) .....	2,359,730	6,909,901	2,096,094	2,753,849	2,151,740
<b>Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)</b>					
72. Industrial life (Column 2) .....					
73. Ordinary - life (Column 3) .....					
74. Ordinary - individual annuities (Column 4) .....					
75. Ordinary - supplementary contracts (Column 5) .....					
76. Credit life (Column 6) .....					
77. Group life (Column 7) .....	1,286,056	1,322,527	919,865	1,316,809	1,346,980
78. Group annuities (Column 8) .....					
79. A & H - group (Column 9) .....	20,257,276	5,821,271	1,965,009	(2,442,286)	(1,265,540)
80. A & H - credit (Column 10) .....					
81. A & H - other (Column 11) .....	1,484,176	2,108,194	(12,775,406)	(355,329)	1,466,701
82. Aggregate of all other lines of business (Column 12) .....					
83. TOTAL (Column 1) .....	23,027,509	9,251,992	(9,890,532)	(1,480,807)	1,548,141

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

If no, please explain:



DIRECT BUSINESS IN THE STATE OF PUERTO RICO

DURING THE YEAR 2017

NAIC Group Code: 1301

LIFE INSURANCE

NAIC Company Code: 60030

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1		2		3		4		5	
	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
1. Life Insurance						2,416,373				2,416,373
2. Annuity considerations										
3. Deposit-type contract funds			X X X				X X X			
4. Other considerations										
5. TOTALS (sum of Lines 1 to 4)						2,416,373				2,416,373
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>										
<b>Life Insurance:</b>										
6.1 Paid in cash or left on deposit										
6.2 Applied to pay renewal premiums										
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period										
6.4 Other										
6.5 TOTALS (sum of Lines 6.1 to 6.4)										
<b>Annuities:</b>										
7.1 Paid in cash or left on deposit										
7.2 Applied to provide paid-up annuities										
7.3 Other										
7.4 TOTALS (sum of Lines 7.1 to 7.3)										
8. GRAND TOTALS (Lines 6.5 plus 7.4)										
<b>DIRECT CLAIMS AND BENEFITS PAID</b>										
9. Death benefits						430,750				430,750
10. Matured endowments										
11. Annuity benefits										
12. Surrender values and withdrawals for life contracts										
13. Aggregate write-ins for miscellaneous direct claims and benefits paid										
14. All other benefits, except accident and health										
15. TOTALS						430,750				430,750
<b>DETAILS OF WRITE-INS</b>										
1301.										
1302.										
1303.										
1398. Summary of remaining write-ins for Line 13 from overflow page										
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1 Number	2 Amount	3 No. of Ind.Pols & Group Certifs.	4 Amount	5 No. of Certi- ficates	6 Amount	7 Number	8 Amount	9 Number	10 Amount
16. Unpaid December 31, prior year						250,000				250,000
17. Incurred during current year						430,750				430,750
Settled during current year:										
18.1 By payment in full						430,750				430,750
18.2 By payment on compromised claims										
18.3 TOTALS Paid						430,750				430,750
18.4 Reduction by compromise										
18.5 Amount rejected										
18.6 TOTAL Settlements						430,750				430,750
19. Unpaid Dec. 31, current year (Lines 16 + 17 - 18.6)						250,000				250,000
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year				(a)	55,648	964,498			55,648	964,498
21. Issued during year					4,484	77,707			4,484	77,707
22. Other changes to in force (Net)					(10,637)	(184,361)			(10,637)	(184,361)
23. In force December 31 of current year				(a)	49,495	857,844			49,495	857,844

(a) Includes Individual Credit Life Insurance prior year \$.....0, current year \$.....0.  
Includes Group Credit Life Insurance Loans less than or equal to 60 months at issue, prior year \$.....0, current year \$.....0.  
Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS prior year \$.....0, current year \$.....0.

**ACCIDENT AND HEALTH INSURANCE**

	1	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies (b)	286,164,634	285,117,822		220,910,322	225,811,417
24.1 Federal Employees Health Benefits Plan Premium (b)					
24.2 Credit (Group and Individual)					
24.3 Collectively Renewable Policies (b)					
24.4 Medicare Title XVIII exempt from state taxes or fees Other Individual Policies					
25.1 Non-cancelable (b)					
25.2 Guaranteed renewable (b)	22,786,790	22,694,725		19,303,412	18,805,271
25.3 Non-renewable for stated reasons only (b)					
25.4 Other accident only					
25.5 All other (b)					
25.6 TOTALS (sum of Lines 25.1 to 25.5)	22,786,790	22,694,725		19,303,412	18,805,271
26. TOTALS (Lines 24 + 24.1 + 24.2 + 24.3 + 24.4 + 25.6)	308,951,424	307,812,547		240,213,734	244,616,688

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products .....0 and number of persons insured under indemnity only products .....0.



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**DIRECT BUSINESS IN THE STATE OF GRAND TOTAL**

**DURING THE YEAR 2017**

NAIC Group Code: 1301

**LIFE INSURANCE**

NAIC Company Code: 60030

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1		2		3		4		5	
	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
1. Life Insurance						2,416,373				2,416,373
2. Annuity considerations										
3. Deposit-type contract funds			X X X					X X X		
4. Other considerations										
5. TOTALS (sum of Lines 1 to 4)						2,416,373				2,416,373
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>										
<b>Life Insurance:</b>										
6.1 Paid in cash or left on deposit										
6.2 Applied to pay renewal premiums										
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period										
6.4 Other										
6.5 TOTALS (sum of Lines 6.1 to 6.4)										
<b>Annuities:</b>										
7.1 Paid in cash or left on deposit										
7.2 Applied to provide paid-up annuities										
7.3 Other										
7.4 TOTALS (sum of Lines 7.1 to 7.3)										
8. GRAND TOTALS (Lines 6.5 plus 7.4)										
<b>DIRECT CLAIMS AND BENEFITS PAID</b>										
9. Death benefits						430,750				430,750
10. Matured endowments										
11. Annuity benefits										
12. Surrender values and withdrawals for life contracts										
13. Aggregate write-ins for miscellaneous direct claims and benefits paid										
14. All other benefits, except accident and health										
15. TOTALS						430,750				430,750
<b>DETAILS OF WRITE-INS</b>										
1301.										
1302.										
1303.										
1398. Summary of remaining write-ins for Line 13 from overflow page										
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1 Number	2 Amount	3 No. of Ind.Pols & Group Certifs.	4 Amount	5 No. of Certi- ficates	6 Amount	7 Number	8 Amount	9 Number	10 Amount
16. Unpaid December 31, prior year						250,000				250,000
17. Incurred during current year						430,750				430,750
Settled during current year:										
18.1 By payment in full						430,750				430,750
18.2 By payment on compromised claims										
18.3 TOTALS Paid						430,750				430,750
18.4 Reduction by compromise										
18.5 Amount rejected										
18.6 TOTAL Settlements						430,750				430,750
19. Unpaid Dec. 31, current year (Lines 16 + 17 - 18.6)						250,000				250,000
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year				(a)	55,648	964,498			55,648	964,498
21. Issued during year					4,484	77,707			4,484	77,707
22. Other changes to in force (Net)					(10,637)	(184,361)			(10,637)	(184,361)
23. In force December 31 of current year				(a)	49,495	857,844			49,495	857,844

(a) Includes Individual Credit Life Insurance prior year \$.....0, current year \$.....0.  
Includes Group Credit Life Insurance Loans less than or equal to 60 months at issue, prior year \$.....0, current year \$.....0.  
Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS prior year \$.....0, current year \$.....0.

**ACCIDENT AND HEALTH INSURANCE**

	1	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies (b)	286,164,634	285,117,822		220,910,322	225,811,417
24.1 Federal Employees Health Benefits Plan Premium (b)					
24.2 Credit (Group and Individual)					
24.3 Collectively Renewable Policies (b)					
24.4 Medicare Title XVIII exempt from state taxes or fees Other Individual Policies					
25.1 Non-cancelable (b)					
25.2 Guaranteed renewable (b)	22,786,790	22,694,725		19,303,412	18,805,271
25.3 Non-renewable for stated reasons only (b)					
25.4 Other accident only					
25.5 All other (b)					
25.6 TOTALS (sum of Lines 25.1 to 25.5)	22,786,790	22,694,725		19,303,412	18,805,271
26. TOTALS (Lines 24 + 24.1 + 24.2 + 24.3 + 24.4 + 25.6)	308,951,424	307,812,547		240,213,734	244,616,688

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products .....0 and number of persons insured under indemnity only products .....0.

# EXHIBIT OF LIFE INSURANCE

(\$000 Omitted for Amounts of Life Insurance)

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance
	1	2	3	4	5	6	Number of		9	
	Number of Policies	Amount of Insurance	Number of Policies	Amount of Insurance	Number of Individual Policies and Group Certificates	Amount of Insurance	7 Policies	8 Certificates	Amount of Insurance	
1. In force end of prior year								55,648	964,498	964,498
2. Issued during year								4,484	77,707	77,707
3. Reinsurance assumed										
4. Revived during year										
5. Increased during year (net)										
6. Subtotals, Lines 2 to 5								4,484	77,707	77,707
7. Additions by dividends during year	X X X		X X X		X X X		X X X	X X X		
8. Aggregate write-ins for increases										
9. TOTALS (Lines 1 and 6 to 8)								60,132	1,042,205	1,042,205
<b>Deductions during year:</b>										
10. Death							X X X	36	646	646
11. Maturity							X X X			
12. Disability							X X X			
13. Expiry										
14. Surrender										
15. Lapse										
16. Conversion							X X X	X X X	X X X	
17. Decreased (net)								10,601	183,715	183,715
18. Reinsurance										
19. Aggregate write-ins for decreases										
20. TOTALS (Lines 10 to 19)								10,637	184,361	184,361
21. In force end of year (Line 9 minus Line 20)								49,495	857,844	857,844
22. Reinsurance ceded end of year	X X X		X X X		X X X		X X X	X X X		
23. Line 21 minus Line 22	X X X		X X X		X X X	(a)	X X X	X X X	857,844	857,844
<b>DETAILS OF WRITE-INS</b>										
0801.										
0802.										
0803.										
0898. Summary of remaining write-ins for Line 8 from overflow page										
0899. TOTALS (Lines 0801 through 0803 plus 0898) (Line 8 above)										
1901.										
1902.										
1903.										
1998. Summary of remaining write-ins for Line 19 from overflow page										
1999. TOTALS (Lines 1901 through 1903 plus 1998) (Line 19 above)										

(a) Group \$.....0; Individual \$.....0.

**EXHIBIT OF LIFE INSURANCE (Continued)**

(\$000 Omitted for Amounts of Life Insurance)

**ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR**

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
24. Additions by dividends .....	X X X		X X X	
25. Other paid-up insurance .....				
26. Debit ordinary insurance .....	X X X	X X X		

**ADDITIONAL INFORMATION ON ORDINARY INSURANCE**

Term Insurance Excluding Extended Term Insurance	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance
27. Term policies -- decreasing .....				
28. Term policies -- other .....				
29. Other term insurance -- decreasing .....	X X X		X X X	
30. Other term insurance .....	X X X		X X X	
31. TOTALS (Lines 27 to 30) .....				
Reconciliation to Lines 2 and 21:				
32. Term additions .....	X X X		X X X	
33. TOTALS, extended term insurance .....	X X X	X X X		
34. TOTALS, whole life and endowment .....				
35. TOTALS (Lines 31 to 34) .....				

**CLASSIFICATION OF AMOUNT OF INSURANCE BY PARTICIPATING STATUS**

	Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial .....				
37. Ordinary .....				
38. Credit Life (Group and Individual) .....				
39. Group .....	77,707		857,844	
40. TOTALS (Lines 36 to 39) .....	77,707		857,844	

**ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE**

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance	3 Number of Certificates	4 Amount of Insurance
41. Amount of insurance included in Line 2 ceded to other companies .....	X X X		X X X	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis .....		X X X		X X X
43. Federal Employees' Group Life Insurance included in Line 21 .....				
44. Servicemen's Group Life Insurance included in Line 21 .....				
45. Group Permanent Insurance included in Line 21 .....				

**ADDITIONAL ACCIDENTAL DEATH BENEFITS**

46. Amount of additional accidental death benefits in force end of year under ordinary policies .....	
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**BASIS OF CALCULATION OF ORDINARY TERM INSURANCE**

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc. policies and riders included above.
47.1
47.2

**POLICIES WITH DISABILITY PROVISIONS**

Disability Provision	Industrial		Ordinary		Credit		Group	
	1 Number of Policies	2 Amount of Insurance	3 Number of Policies	4 Amount of Insurance	5 Number of Policies	6 Amount of Insurance	7 Number of Certificates	8 Amount of Insurance
48. Waiver of Premium .....								
49. Disability Income .....								
50. Extended Benefits .....			X X X	X X X				
51. Other .....								
52. TOTAL .....		(a)		(a)		(a)		(a)

(a) See the Annual Audited Financial Reports section of the annual statement instructions.

**EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH AND OTHER POLICIES**

**SUPPLEMENTARY CONTRACTS**

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year .....				
2. Issued during year .....				
3. Reinsurance assumed .....				
4. Increased during year (net) .....				
5. TOTALS (Lines 1 to 4) .....				
Deductions during year:				
6. Decreased (net) .....	<b>NONE</b>			
7. Reinsurance ceded .....				
8. TOTALS (Lines 6 and 7) .....				
9. In force end of year .....				
10. Amount on deposit .....		(a)		(a)
11. Income now payable .....				
12. Amount of income payable .....	(a)	(a)	(a)	(a)

**ANNUITIES**

	Ordinary		Group	
	1 Immediate	2 Deferred	3 Contracts	4 Certificates
1. In force end of prior year .....				
2. Issued during year .....				
3. Reinsurance assumed .....				
4. Increased during year (net) .....				
5. TOTALS (Lines 1 to 4) .....				
Deductions during year:				
6. Decreased (net) .....	<b>NONE</b>			
7. Reinsurance ceded .....				
8. TOTALS (Lines 6 and 7) .....				
9. In force end of year .....				
Income now payable:				
10. Amount of income payable: .....	(a)	X X X	X X X	(a)
Deferred fully paid:				
11. Account balance .....	X X X	(a)	X X X	(a)
Deferred not fully paid:				
12. Account balance .....	X X X	(a)	X X X	(a)

**ACCIDENT AND HEALTH INSURANCE**

	Group		Credit		Other	
	1 Certificates	2 Premiums in Force	3 Policies	4 Premiums in Force	5 Policies	6 Premiums in Force
1. In force end of prior year .....	1,864	153,091,532				
2. Issued during year .....	293	1,378,966				
3. Reinsurance assumed .....						
4. Increased during year (net) .....		X X X		X X X		X X X
5. TOTALS (Lines 1 to 4) .....	2,157	X X X		X X X		X X X
Deductions during year:						
6. Conversions .....		X X X	X X X	X X X	X X X	X X X
7. Decreased (net) .....	292	X X X		X X X		X X X
8. Reinsurance ceded .....		X X X		X X X		X X X
9. TOTALS (Lines 6 to 8) .....	292	X X X		X X X		X X X
10. In force end of year .....	1,865	(a) 154,470,498		(a)		(a)

**DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS**

	1	2
	Deposit Funds Contracts	Dividend Accumulations Contracts
1. In force end of prior year .....		
2. Issued during year .....		
3. Reinsurance assumed .....		
4. Increased during year (net) .....		
5. TOTALS (Lines 1 to 4) .....		
Deductions during year:		
6. Decreased (net) .....	<b>NONE</b>	
7. Reinsurance ceded .....		
8. TOTALS (Lines 6 and 7) .....		
9. In force end of year .....		
10. Amount of account balance .....	(a)	(a)

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

## FORM FOR CALCULATING THE INTEREST MAINTENANCE RESERVE

### INTEREST MAINTENANCE RESERVE

	1 Amount
1. Reserve as of December 31, Prior Year .....	
2. Current Year's Realized Pre-Tax capital gains/(losses) of \$ 0 Transferred into the Reserve Net of Taxes of \$.....0.....	
3. Adjustment for current year's liability gains/(losses) released to the Reserve .....	
4. Balance before reduction for amount transferred to Surplus (Line 2 + Line 3) .....	
5. Current year's amortization released to Summary of Operations (Amortization, Line 1, Column 4) .....	
6. Reserve as of December 31, current year (Line 4 minus Line 5) .....	

### AMORTIZATION

	1	2	3	4
Year of Amortization	Reserve as of December 31, Prior Year	Current Year's Realized Capital Gains/(Losses) Transferred into the Reserve Net of Taxes	Adjustment for Current Year's Liability Gains/(Losses) Released From the Reserve	Balance Before Reduction for Current Year's Amortization (Columns 1 + 2 + 3)
1. 2017 .....				
2. 2018 .....				
3. 2019 .....				
4. 2020 .....				
5. 2021 .....				
6. 2022 .....				
7. 2023 .....				
8. 2024 .....				
9. 2025 .....				
10. 2026 .....				
11. 2027 .....				
12. 2028 .....				
13. 2029 .....				
14. 2030 .....				
15. 2031 .....				
16. 2032 .....				
17. 2033 .....				
18. 2034 .....				
19. 2035 .....				
20. 2036 .....				
21. 2037 .....				
22. 2038 .....				
23. 2039 .....				
24. 2040 .....				
25. 2041 .....				
26. 2042 .....				
27. 2043 .....				
28. 2044 .....				
29. 2045 .....				
30. 2046 .....				
31. 2047 and Later .....				
32. TOTAL (Lines 1 to 31) .....				

NONE

## ASSET VALUATION RESERVE

	Default Component			Equity Component			7 Total Amount (Columns 3 + 6)
	1 Other than Mortgage Loans	2 Mortgage Loans	3 Total (Columns 1 + 2)	4 Common Stock	5 Real Estate and Other Invested Assets	6 Total (Columns 4 + 5)	
1. Reserve as of December 31, prior year .....	165,772		165,772	32,198	0	32,198	197,971
2. Realized Capital Gains/(Losses) Net of Taxes - General Account .....				28,726		28,726	28,726
3. Realized Capital Gains/(Losses) Net of Taxes - Separate Accounts .....							
4. Unrealized Capital Gains/(Losses) Net of Deferred Taxes - General Account .....	4,290		4,290	(22,479)		(22,479)	(18,189)
5. Unrealized Capital Gains/(Losses) Net of Deferred Taxes - Separate Accounts .....							
6. Capital gains credited/(losses charged) to contract benefits, payments or reserves .....							
7. Basic Contribution .....	20,773		20,773				20,773
8. Accumulated Balances (Lines 1 through 5 - 6 + 7) .....	190,835		190,835	38,445	0	38,445	229,281
9. Maximum Reserve .....	124,833		124,833				124,833
10. Reserve Objective .....	98,979		98,979				98,979
11. 20% of (Line 10 - Line 8) .....	(18,371)		(18,371)	(7,689)	0	(7,689)	(26,060)
12. Balance Before Transfers (Lines 8 + 11) .....	172,464		172,464	30,756	0	30,756	203,220
13. Transfers .....							
14. Voluntary Contribution .....							
15. Adjustment down to Maximum/up to Zero .....							
16. Reserve as of December 31, Current Year (Lines 12 + 13 + 14 + 15) .....	172,464		172,464	30,756	0	30,756	203,220

## ASSET VALUATION RESERVE

### BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS

#### DEFAULT COMPONENT

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Columns 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Columns 4 x 5)	7 Factor	8 Amount (Columns 4 x 7)	9 Factor	10 Amount (Columns 4 x 9)
<b>LONG-TERM BONDS</b>												
1.		Exempt Obligations .....	236,689	X X X	X X X	236,689	0.0000		0.0000		0.0000	
2.	1	Highest Quality .....	32,332,470	X X X	X X X	32,332,470	0.0004	12,933	0.0023	74,365	0.0030	96,997
3.	2	High Quality .....	99,965	X X X	X X X	99,965	0.0019	190	0.0058	580	0.0090	900
4.	3	Medium Quality .....		X X X	X X X		0.0093		0.0230		0.0340	
5.	4	Low Quality .....		X X X	X X X		0.0213		0.0530		0.0750	
6.	5	Lower Quality .....		X X X	X X X		0.0432		0.1100		0.1700	
7.	6	In or Near Default .....		X X X	X X X		0.0000		0.2000		0.2000	
8.		TOTAL Unrated Multi-class Securities Acquired by Conversion .....		X X X	X X X		X X X		X X X		X X X	
9.		TOTAL Long-Term Bonds (Sum of Lines 1 through 8) .....	32,669,124	X X X	X X X	32,669,124	X X X	13,123	X X X	74,944	X X X	97,897
<b>PREFERRED STOCKS</b>												
10.	1	Highest Quality .....		X X X	X X X		0.0004		0.0023		0.0030	
11.	2	High Quality .....		X X X	X X X		0.0019		0.0058		0.0090	
12.	3	Medium Quality .....		X X X	X X X		0.0093		0.0230		0.0340	
13.	4	Low Quality .....	359,150	X X X	X X X	359,150	0.0213	7,650	0.0530	19,035	0.0750	26,936
14.	5	Lower Quality .....		X X X	X X X		0.0432		0.1100		0.1700	
15.	6	In or Near Default .....		X X X	X X X		0.0000		0.2000		0.2000	
16.		Affiliated Life with AVR .....		X X X	X X X		0.0000		0.0000		0.0000	
17.		TOTAL Preferred Stocks (Sum of Lines 10 through 16) .....	359,150	X X X	X X X	359,150	X X X	7,650	X X X	19,035	X X X	26,936
<b>SHORT-TERM BONDS</b>												
18.		Exempt Obligations .....		X X X	X X X		0.0000		0.0000		0.0000	
19.	1	Highest Quality .....		X X X	X X X		0.0004		0.0023		0.0030	
20.	2	High Quality .....		X X X	X X X		0.0019		0.0058		0.0090	
21.	3	Medium Quality .....		X X X	X X X		0.0093		0.0230		0.0340	
22.	4	Low Quality .....		X X X	X X X		0.0213		0.0530		0.0750	
23.	5	Lower Quality .....		X X X	X X X		0.0432		0.1100		0.1700	
24.	6	In or Near Default .....		X X X	X X X		0.0000		0.2000		0.2000	
25.		TOTAL Short-term Bonds (Sum of Lines 18 through 24) .....		X X X	X X X		X X X		X X X		X X X	
<b>DERIVATIVE INSTRUMENTS</b>												
26.		Exchange Traded .....		X X X	X X X		0.0004		0.0023		0.0030	
27.	1	Highest Quality .....		X X X	X X X		0.0004		0.0023		0.0030	
28.	2	High Quality .....		X X X	X X X		0.0019		0.0058		0.0090	
29.	3	Medium Quality .....		X X X	X X X		0.0093		0.0230		0.0340	
30.	4	Low Quality .....		X X X	X X X		0.0213		0.0530		0.0750	
31.	5	Lower Quality .....		X X X	X X X		0.0432		0.1100		0.1700	
32.	6	In or Near Default .....		X X X	X X X		0.0000		0.2000		0.2000	
33.		TOTAL Derivative Instruments .....		X X X	X X X		X X X		X X X		X X X	
34.		TOTAL (Lines 9 + 17 + 25 + 33) .....	33,028,274	X X X	X X X	33,028,274	X X X	20,773	X X X	93,979	X X X	124,833

**ASSET VALUATION RESERVE (Continued)**  
**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**DEFAULT COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Columns 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Columns 4 x 5)	7 Factor	8 Amount (Columns 4 x 7)	9 Factor	10 Amount (Columns 4 x 9)
<b>MORTGAGE LOANS</b>												
In Good Standing:												
35.		Farm Mortgages - CMI - highest quality .....			X X X		0.0010		0.0050		0.0065	
36.		Farm Mortgages - CM2 - high quality .....			X X X		0.0035		0.0100		0.0130	
37.		Farm Mortgages - CM3 - medium quality .....			X X X		0.0060		0.0175		0.0225	
38.		Farm Mortgages - CM4 - low medium quality .....			X X X		0.0105		0.0300		0.0375	
39.		Farm Mortgages - CM5 - low quality .....			X X X		0.0160		0.0425		0.0550	
40.		Residential Mortgages - Insured or Guaranteed .....			X X X		0.0003		0.0006		0.0010	
41.		Residential Mortgages - All Other .....			X X X		0.0013		0.0030		0.0040	
42.		Commercial Mortgages - Insured or Guaranteed .....			X X X		0.0003		0.0006		0.0010	
43.		Commercial Mortgages - All Other - CM1 - highest quality .....			X X X		0.0010		0.0050		0.0065	
44.		Commercial Mortgages - All Other - CM2 - high quality .....			X X X		0.0035		0.0100		0.0130	
45.		Commercial Mortgages - All Other - CM3 - medium quality .....			X X X		0.0060		0.0175		0.0225	
46.		Commercial Mortgages - All Other - CM4 - low medium quality .....			X X X		0.0105		0.0300		0.0375	
47.		Commercial Mortgages - All Other - CM5 - low quality .....			X X X		0.0160		0.0425		0.0550	
Overdue, Not in Process:												
48.		Farm Mortgages .....			X X X		0.0420		0.0760		0.1200	
49.		Residential Mortgages - Insured or Guaranteed .....			X X X		0.0005		0.0012		0.0020	
50.		Residential Mortgages - All Other .....			X X X		0.0025		0.0058		0.0090	
51.		Commercial Mortgages - Insured or Guaranteed .....			X X X		0.0005		0.0012		0.0020	
52.		Commercial Mortgages - All Other .....			X X X		0.0420		0.0760		0.1200	
In Process of Foreclosure:												
53.		Farm Mortgages .....			X X X		0.0000		0.1700		0.1700	
54.		Residential Mortgages - Insured or Guaranteed .....			X X X		0.0000		0.0040		0.0040	
55.		Residential Mortgages - All Other .....			X X X		0.0000		0.0130		0.0130	
56.		Commercial Mortgages - Insured or Guaranteed .....			X X X		0.0000		0.0040		0.0040	
57.		Commercial Mortgages - All Other .....			X X X		0.0000		0.1700		0.1700	
58.		TOTAL Schedule B Mortgages (Sum of Lines 35 through 57) .....			X X X		X X X		X X X		X X X	
59.		Schedule DA Mortgages .....			X X X		0.0030		0.0100		0.0130	
60.		TOTAL Mortgage Loans on Real Estate (Lines 58 + 59) .....			X X X		X X X		X X X		X X X	

**ASSET VALUATION RESERVE**  
**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**EQUITY AND OTHER INVESTED ASSET COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Columns 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Columns 4 x 5)	7 Factor	8 Amount (Columns 4 x 7)	9 Factor	10 Amount (Columns 4 x 9)
<b>COMMON STOCK</b>												
1.		Unaffiliated Public .....		X X X	X X X		0.0000		(a)		(a)	
2.		Unaffiliated Private .....		X X X	X X X		0.0000		0.1600		0.1600	
3.		Federal Home Loan Bank .....		X X X	X X X		0.0000		0.0050		0.0080	
4.		Affiliated Life with AVR .....		X X X	X X X		0.0000		0.0000		0.0000	
Affiliated Investment Subsidiary:												
5.		Fixed Income Exempt Obligations .....					X X X		X X X		X X X	
6.		Fixed Income Highest Quality .....					X X X		X X X		X X X	
7.		Fixed Income High Quality .....					X X X		X X X		X X X	
8.		Fixed Income Medium Quality .....					X X X		X X X		X X X	
9.		Fixed Income Low Quality .....					X X X		X X X		X X X	
10.		Fixed Income Lower Quality .....					X X X		X X X		X X X	
11.		Fixed Income In or Near Default .....					X X X		X X X		X X X	
12.		Unaffiliated Common Stock Public .....					0.0000		(a)		(a)	
13.		Unaffiliated Common Stock Private .....					0.0000		0.1600		0.1600	
14.		Real Estate .....					(b)		(b)		(b)	
15.		Affiliated-Certain Other (See SVO Purposes and Procedures Manual) .....		X X X	X X X		0.0000		0.1300		0.1300	
16.		Affiliated-All Other .....		X X X	X X X		0.0000		0.1600		0.1600	
17.		TOTAL Common Stock (Sum of Lines 1 through 16) .....					X X X		X X X		X X X	
<b>REAL ESTATE</b>												
18.		Home Office Property (General Account Only) .....					0.0000		0.0750		0.0750	
19.		Investment Properties .....					0.0000		0.0750		0.0750	
20.		Properties Acquired in Satisfaction of Debt .....					0.0000		0.1100		0.1100	
21.		TOTAL Real Estate (Sum of Lines 18 through 20) .....					X X X		X X X		X X X	
<b>OTHER INVESTED ASSETS</b>												
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF BONDS</b>												
22.		Exempt Obligations .....		X X X	X X X		0.0000		0.0000		0.0000	
23.	1	Highest Quality .....		X X X	X X X		0.0004		0.0023		0.0030	
24.	2	High Quality .....		X X X	X X X		0.0019		0.0058		0.0090	
25.	3	Medium Quality .....		X X X	X X X		0.0093		0.0230		0.0340	
26.	4	Low Quality .....		X X X	X X X		0.0213		0.0530		0.0750	
27.	5	Lower Quality .....		X X X	X X X		0.0432		0.1100		0.1700	
28.	6	In or Near Default .....		X X X	X X X		0.0000		0.2000		0.2000	
29.		TOTAL with Bond characteristics (Sum of Lines 22 through 28) .....		X X X	X X X		X X X		X X X		X X X	

**ASSET VALUATION RESERVE (Continued)**  
**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**EQUITY AND OTHER INVESTED ASSET COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Columns 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Columns 4 x 5)	7 Factor	8 Amount (Columns 4 x 7)	9 Factor	10 Amount (Columns 4 x 9)
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF PREFERRED STOCKS</b>												
30.	1	Highest Quality .....		X X X	X X X		0.0004		0.0023		0.0030	
31.	2	High Quality .....		X X X	X X X		0.0019		0.0058		0.0090	
32.	3	Medium Quality .....		X X X	X X X		0.0093		0.0230		0.0340	
33.	4	Low Quality .....		X X X	X X X		0.0213		0.0530		0.0750	
34.	5	Lower Quality .....		X X X	X X X		0.0432		0.1100		0.1700	
35.	6	In or Near Default .....		X X X	X X X		0.0000		0.2000		0.2000	
36.		Affiliated Life with AVR .....		X X X	X X X		0.0000		0.0000		0.0000	
37.		TOTAL with Preferred Stock Characteristics (Sum of Lines 30 through 36) .....		X X X	X X X		X X X		X X X		X X X	
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF MORTGAGE LOANS</b>												
In Good Standing Affiliated:												
38.		Mortgages - CM1 - highest quality .....			X X X		0.0010		0.0050		0.0065	
39.		Mortgages - CM2 - high quality .....			X X X		0.0035		0.0100		0.0130	
40.		Mortgages - CM3 - medium quality .....			X X X		0.0060		0.0175		0.0225	
41.		Mortgages - CM4 - low medium quality .....			X X X		0.0105		0.0300		0.0375	
42.		Mortgages - CM5 - low quality .....			X X X		0.0160		0.0425		0.0550	
43.		Residential Mortgages - Insured or Guaranteed .....			X X X		0.0003		0.0006		0.0010	
44.		Residential Mortgages - All Other .....		X X X	X X X		0.0013		0.0030		0.0040	
45.		Commercial Mortgages - Insured or Guaranteed .....			X X X		0.0003		0.0006		0.0010	
Overdue, Not in Process Affiliated:												
46.		Farm Mortgages .....			X X X		0.0420		0.0760		0.1200	
47.		Residential Mortgages - Insured or Guaranteed .....			X X X		0.0005		0.0012		0.0020	
48.		Residential Mortgages - All Other .....			X X X		0.0025		0.0058		0.0090	
49.		Commercial Mortgages - Insured or Guaranteed .....			X X X		0.0005		0.0012		0.0020	
50.		Commercial Mortgages - All Other .....			X X X		0.0420		0.0760		0.1200	
In Process of Foreclosure Affiliated:												
51.		Farm Mortgages .....			X X X		0.0000		0.1700		0.1700	
52.		Residential Mortgages - Insured or Guaranteed .....			X X X		0.0000		0.0040		0.0040	
53.		Residential Mortgages - All Other .....			X X X		0.0000		0.0130		0.0130	
54.		Commercial Mortgages - Insured or Guaranteed .....			X X X		0.0000		0.0040		0.0040	
55.		Commercial Mortgages - All Other .....			X X X		0.0000		0.1700		0.1700	
56.		Total Affiliated (Sum of Lines 38 through 55) .....			X X X		X X X		X X X		X X X	
57.		Unaffiliated - In Good Standing With Covenants .....			X X X		(c)		(c)		(c)	
58.		Unaffiliated - In Good Standing Defeased With Government Securities .....			X X X		0.0010		0.0050		0.0065	
59.		Unaffiliated - In Good Standing Primarily Senior .....			X X X		0.0035		0.0100		0.0130	
60.		Unaffiliated - In Good Standing All Other .....			X X X		0.0060		0.0175		0.0225	
61.		Unaffiliated - Overdue, Not in Process .....			X X X		0.0420		0.0760		0.1200	
62.		Unaffiliated - In Process of Foreclosure .....			X X X		0.0000		0.1700		0.1700	
63.		Total Unaffiliated (Sum of Lines 57 through 62) .....			X X X		X X X		X X X		X X X	
64.		TOTAL with Mortgage Loan Characteristics (Sum of Lines 56 + 63) .....			X X X		X X X		X X X		X X X	

**ASSET VALUATION RESERVE (Continued)**  
**BASIC CONTRIBUTION, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**EQUITY AND OTHER INVESTED ASSET COMPONENT**

Line Number	NAIC Designation	Description	1 Book/Adjusted Carrying Value	2 Reclassify Related Party Encumbrances	3 Add Third Party Encumbrances	4 Balance for AVR Reserve Calculations (Columns 1 + 2 + 3)	Basic Contribution		Reserve Objective		Maximum Reserve	
							5 Factor	6 Amount (Columns 4 x 5)	7 Factor	8 Amount (Columns 4 x 7)	9 Factor	10 Amount (Columns 4 x 9)
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF COMMON STOCK</b>												
65.		Unaffiliated Public .....		X X X	X X X		0.0000		(a)		(a)	
66.		Unaffiliated Private .....		X X X	X X X		0.0000		0.1600		0.1600	
67.		Affiliated Life with AVR .....		X X X	X X X		0.0000		0.0000		0.0000	
68.		Affiliated Certain Other (See SVO Purposes and Procedures Manual) .....		X X X	X X X		0.0000		0.1300		0.1300	
69.		Affiliated Other - All Other .....		X X X	X X X		0.0000		0.1600		0.1600	
70.		TOTAL with Common Stock Characteristics (Sum of Lines 65 through 69) .....		X X X	X X X		X X X		X X X		X X X	
<b>INVESTMENTS WITH THE UNDERLYING CHARACTERISTICS OF REAL ESTATE</b>												
71.		Home Office Property (General Account Only) .....					0.0000		0.0750		0.0750	
72.		Investment Properties .....					0.0000		0.0750		0.0750	
73.		Properties Acquired in Satisfaction of Debt .....					0.0000		0.1100		0.1100	
74.		TOTAL with Real Estate Characteristics (Sum of Lines 71 through 73) .....					X X X		X X X		X X X	
<b>LOW INCOME HOUSING TAX CREDIT INVESTMENTS</b>												
75.		Guaranteed Federal Low Income Housing Tax Credit .....					0.0003		0.0006		0.0010	
76.		Non-guaranteed Federal Low Income Housing Tax Credit .....					0.0063		0.0120		0.0190	
77.		Guaranteed State Low Income Housing Tax Credit .....					0.0003		0.0006		0.0010	
78.		Non-guaranteed State Low Income Housing Tax Credit .....					0.0063		0.0120		0.0190	
79.		All Other Low Income Housing Tax Credit .....					0.0273		0.0600		0.0975	
80.		TOTAL LIHTC (Sum of Lines 75 through 79) .....					X X X		X X X		X X X	
<b>ALL OTHER INVESTMENTS</b>												
81.		NAIC 1 Working Capital Finance Investments .....		X X X			0.0000		0.0037		0.0037	
82.		NAIC 2 Working Capital Finance Investments .....		X X X			0.0000		0.0120		0.0120	
83.		Other Invested Assets - Schedule BA .....		X X X			0.0000		0.1300		0.1300	
84.		Other Short-Term Invested Assets - Schedule DA .....		X X X			0.0000		0.1300		0.1300	
85.		TOTAL All Other (Sum of Lines 81, 82, 83 and 84) .....		X X X			X X X		X X X		X X X	
86.		TOTAL Other Invested Assets - Schedules BA & DA (Sum of Lines 29, 37, 64, 70, 74, 80 and 85) .....					X X X		X X X		X X X	

(a) Times the company's weighted average portfolio beta (Minimum .10, Maximum .20).  
 (b) Determined using same factors and breakdowns used for directly owned real estate.  
 (c) This will be the factor associated with the risk category determined in the company generated worksheet.

**ASSET VALUATION RESERVE (Continued)**  
**BASIC CONTRIBUTIONS, RESERVE OBJECTIVE AND MAXIMUM RESERVE CALCULATIONS**  
**REPLICATIONS (SYNTHETIC) ASSETS**

1	2	3	4	5	6	7	8	9
RSAT Number	Type	CUSIP	Description of Asset(s)	NAIC Designation or Other Description of Asset	Value of Asset	AVR Basic Contribution	AVR Reserve Objective	AVR Maximum Reserve
0599999 Total .....								

## SCHEDULE F

**Showing all claims for death losses and all other contract claims resisted or compromised during the year, and all claims for death losses and all other contract claims resisted December 31 of current year**

1 Contract Numbers	2 Claim Numbers	3 State of Residence of Claimant	4 Year of Claim for Death or Disability	5 Amount Claimed	6 Amount Paid During the Year	7 Amount Resisted Dec. 31 of Current Year	8 Why Compromised or Resisted
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <h1 style="margin: 0;">N O N E</h1> </div>							
5399999 Totals .....							XXX .....

## SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT

	Total		Group Accident and Health		Credit Accident & Health (Group and Individual)		Collectively Renewable		Other Individual Contracts										
									Non-Cancelable		Guaranteed Renewable		Non-Renewable for Stated Reasons Only		Other Accident Only		All Other		
	1 Amount	2 %	3 Amount	4 %	5 Amount	6 %	7 Amount	8 %	9 Amount	10 %	11 Amount	12 %	13 Amount	14 %	15 Amount	16 %	17 Amount	18 %	
<b>PART 1 - ANALYSIS OF UNDERWRITING OPERATIONS</b>																			
1.	Premiums written	308,951,424	X X X	286,164,634	X X X		X X X		X X X		X X X	22,786,790	X X X		X X X		X X X		X X X
2.	Premiums earned	307,812,547	X X X	285,117,822	X X X		X X X		X X X		X X X	22,694,725	X X X		X X X		X X X		X X X
3.	Incurred claims	244,616,688	79.5	225,811,417	79.2							18,805,271	82.9						
4.	Cost containment expenses																		
5.	Incurred claims and cost containment expenses (Lines 3 and 4)	244,616,688	79.5	225,811,417	79.2							18,805,271	82.9						
6.	Increase in contract reserves																		
7.	Commissions (a)	13,667,824	4.4	13,261,794	4.7							406,030	1.8						
8.	Other general insurance expenses	19,807,958	6.4	18,347,017	6.4							1,460,941	6.4						
9.	Taxes, licenses and fees	3,769,951	1.2	3,491,897	1.2							278,054	1.2						
10.	Total other expenses incurred	37,245,732	12.1	35,100,707	12.3							2,145,025	9.5						
11.	Aggregate write-ins for deductions																		
12.	Gain from underwriting before dividends or refunds	25,950,127	8.4	24,205,698	8.5							1,744,430	7.7						
13.	Dividends or refunds																		
14.	Gain from underwriting after dividends or refunds	25,950,127	8.4	24,205,698	8.5							1,744,430	7.7						
<b>DETAILS OF WRITE-INS</b>																			
1101.	Federal Health Providers Fees																		
1102.																			
1103.																			
1198.	Summary of remaining write-ins for Line 11 from overflow page																		
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)																		

37

(a) Includes \$.....0 reported as "Contract, membership and other fees retained by agents."

## SCHEDULE H - ACCIDENT AND HEALTH EXHIBIT (Continued)

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non-Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
<b>PART 2 - RESERVES AND LIABILITIES</b>									
A. Premium Reserves:									
1. Unearned premiums									
2. Advance premiums	1,528,447	1,094,395				434,051			
3. Reserve for rate credits									
4. TOTAL premium reserves, current year	1,528,447	1,094,395				434,051			
5. TOTAL premium reserves, prior year	2,167,023	1,320,639				846,384			
6. Increase in total premium reserves	(638,576)	(226,244)				(412,333)			
B. Contract Reserves:									
1. Additional reserves (a)									
2. Reserve for future contingent benefits									
3. TOTAL contract reserves, current year									
4. TOTAL contract reserves, prior year									
5. Increase in contract reserves									
C. Claim Reserves and Liabilities:									
1. TOTAL current year	31,459,775	29,598,186				1,861,589			
2. TOTAL prior year	27,056,822	24,697,092				2,359,730			
3. Increase	4,402,954	4,901,095				(498,141)			
<b>PART 3 - TEST OF PRIOR YEAR'S CLAIM RESERVES AND LIABILITIES</b>									
1. Claim Paid During the Year:									
1.1 On claims incurred prior to current year	22,675,444	20,808,548				1,866,896			
1.2 On claims incurred during current year	217,538,290	200,101,774				17,436,516			
2. Claim Reserves and Liabilities, December 31, Current Year:									
2.1 On claims incurred prior to current year	4,923,617	4,922,960				657			
2.2 On claims incurred during current year	26,536,158	24,675,226				1,860,932			
3. Test:									
3.1 Lines 1.1 and 2.1	27,599,062	25,731,508				1,867,553			
3.2 Claim reserves and liabilities, December 31, prior year	27,056,822	24,697,092				2,359,730			
3.3 Line 3.1 minus Line 3.2	542,240	1,034,417				(492,177)			
<b>PART 4 - REINSURANCE</b>									
A. Reinsurance Assumed:									
1. Premiums written									
2. Premiums earned									
3. Incurred claims									
4. Commissions									
B. Reinsurance Ceded:									
1. Premiums written									
2. Premiums earned									
3. Incurred claims									
4. Commissions									

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

**SCHEDULE H - PART 5 - HEALTH CLAIMS**

	1 Medical	2 Dental	3 Other	4 Total
A. Direct:				
1. Incurred Claims .....	244,616,687			244,616,687
2. Beginning Claim Reserves and Liabilities .....	27,056,822			27,056,822
3. Ending Claim Reserves and Liabilities .....	31,459,775			31,459,775
4. Claims Paid .....	240,213,734			240,213,734
B. Assumed Reinsurance:				
5. Incurred Claims .....				
6. Beginning Claim Reserves and Liabilities .....				
7. Ending Claim Reserves and Liabilities .....				
8. Claims Paid .....				
C. Ceded Reinsurance:				
9. Incurred Claims .....				
10. Beginning Claim Reserves and Liabilities .....				
11. Ending Claim Reserves and Liabilities .....				
12. Claims Paid .....				
D. Net:				
13. Incurred Claims .....	244,616,687			244,616,687
14. Beginning Claim Reserves and Liabilities .....	27,056,822			27,056,822
15. Ending Claim Reserves and Liabilities .....	31,459,775			31,459,775
16. Claims Paid .....	240,213,734			240,213,734
E. Net Incurred Claims and Cost Containment Expenses:				
17. Incurred Claims and Cost Containment Expenses .....	244,616,688			244,616,688
18. Beginning Reserves and Liabilities .....	27,056,822			27,056,822
19. Ending Reserves and Liabilities .....	31,459,775			31,459,775
20. Paid Claims and Cost Containment Expenses .....	240,213,735			240,213,735

40 Schedule S - Part 1 - Section 1 ..... NONE

41 Schedule S - Part 1 - Section 2 ..... NONE

42 Schedule S - Part 2 ..... NONE

## SCHEDULE S - PART 3 - SECTION 1

### Reinsurance Ceded Life Insurance, Annuities, Deposit Funds and Other Liabilities Without Life or Disability Contingencies, and Related Benefits 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 Type of Reinsurance Ceded	7 Type of Business Ceded	8 Amount in Force at End of Year	Reserve Credit Taken		11 Premiums	Outstanding Surplus Relief		14 Modified Coinsurance Reserve	15 Funds Withheld Under Coinsurance
								9 Current Year	10 Prior Year		12 Current Year	13 Prior Year		
0699999 Subtotal - General Account - Authorized - Affiliates - Non-U.S. - Total														
0799999 Total - General Account - Authorized - Affiliates														
<b>General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates</b>														
88340	59-2859797	11/01/2011	HANNOVER LIFE REASSUR CO OF AMER	FL	ADB/G	OL				262,103				
0899999 Subtotal - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates														
1099999 Total - General Account - Authorized - Non-Affiliates														
1199999 Total - General Account - Authorized														
1499999 Subtotal - General Account - Unauthorized - Affiliates - U.S. - Total														
1799999 Subtotal - General Account - Unauthorized - Affiliates - Non-U.S. - Total														
1899999 Total - General Account - Unauthorized - Affiliates														
2299999 Total - General Account - Unauthorized														
2599999 Subtotal - General Account - Certified - Affiliates - U.S. - Total														
2899999 Subtotal - General Account - Certified - Affiliates - Non-U.S. - Total														
2999999 Total - General Account - Certified - Affiliates														
3399999 Total - General Account - Certified														
3499999 Total - General Account - Authorized, Unauthorized and Certified														
3799999 Subtotal - Separate Accounts - Authorized - Affiliates - U.S. - Total														
4099999 Subtotal - Separate Accounts - Authorized - Affiliates - Non-U.S. - Total														
4199999 Total - Separate Accounts - Authorized Affiliates														
4599999 Total - Separate Accounts - Authorized														
4899999 Subtotal - Separate Accounts - Unauthorized - Affiliates - U.S. - Total														
5199999 Subtotal - Separate Accounts - Unauthorized - Affiliates - Non-U.S. - Total														
5299999 Total - Separate Accounts - Unauthorized - Affiliates														
5599999 Total - Separate Accounts - Unauthorized - Non-Affiliates														
5699999 Total - Separate Accounts - Unauthorized														
5999999 Subtotal - Separate Accounts - Certified - Affiliates - U.S. - Total														
6299999 Subtotal - Separate Accounts - Certified - Affiliates - Non-U.S. - Total														
6399999 Total - Separate Accounts - Certified - Affiliates														
6699999 Total - Separate Accounts - Certified - Non-Affiliates														
6799999 Total - Separate Accounts - Certified														
6899999 Total - Separate Accounts - Authorized, Unauthorized and Certified														
6999999 Total U.S. (Sum of 0399999, 0899999, 1499999, 1999999, 2599999, 3099999, 3799999, 4299999, 4899999, 5399999, 5999999 and 6499999)														
7099999 Total Non-U.S. (Sum of 0699999, 0999999, 1799999, 2099999, 2899999, 3199999, 4099999, 4399999, 5199999, 5499999, 6299999 and 6599999)														
9999999 Total (Sum of 3499999 and 6899999)														

## SCHEDULE S - PART 3 - SECTION 2

### Reinsurance Ceded Accident and Health Insurance 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 Type of Reinsurance Ceded	7 Type of Business Ceded	8 Premiums	9 Unearned Premiums (Estimated)	10 Reserve Credit Taken Other than for Unearned Premiums	Outstanding Surplus Relief		13 Modified Coinsurance Reserve	14 Funds Withheld Under Coinsurance
										11 Current Year	12 Prior Year		
0699999 Subtotal - General Account - Authorized - Affiliates - Non-U.S. - Total .....													
0799999 Total - General Account - Authorized - Affiliates .....													
<b>General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates</b>													
25364	13-1675535	01/01/2016	SWISS REINS AMER CORP	NY	OTH/G	OL	1,138,877						
0899999 Subtotal - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates .....													
1099999 Total - General Account - Authorized - Non-Affiliates .....													
1199999 Total - General Account Authorized .....													
1499999 Subtotal - General Account - Unauthorized - Affiliates - U.S. - Total .....													
1799999 Subtotal - General Account - Unauthorized - Affiliates - Non-U.S. - Total .....													
1899999 Total - General Account - Unauthorized - Affiliates .....													
2299999 Total - General Account - Unauthorized .....													
2599999 Subtotal - General Account - Certified - Affiliates - U.S. - Total .....													
2899999 Subtotal - General Account - Certified - Affiliates - Non-U.S. - Total .....													
2999999 Total - General Account - Certified - Affiliates .....													
3399999 Total - General Account - Certified .....													
3499999 Total - General Account - Authorized, Unauthorized and Certified .....													
3799999 Subtotal - Separate Accounts - Authorized - Affiliates - U.S. - Total .....													
4099999 Subtotal - Separate Accounts - Authorized - Affiliates - Non-U.S. - Total .....													
4199999 Total - Separate Accounts - Authorized - Affiliates .....													
4599999 Total - Separate Accounts - Authorized .....													
4899999 Subtotal - Separate Accounts - Unauthorized - Affiliates - U.S. - Total .....													
5199999 Subtotal - Separate Accounts - Unauthorized - Affiliates - Non-U.S. - Total .....													
5299999 Total - Separate Accounts - Unauthorized - Affiliates .....													
5599999 Total - Separate Accounts - Unauthorized - Non-Affiliates .....													
5699999 Total - Separate Accounts - Unauthorized .....													
5999999 Subtotal - Separate Accounts - Certified - Affiliates - U.S. - Total .....													
6299999 Subtotal - Separate Accounts - Certified - Affiliates - Non-U.S. - Total .....													
6399999 Total - Separate Accounts - Certified - Affiliates .....													
6699999 Total - Separate Accounts - Certified - Non-Affiliates .....													
6799999 Total - Separate Accounts - Certified .....													
6899999 Total - Separate Accounts - Authorized, Unauthorized and Certified .....													
6999999 Total U.S. (Sum of 0399999, 0899999, 1499999, 1999999, 2599999, 3099999, 3799999, 4299999, 4899999, 5399999, 5999999 and 6499999) .....													
7099999 Total Non-U.S. (Sum of 0699999, 0999999, 1799999, 2099999, 2899999, 3199999, 4099999, 4399999, 5199999, 5499999, 6299999 and 6599999) .....													
9999999 Total (Sum of 3499999 and 6899999) .....													

45 Schedule S - Part 4 ..... NONE

46 Schedule S - Part 5 ..... NONE

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

	1 2017	2 2016	3 2015	4 2014	5 2013
<b>A. OPERATIONS ITEMS:</b>					
1. Premiums and annuity considerations for life and accident and health contracts .....	1,401	1,426	1,327	1,385	1,302
2. Commissions and reinsurance expense allowances .....					
3. Contract claims .....				344	(250)
4. Surrender benefits and withdrawals for life contracts .....					
5. Dividends to policyholders .....					
6. Reserve adjustments on reinsurance ceded .....					
7. Increase in aggregate reserves for life and accident and health contracts .....					
<b>B. BALANCE SHEET ITEMS</b>					
8. Premiums and annuity considerations for life and accident and health contracts deferred and uncollected .....					
9. Aggregate reserves for life and accident and health contracts .....					
10. Liability for deposit-type contracts .....					
11. Contract claims unpaid .....					
12. Amounts recoverable on reinsurance .....				344	
13. Experience rating refunds due or unpaid .....					
14. Policyholders' dividends (not included in Line 10) .....					
15. Commissions and reinsurance expense allowances due .....					
16. Unauthorized reinsurance offset .....					
17. Offset for reinsurance with Certified Reinsurers .....					
<b>C. UNAUTHORIZED REINSURANCE</b>					
<b>(Deposits By and Funds Withheld From)</b>					
18. Funds deposited by and withheld from (F) .....					
19. Letters of credit (L) .....					
20. Trust agreements (T) .....					
21. Other (O) .....					
<b>D. REINSURANCE WITH CERTIFIED REINSURERS</b>					
<b>(Deposits By and Funds Withheld From)</b>					
22. Multiple Beneficiary Trust .....					
23. Funds deposited by and withheld from (F) .....					
24. Letters of credit (L) .....					
25. Trust agreements (T) .....					
26. 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)
<b>ASSETS (Page 2, Column 3)</b>			
1. Cash and invested assets (Line 12) .....	75,981,657		75,981,657
2. Reinsurance (Line 16) .....			
3. Premiums and considerations (Line 15) .....	14,525,158		14,525,158
4. Net credit for ceded reinsurance .....	X X X		
5. All other admitted assets (balance) .....	7,035,960		7,035,960
6. TOTAL Assets excluding Separate Accounts (Line 26) .....	97,542,775		97,542,775
7. Separate Account assets (Line 27) .....			
8. TOTAL Assets (Line 28) .....	97,542,775		97,542,775
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
9. Contract reserves (Lines 1 and 2) .....			
10. Liability for deposit-type contracts (Line 3) .....			
11. Claim reserves (Line 4) .....	31,709,775		31,709,775
12. Policyholder dividends/reserves (Lines 5 through 7) .....			
13. Premium & annuity considerations received in advance (Line 8) .....	1,528,447		1,528,447
14. Other contract liabilities (Line 9) .....			
15. Reinsurance in unauthorized companies (Line 24.02 minus inset amount) .....			
16. Funds held under reinsurance treaties with unauthorized reinsurers (Line 24.03 minus inset amount) .....			
17. Reinsurance with Certified Reinsurers (Line 24.02 inset amount) .....			
18. Funds held under reinsurance treaties with Certified Reinsurers (Line 24.03 inset amount) .....			
19. All other liabilities (balance) .....	20,745,558		20,745,558
20. TOTAL Liabilities excluding Separate Accounts (Line 26) .....	53,983,780		53,983,780
21. Separate Account liabilities (Line 27) .....			
22. TOTAL Liabilities (Line 28) .....	53,983,780		53,983,780
23. Capital & surplus (Line 38) .....	43,558,995	X X X	43,558,995
24. TOTAL Liabilities, capital and surplus (Line 39) .....	97,542,775		97,542,775
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
25. Contract reserves .....			
26. Claim reserves .....			
27. Policyholder dividends/reserves .....			
28. Premium & annuity considerations received in advance .....			
29. Liability for deposit-type contracts .....			
30. Other contract liabilities .....			
31. Reinsurance ceded assets .....			
32. Other ceded reinsurance recoverables .....			
33. TOTAL Ceded reinsurance recoverables .....			
34. Premiums and considerations .....			
35. Reinsurance in unauthorized companies .....			
36. Funds held under reinsurance treaties with unauthorized reinsurers .....			
37. Reinsurance with Certified Reinsurers .....			
38. Funds held under reinsurance treaties with certified reinsurers .....			
39. Other ceded reinsurance payables/offsets .....			
40. TOTAL Ceded reinsurance payable/offsets .....			
41. TOTAL Net credit for ceded reinsurance .....			

# SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

	States, Etc.	1 Active Status	Direct Business Only					
			Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	7 Deposit-Type Contracts
			2 Life Insurance Premiums	3 Annuity Considerations				
1.	Alabama (AL)	N						
2.	Alaska (AK)	N						
3.	Arizona (AZ)	N						
4.	Arkansas (AR)	N						
5.	California (CA)	N						
6.	Colorado (CO)	N						
7.	Connecticut (CT)	N						
8.	Delaware (DE)	N						
9.	District of Columbia (DC)	N						
10.	Florida (FL)	N						
11.	Georgia (GA)	N						
12.	Hawaii (HI)	N						
13.	Idaho (ID)	N						
14.	Illinois (IL)	N						
15.	Indiana (IN)	N						
16.	Iowa (IA)	N						
17.	Kansas (KS)	N						
18.	Kentucky (KY)	N						
19.	Louisiana (LA)	N						
20.	Maine (ME)	N						
21.	Maryland (MD)	N						
22.	Massachusetts (MA)	N						
23.	Michigan (MI)	N						
24.	Minnesota (MN)	N						
25.	Mississippi (MS)	N						
26.	Missouri (MO)	N						
27.	Montana (MT)	N						
28.	Nebraska (NE)	N						
29.	Nevada (NV)	N						
30.	New Hampshire (NH)	N						
31.	New Jersey (NJ)	N						
32.	New Mexico (NM)	N						
33.	New York (NY)	N						
34.	North Carolina (NC)	N						
35.	North Dakota (ND)	N						
36.	Ohio (OH)	N						
37.	Oklahoma (OK)	N						
38.	Oregon (OR)	N						
39.	Pennsylvania (PA)	N						
40.	Rhode Island (RI)	N						
41.	South Carolina (SC)	N						
42.	South Dakota (SD)	N						
43.	Tennessee (TN)	N						
44.	Texas (TX)	N						
45.	Utah (UT)	N						
46.	Vermont (VT)	N						
47.	Virginia (VA)	N						
48.	Washington (WA)	N						
49.	West Virginia (WV)	N						
50.	Wisconsin (WI)	N						
51.	Wyoming (WY)	N						
52.	American Samoa (AS)	N						
53.	Guam (GU)	N						
54.	Puerto Rico (PR)	L	2,416,373		308,951,424	311,367,797		
55.	U.S. Virgin Islands (VI)	N						
56.	Northern Mariana Islands (MP)	N						
57.	Canada (CAN)	N						
58.	Aggregate Other Alien (OT)	X X X						
59.	Subtotal	(a)1	2,416,373		308,951,424	311,367,797		
90.	Reporting entity contributions for employee benefits plans	X X X						
91.	Dividends or refunds applied to purchase paid-up additions and annuities	X X X						
92.	Dividends or refunds applied to shorten endowment or premium paying period	X X X						
93.	Premium or annuity considerations waived under disability or other contract provisions	X X X						
94.	Aggregate other amounts not allocable by State	X X X						
95.	TOTALS (Direct Business)	X X X	2,416,373		308,951,424	311,367,797		
96.	Plus Reinsurance Assumed	X X X						
97.	TOTALS (All Business)	X X X	2,416,373		308,951,424	311,367,797		
98.	Less Reinsurance Ceded	X X X	262,103		1,138,877	1,400,980		
99.	TOTALS (All Business) less Reinsurance Ceded	X X X	2,154,270		(b). 307,812,547	309,966,818		
<b>DETAILS OF WRITE-INS</b>								
58001.		X X X						
58002.		X X X						
58003.		X X X						
58998.	Summary of remaining write-ins for Line 58 from overflow page	X X X						
58999.	TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X						
9401.		X X X						
9402.		X X X						
9403.		X X X						
9498.	Summary of remaining write-ins for Line 94 from overflow page	X X X						
9499.	TOTALS (Lines 9401 through 9403 plus 9498) (Line 94 above)	X X X						

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

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

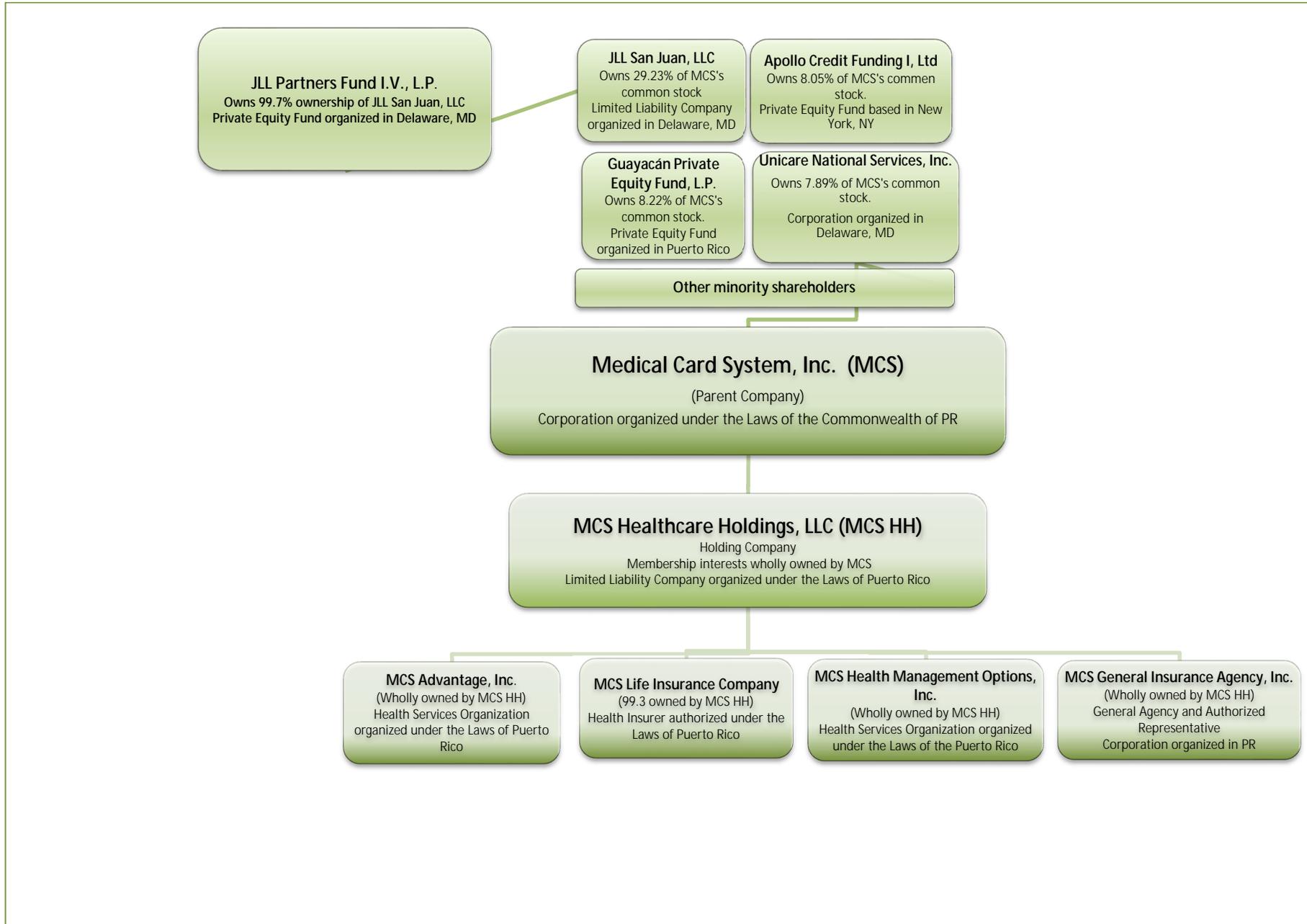
(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10 or with Schedule H, Part 1, Column 1, Line 1. Indicate which. Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols 8, 9 and 10

Explanation of basis of allocation by states, etc., of premiums and annuity considerations:

**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)						
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)	2,416,373					2,416,373
55. U.S. Virgin Islands (VI)						
56. Northern Mariana Islands (MP)						
57. Canada (CAN)						
58. Aggregate other alien (OT)						
59. TOTALS	2,416,373					2,416,373

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



## SCHEDULE Y

### PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	Is an SCA Filing Required? (Y/N)	*
1301	Medical Card System Inc .....	60030	66-0520918	.....	.....	.....	MCS Life Insurance .....	.. PR ..	.. IA ...	MCS Healthcare Holding, LLC .....	Ownership, Board of Directors .....	..... 99.3	JLL Partners Fund IV, LLC ..	..... N .....	.....
1301	Medical Card System Inc .....	13022	660642758	.....	.....	.....	MCS Advantage Inc .....	.. PR ..	.. IA ...	MCS Healthcare Holding, LLC .....	Ownership, Board of Directors .....	..... 100.0	JLL Partners Fund IV, LLC ..	..... N .....	.....
1301	Medical Card System Inc .....	95779	660411947	.....	.....	.....	MCS Health Management Options, Inc ..	.. PR ..	.. IA ...	MCS Healthcare Holding, LLC .....	Ownership, Board of Directors .....	..... 100.0	JLL Partners Fund IV, LLC ..	..... N .....	.....
0000	Medical Card System Inc .....	00000	66-0845895	.....	.....	.....	MCS General Insurance Agency, Inc .....	.. PR ..	.. IA ...	MCS Healthcare Holding, LLC .....	Ownership, Board of Directors .....	..... 100.0	JLL Partners Fund IV, LLC ..	..... N .....	.....
0000	Medical Card System Inc .....	00000	66-0850198	.....	.....	.....	MCS Healthcare Holding, LLC .....	.. PR ..	.. UDP ..	Medical Card System Inc .....	Ownership, Board of Directors .....	..... 100.0	JLL Partners Fund IV, LLC ..	..... N .....	.....

Asterisk	Explanation
0000001	.....

## SCHEDULE Y

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

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
60030	66-0520918	MCS LIFE INS CO					17,750,000				17,750,000	
00000	66-0850198	MCS Healthcare Holding LLC					(17,750,000)				(17,750,000)	
9999999 Control Totals									XXX			

Schedule Y Part 2 Explanation:

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

Response

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

## MARCH FILING

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

## APRIL FILING

- |   |     |
|---|-----|
| 5. Will Management's Discussion and Analysis be filed by April 1?   | Yes |
| 6. Will the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit be filed with the state of domicile and the NAIC by April 1? | Yes |
| 7. Will the Adjustment Form (if required) be filed with the state of domicile and the NAIC by April 1?  | Yes |
| 8. Will the Supplemental Investment Risks Interrogatories be filed by April 1?  | Yes |

## JUNE FILING

- |   |     |
|---|-----|
| 9. Will an audited financial report be filed by June 1?   | Yes |
| 10. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? | Yes |

## AUGUST FILING

- |   |     |
|---|-----|
| 11. 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 annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but it is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

## MARCH FILING

- |   |     |
|---|-----|
| 12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?  | Yes |
| 13. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?  | No  |
| 14. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC by March 1?  | No  |
| 15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 to Exhibit 5 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 be filed with the state of domicile and electronically with the NAIC by March 1?   | No  |
| 17. Will the actuarial opinion on X-Factors be filed with the state of domicile and electronically with the NAIC by March 1?  | No  |
| 18. Will the actuarial opinion on Separate Accounts Funding Guaranteed Minimum Benefit be filed with the state of domicile and electronically with the NAIC by March 1?   | No  |
| 19. Will the actuarial opinion on Synthetic Guaranteed Investment Contracts be filed with the state of domicile and electronically with the NAIC by March 1?  | No  |
| 20. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC by March 1?  | No  |
| 21. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC by March 1?  | No  |
| 22. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC by March 1?  | No  |
| 23. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC by March 1?  | No  |
| 24. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC by March 1?  | No  |
| 25. Will the C-3 RBC Certifications required under C-3 Phase I be filed with the state of domicile and electronically with the NAIC by March 1?   | No  |
| 26. Will the C-3 RBC Certifications required under C-3 Phase II be filed with the state of domicile and electronically with the NAIC by March 1?  | No  |
| 27. Will the Actuarial Certifications Related to Annuity Nonforfeiture Ongoing Compliance for Equity Indexed Annuities be filed with the state of domicile and electronically with the NAIC by March 1?   | No  |
| 28. Will the actuarial opinion required by the Modified Guaranteed Annuity Model Regulation be filed with the state of domicile and electronically with the NAIC by March 1?  | No  |
| 29. Will the Actuarial Certification Related to Hedging required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1?  | No  |
| 30. Will the Financial Officer Certification Related to Clearly Defined Hedging Strategy required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1?   | No  |
| 31. Will the Management Certification That the Valuation Reflects Management's Intent required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1?  | No  |
| 32. Will the Actuarial Certification Related to the Reserves required by Actuarial Guideline XLIII be filed with the state of domicile and electronically with the NAIC by March 1?   | No  |
| 33. Will the Actuarial Certification regarding the use of 2001 Preferred Class Tables required by the Model Regulation Permitting the Recognition of Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities be filed with the state of domicile and electronically with the NAIC by March 1? | No  |
| 34. Will the Workers' Compensation Carve-Out Supplement be filed by March 1?  | No  |
| 35. Will Supplemental Schedule O be filed with the state of domicile and the NAIC by March 1?   | Yes |
| 36. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?   | No  |
| 37. 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  |
| 38. 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  |
| 39. 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  |
| 40. Will the VM-20 Reserves Supplement be filed with the state of domicile and the NAIC by March 1?   | No  |

## APRIL FILING

- |  |     |
|--|-----|
| 41. Will the confidential Regulatory Asset Adequacy Issues Summary (RAAIS) required by the Valuation Manual, be filed with the state of domicile by April 1? | No  |
| 42. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?  | No  |
| 43. Will the Interest Sensitive Life Insurance Products Report Forms be filed with the state of domicile and the NAIC by April 1?                            | No  |
| 44. Will the Credit Insurance Experience Exhibit be filed with the state of domicile and the NAIC by April 1?  | No  |
| 45. Will the Accident and Health Policy Experience Exhibit be filed by April 1?  | Yes |
| 46. Will the Analysis of Annuity Operations by Line of Business be filed with the state of domicile and the NAIC by April 1?                                 | No  |
| 47. Will the Analysis of Increase in Annuity Reserves During the Year be filed with the state of domicile and the NAIC by April 1?                           | No  |
| 48. 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 |

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

- |  |     |
|--|-----|
| 49. 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? | Yes |
| 50. Will the confidential Actuarial Memorandum required by Actuarial Guideline XXXVIII 8D be filed with the state of domicile by April 30?                         | No  |
| 51. Will the Supplemental Term and Universal Life Insurance Reinsurance Exhibit be filed with the state of domicile and the NAIC by April 1?                       | No  |
| 52. Will the Variable Annuities Supplement be filed with the state of domicile and the NAIC by April 1?  | No  |

AUGUST FILING

- |  |    |
|--|----|
| 53. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? | No |
|--|----|

Explanations:

Bar Codes:

Medicare Supplement Insurance Experience Exhibit



Trusted Surplus Statement



Actuarial Opinion on Participating and Non-Participating Policies



Statement of Non-Guaranteed Elements for Exhibit 5



Actuarial Opinion on X-Factors



Separate Accounts Funding Guaranteed Minimum Benefits Actuarial Opinion



Synthetic Guaranteed Investment Contracts Actuarial Opinion



Reasonableness 1 - Assumptions



Reasonableness 2 - Consistency



Reasonableness 3 - Implied Guarantee



Reasonableness 4 - Ave. Market Value



Reasonableness 5 - Market Value



C-3 RBC Certifications required under C-3 Phase I



C-3 RBC Certifications required under C-3 Phase II



Actuarial Cert. related to Annuity Nonforfeiture Ongoing Compliance



Actuarial Opinion required by the Modified Guaranteed Annuity Model Reg



Act Cert Rel to Hedging req by Actuarial Guideline XLIII



Fin Off Cert Rel to Clearly Def Hedging Strat req by Act Guid XLIII



Mgt Cert That the Val Reflects Mgt's Intent req by Act Guid XLIII



Act Cert Related to the Reserves required by Actuarial Guideline XLIII



Actuarial Certification regarding the use of 2001 Preferred Class Tables



Worker's Compensation Carve-out Supplement



Medicare Part D Coverage Supplement



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



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



Approval for Relief related to Require. for Audit Committees



## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES (continued)

VM20 Reserves Supplement



Regulatory Asset Adequacy Issues Summary (RAAIS)



LTC Supplemental Interrogatories



Interest Sensitive Life Insurance Products Report



Credit Insurance Exhibit



Analysis of Annuity Operations by Lines of Business



Analysis of Increase in Annuity Reserves During the Year



Actuarial Memo. req. by Actuarial Guideline XXXVIII 8D



Suppl. Term and Universal Reinsurance Exhibit



Variable Annuities Supplement



Management's Report of Internal Control over Financial Reporting



OVERFLOW PAGE FOR WRITE-INS

**SUMMARY OF OPERATIONS**

	1 Current Year	2 Prior Year
08.397. Summary of remaining write-ins for Line 8.3 (Lines 08.304 through 08.396) .....	.....	.....
2704. ....	.....	.....
2797. Summary of remaining write-ins for Line 27 (Lines 2704 through 2796) .....	.....	.....
5397. Summary of remaining write-ins for Line 53 (Lines 5304 through 5396) .....	.....	.....

## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement			
	1 Amount	2 Percentage	3 Amount	4 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities .....						
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies .....	30,848,847	40.600	30,848,847		30,848,847	40.600
1.22 Issued by U.S. government sponsored agencies .....						
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities) .....						
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:						
1.41 States, territories and possessions general obligations .....						
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....	1,260,182	1.659	1,260,182		1,260,182	1.659
1.43 Revenue and assessment obligations .....						
1.44 Industrial development and similar obligations .....						
1.5 Mortgage-backed securities (includes residential and commercial MBS):						
1.51 Pass-through securities:						
1.511 Issued or Guaranteed by GNMA .....	236,689	0.312	236,689		236,689	0.312
1.512 Issued or Guaranteed by FNMA and FHLMC .....						
1.513 All other .....						
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....						
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 .....						
1.523 All other .....						
2. Other debt and other fixed income securities (excluding short term):						
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities) .....	323,406	0.426	323,406		323,406	0.426
2.2 Unaffiliated Non-U.S. securities (including Canada) .....						
2.3 Affiliated securities .....						
3. Equity interests:						
3.1 Investments in mutual funds .....						
3.2 Preferred stocks:						
3.21 Affiliated .....						
3.22 Unaffiliated .....	359,150	0.473	359,150		359,150	0.473
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated .....						
3.32 Unaffiliated .....						
3.4 Other equity securities:						
3.41 Affiliated .....						
3.42 Unaffiliated .....						
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated .....						
3.52 Unaffiliated .....						
4. Mortgage loans:						
4.1 Construction and land development .....						
4.2 Agricultural .....						
4.3 Single family residential properties .....						
4.4 Multifamily residential properties .....						
4.5 Commercial loans .....						
4.6 Mezzanine real estate loans .....						
5. Real estate investments:						
5.1 Property occupied by company .....						
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt) .....						
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt) .....						
6. Contract loans .....						
7. Derivatives .....						
8. Receivables for securities .....						
9. Securities Lending (Line 10, Asset Page reinvested collateral) .....				X X X	X X X	X X X
10. Cash, cash equivalents and short-term investments .....	42,953,383	56.531	42,953,383		42,953,383	56.531
11. Other invested assets .....						
12. TOTAL Invested assets .....	75,981,657	100.000	75,981,657		75,981,657	100.000

## SCHEDULE A - VERIFICATION BETWEEN YEARS

### Real Estate

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

## SCHEDULE B - VERIFICATION BETWEEN YEARS

### Mortgage Loans

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

## SCHEDULE BA - VERIFICATION BETWEEN YEARS

### Other Long-Term Invested Assets

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

## SCHEDULE D - VERIFICATION BETWEEN YEARS

### Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year .....		9,776,421
2. Cost of bonds and stocks acquired, Part 3, Column 7 .....		27,384,488
3. Accrual of Discount .....		5,113
4. Unrealized valuation increase (decrease):		
4.1 Part 1, Column 12 .....		
4.2 Part 2, Section 1, Column 15 .....	4,290	
4.3 Part 2, Section 2, Column 13 .....		
4.4 Part 4, Column 11 .....	(22,479)	(18,189)
5. TOTAL gain (loss) on disposals, Part 4, Column 19 .....		(190,976)
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 .....		3,822,687
7. Deduct amortization of premium .....		105,895
8. TOTAL foreign exchange change in book/adjusted carrying value:		
8.1 Part 1, Column 15 .....		
8.2 Part 2, Section 1, Column 19 .....		
8.3 Part 2, Section 2, Column 16 .....		
8.4 Part 4, Column 15 .....		
9. Deduct current year's other-than-temporary impairment recognized:		
9.1 Part 1, Column 14 .....		
9.2 Part 2, Section 1, Column 17 .....		
9.3 Part 2, Section 2, Column 14 .....		
9.4 Part 4, Column 13 .....		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....		33,028,274
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....		33,028,274

## 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
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	31,085,536	30,800,960	31,179,040	31,073,360
	2. Canada .....				
	3. Other Countries .....				
	4. TOTALS .....	31,085,536	30,800,960	31,179,040	31,073,360
U.S. States, Territories and Possessions (Direct and guaranteed)	5. TOTALS .....				
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. TOTALS .....	1,260,182	1,263,296	1,324,607	1,250,000
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. TOTALS .....				
Industrial and Miscellaneous, SVO Identified Funds and Hybrid Securities (unaffiliated)	8. United States .....	323,406	443,818	322,284	323,000
	9. Canada .....				
	10. Other Countries .....				
	11. TOTALS .....	323,406	443,818	322,284	323,000
Parent, Subsidiaries and Affiliates	12. TOTALS .....				
	13. TOTAL Bonds .....	32,669,124	32,508,074	32,825,931	32,646,360
<b>PREFERRED STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	14. United States .....	359,150	359,150	251,464	
	15. Canada .....				
	16. Other Countries .....				
	17. TOTALS .....	359,150	359,150	251,464	
Parent, Subsidiaries and Affiliates	18. TOTALS .....				
	19. TOTAL Preferred Stocks .....	359,150	359,150	251,464	
<b>COMMON STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	20. United States .....				
	21. Canada .....				
	22. Other Countries .....				
	23. TOTALS .....				
Parent, Subsidiaries and Affiliates	24. TOTALS .....				
	25. TOTAL Common Stocks .....				
	26. TOTAL Stocks .....	359,150	359,150	251,464	
	27. TOTAL Bonds and Stocks .....	33,028,274	32,867,224	33,077,395	

## SCHEDULE D - PART 1A - SECTION 1

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

	1	2	3	4	5	6	7	8	9	10	11	12
NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	No Maturity Date	Total Current Year	Column 7 as a % of Line 10.7	Total From Column 7 Prior Year	% From Column 8 Prior Year	Total Publicly Traded	Total Privately Placed (a)
1. U.S. Governments												
1.1 NAIC 1	1,007,539	29,841,308	78,602	158,086		X X X	31,085,535	95.15	6,745,835	73.28	31,085,535	
1.2 NAIC 2						X X X						
1.3 NAIC 3						X X X						
1.4 NAIC 4						X X X						
1.5 NAIC 5						X X X						
1.6 NAIC 6						X X X						
1.7 TOTALS	1,007,539	29,841,308	78,602	158,086		X X X	31,085,535	95.15	6,745,835	73.28	31,085,535	
2. All Other Governments												
2.1 NAIC 1						X X X						
2.2 NAIC 2						X X X						
2.3 NAIC 3						X X X						
2.4 NAIC 4						X X X						
2.5 NAIC 5						X X X						
2.6 NAIC 6						X X X						
2.7 TOTALS						X X X						
3. U.S. States, Territories and Possessions, etc., Guaranteed												
3.1 NAIC 1						X X X						
3.2 NAIC 2						X X X						
3.3 NAIC 3						X X X						
3.4 NAIC 4						X X X						
3.5 NAIC 5						X X X						
3.6 NAIC 6						X X X						
3.7 TOTALS						X X X						
4. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed												
4.1 NAIC 1	1,004,103	156,115				X X X	1,160,218	3.55	1,678,338	18.23	1,160,218	
4.2 NAIC 2	99,965					X X X	99,965	0.31	183,132	1.99	99,965	
4.3 NAIC 3						X X X						
4.4 NAIC 4						X X X						
4.5 NAIC 5						X X X						
4.6 NAIC 6						X X X			275,424	2.99		
4.7 TOTALS	1,104,068	156,115				X X X	1,260,183	3.86	2,136,894	23.21	1,260,183	
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed												
5.1 NAIC 1						X X X						
5.2 NAIC 2						X X X						
5.3 NAIC 3						X X X						
5.4 NAIC 4						X X X						
5.5 NAIC 5						X X X						
5.6 NAIC 6						X X X						
5.7 TOTALS						X X X						

S105

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

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

	1 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 7 Prior Year	10 % From Column 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)												
6.1 NAIC 1			120,980	202,426		X X X	323,406	0.99	323,299	3.51	323,406	
6.2 NAIC 2						X X X						
6.3 NAIC 3						X X X						
6.4 NAIC 4						X X X						
6.5 NAIC 5						X X X						
6.6 NAIC 6						X X X						
6.7 TOTALS			120,980	202,426		X X X	323,406	0.99	323,299	3.51	323,406	
7. Hybrid Securities												
7.1 NAIC 1						X X X						
7.2 NAIC 2						X X X						
7.3 NAIC 3						X X X						
7.4 NAIC 4						X X X						
7.5 NAIC 5						X X X						
7.6 NAIC 6						X X X						
7.7 TOTALS						X X X						
8. Parent, Subsidiaries and Affiliates												
8.1 NAIC 1						X X X						
8.2 NAIC 2						X X X						
8.3 NAIC 3						X X X						
8.4 NAIC 4						X X X						
8.5 NAIC 5						X X X						
8.6 NAIC 6						X X X						
8.7 TOTALS						X X X						
9. SVO Identified Funds												
9.1 NAIC 1	X X X	X X X	X X X	X X X	X X X							
9.2 NAIC 2	X X X	X X X	X X X	X X X	X X X							
9.3 NAIC 3	X X X	X X X	X X X	X X X	X X X							
9.4 NAIC 4	X X X	X X X	X X X	X X X	X X X							
9.5 NAIC 5	X X X	X X X	X X X	X X X	X X X							
9.6 NAIC 6	X X X	X X X	X X X	X X X	X X X							
9.7 TOTALS	X X X	X X X	X X X	X X X	X X X							

901S

## 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 7 Prior Year	10 % From Column 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed (a)
10. Total Bonds Current Year												
10.1 NAIC 1	(d) 2,011,642	29,997,423	199,582	360,512			32,569,159	99.69	X X X	X X X	32,569,159	
10.2 NAIC 2	(d) 99,965						99,965	0.31	X X X	X X X	99,965	
10.3 NAIC 3	(d)								X X X	X X X		
10.4 NAIC 4	(d)								X X X	X X X		
10.5 NAIC 5	(d)						(c)		X X X	X X X		
10.6 NAIC 6	(d)						(c)		X X X	X X X		
10.7 TOTALS	2,111,607	29,997,423	199,582	360,512			(b) 32,669,124	100.00	X X X	X X X	32,669,124	
10.8 Line 10.7 as a % of Column 7	6.46	91.82	0.61	1.10			100.00	X X X	X X X	X X X	100.00	
11. Total Bonds Prior Year												
11.1 NAIC 1	1,017,530	7,142,986	147,421	237,051	202,484		X X X	X X X	8,747,472	95.02	8,747,472	
11.2 NAIC 2		183,132					X X X	X X X	183,132	1.99	183,132	
11.3 NAIC 3							X X X	X X X				
11.4 NAIC 4							X X X	X X X				
11.5 NAIC 5							X X X	X X X	(c)			
11.6 NAIC 6	240,000		35,424				X X X	X X X	(c) 275,424	2.99	275,424	
11.7 TOTALS	1,257,530	7,326,118	182,845	237,051	202,484		X X X	X X X	(b) 9,206,028	100.00	9,206,028	
11.8 Line 11.7 as a % of Col. 9	13.66	79.58	1.99	2.57	2.20		X X X	X X X	100.00	X X X	100.00	
12. Total Publicly Traded Bonds												
12.1 NAIC 1	2,011,642	29,997,423	199,582	360,512			32,569,159	99.69	8,747,472	95.02	32,569,159	X X X
12.2 NAIC 2	99,965						99,965	0.31	183,132	1.99	99,965	X X X
12.3 NAIC 3												X X X
12.4 NAIC 4												X X X
12.5 NAIC 5												X X X
12.6 NAIC 6									275,424	2.99		X X X
12.7 TOTALS	2,111,607	29,997,423	199,582	360,512			32,669,124	100.00	9,206,028	100.00	32,669,124	X X X
12.8 Line 12.7 as a % of Col. 7	6.46	91.82	0.61	1.10			100.00	X X X	X X X	X X X	100.00	X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 7, Section 10	6.46	91.82	0.61	1.10			100.00	X X X	X X X	X X X	100.00	X X X
13. Total Privately Placed Bonds												
13.1 NAIC 1											X X X	
13.2 NAIC 2											X X X	
13.3 NAIC 3											X X X	
13.4 NAIC 4											X X X	
13.5 NAIC 5											X X X	
13.6 NAIC 6											X X X	
13.7 TOTALS											X X X	
13.8 Line 13.7 as a % of Col. 7								X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Col. 7, Section 10								X X X	X X X	X X X	X X X	

S107

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

(b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5\* designations and \$.....0 current year, \$.....0 prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

## SCHEDULE D - PART 1A - SECTION 2

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

	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 7 Prior Year	10 % From Column 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
Distribution by Type												
1. U.S. Governments												
1.1 Issuer Obligations	1,007,539	29,841,308				X X X	30,848,847	94.43	6,482,178	70.41	30,848,847	
1.2 Residential Mortgage-Backed Securities			78,602	158,086		X X X	236,689	0.72	263,657	2.86	236,689	
1.3 Commercial Mortgage-Backed Securities						X X X						
1.4 Other Loan-Backed and Structured Securities						X X X						
1.5 TOTALS	1,007,539	29,841,308	78,602	158,086		X X X	31,085,536	95.15	6,745,835	73.28	31,085,536	
2. All Other Governments												
2.1 Issuer Obligations						X X X						
2.2 Residential Mortgage-Backed Securities						X X X						
2.3 Commercial Mortgage-Backed Securities						X X X						
2.4 Other Loan-Backed and Structured Securities						X X X						
2.5 TOTALS						X X X						
3. U.S. States, Territories and Possessions, Guaranteed												
3.1 Issuer Obligations						X X X						
3.2 Residential Mortgage-Backed Securities						X X X						
3.3 Commercial Mortgage-Backed Securities						X X X						
3.4 Other Loan-Backed and Structured Securities						X X X						
3.5 TOTALS						X X X						
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed												
4.1 Issuer Obligations	1,104,068	156,115				X X X	1,260,183	3.86	2,136,894	23.21	1,260,183	
4.2 Residential Mortgage-Backed Securities						X X X						
4.3 Commercial Mortgage-Backed Securities						X X X						
4.4 Other Loan-Backed and Structured Securities						X X X						
4.5 TOTALS	1,104,068	156,115				X X X	1,260,183	3.86	2,136,894	23.21	1,260,183	
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed												
5.1 Issuer Obligations						X X X						
5.2 Residential Mortgage-Backed Securities						X X X						
5.3 Commercial Mortgage-Backed Securities						X X X						
5.4 Other Loan-Backed and Structured Securities						X X X						
5.5 TOTALS						X X X						
6. Industrial and Miscellaneous												
6.1 Issuer Obligations			120,980	202,426		X X X	323,406	0.99	323,299	3.51	323,406	
6.2 Residential Mortgage-Backed Securities						X X X						
6.3 Commercial Mortgage-Backed Securities						X X X						
6.4 Other Loan-Backed and Structured Securities						X X X						
6.5 TOTALS			120,980	202,426		X X X	323,406	0.99	323,299	3.51	323,406	
7. Hybrid Securities												
7.1 Issuer Obligations						X X X						
7.2 Residential Mortgage-Backed Securities						X X X						
7.3 Commercial Mortgage-Backed Securities						X X X						
7.4 Other Loan-Backed and Structured Securities						X X X						
7.5 TOTALS						X X X						
8. Parent, Subsidiaries and Affiliates												
8.1 Issuer Obligations						X X X						
8.2 Residential Mortgage-Backed Securities						X X X						
8.3 Commercial Mortgage-Backed Securities						X X X						
8.4 Other Loan-Backed and Structured Securities						X X X						
8.5 TOTALS						X X X						

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

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

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 No Maturity Date	7 Total Current Year	8 Column 7 as a % of Line 10.6	9 Total From Column 7 Prior Year	10 % From Column 8 Prior Year	11 Total Publicly Traded	12 Total Privately Placed
Distribution by Type												
9. SVO Identified Funds												
9.1 Exchange Traded Funds - as Identified by the SVO	X X X	X X X	X X X	X X X	X X X							
9.2 Bond Mutual Funds - as Identified by the SVO	X X X	X X X	X X X	X X X	X X X							
9.3 TOTALS	X X X	X X X	X X X	X X X	X X X							
10. Total Bonds Current Year												
10.1 Issuer Obligations	2,111,607	29,997,423	120,980	202,426		X X X	32,432,436	99.28	X X X	X X X	32,432,436	
10.2 Residential Mortgage-Backed Securities			78,602	158,086		X X X	236,689	0.72	X X X	X X X	236,689	
10.3 Commercial Mortgage-Backed Securities						X X X			X X X	X X X		
10.4 Other Loan-Backed and Structured Securities						X X X			X X X	X X X		
10.5 SVO-Designated Securities	X X X	X X X	X X X	X X X	X X X				X X X	X X X		
10.6 TOTALS	2,111,607	29,997,423	199,582	360,512			32,669,125	100.00	X X X	X X X	32,669,125	
10.7 Line 10.6 as a % of Col. 7	6.46	91.82	0.61	1.10			100.00	X X X	X X X	X X X	100.00	
11. Total Bonds Prior Year												
11.1 Issuer Obligations	1,257,530	7,326,118	156,239		202,484	X X X	X X X	X X X	8,942,371	97.14	8,942,371	
11.2 Residential Mortgage-Backed Securities			26,606	237,051		X X X	X X X	X X X	263,657	2.86	263,657	
11.3 Commercial Mortgage-Backed Securities						X X X	X X X	X X X				
11.4 Other Loan-Backed and Structured Securities						X X X	X X X	X X X				
11.5 SVO-Designated Securities	X X X	X X X	X X X	X X X	X X X		X X X	X X X				
11.6 TOTALS	1,257,530	7,326,118	182,845	237,051	202,484		X X X	X X X	9,206,028	100.00	9,206,028	
11.7 Line 11.6 as a % of Col. 9	13.66	79.58	1.99	2.57	2.20		X X X	X X X	100.00	X X X	100.00	
12. Total Publicly Traded Bonds												
12.1 Issuer Obligations	2,111,607	29,997,423	120,980	202,426		X X X	32,432,436	99.28	8,942,371	97.14	32,432,436	X X X
12.2 Residential Mortgage-Backed Securities			78,602	158,086		X X X	236,689	0.72	263,657	2.86	236,689	X X X
12.3 Commercial Mortgage-Backed Securities						X X X						X X X
12.4 Other Loan-Backed and Structured Securities						X X X						X X X
12.5 SVO-Designated Securities	X X X	X X X	X X X	X X X	X X X							X X X
12.6 TOTALS	2,111,607	29,997,423	199,582	360,512			32,669,125	100.00	9,206,028	100.00	32,669,125	X X X
12.7 Line 12.6 as a % of Col. 7	6.46	91.82	0.61	1.10			100.00	X X X	X X X	X X X	100.00	X X X
12.8 Line 12.6 as a % of Line 10.6, Col. 7, Section 10	6.46	91.82	0.61	1.10			100.00	X X X	X X X	X X X	100.00	X X X
13. Total Privately Placed Bonds												
13.1 Issuer Obligations						X X X					X X X	
13.2 Residential Mortgage-Backed Securities						X X X					X X X	
13.3 Commercial Mortgage-Backed Securities						X X X					X X X	
13.4 Other Loan-Backed and Structured Securities						X X X					X X X	
13.5 SVO-Designated Securities	X X X	X X X	X X X	X X X	X X X						X X X	
13.6 TOTALS											X X X	
13.7 Line 13.6 as a % of Col. 7								X X X	X X X	X X X	X X X	
13.8 Line 13.6 as a % of Line 10.6, Col. 7, Section 10								X X X	X X X	X X X	X X X	

6015

SI10 Schedule DA - Verification ..... NONE

SI11 Schedule DB Part A Verification ..... NONE

SI11 Schedule DB Part B Verification ..... NONE

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

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

SI14 Schedule DB Verification ..... NONE

SI15 Schedule E - Part 2 - Verification ..... NONE

**E01 Schedule A - Part 1 Real Estate Owned ..... NONE**

**E02 Schedule A - Part 2 Real Estate Acquired ..... NONE**

**E03 Schedule A - Part 3 Real Estate Disposed ..... NONE**

**E04 Schedule B Part 1 - Mortgage Loans Owned ..... NONE**

**E05 Schedule B Part 2 - Mortgage Loans Acquired ..... NONE**

**E06 Schedule B Part 3 - Mortgage Loans Disposed ..... NONE**

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

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

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

# SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	F O R E I G N	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other- Than- Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of Interest	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Stated Contractual Maturity Date
<b>U.S. Governments - Issuer Obligations</b>																					
3130A93V1	FEDERAL HOME LN 1.50% DUE 08/23/21				1	1,000,002		97,3170	1,000,000	999,995					1,500	1,500	FA	5,333	15,000	08/15/2016	08/23/2021
3133EHC50	FFCB BOND 1.680% DUE 04/03/2020				1	2,587,222		99,3380	2,595,000	2,587,378		157			1,680	1,814	AO	2,180		12/13/2017	04/03/2020
31331YVR8	FFCB BOND 4.67% 2-27-18				1	1,090,835		100,5300	1,005,300	1,002,203		(14,153)			4,670	3,213	FA	16,086	46,700	02/22/2011	02/27/2018
3133EHSK1	FFCB- Bonds 1.74% DUE 11/25/20				1	2,500,004		98,6570	2,466,425	2,499,985		(19)			1,740	1,740	MN	4,350	21,750	05/18/2017	11/25/2020
3133EHT9	FFCB- Bonds- 2.22%				1	2,500,004		99,0040	2,475,100	2,499,974		(30)			2,220	2,220	MN	5,550	27,750	05/18/2017	11/25/2022
3130A94J7	FHLB BOND 1.375% DUE 09/02/20				1	1,000,002		98,1340	981,340	999,996					1,375	1,375	MS	4,545	13,750	09/02/2016	09/02/2020
3134GBD82	FHLB BOND 1.625% DUE 08/28/2020				1	2,002,007		98,7580	1,975,160	2,001,889		(317)			1,625	1,592	FA	11,194		08/28/2017	08/31/2020
3130AC7L2	FHLB BOND 1.75% DUE 03/12/2021				1	1,500,757		98,9070	1,483,605	1,500,679		(77)			1,750	1,735	MS	7,948		09/12/2017	03/12/2021
3130ABVQ6	FHLB BOND 1.75% DUE 08/16/2022				1	1,900,007		98,8630	1,878,397	1,899,991		(15)			1,750	1,750	FA	11,822		08/23/2017	08/16/2022
3130AC6V1	FHLB BOND 1.85% DUE 03/15/2021				1	1,501,507		98,5700	1,478,550	1,501,438		(69)			1,850	1,819	MS	8,171		09/14/2017	03/15/2021
3130ACTS3	FHLB BOND 2.00% DUE 05/24/2022				1	1,500,007		99,6850	1,495,275	1,500,000		(7)			2,000	2,000	MN	1,500		12/13/2017	05/24/2022
3130ACZD9	FHLB BOND 2.125% DUE 12/29/2020				1	5,902,957		99,8970	5,893,923	5,902,880		(77)			2,125	2,108	JD	697		12/13/2017	12/29/2020
3133XEX79	FHLB BONDS SERIES 1 5.77%				1	5,871		100,8780	5,407	5,360		5,337			5,770	7,705	MON	7	313	11/27/2007	03/23/2018
3134GADD3	FHLM 1.00% DUE 08/24/2020				1	1,947,030		98,6450	1,921,605	1,948,000		244			1,000	1,013	FA	6,872	19,480	10/03/2016	08/24/2020
3134GARB2	FHLM 1.60% DUE 10/27/2021				1	1,000,004		96,5690	965,690	1,000,000		999,993			1,600	1,600	AO	2,844	16,000	10/03/2016	10/27/2021
3134GB5R9	FHLM BOND 2.25% DUE 12/29/2021				1	1,500,006		99,7270	1,495,905	1,500,000		(14)			2,250	2,250	JD	188		11/29/2017	12/29/2021
3134GB5J7	FHLM BOND 2.45% DUE 12/29/2022				1	1,500,006		99,3800	1,490,700	1,500,000		(17)			2,450	2,450	JD	204		11/29/2017	12/29/2022
0199999 Subtotal - U.S. Governments - Issuer Obligations						30,938,228	X X X	30,563,373	30,848,360	30,848,847		(14,297)			X X X	X X X	X X X	89,491	160,743	X X X	X X X
<b>U.S. Governments - Residential Mortgage-Backed Securities</b>																					
36234CX34	GNMA POOL 425583 UNIT 99				1	27,192		101,9230	25,481	25,000		(148)			6,500	4,632	MON	65	1,625	05/08/2012	12/15/2025
36235QRL9	GNMA POOL 487543 UNIT 85				1	26,473		107,2190	26,805	25,000		(87)			6,500	5,266	MON	69	1,625	05/08/2012	04/15/2027
36235QRJ4	GNMA POOL 487543 UNIT 87				1	26,535		107,2190	26,805	25,000		(89)			6,500	5,231	MON	69	1,625	05/08/2012	07/15/2027
36235QRD7	GNMA POOL 487543 UNIT 92				1	26,785		107,2190	26,805	25,000		(96)			6,500	5,082	MON	71	1,625	05/08/2012	03/15/2028
36235QQ97	GNMA POOL 487543 UNIT 96				1	27,192		107,2190	26,805	25,000		(112)			6,500	4,829	MON	72	1,625	05/08/2012	10/15/2028
36235XXK9	GNMA POOL 515329 UNIT 94				1	26,692		103,4540	25,864	25,000		(82)			6,500	5,202	MON	74	1,625	05/08/2012	05/15/2029
36235XXF0	GNMA POOL 515329 UNIT 98				1	27,067		103,4540	25,864	25,000		(95)			6,500	4,970	MON	75	1,625	05/08/2012	11/15/2029
36245UYX4	GNMA POOL 702847 UNIT 070				1	26,438		106,3160	26,579	25,000		(49)			4,500	3,701	MON	50	1,250	04/27/2010	11/15/2033
36245UYV8	GNMA POOL 702847 UNIT 072				1	26,438		106,3160	26,579	25,000		(48)			4,500	3,709	MON	51	1,250	04/27/2010	04/15/2034
0299999 Subtotal - U.S. Governments - Residential Mortgage-Backed Securities						240,812	X X X	237,587	225,000	236,689		(806)			X X X	X X X	X X X	596	13,875	X X X	X X X
0599999 Subtotal - U.S. Governments						31,179,040	X X X	30,800,960	31,073,360	31,085,536		(15,103)			X X X	X X X	X X X	90,087	174,618	X X X	X X X
<b>U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations</b>																					
4546247C5	INDIANA BD BONDS 1.682%DUE 1/15/18				1	302,104		100,0000	300,000	300,000		(468)			1,682	1,524	JJ	2,425	5,046	06/06/2013	01/15/2018
574204WC3	MARYLAND ST DPT TRANS 3.8%				1	510,590		100,8410	504,205	500,000		(1,582)			3,800	3,470	JD	844	19,000	02/22/2011	06/15/2018
686053DF3	OREGON SCH BRDS 5.223% 06/30/18				1	237,104		101,7200	203,440	200,000		(6,652)			5,223	1,821	JD	29	10,446	09/25/2012	06/30/2018
720356YY4	PIERCE CNTY WA 4.350% 08/01/2019				1	175,309		103,3000	154,950	150,000		(3,778)			4,350	1,728	FA	2,719	6,525	09/25/2012	08/01/2019
452151LD3	ILLINOIS ST PENSION 4.35% 6-1-18				2	99,500		100,7010	100,701	100,000		99,965			4,350	4,428	JD	363	4,350	09/29/2010	06/01/2018
1899999 Subtotal - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations						1,324,607	X X X	1,263,296	1,250,000	1,260,182		(12,405)			X X X	X X X	X X X	6,380	45,367	X X X	X X X
2499999 Subtotal - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)						1,324,607	X X X	1,263,296	1,250,000	1,260,182		(12,405)			X X X	X X X	X X X	6,380	45,367	X X X	X X X
<b>Industrial &amp; Miscellaneous (Unaffiliated) - Issuer Obligations</b>																					
337358BH7	FIRST UNION CORP. SUB. NOTES				1	119,260		127,7220	157,098	123,000		165			6,824	7,081	FA	3,497	9,316	09/11/2000	08/01/2026
54866NB7	LOWES CO. INC.				1	203,024		143,3600	286,720	200,000		(58)			7,110	6,994	MS	4,187	14,220	02/08/2001	05/15/2037
3299999 Subtotal - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations						322,284	X X X	443,818	323,000	323,406		107			X X X	X X X	X X X	7,684	23,536	X X X	X X X
3899999 Subtotal - Industrial & Miscellaneous (Unaffiliated)						322,284	X X X	443,818	323,000	323,406		107			X X X	X X X	X X X	7,684	23,536	X X X	X X X
7799999 Subtotals - Issuer Obligations						32,585,119	X X X	32,270,487	32,421,360	32,432,435		(26,595)			X X X	X X X	X X X	103,555	229,646	X X X	X X X
7899999 Subtotals - Residential Mortgage-Backed Securities						240,812	X X X	237,587	225,000	236,689		(806)			X X X	X X X	X X X	596	13,875	X X X	X X X
8399999 Grand Total - Bonds						32,825,931	X X X	32,508,074	32,646,360	32,669,124		(27,401)			X X X	X X X	X X X	104,151	243,521	X X X	X X X

E10

## SCHEDULE D - PART 2 - SECTION 1

Showing all PREFERRED STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Par Value Per Share	7 Rate Per Share	8 Book/Adjusted Carrying Value	Fair Value		11 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value				20 NAIC Designation	21 Date Acquired	
		3 Code	4 For- eign					9 Rate Per Share Used to Obtain Fair Value	10 Fair Value		12 Declared but Unpaid	13 Amount Received During Year	14 Nonadmitted Declared But Unpaid	15 Unrealized Valuation Increase/ (Decrease)	16 Current Year's (Amortization) Accretion	17 Current Year's Other-Than- Temporary Impairment Recognized	18 Total Change in B./A.C.V. (15+16-17)			19 Total Foreign Exchange Change in B./A.C.V.
<b>Industrial and Miscellaneous (Unaffiliated)</b>																				
73317W203	POPULAR CAPITAL TR 6.70%			14,792,000		24.280	359,150	24.280	359,150	251,464		24,778		4,290			4,290		P4L	01/30/2007
8499999 Subtotal - Industrial and Miscellaneous (Unaffiliated)							359,150	X X X	359,150	251,464		24,778		4,290			4,290		X X X	X X X
8999999 Total Preferred Stocks							359,150	X X X	359,150	251,464		24,778		4,290			4,290		X X X	X X X

## SCHEDULE D - PART 2 - SECTION 2

### Showing All COMMON STOCKS Owned December 31 of Current Year

1 CUSIP Identification	2 Description	Codes		5 Number of Shares	6 Book/Adjusted Carrying Value	Fair Value		9 Actual Cost	Dividends			Change in Book/Adjusted Carrying Value				17 NAIC Market Indicator (a)	18 Date Acquired
		3 Code	4 For- eign			7 Rate per Share Used to Obtain Fair Value	8 Fair Value		10 Declared but Unpaid	11 Amount Received During Year	12 Nonadmitted Declared But Unpaid	13 Unrealized Valuation Increase/ (Decrease)	14 Current Year's Other-Than- Temporary Impairment Recognized	15 Total Change in B./A.C.V. (Col. 13-14)	16 Total Foreign Exchange Change in B./A.C.V.		
9799999	Total Common Stocks					X X X										X X X	X X X
9899999	Total Preferred and Common Stocks				359,150	X X X	359,150	251,464		24,778		4,290		4,290		X X X	X X X

(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
<b>Bonds - U.S. Governments</b>								
3133EHC50	FFCB BOND 1.680% DUE 04/03/2020		12/13/2017	Ramirez A. Ramirez & Company, Inc.	X X X	2,587,222	2,595,000	8,598
3133EHKS1	FFCB- Bonds 1.74% DUE 11/25/20		05/18/2017	Huntleigh Securities	X X X	2,500,004	2,500,000	
3133EHKT9	FFCB- Bonds- 2.22%		05/18/2017	Huntleigh Securities	X X X	2,500,004	2,500,000	
3134GBD82	FHLB BOND 1.625% DUE 08/28/2020		08/28/2017	Ramirez A. Ramirez & Company, Inc.	X X X	2,002,007	2,000,000	
3130AC7L2	FHLB BOND 1.75% DUE 03/12/2021		09/12/2017	Ramirez A. Ramirez & Company, Inc.	X X X	1,500,757	1,500,000	
3130ABVQ6	FHLB BOND 1.75% DUE 08/16/2022		08/23/2017	Ramirez A. Ramirez & Company, Inc.	X X X	1,900,007	1,900,000	647
3130AC6V1	FHLB BOND 1.85% DUE 03/15/2021		09/14/2017	Ramirez A. Ramirez & Company, Inc.	X X X	1,501,507	1,500,000	
3130ACTS3	FHLB BOND 2.00% DUE 05/24/2022		12/13/2017	Ramirez A. Ramirez & Company, Inc.	X X X	1,500,007	1,500,000	1,667
3130ACZD9	FHLB BOND 2.125% DUE 12/29/2020		12/13/2017	Ramirez A. Ramirez & Company, Inc.	X X X	5,902,957	5,900,000	
3134GB5R9	FHLM BOND 2.25% DUE 12/29/2021		11/29/2017	Huntleigh Securities	X X X	1,500,006	1,500,000	
3134GB5J7	FHLM BOND 2.45% DUE 12/29/2022		11/29/2017	Huntleigh Securities	X X X	1,500,006	1,500,000	
0599999	Subtotal - Bonds - U.S. Governments					24,894,480	24,895,000	10,912
8399997	Subtotal - Bonds - Part 3					24,894,480	24,895,000	10,912
8399998	Summary item from Part 5 for Bonds					2,490,008	2,490,000	1,060
8399999	Subtotal - Bonds					27,384,488	27,385,000	11,972
8999998	Summary Item from Part 5 for Preferred Stocks						X X X	
8999999	Subtotal - Preferred Stocks						X X X	
9799998	Summary Item from Part 5 for Common Stocks						X X X	
9799999	Subtotal - Common Stocks						X X X	
9899999	Subtotal - Preferred and Common Stocks						X X X	
9999999	Totals					27,384,488	X X X	11,972

## SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n Date	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization/ Accretion)	13 Current Year's Other-Than- Temporary Impairment Recognized	14 Total Change in B./A.C.V. (Cols. 11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.						
<b>Bonds - U.S. Governments</b>																				
3133XY2H7	FHLB BOND 2.9% 4/20/17		04/20/2017	MATURITY	X X X	213,672	213,769	216,825	213,910				(141)	(141)	213,769		(96)	(96)	2,002	04/20/2017
3133XNCA5	FHLB BOND YN-2017 1 5.25% 9/15/17		09/15/2017	PRINCIPAL RECEIPT	X X X	287,241	298,202	301,370	297,981				(10,740)	(10,740)	287,241				10,736	09/15/2017
3133XEX79	FHLB BONDS SERIES 1 5.77%		12/20/2017	MATURITY	X X X	1,661	1,661	1,819	1,624				37	37	1,661				45	03/23/2018
36245UY2	GNMA POOL 702847 UNIT 069		01/17/2017	PRINCIPAL RECEIPT	X X X	25,000	25,000	26,438	26,163				(1,163)	(1,163)	25,000				104	09/15/2033
0599999	Subtotal - Bonds - U.S. Governments					527,574	538,631	546,452	539,678				(12,007)	(12,007)	527,671		(96)	(96)	12,887	X X X
<b>Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)</b>																				
29216MAF7	EMPLY RETRMT PR 5.85% DUE 7/1/2023		12/31/2017	DISPOSED	X X X		100,000	31,346	35,424				4,246	4,246	39,670		(39,670)	(39,670)	5,363	07/01/2023
745177FM2	PR COMWLTH 3.875% DUE 02/01/2017		05/31/2017	DISPOSED	X X X		1,000,000	332,244	225,000				(45,000)	(45,000)	180,000		(180,000)	(180,000)		02/01/2017
452151LD3	ILLINOIS ST PENSION 4.35% 6-1-18		06/02/2017	MATURITY	X X X	83,333	83,333	82,917	83,242				92	92	83,333				1,813	06/01/2018
777543QB8	ROSEMONT IL RFDG 4.130% 12/1/2017		12/01/2017	MATURITY	X X X	500,000	500,000	534,375	505,639				(5,639)	(5,639)	500,000				20,650	12/01/2017
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States (Direct and Guaranteed)					583,333	1,683,333	980,882	849,305				(46,301)	(46,301)	803,003		(219,670)	(219,670)	27,826	X X X
8399997	Subtotal - Bonds - Part 4					1,110,907	2,221,964	1,527,334	1,388,983				(58,308)	(58,308)	1,330,674		(219,766)	(219,766)	40,713	X X X
8399998	Summary Item from Part 5 for Bonds					2,490,000	2,490,000	2,490,008					(72)	(72)	2,489,936		64	64	28,017	X X X
8399999	Subtotal - Bonds					3,600,907	4,711,964	4,017,342	1,388,983				(58,380)	(58,380)	3,820,610		(219,702)	(219,702)	68,730	X X X
8999998	Summary Item from Part 5 for Preferred Stocks						X X X													X X X
8999999	Subtotal - Preferred Stocks						X X X													X X X
<b>Common Stocks - Mutual Funds</b>																				
000000000	GLOBAL OPORTUNITIES CAPITAL		08/31/2017	Undefined		24,028.120	221,780	X X X	193,053	215,532	(22,479)		(22,479)	193,053		28,726	28,726		X X X	
9299999	Subtotal - Common Stocks - Mutual Funds					221,780	X X X	193,053	215,532	(22,479)		(22,479)	193,053		28,726	28,726			X X X	
9799997	Subtotal - Common Stocks - Part 4					221,780	X X X	193,053	215,532	(22,479)		(22,479)	193,053		28,726	28,726			X X X	
9799998	Summary Item from Part 5 for Common Stocks						X X X													X X X
9799999	Subtotal - Common Stocks					221,780	X X X	193,053	215,532	(22,479)		(22,479)	193,053		28,726	28,726			X X X	
9899999	Subtotal - Preferred and Common Stocks					221,780	X X X	193,053	215,532	(22,479)		(22,479)	193,053		28,726	28,726			X X X	
9999999	Totals					3,822,687	X X X	4,210,395	1,604,515	(22,479)	(58,380)	(80,859)	4,013,663		(190,976)	(190,976)		68,730	X X X	

E14

## SCHEDULE D - PART 5

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

1 CUSIP Identifi- cation	2 Description	3 F O R E I G N	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stock)	9 Actual Cost	10 Consider- ation	11 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends		
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other-Than- Temporary Impairment Recognized	15 Total Change in B./A.C.V. (Col. 12+ 13-14)	16 Total Foreign Exchange Change in B./A.C.V.							
<b>Bonds - U.S. Governments</b>																						
3130AAS66 ...	FHLB BOND 2% DUE 02/16/2021 ..		02/27/2017	Huntleigh Securities ..	09/06/2017	Redeemed .....	1,590,000	1,590,004	1,590,000	1,589,992								8	8	17,667	1,060	
3134GA6Y5 ..	FHLM CORP 2.30% DUE 03/29/22 ..		02/27/2017	Huntleigh Securities ..	09/29/2017	Redeemed .....	900,000	900,004	900,000	899,944		(12)		(12)				56	56	10,350		
0599999 Subtotal - Bonds - U.S. Governments .....							2,490,000	2,490,008	2,490,000	2,489,936		(72)		(72)				64	64	28,017	1,060	
8399998 Subtotal - Bonds .....							2,490,000	2,490,008	2,490,000	2,489,936		(72)		(72)				64	64	28,017	1,060	
9899999 Subtotal - Preferred and Common Stocks .....																						
9999999 Totals .....								2,490,008	2,490,000	2,489,936		(72)		(72)				64	64	28,017	1,060	

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

## 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 *
<b>open depositories</b>						
Banco Popular .....			116,673		41,348,415	X X X
Oriental Bank .....			39		69,529	X X X
Huntleigh Securities Corp .....			3,186		727,552	X X X
Samuel A. Ramirez .....					28,121	X X X
Banco Santander .....			68		279,766	X X X
First Bank .....					500,000	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories .....						
		X X X				X X X
0199999 Totals - Open Depositories .....						
		X X X	119,966		42,953,383	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories .....						
		X X X				X X X
0299999 Totals - Suspended Depositories .....						
		X X X				X X X
0399999 Total Cash On Deposit .....						
		X X X	119,966		42,953,383	X X X
0499999 Cash in Company's Office .....						
		X X X	X X X	X X X		X X X
0599999 Total Cash .....						
		X X X	119,966		42,953,383	X X X

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

1. January .....	46,115,951	4. April .....	37,768,231	7. July .....	40,126,340	10. October .....	36,373,631
2. February .....	38,795,978	5. May .....	40,456,776	8. August .....	39,746,815	11. November .....	46,715,970
3. March .....	40,194,842	6. June .....	36,597,634	9. September .....	30,092,083	12. December .....	42,953,383

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1	2	3	4	5	6	7	8	9
CUSIP	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<div style="border: 1px solid black; padding: 10px; display: inline-block; font-size: 2em; font-weight: bold; margin: 0 auto;">N O N E</div>								
8899999 Total Cash Equivalents .....								

## SCHEDULE E - PART 3 - SPECIAL DEPOSITS

	States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For		All Other Special Deposits	
				the Benefit of All Policyholders		5 Book/Adjusted Carrying Value	6 Fair Value
				3 Book/Adjusted Carrying Value	4 Fair Value		
1.	Alabama (AL)						
2.	Alaska (AK)						
3.	Arizona (AZ)						
4.	Arkansas (AR)						
5.	California (CA)						
6.	Colorado (CO)						
7.	Connecticut (CT)						
8.	Delaware (DE)						
9.	District of Columbia (DC)						
10.	Florida (FL)						
11.	Georgia (GA)						
12.	Hawaii (HI)						
13.	Idaho (ID)						
14.	Illinois (IL)						
15.	Indiana (IN)						
16.	Iowa (IA)						
17.	Kansas (KS)						
18.	Kentucky (KY)						
19.	Louisiana (LA)						
20.	Maine (ME)						
21.	Maryland (MD)						
22.	Massachusetts (MA)						
23.	Michigan (MI)						
24.	Minnesota (MN)						
25.	Mississippi (MS)						
26.	Missouri (MO)						
27.	Montana (MT)						
28.	Nebraska (NE)						
29.	Nevada (NV)						
30.	New Hampshire (NH)						
31.	New Jersey (NJ)						
32.	New Mexico (NM)						
33.	New York (NY)						
34.	North Carolina (NC)						
35.	North Dakota (ND)						
36.	Ohio (OH)						
37.	Oklahoma (OK)						
38.	Oregon (OR)						
39.	Pennsylvania (PA)						
40.	Rhode Island (RI)						
41.	South Carolina (SC)						
42.	South Dakota (SD)						
43.	Tennessee (TN)						
44.	Texas (TX)						
45.	Utah (UT)						
46.	Vermont (VT)						
47.	Virginia (VA)						
48.	Washington (WA)						
49.	West Virginia (WV)						
50.	Wisconsin (WI)						
51.	Wyoming (WY)						
52.	American Samoa (AS)						
53.	Guam (GU)						
54.	Puerto Rico (PR)	C	Statutory Requirement	1,259,058	1,259,058		
55.	U.S. Virgin Islands (VI)						
56.	Northern Mariana Islands (MP)						
57.	Canada (CAN)						
58.	Aggregate Alien and Other (OT)	X X X	X X X				
59.	TOTAL	X X X	X X X	1,259,058	1,259,058		
<b>DETAILS OF WRITE-INS</b>							
5801.							
5802.							
5803.							
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X				
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	X X X				



# SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended DECEMBER 31, 2017  
(To be filed by March 1)

## PART 1 - INTERROGATORIES

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

## PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1 Name and Principal Position	2 Year	3 Salary	4 Bonus	5 Stock Awards	6 Option Awards	7 Sign-on Payments	8 Severance Payments	9 All Other Compensation	10 Totals
1. Current Principal Executive Officer .....	2017								
	2016								
	2015								
2. Current Principal Financial Officer .....	2017		<b>NONE</b>						
	2016		<b>NONE</b>						
	2015		<b>NONE</b>						
3. ....	2017								
	2016								
	2015								
4. ....	2017								
	2016								
	2015								
5. ....	2017								
	2016								
	2015								
6. ....	2017								
	2016								
	2015								
7. ....	2017								
	2016								
	2015								
8. ....	2017								
	2016								
	2015								
9. ....	2017								
	2016								
	2015								
10. ....	2017								
	2016								
	2015								

## PART 3 - DIRECTOR COMPENSATION

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

## 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.



**LIFE, HEALTH & ANNUITY GUARANTY ASSOCIATION  
MODEL ACT ASSESSMENT BASE RECONCILIATION EXHIBIT  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(To Be Filed By April 1)**

OF THE: MCS Life Insurance Company  
Direct Business in the State of PUERTO RICO

NAIC COMPANY CODE: 60030

		1	2	3	4
PREMIUMS, CONSIDERATIONS AND DEPOSITS		Life Insurance Premiums	Annuity Considerations	A & H Premiums	Deposit-Type Contract Funds and Other Considerations
1.	Premiums, considerations and deposits from Schedule T .....	2,416,373		308,951,424	
2.	Premiums, considerations and deposits NOT reported in Schedule T, including investment contract receipts credited to liability account .....				
2.1	Contract fees for variable contracts with guarantees .....				
2.2	Any premiums, considerations and deposits not reported in Schedule T .....				
3.	Amounts, if applicable, that were deducted prior to determining amounts included in Lines 1 or 2 which are in the following categories:				
3.1	Transfers to guaranteed separate accounts .....				
3.2	Roll over of GIC's or annuities into other companies .....				
3.3	Surrenders or other benefits paid out .....				
3.4	Excess interest credited to accounts .....				
3.5	Aggregate write-ins for other amounts deducted prior to determining amounts included in Lines 1 or 2 .....				
3.99	TOTAL (Lines 3.1 through 3.5) .....				
4.	Transfers:				
4.1	Enter in Column 2, as a negative number, and Column 4, as a positive number, the total of all amounts received to fund contracts established under Section 403(b) of the U.S. Internal Revenue Code, that are included in Column 2, Lines 1, 2 and 3.99 .....				
4.2	Enter in Column 2, as a positive number, and Column 4 as a negative number, any amounts reported in Column 4, Lines 1, 2 and 3.99 that are allocated. (Note: Amounts received to fund contracts established under Section 403(b) of the U.S. Internal Revenue Code should not be included in Line 4.2) .....				
4.3	Enter in Column 4, as a positive number, and Column 2 as a negative number, any amounts reported in Column 2, Lines 1, 2 and 3.99 that are unallocated .....				
4.99	TOTAL (Lines 4.1 + 4.2 + 4.3) .....				
5.	TOTAL (Lines 1 + 2 + 3.99 + 4.99) .....	2,416,373		308,951,424	
<b>DEVELOPMENT OF AMOUNTS INCLUDED IN LINES 1 THROUGH 5 THAT SHOULD BE DEDUCTED IN DETERMINING THE BASE</b>					
<b>Do not include any amounts more than once in Lines 6 through 9</b>					
6.	Aggregate write-ins for amounts where the insurer is not subject to risk. Premiums for portions of policies or contracts NOT guaranteed or under which the entire investment risk is borne by the policyholder. (Please specify such deductions and indicate where such amounts were reported in the Annual Statement) .....				
7.	Amounts NOT allocated to individuals or individual certificate holders or amounts received for such contracts in excess of limits:				
7.1	Unallocated funding obligations that do NOT fund government lotteries or employee, union, or association of natural persons benefit plans .....	X X X	X X X	X X X	
7.2	Unallocated funding obligations that fund any employee, union or association of natural persons benefit plans protected by the Federal Pension Benefit Guaranty Corporation .....	X X X	X X X	X X X	
7.3	Unallocated funding obligations that fund governmental lotteries or employee, union, or association of natural persons benefit plans in excess of \$5 million per contract which are NOT: (a) government retirement plans established under Section 401, 403(b) or 457 of the U.S. Internal Revenue Code, or (b) protected by the Federal Pension Benefit Guaranty Corporation .....	X X X	X X X	X X X	
7.4	TOTAL (Lines 7.1 + 7.2 + 7.3) .....	X X X	X X X	X X X	
8.	Dividends/Experience rating credits paid or credited, but only if NOT guaranteed in advance (include only amounts NOT already deducted in determining Lines 1 and 2) .....				
9.	Aggregate write-ins for Other Deductions .....				
10.	TOTAL (Lines 6 + 7.4 + 8 + 9) .....				
<b>MODEL ACT BASE (Line 5 minus Line 10)</b>					
11.	Current Year .....	2,416,373		308,951,424	
<b>DETAILS OF WRITE-INS</b>					
03.501.	.....				
03.502.	.....				
03.503.	.....				
03.598.	Summary of remaining write-ins for Line 3.5 from overflow page .....				
03.599.	TOTALS (Lines 3.501 through 3.503 plus 3.598) (Line 3.5 above) .....				
0601.	.....				
0602.	.....				
0603.	.....				
0698.	Summary of remaining write-ins for Line 6 from overflow page .....				
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....				
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....				





**ADJUSTMENTS TO THE LIFE, HEALTH & ANNUITY GUARANTY ASSOCIATION  
MODEL ACT ASSESSMENT BASE RECONCILIATION EXHIBIT  
FOR THE YEAR ENDED DECEMBER 31, 2017**

OF THE: MCS Life Insurance Company  
Direct Business in the State of PUERTO RICO

NAIC COMPANY CODE: 60030  
(To Be Filed By April 1)

	1 Life Insurance Premium	2 Allocated Annuity and Other Allocated Fund Deposits	3 Accident & Health Premium	4 Unallocated Annuity & Other Unallocated Fund Deposits
1. MODEL ACT BASE (Line 11 of the Reconciliation Exhibit)	2,416,373		308,951,424	
<b>AMOUNTS REQUIRED TO DETERMINE THIS STATE'S ASSESSMENT BASE</b>				
2. Enter in Column 2, as a positive number, and Column 4, as a negative number, the total of all amounts received to fund allocated contracts established under Section 403(b) of the U.S. Internal Revenue Code that are included in Column 4, Line 1 above	X X X		X X X	
3. Unallocated funding obligations that do NOT fund government lotteries or employee, union, or association of natural persons benefit plans:				
3.1 Amounts NOT in excess of \$1 million per contract	X X X	X X X	X X X	
3.2 All Amounts	X X X	X X X	X X X	
4. Unallocated funding obligations issued to fund government lotteries or employee, union, or association of natural persons benefit plans which are NOT: (a) governmental retirement plans established under Sections 401, 403(b) or 457 of the U.S. Internal Revenue Code, or (b) protected by the Federal Pension Benefit Guaranty Corporation				
4.1 Amounts NOT in excess of \$1 million per contract	X X X	X X X	X X X	
4.2 Amounts in excess of \$1 million but NOT in excess of \$5 million per contract	X X X	X X X	X X X	
4.3 Amounts in excess of \$5 million per contract	X X X	X X X	X X X	
4.4 TOTAL (Lines 4.1 + 4.2 + 4.3)	X X X	X X X	X X X	
4.5 Amounts up to \$7.5 million per contract (Minnesota only)	X X X	X X X	X X X	
5. Unallocated funding obligations issued to fund governmental retirement plans established under Sections 401 and 457 of the U.S. Internal Revenue Code:				
5.1 Amounts in excess of \$1 million per contract	X X X	X X X	X X X	
5.2 All amounts	X X X	X X X	X X X	
5.3 Amounts in excess of \$2 million per contract (New Jersey Only)	X X X	X X X	X X X	
5.4 Amounts not in excess of \$7.5 million per contract (Minnesota only)	X X X	X X X	X X X	
6. Unallocated funding obligations issued to fund governmental retirement plans established under Section 403(b) of the U.S Internal Revenue Code:				
6.1 Amounts NOT in excess of \$1 million per contract	X X X	X X X	X X X	
6.2 Amounts in excess of \$1 million per contract	X X X	X X X	X X X	
6.3 TOTAL (Lines 6.1 + 6.2)	X X X	X X X	X X X	
6.4 Amounts in excess of \$2 million per contract (New Jersey Only)	X X X	X X X	X X X	
6.5 Amounts not in excess of \$7.5 million per contract (Minnesota only)	X X X	X X X	X X X	
7. Unallocated funding obligations that fund employee, union, or association of natural persons benefit plans protected by the Federal Pension Benefit Guaranty Corporation:				
7.1 Amounts NOT in excess of \$1 million per contract	X X X	X X X	X X X	
7.2 All amounts	X X X	X X X	X X X	
7.3 Amounts NOT in excess of \$2 million per contract (New Jersey Only)	X X X	X X X	X X X	
8. Unallocated funding obligations issued to fund government lotteries NOT in excess of \$5 million per contractholder (New Jersey Only)	X X X	X X X	X X X	
9. Unallocated funding obligations that fund employee or association of natural persons benefit plans in excess of \$2 million but NOT in excess of \$5 million per contract. (New Jersey Only)	X X X	X X X	X X X	
10. Aggregate write-ins for other deductions				
<b>BASE</b>				
11. Current Year (2017)	2,416,373		308,951,424	
<b>DETAILS OF WRITE-INS</b>				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page				
1099. TOTALS (Lines 1001 through 1003 plus 1098) (Line 10 above)				





**LIFE, HEALTH & ANNUITY GUARANTY ASSOCIATION  
MODEL ACT ASSESSMENT BASE RECONCILIATION EXHIBIT  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(To Be Filed By April 1)**

OF THE: MCS Life Insurance Company  
Direct Business in the State of **GRAND TOTAL**

NAIC COMPANY CODE: 60030

		1	2	3	4
PREMIUMS, CONSIDERATIONS AND DEPOSITS		Life Insurance Premiums	Annuity Considerations	A & H Premiums	Deposit-Type Contract Funds and Other Considerations
1.	Premiums, considerations and deposits from Schedule T .....	2,416,373		308,951,424	
2.	Premiums, considerations and deposits NOT reported in Schedule T, including investment contract receipts credited to liability account .....				
2.1	Contract fees for variable contracts with guarantees .....				
2.2	Any premiums, considerations and deposits not reported in Schedule T .....				
3.	Amounts, if applicable, that were deducted prior to determining amounts included in Lines 1 or 2 which are in the following categories:				
3.1	Transfers to guaranteed separate accounts .....				
3.2	Roll over of GIC's or annuities into other companies .....				
3.3	Surrenders or other benefits paid out .....				
3.4	Excess interest credited to accounts .....				
3.5	Aggregate write-ins for other amounts deducted prior to determining amounts included in Lines 1 or 2 .....				
3.99	TOTAL (Lines 3.1 through 3.5) .....				
4.	Transfers:				
4.1	Enter in Column 2, as a negative number, and Column 4, as a positive number, the total of all amounts received to fund contracts established under Section 403(b) of the U.S. Internal Revenue Code, that are included in Column 2, Lines 1, 2 and 3.99 .....				
4.2	Enter in Column 2, as a positive number, and Column 4 as a negative number, any amounts reported in Column 4, Lines 1, 2 and 3.99 that are allocated. (Note: Amounts received to fund contracts established under Section 403(b) of the U.S. Internal Revenue Code should not be included in Line 4.2) .....				
4.3	Enter in Column 4, as a positive number, and Column 2 as a negative number, any amounts reported in Column 2, Lines 1, 2 and 3.99 that are unallocated .....				
4.99	TOTAL (Lines 4.1 + 4.2 + 4.3) .....				
5.	TOTAL (Lines 1 + 2 + 3.99 + 4.99) .....	2,416,373		308,951,424	
<b>DEVELOPMENT OF AMOUNTS INCLUDED IN LINES 1 THROUGH 5 THAT SHOULD BE DEDUCTED IN DETERMINING THE BASE</b>					
<b>Do not include any amounts more than once in Lines 6 through 9</b>					
6.	Aggregate write-ins for amounts where the insurer is not subject to risk. Premiums for portions of policies or contracts NOT guaranteed or under which the entire investment risk is borne by the policyholder. (Please specify such deductions and indicate where such amounts were reported in the Annual Statement) .....				
7.	Amounts NOT allocated to individuals or individual certificate holders or amounts received for such contracts in excess of limits:				
7.1	Unallocated funding obligations that do NOT fund government lotteries or employee, union, or association of natural persons benefit plans .....	X X X	X X X	X X X	
7.2	Unallocated funding obligations that fund any employee, union or association of natural persons benefit plans protected by the Federal Pension Benefit Guaranty Corporation .....	X X X	X X X	X X X	
7.3	Unallocated funding obligations that fund governmental lotteries or employee, union, or association of natural persons benefit plans in excess of \$5 million per contract which are NOT: (a) government retirement plans established under Section 401, 403(b) or 457 of the U.S. Internal Revenue Code, or (b) protected by the Federal Pension Benefit Guaranty Corporation .....	X X X	X X X	X X X	
7.4	TOTAL (Lines 7.1 + 7.2 + 7.3) .....	X X X	X X X	X X X	
8.	Dividends/Experience rating credits paid or credited, but only if NOT guaranteed in advance (include only amounts NOT already deducted in determining Lines 1 and 2) .....				
9.	Aggregate write-ins for Other Deductions .....				
10.	TOTAL (Lines 6 + 7.4 + 8 + 9) .....				
<b>MODEL ACT BASE (Line 5 minus Line 10)</b>					
11.	Current Year .....	2,416,373		308,951,424	
<b>DETAILS OF WRITE-INS</b>					
03.501.	.....				
03.502.	.....				
03.503.	.....				
03.598.	Summary of remaining write-ins for Line 3.5 from overflow page .....				
03.599.	TOTALS (Lines 3.501 through 3.503 plus 3.598) (Line 3.5 above) .....				
0601.	.....				
0602.	.....				
0603.	.....				
0698.	Summary of remaining write-ins for Line 6 from overflow page .....				
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....				
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....				





# SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For the year ended DECEMBER 31, 2017  
(To Be Filed by April 1)

Of The MCS Life Insurance Company  
 Address (City, State, Zip Code) San Juan, PR, 00917  
 NAIC Group Code 1301 NAIC Company Code 60030 Employer's ID Number 66-0520918

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

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. \$ ..... 97,542,775

1	2	3	4
Issuer	Description of Exposure	Amount	Percentage of Total Admitted Assets
2. Ten largest exposures to a single issuer/borrower/investment.			
2.01	Banco Popular	41,348,415	42.390
2.02	Maryland St Trans	500,732	0.513
2.03	First Union Corp	120,980	0.124
2.04	Huntleigh Securities Corp	727,552	0.746
2.05	Pierce Cnty WA	156,115	0.160
2.06	Indiana BD Bond	300,018	0.308
2.07	Lowes Co	202,426	0.208
2.08	Oregon SCH BRDS	203,352	0.208
2.09	First Bank	500,000	0.513
2.10	Banco Santander	279,766	0.287

NAIC Designation	1	2
	Amount	Percent
3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC designation.		
<b>Bonds</b>		
3.01 NAIC 1	32,569,159	33.390
3.02 NAIC 2	99,965	0.102
3.03 NAIC 3		
3.04 NAIC 4		
3.05 NAIC 5		
3.06 NAIC 6		
<b>Preferred Stocks</b>		
3.07 P/RP-1		
3.08 P/RP-2		
3.09 P/RP-3		
3.10 P/RP-4	359,150	0.368
3.11 P/RP-5		
3.12 P/RP-6		

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

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

## SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

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

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

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

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

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

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

## SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

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

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets?  
If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.

Yes[ ] No[X]

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

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

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

Yes[X] No[ ]

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

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

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

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

Yes[X] No[ ]

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

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

## SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:  
 14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes[ ] No[X]  
 If response to 14.01 above is yes, responses are not required for the remainder of Interrogatory 14.

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

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:  
 15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]  
 If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.

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

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:  
 16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]  
 If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

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

## SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

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

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

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:
- 18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]  
 If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

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

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:
- 19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? Yes[X] No[ ]  
 If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

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

## SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES (Continued)

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

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

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

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



# VARIABLE ANNUITIES SUPPLEMENT

For The Year Ended DECEMBER 31, 2017

(To Be Filed by April 1)

NAIC Group Code 1301

NAIC Company Code 60030

## Part 1 - Individual

Type		3 Number of Individual Contracts	Benefit Base		6 Net Amount at Risk For Guaranteed Death Benefit (Col 1)	7 Guaranteed Annual Income Amount For Guaranteed Living Benefit (GLB) (Col 2)	Account Value		10 Reserve for Guaranteed Benefits (Total Reserve Less Base Adjusted Reserve)	Percentage of Guaranteed Benefits Reinsured	
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit		4 For Guaranteed Death Benefit (Col 1)	5 For Guaranteed Living Benefit (GLB) (Col 2)			8 General Account	9 Separate Account		11 Guaranteed Death Benefit	12 Guaranteed Living Benefit
0199999 Subtotal .....										X X X .....	X X X .....
1. Reserve credit from affiliated captive reinsurance .....											
2. Reserve credit from other reinsurance .....											
3. Total net of reinsurance .....											

Part 2 - Group Contracts with Individual Certificates

Type		3	Benefit Base		6	7	Account Value		10	Percentage of Guaranteed Benefits Reinsured	
1	2		4	5			8	9		11	12
Guaranteed Death Benefit	Guaranteed Living Benefit	Number of Individual Contracts	For Guaranteed Death Benefit (Col 1)	For Guaranteed Living Benefit (GLB) (Col 2)	Net Amount at Risk For Guaranteed Death Benefit (Col 1)	Guaranteed Annual Income Amount For Guaranteed Living Benefit (GLB) (Col 2)	General Account	Separate Account	Reserve for Guaranteed Benefits (Total Reserve Less Base Adjusted Reserve)	Guaranteed Death Benefit	Guaranteed Living Benefit
0199999 Subtotal .....										..... X X X .....	..... X X X .....
1. Reserve credit from affiliated captive reinsurance .....											
2. Reserve credit from other reinsurance .....											
3. Total net of reinsurance .....											



# NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

## SCHEDULE SIS

### STOCKHOLDER INFORMATION SUPPLEMENT

FOR THE YEAR ENDED  
DECEMBER 31, 2017

(To Be Filed by March 1)

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

TO ANNUAL STATEMENT OF THE

**MCS Life Insurance Company**

---

COMPANY

**FINANCIAL REPORTING TO STOCKHOLDERS**

1. Did the company distribute to its stockholders prior to the Annual Meeting during the year an Annual Report for the previous year? Yes[ ] No[X]  
If answer is "Yes" attach copy. If answer is "No" explain in detail below. Attach separate sheet if necessary.:
  
2. Will the company distribute to its stockholders prior to the Annual Meeting during the following year an Annual Report for the current year? Yes[ ] No[X]  
If answer is "Yes" a copy of the report shall be forwarded to the Insurance Commissioner of the company's domiciliary state at the same time as it is distributed to stockholders. If answer is "No" explain in detail below. Attach separate sheet if necessary.:
  
3. If an Annual Report to stockholders was distributed for the previous year; (1) was such distribution prior to or contemporaneous with the solicitation of proxies in respect to the Annual Meeting? Yes[ ] No[X]  
If answer is "No" explain in detail below. Attach separate sheet if necessary.:  
(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
<b>To be answered by Life and A &amp; H Companies:</b>		
a. Statement of Assets, Liabilities, Surplus and Other Funds .....	No .....	No .....
b. Summary of Operations .....	No .....	No .....
c. Surplus Account .....	No .....	No .....
<b>To be answered by Property and Casualty Companies:</b>		
a. Statement of Assets, Liabilities, Surplus and Other Funds .....	No .....	No .....
b. Statement of Income - Underwriting and Investment Exhibit .....	No .....	No .....
c. Capital and Surplus Account .....	No .....	No .....
<b>To be answered by Title Insurance Companies</b>		
a. Statement of Assets, Liabilities, Surplus and Other Funds .....	No .....	No .....
b. Statement of Income - Operations and Investment Exhibit .....	No .....	No .....
c. Capital and Surplus Account .....	No .....	No .....
<b>To be answered by Health Insurance Companies:</b>		
a. Statement of Assets, Liabilities, Capital and Surplus .....	No .....	No .....
b. Statement of Revenue and Expenses .....	No .....	No .....
c. Capital and Surplus Account .....	No .....	No .....



## STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

(See Instructions Below)

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

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

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

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

If answer is "yes" explain:

Supp23	Workers Comp. Carve-Out Supp. Pt 1 Prem Earned	NONE
Supp23	Workers Comp. Carve-Out Supp. Pt 2 Prem Written	NONE
Supp23	Workers Comp. Carve-Out Supp. Pt 3 Losses Paid	NONE
Supp23	Workers Comp. Carve-Out Supp. Pt 4 Unpaid Losses	NONE
Supp24	Workers Comp. Carve-Out Supp. Sch F - Pt 1	NONE
Supp24	Workers Comp. Carve-Out Supp. Sch F - Pt 2	NONE
Supp25	Workers Comp. Carve-Out Supp. Sch P - Pt 1	NONE
Supp26	Workers Comp. Carve-Out Supp. Sch P - Pt 2	NONE
Supp26	Workers Comp. Carve-Out Supp. Sch P - Pt 3	NONE
Supp27	Workers Comp. Carve-Out Supp. Sch P - Pt 4	NONE
Supp27	Workers Comp. Carve-Out Supp. Sch P - Pt 5 Sn1	NONE
Supp27	Workers Comp. Carve-Out Supp. Sch P - Pt 5 Sn2	NONE
Supp27	Workers Comp. Carve-Out Supp. Sch P - Pt 5 Sn3	NONE
Supp28	Workers Comp. Carve-Out Supp. Sch P - Pt 6 Sn1	NONE
Supp28	Workers Comp. Carve-Out Supp. Sch P - Pt 6 Sn2	NONE



# SCHEDULE O SUPPLEMENT

For the Year Ended DECEMBER 31, 2017

(To Be Filed By March 1)

Of the MCS Life Insurance Company

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

NAIC Group Code: 1301    NAIC Company Code: 60030    Employer's ID Number: 66-0520918

## SUPPLEMENTAL SCHEDULE O - PART 1

Development of Incurred Losses

(\$000 OMITTED)

### Section A - Group Accident and Health

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid Policyholders				
	1 2013	2 2014	3 2015	4 2016	5 2017(a)
1. Prior .....	16,946	453			
2. 2013 .....	170,709	19,146	(76)	(82)	
3. 2014 .....	X X X	188,646	18,899	241	1
4. 2015 .....	X X X	X X X	198,106	27,647	130
5. 2016 .....	X X X	X X X	X X X	213,099	20,677
6. 2017 .....	X X X	X X X	X X X	X X X	200,102

### Section B - Other Accident and Health

1. Prior .....	2,002	56			
2. 2013 .....	16,084	2,327	31	(10)	
3. 2014 .....	X X X	20,082	2,591	(25)	(12)
4. 2015 .....	X X X	X X X	38,639	6,513	36
5. 2016 .....	X X X	X X X	X X X	19,334	1,843
6. 2017 .....	X X X	X X X	X X X	X X X	17,437

### Section C - Credit Accident and Health

1. Prior .....					
2. 2013 .....					
3. 2014 .....	X X X				
4. 2015 .....	X X X	X X X			
5. 2016 .....	X X X	X X X	X X X		
6. 2017 .....	X X X	X X X	X X X	X X X	

(a) See the Annual Audited Financial Reports in the General section of the annual statement instructions.

# SCHEDULE O SUPPLEMENT (Continued)

## SUPPLEMENTAL SCHEDULE O - PART 2

**Development of Incurred Losses**  
 (\$000 OMITTED)  
**Section A - Group Accident and Health**

Year in Which Losses Were Incurred	Net Amounts Paid for Cost Containment Expenses				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. Prior .....					
2. 2013 .....					
3. 2014 .....	X X X				
4. 2015 .....	X X X	X X X			
5. 2016 .....	X X X	X X X	X X X		
6. 2017 .....	X X X	X X X	X X X	X X X	

**Section B - Other Accident and Health**

1. Prior .....					
2. 2013 .....					
3. 2014 .....	X X X				
4. 2015 .....	X X X	X X X			
5. 2016 .....	X X X	X X X	X X X		
6. 2017 .....	X X X	X X X	X X X	X X X	

**Section C - Credit Accident and Health**

1. Prior .....					
2. 2013 .....					
3. 2014 .....	X X X				
4. 2015 .....	X X X	X X X			
5. 2016 .....	X X X	X X X	X X X		
6. 2017 .....	X X X	X X X	X X X	X X X	

## SCHEDULE O SUPPLEMENT (Continued)

### SUPPLEMENTAL SCHEDULE O - PART 3

**Development of Incurred Losses  
(\$000 OMITTED)**

**Section A - Group Accident and Health**

Year in Which Losses Were Incurred	Sum of Net Cumulative Amount Paid Policyholders and Claim Liability and Reserve Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. 2013 .....	192,164	190,311	162	X X X	X X X
2. 2014 .....	X X X	206,728	42,666	76	X X X
3. 2015 .....	X X X	X X X	225,935	1,021	(51)
4. 2016 .....	X X X	X X X	X X X	23,600	4,974
5. 2017 .....	X X X	X X X	X X X	X X X	24,675

**Section B - Other Accident and Health**

1. 2013 .....	18,805	18,454	32	X X X	X X X
2. 2014 .....	X X X	21,808	2,629	(2)	X X X
3. 2015 .....	X X X	X X X	46,012	23	(7)
4. 2016 .....	X X X	X X X	X X X	2,339	8
5. 2017 .....	X X X	X X X	X X X	X X X	1,861

**Section C - Credit Accident and Health**

1. 2013 .....				X X X	X X X
2. 2014 .....	X X X				X X X
3. 2015 .....	X X X	X X X			
4. 2016 .....	X X X	X X X	X X X		
5. 2017 .....	X X X	X X X	X X X	X X X	

## SCHEDULE O SUPPLEMENT (Continued)

### SUPPLEMENTAL SCHEDULE O - PART 4

**Development of Incurred Losses  
(\$000 OMITTED)**

**Section A - Group Accident and Health**

Year in Which Losses Were Incurred	Sum of Net Cumulative Amount Paid Policyholders, Cost Containment Expenses, and Claim and Cost Containment Liability and Reserve Outstanding at End of Year				
	1 2013	2 2014	3 2015	4 2016	5 2017
1. 2013 .....	192,164	190,311			
2. 2014 .....	X X X	206,728			
3. 2015 .....	X X X	X X X			
4. 2016 .....	X X X	X X X	X X X		
5. 2017 .....	X X X	X X X	X X X	X X X	

**Section B - Other Accident and Health**

1. 2013 .....	18,805	18,454			
2. 2014 .....	X X X	21,808			
3. 2015 .....	X X X	X X X			
4. 2016 .....	X X X	X X X	X X X		
5. 2017 .....	X X X	X X X	X X X	X X X	

**Section C - Credit Accident and Health**

1. 2013 .....					
2. 2014 .....	X X X				
3. 2015 .....	X X X	X X X			
4. 2016 .....	X X X	X X X	X X X		
5. 2017 .....	X X X	X X X	X X X	X X X	

## SUPPLEMENTAL SCHEDULE O - PART 5

(\$000 OMITTED)

**Reserve and Liability Methodology - Exhibits 6 and 8**

Line of Business	1 Methodology	2 Amount
1. Industrial life .....		
2. Ordinary life .....		
3. Individual annuity .....		
4. Supplementary contracts .....		
5. Credit life .....		
6. Group life .....	Other	250
7. Group annuities .....		
8. Group accident and health .....	Development	29,598
9. Credit accident and health .....		
10. Other accident and health .....	Development	1,862
11. TOTAL .....		31,710



## Medicare Part D Coverage Supplement (Net of Reinsurance)

NAIC Group Code: 1301

(To be Filed By March 1)

NAIC Company Code: 60030

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

Supp34 VM20 Reserves Supplement - Part 1 ..... NONE

Supp35 VM20 Reserves Supplement - Part 2 ..... NONE

Supp35 VM20 Reserves Supplement - Part 3 ..... NONE

Supp36 Long Term Care Form 1 ..... NONE

Supp37 Long Term Care Form 2 ..... NONE

Supp38 Long Term Care Form 3 - Part A ..... NONE

Supp39 Long Term Care Form 3 - Part B ..... NONE

Supp40 Long Term Care Form 3 - Part C ..... NONE

Supp41 Long Term Care Form 4 ..... NONE

Supp42 Long Term Care Form 5 ..... NONE



# INTEREST SENSITIVE LIFE INSURANCE PRODUCTS REPORT

For The Year Ended DECEMBER 31, 2017

(To Be Filed by April 1)

Of The MCS Life Insurance Company

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

NAIC Group Code 1301 NAIC Company Code 60030 Employer's I.D. Number 66-0520918

Supp44 Interest Sensitive Life - Lines of Bus. .... NONE

Supp45 Interest Sensitive Life - Increase in Reserves .... NONE

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Supp46

## PART 6 - NATIONWIDE CREDIT PROPERTY PREMIUMS AND UNDERWRITING EXPENSES

	1 Creditor Placed Home	2 Creditor Placed Auto	3 Personal Property	4 Other (a)
1. Premiums:				
1.1 Direct written premiums .....				
1.2 Direct earned premiums .....				
2. Underwriting expenses incurred:				
2.1 Commission and brokerage expenses incurred .....	<b>NONE</b>			
2.2 Taxes, licenses and fees incurred .....	<b>NONE</b>			
2.3 Other acquisitions, field supervision and collection expenses incurred .....	<b>NONE</b>			
2.4 General expenses incurred .....	<b>NONE</b>			

(a) Provide a description of "other" coverages (including their percent of Line 1.2 Column 4):



# ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

United States Policy Forms Direct Business Only

For The Year Ended DECEMBER 31, 2017

NAIC Group Code: 1301

(To Be Filed By April 1)

NAIC Company Code: 60030

	1	2	3	4	5	6	7
	Premiums Earned	Incurred Claims Amount	Change in Contract Reserves	Loss Ratio (2 + 3) / 1	Number of Policies or Certificates as of Dec. 31	Number of Covered Lives as of Dec. 31	Member Months
<b>A. INDIVIDUAL BUSINESS</b>							
<b>1. Comprehensive Major Medical</b>							
1.1. With Contract Reserves .....	22,786,790	18,805,271		82.5	6,558	9,532	132,150
1.2. Without Contract Reserves .....							
1.3. Subtotal .....	22,786,790	18,805,271		82.5	6,558	9,532	132,150
<b>2. Short-Term Medical</b>							
2.1. With Contract Reserves .....							
2.2. Without Contract Reserves .....							
2.3. Subtotal .....							
<b>3. Other Medical (Non-Comprehensive)</b>							
3.1. With Contract Reserves .....							
3.2. Without Contract Reserves .....							
3.3. Subtotal .....							
<b>4. Specified/Named Disease</b>							
4.1. With Contract Reserves .....							
4.2. Without Contract Reserves .....							
4.3. Subtotal .....							
<b>5. Limited Benefit</b>							
5.1. With Contract Reserves .....							
5.2. Without Contract Reserves .....							
5.3. Subtotal .....							
<b>6. Student</b>							
6.1. With Contract Reserves .....							
6.2. Without Contract Reserves .....							
6.3. Subtotal .....							
<b>7. Accident Only or AD&amp;D</b>							
7.1. With Contract Reserves .....							
7.2. Without Contract Reserves .....							
7.3. Subtotal .....							
<b>8. Disability Income - Short-Term</b>							
8.1. With Contract Reserves .....							
8.2. Without Contract Reserves .....							
8.3. Subtotal .....							

Supp56

## ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

Supp57

	1	2	3	4	5	6	7
	Premiums Earned	Incurred Claims Amount	Change in Contract Reserves	Loss Ratio (2 + 3) / 1	Number of Policies or Certificates as of Dec. 31	Number of Covered Lives as of Dec. 31	Member Months
<b>A. INDIVIDUAL BUSINESS (Continued)</b>							
<b>9. Disability Income - Long-Term</b>							
9.1. With Contract Reserves .....							
9.2. Without Contract Reserves .....							
9.3. Subtotal .....							
<b>10. Long-Term Care</b>							
10.1. With Contract Reserves .....							
10.2. Without Contract Reserves .....							
10.3. Subtotal .....							
<b>11. Medicare Supplement (Medigap)</b>							
11.1. With Contract Reserves .....							
11.2. Without Contract Reserves .....							
11.3. Subtotal .....							
<b>12. Dental</b>							
12.1. With Contract Reserves .....							
12.2. Without Contract Reserves .....							
12.3. Subtotal .....							
<b>13. State Children's Health Insurance Program</b>							
13.1. With Contract Reserves .....							
13.2. Without Contract Reserves .....							
13.3. Subtotal .....							
<b>14. Medicare</b>							
14.1. With Contract Reserves .....							
14.2. Without Contract Reserves .....							
14.3. Subtotal .....							
<b>15. Medicaid</b>							
15.1. With Contract Reserves .....							
15.2. Without Contract Reserves .....							
15.3. Subtotal .....							
<b>16. Medicare Part D - Stand-Alone</b>							
16.1. With Contract Reserves .....							
16.2. Without Contract Reserves .....							
16.3. Subtotal .....							
<b>17. Other Individual Business</b>							
17.1. With Contract Reserves .....							
17.2. Without Contract Reserves .....							
17.3. Subtotal .....							
<b>18. Total Individual Business</b>							
18.1. With Contract Reserves .....	22,786,790	18,805,271		82.5	6,558	9,532	132,150
18.2. Without Contract Reserves .....							
<b>19. Grand Total Individual</b>	<b>22,786,790</b>	<b>18,805,271</b>		<b>82.5</b>	<b>6,558</b>	<b>9,532</b>	<b>132,150</b>

## ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR

	1	2	3	4	5	6	7
	Premiums Earned	Incurred Claims Amount	Change in Contract Reserves	Loss Ratio (2 + 3) / 1	Number of Policies or Certificates as of Dec. 31	Number of Covered Lives as of Dec. 31	Member Months
<b>B. GROUP BUSINESS</b>							
<b>Comprehensive Major Medical</b>							
<b>1. Single Employer</b>							
1.1. Small Employer .....	286,164,634	225,811,417		78.9	56,236	123,107	1,537,316
1.2. Other Employer .....							
1.3. Single Employer Subtotal .....	286,164,634	225,811,417		78.9	56,236	123,107	1,537,316
2. Multiple Employer Assns and Trusts .....							
3. Other Associations and Discretionary Trusts .....							
4. Other Comprehensive Major Medical .....							
5. Comprehensive/Major Medical Subtotal .....	286,164,634	225,811,417		78.9	56,236	123,107	1,537,316
<b>Other Medical (Non-Comprehensive)</b>							
6. Specified/Named Disease .....							
7. Limited Benefit .....							
8. Student .....							
9. Accident Only or AD&D .....							
10. Disability Income - Short-Term .....							
11. Disability Income - Long-Term .....							
12. Long-Term Care .....							
13. Medicare Supplement (Medigap) .....							
14. Federal Employees Health Benefits Plans .....							
15. Tricare .....							
16. Dental .....							
17. Medicare .....							
18. Medicare Part D - Stand-Alone .....							
19. Other Group Care .....							
20. GRAND TOTAL Group Business .....	286,164,634	225,811,417		78.9	56,236	123,107	1,537,316
<b>C. OTHER BUSINESS</b>							
1. Credit (Individual and Group) .....							
2. Stop Loss/Excess Loss .....							
3. Administrative Services Only .....	X X X	X X X	X X X	X X X			
4. Administrative Services Contracts .....	X X X	X X X	X X X	X X X			
5. GRAND TOTAL Other Business .....							
<b>D. TOTAL BUSINESS</b>							
1. TOTAL Non U.S. Policy Forms .....							
2. GRAND TOTAL Individual, Group and Other Business .....	308,951,424	244,616,688		79.2	62,794	132,639	1,669,466

**ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR**

**PART 1 - INDIVIDUAL POLICIES SUMMARY**

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business	22,786,790	18,805,271		82.527
2. Other Forms Direct Business				
3. TOTAL Direct Business	22,786,790	18,805,271		82.527
4. Reinsurance Assumed				
5. Less Reinsurance Ceded	92,065			
6. TOTAL	22,694,725	18,805,271		82.862

**PART 2 - GROUP POLICIES SUMMARY**

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business	286,164,634	225,811,417		78.910
2. Other Forms Direct Business				
3. TOTAL Direct Business	286,164,634	225,811,417		78.910
4. Reinsurance Assumed				
5. Less Reinsurance Ceded	1,046,812			
6. TOTAL	285,117,822	225,811,417		79.199

**PART 3 - CREDIT POLICIES (Individual and Group) SUMMARY**

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business				
2. Other Forms Direct Business				
3. TOTAL Direct Business				
4. Reinsurance Assumed				
5. Less Reinsurance Ceded				
6. TOTAL				

**PART 4 - ALL INDIVIDUAL, GROUP AND CREDIT POLICIES SUMMARY**

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2 + 3) / 1
1. U.S. Forms Direct Business	308,951,424	244,616,688		79.176
2. Other Forms Direct Business				
3. TOTAL Direct Business	308,951,424	244,616,688		79.176
4. Reinsurance Assumed				
5. Less Reinsurance Ceded	1,138,877			
6. TOTAL	307,812,547	244,616,688		79.469

ANALYSIS OF ANNUITY OPERATIONS BY LINE OF BUSINESS

For The Year Ended DECEMBER 31, 2017 (To Be Filed by April 1)



09dnds

	1 Total Annuities	Individual					Group				
		2 Fixed Annuities	3 Indexed Annuities	4 Variable Annuities General Account	5 Variable Annuities Separate Account	6 Other Annuities	7 Fixed Annuities	8 Indexed Annuities	9 Variable Annuities General Account	10 Variable Annuities Separate Account	11 Other Annuities
1. Premiums and annuity considerations for life and accident and health contracts (a)											
2. Considerations for supplementary contracts with life contingencies											
3. Net investment income											
4. Amortization of Interest Maintenance Reserve (IMR)											
5. Separate Accounts net gain from operations excluding unrealized gains or losses											
6. Commissions and expense allowances on reinsurance ceded											
7. Reserve adjustments on reinsurance ceded											
8. Miscellaneous Income											
8.1 Fees associated with income from investment management, administration and contract guarantees from Separate Accounts											
8.2 Charges and fees for deposit-type contracts											
8.3 Aggregate write-ins for miscellaneous income											
9. TOTALS (Lines 1 to 8.3)											
10. Death benefits											
11. Matured endowments (excluding guaranteed annual pure endowments)											
12. Annuity benefits											
13. Disability benefits and benefits under accident and health contracts											
14. Coupons, guaranteed annual pure endowments and similar benefits											
15. Surrender benefits and withdrawals for life contracts											
16. Group conversions											
17. Interest and adjustments on contract or deposit-type contract funds											
18. Payments on supplementary contracts with life contingencies											
19. Increase in aggregate reserves for life and accident and health contracts											
20. TOTALS (Lines 10 to 19)											
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)											
22. Commissions and expense allowances on reinsurance assumed											
23. General insurance expenses											
24. Insurance taxes, licenses and fees, excluding federal income taxes											
25. Increase in loading on deferred and uncollected premiums											
26. Net transfers to or (from) Separate Accounts net of reinsurance											
27. Aggregate write-ins for deductions											
28. TOTALS (Lines 20 to 27)											
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 - Line 28)											
30. Dividends to policyholders											
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 - Line 30)											
32. Federal income taxes incurred (excluding tax on capital gains)											
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 - Line 32) (b)											
34. Policies/Certificates In Force End of Year											
<b>DETAILS OF WRITE-INS</b>											
08.301.											
08.302.											
08.303.											
08.398. Summary of remaining write-ins for Line 8.3 from overflow page											
08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)											
2701.											
2702.											
2703.											
2798. Summary of remaining write-ins for Line 27 from overflow page											
2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)											

NONE

(a) Premiums and annuity considerations for life and accident and health contracts includes \$.....0 for individual variable annuities not associated with guarantees, \$.....0 for individual variable annuities associated with guarantees, \$.....0 for group variable annuities not associated with guarantees, and \$.....0 for group variable annuities associated with guarantees.  
 (b) Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) includes \$.....0 for individual variable annuities not associated with guarantees, \$.....0 for individual variable annuities associated with guarantees, \$.....0 for group variable annuities not associated with guarantees, and \$.....0 for group variable annuities associated with guarantees.

OVERFLOW PAGE FOR WRITE-INS

Supp61



**ANALYSIS OF INCREASE IN ANNUITY RESERVES DURING THE YEAR**  
 For The Year Ended DECEMBER 31, 2017  
 (To Be Filed by April 1)

Supp62

	1 Total Annuities	Individual					Group				
		2 Fixed Annuities	3 Indexed Annuities	4 Variable Annuities General Account	5 Variable Annuities Separate Account	6 Other Annuities	7 Fixed Annuities	8 Indexed Annuities	9 Variable Annuities General Account	10 Variable Annuities Separate Account	11 Other Annuities
<b>Involving Life or Disability Contingencies (Reserves)</b> (Net of Reinsurance Ceded)											
1. Reserve December 31, prior year .....											
2. Tabular net premiums or considerations .....											
3. Present value of disability claims incurred .....											
4. Tabular interest .....											
5. Tabular less actual reserve released .....											
6. Increase in reserve on account of change in valuation basis .....											
7. Other increases (net) .....											
8. TOTALS (Lines 1 to 7) .....				<b>NONE</b>							
9. Tabular cost .....											
10. Reserves released by death .....	XXX	XXX	XXX			XXX	XXX	XXX	XXX	XXX	XXX
11. Reserves released by other terminations (net) .....											
12. Annuity, supplementary contract, and disability payments involving life contingencies .....											
13. Net transfers to or (from) Separate Accounts .....											
14. TOTAL Deductions (Lines 9 to 13) .....											
15. Reserves December 31, current year (a) .....											

(a) Reserves December 31, current year includes \$.....0 for individual variable annuities not associated with guarantees, \$.....0 for individual variable annuities associated with guarantees, \$.....0 for group variable annuities not associated with guarantees, and \$.....0 for group variable annuities associated with guarantees.

**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](http://www.naic.org/documents/committees_e_app_blanks_related_shce_cautionary_statement.pdf))

REPORT FOR: 1. CORPORATION: MCS Life Insurance Company 2. LOCATION: San Juan, PR 00917



NAIC Group Code 1301

BUSINESS IN THE STATE OF Puerto Rico DURING THE YEAR 2017

NAIC Company Code 60030

Supp63 Puerto Rico

	Business Subject to MLR								9 Student Health Plans	10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	13 Subtotal (Cols. 1 thru 12)	14 Uninsured Plans	15 Total (Cols. 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans								
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
1. Premium:															
1.1 Health premiums earned (From Part 2, Line 1.11)	22,786,790	84,033,263	202,131,371										308,951,424	X X X	308,951,424
1.2 Federal high risk pools														X X X	
1.3 State high risk pools														X X X	
1.4 Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)	22,786,790	84,033,263	202,131,371										308,951,424	X X X	308,951,424
1.5 Federal taxes and federal assessments															
1.6 State insurance, premium and other taxes (Similar local taxes of \$.....0)	428,447	2,321,347	5,306,877										8,056,671		8,056,671
1.6A Community Benefit Expenditures (informational only)															
1.7 Regulatory authority licenses and fees	12,770	48,299	116,194										177,263		177,263
1.8 Adjusted Premiums Earned (Lines 1.4 - 1.5 - 1.6 - 1.7)	22,345,573	81,663,617	196,708,300										300,717,490	X X X	300,717,490
1.9 Net assumed less ceded reinsurance premiums earned	(92,065)	(307,370)	(739,442)										(1,138,877)	X X X	(1,138,877)
1.10 Other adjustments due to MLR calculations - Premiums														X X X	
1.11 Risk Revenue														X X X	
1.12 Net adjusted premiums earned after reinsurance (Lines 1.8 + 1.9 + 1.10 + 1.11)	22,253,508	81,356,247	195,968,858										299,578,613	X X X	299,578,613
2. Claims:															
2.1 Incurred claims excluding prescription drugs	14,618,264	43,746,375	120,613,611										178,978,250	X X X	178,978,250
2.2 Prescription drugs	4,187,007	22,612,969	42,297,905										69,097,881	X X X	69,097,881
2.3 Pharmaceutical rebates	193,924	1,137,607	2,127,912										3,459,443	X X X	3,459,443
2.4 State stop-loss, market stabilization and claim/census based assessments (informational only)														X X X	
3. Incurred medical incentive pools and bonuses														X X X	
4. Deductible Fraud and Abuse Detection/Recovery Expenses (for MLR use only)															
5.0 TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 3) (From Part 2, Line 2.15)	18,611,347	65,221,737	160,783,604										244,616,688	X X X	244,616,688
5.1 Net assumed less ceded reinsurance claims incurred														X X X	
5.2 Other adjustments due to MLR calculations - Claims														X X X	
5.3 Rebates Paid										X X X	X X X			X X X	
5.4 Estimated rebates unpaid prior year										X X X	X X X			X X X	
5.5 Estimated rebates unpaid current year										X X X	X X X			X X X	
5.6 Fee for service and co-pay revenue														X X X	
5.7 Net incurred claims after reinsurance (Lines 5.0 + 5.1 + 5.2 + 5.3 - 5.4 + 5.5 - 5.6)	18,611,347	65,221,737	160,783,604										244,616,688	X X X	244,616,688
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes	92,092	310,965	758,877										1,161,934		1,161,934
6.2 Activities to prevent hospital readmissions	8,651	29,210	71,284										109,145		109,145
6.3 Improve patient safety and reduce medical errors	12,682	42,823	104,505										160,010		160,010
6.4 Wellness and health promotion activities	15,086	50,939	124,311										190,336		190,336
6.5 Health Information Technology expenses related to health improvement	3,170	10,705	26,125										40,000		40,000
6.6 TOTAL of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1 + 6.2 + 6.3 + 6.4 + 6.5)	131,681	444,642	1,085,102										1,661,425		1,661,425
7. Preliminary Medical Loss Ratio: MLR (Lines 4 + 5.0 + 6.6 - Footnote 2.0) / Line 1.8	0.839	0.804	0.823							X X X	X X X		X X X	X X X	X X X
8. Claim Adjustment Expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6															
8.2 All other claims adjustment expenses															
8.3 TOTAL Claims adjustment expenses (Lines 8.1 + 8.2)															
9. Claims Adjustment Expense Ratio (Line 8.3 / Line 1.8)													X X X	X X X	X X X

**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1 (Continued)**

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

	Business Subject to MLR									10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	13 Subtotal (Cols. 1 thru 12)	14 Uninsured Plans	15 Total (Cols. 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9 Student Health Plans						
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
10. General and Administrative (G&A) Expenses:															
10.1 Direct sales salaries and benefits	195,500	660,140	1,611,001										2,466,641		2,466,641
10.2 Agents and brokers fees and commissions	406,030	3,854,733	9,407,061										13,667,824		13,667,824
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)	10,541	35,595	86,866										133,002		133,002
10.4 Other general and administrative expenses	1,374,433	4,641,006	11,325,877										17,341,316		17,341,316
10.4A Community Benefit Expenditures (informational only)															
10.5 TOTAL General and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4)	1,986,504	9,191,474	22,430,805										33,608,783		33,608,783
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)	1,523,976	6,498,394	11,669,347										19,691,717	X X X	19,691,717
12. Income from fees of uninsured plans	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
13. Net investment and other gain/(loss)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
14. Federal income taxes (excluding taxes on Line 1.5 above)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	19,691,717	X X X	19,691,717
16. ICD-10 Implementation Expenses (informational only; already included in general expenses and Line 6.5)															
16A. ICD-10 Implementation Expenses (informational only; already included in Line 6.5)															
O. OTHER INDICATORS:															
O1. Number of Certificates / Policies	6,558	17,289	38,947										62,794		62,794
O2. Number of Covered Lives	9,532	24,859	98,248										132,639		132,639
O3. Number of Groups	X X X	1,740	90	X X X									1,830		1,830
O4. Member Months	132,150	304,994	1,232,322										1,669,466		1,669,466

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

Supp64 Puerto Rico

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

**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2**

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

REPORT FOR: 1. CORPORATION: MCS Life Insurance Company 2. LOCATION: San Juan, PR 00917

**BUSINESS IN THE STATE OF Puerto Rico DURING THE YEAR 2017**

NAIC Group Code 1301

NAIC Company Code 60030

		Business Subject to MLR									10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	13 Total (a)
		Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9 Student Health Plans				
		1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group					
1.	Health Premiums Earned													
1.1	Direct premiums written	22,374,457	83,958,658	201,979,732									308,312,847	
1.2	Unearned premium prior year	846,384	395,947	924,692									2,167,023	
1.3	Unearned premium current year	434,051	321,342	773,053									1,528,446	
1.4	Change in unearned premium (Lines 1.2 - 1.3)	412,333	74,605	151,639									638,577	
1.5	Paid rate credits													
1.6	Reserve for rate credits current year													
1.7	Reserve for rate credits prior year													
1.8	Change in reserve for rate credits (Lines 1.6 - 1.7)													
1.9	Premium balances written off													
1.10	Group conversion charges													
1.11	TOTAL Direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10)	22,786,790	84,033,263	202,131,371									308,951,424	
1.12	Assumed premiums earned from non-affiliates													
1.13	Net assumed less ceded premiums earned from affiliates													
1.14	Ceded premiums earned to non-affiliates	92,065	307,370	739,442									1,138,877	
1.15	Other adjustments due to MLR calculation - Premiums													
1.16	Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15)	22,694,725	83,725,893	201,391,929									307,812,547	
2.	Direct Claims Incurred:													
2.1	Paid claims during the year	19,303,412	63,838,200	157,072,122									240,213,734	
2.2	Direct claim liability current year	1,861,588	8,553,221	21,044,965									31,459,774	
2.3	Direct claim liability prior year	2,359,730	7,496,137	17,200,955									27,056,822	
2.4	Direct claim reserves current year													
2.5	Direct claim reserves prior year													
2.6	Direct contract reserves current year													
2.7	Direct contract reserves prior year													
2.8	Paid rate credits													
2.9	Reserve for rate credits current year													
2.10	Reserve for rate credits prior year													
2.11	Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c)													
2.11A	Paid medical incentive pools and bonuses current year													
2.11B	Accrued medical incentive pools and bonuses current year													
2.11C	Accrued medical incentive pools and bonuses prior year													
2.12	Net healthcare receivables (Lines 2.12a - 2.12b)	(47,668)	(26,485)	(174,392)									(248,544)	
2.12A	Healthcare receivables current year	45,666	267,887	501,086									814,639	
2.12B	Healthcare receivables prior year	93,334	294,372	675,478									1,063,183	
2.13	Group conversion charge													
2.14	Multi-option coverage blended rate adjustment													
2.15	TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 2.4 - 2.5 + 2.6 - 2.7 + 2.8 + 2.9 - 2.10 + 2.11 - 2.12 + 2.13 + 2.14)	18,852,938	64,921,769	161,090,523									244,865,230	
2.16	Assumed Incurred Claims from non-affiliates													
2.17	Net Assumed less Ceded Incurred Claims from affiliates													
2.18	Ceded Incurred Claims to non-affiliates													
2.19	Other Adjustments due to MLR calculation - Claims													
2.20	Net Incurred Claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 + 2.17 - 2.18 + 2.19)	18,852,938	64,921,769	161,090,523									244,865,230	
3.	Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only)	6,755	22,810	55,666									85,231	

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

Supp65 Puerto Rico



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

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses		
4.	Individual Mini-Med Plans Expenses									
4.1	Salaries (including \$.....0 for affiliated services)									
4.2	Outsourced services									
4.3	EDP equipment and software (including \$.....0 for affiliated services)									
4.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
4.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
4.6	Other expenses (including \$.....0 for affiliated services)									
4.7	Subtotal before reimbursements and taxes (Lines 4.1 to 4.6)									
4.8	Reimbursements by uninsured plans and fiscal intermediaries									
4.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
4.10	TOTAL (Lines 4.7 to 4.9)									
4.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
5.	Small Group Mini-Med Plans Expenses									
5.1	Salaries (including \$.....0 for affiliated services)									
5.2	Outsourced services									
5.3	EDP Equipment and Software (including \$.....0 for affiliated services)									
5.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
5.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
5.6	Other expenses (including \$.....0 for affiliated services)									
5.7	Subtotal before reimbursements and taxes (Lines 5.1 to 5.6)									
5.8	Reimbursements by uninsured plans and fiscal intermediaries									
5.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
5.10	TOTAL (Lines 5.7 to 5.9)									
5.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
6.	Large Group Mini-Med Plans Expenses									
6.1	Salaries (including \$.....0 for affiliated services)									
6.2	Outsourced services									
6.3	EDP equipment and software (including \$.....0 for affiliated services)									
6.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
6.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
6.6	Other expenses (including \$.....0 for affiliated services)									
6.7	Subtotal before reimbursements and taxes (Lines 6.1 to 6.6)									
6.8	Reimbursements by uninsured plans and fiscal intermediaries									
6.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
6.10	TOTAL (Lines 6.7 to 6.9)									
6.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

Supp67 Puerto Rico

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

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (Cols. 6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses		
7.	Small Group Expatriate Plans Expenses									
7.1	Salaries (including \$.....0 for affiliated services)									
7.2	Outsourced services									
7.3	EDP equipment and software (including \$.....0 for affiliated services)									
7.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
7.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
7.6	Other expenses (including \$.....0 for affiliated services)									
7.7	Subtotal before reimbursements and taxes (Lines 7.1 to 7.6)									
7.8	Reimbursements by uninsured plans and fiscal intermediaries									
7.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
7.10	TOTAL (Lines 7.7 to 7.9)									
7.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
8.	Large Group Expatriate Plans Expenses									
8.1	Salaries (including \$.....0 for affiliated services)									
8.2	Outsourced services									
8.3	EDP equipment and software (including \$.....0 for affiliated services)									
8.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
8.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
8.6	Other expenses (including \$.....0 for affiliated services)									
8.7	Subtotal before reimbursements and taxes (Lines 8.1 to 8.6)									
8.8	Reimbursements by uninsured plans and fiscal intermediaries									
8.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
8.10	TOTAL (Lines 8.7 to 8.9)									
8.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
9.	Student Health Plans Expenses									
9.1	Salaries (including \$.....0 for affiliated services)									
9.2	Outsourced services									
9.3	EDP equipment and software (including \$.....0 for affiliated services)									
9.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
9.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
9.6	Other expenses (including \$.....0 for affiliated services)									
9.7	Subtotal before reimbursements and taxes (Lines 9.1 to 9.6)									
9.8	Reimbursements by uninsured plans and fiscal intermediaries									
9.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
9.10	TOTAL (Lines 9.7 to 9.9)									
9.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

Supp68 Puerto Rico

**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](http://www.naic.org/documents/committees_e_app_blanks_related_shce_cautionary_statement.pdf))

REPORT FOR: 1. CORPORATION: MCS Life Insurance Company 2. LOCATION: San Juan, PR 00917



NAIC Group Code 1301

BUSINESS IN THE STATE OF Grand Total DURING THE YEAR 2017

NAIC Company Code 60030

Supp63 Grand Total

	Business Subject to MLR								9	10	11	12	13	14	15
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans								
	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	Subtotal (Cols. 1 thru 12)	Uninsured Plans	Total (Cols. 13 + 14)	
1. Premium:															
1.1 Health premiums earned (From Part 2, Line 1.11)	22,786,790	84,033,263	202,131,371									308,951,424	XXX	308,951,424	
1.2 Federal high risk pools													XXX		
1.3 State high risk pools													XXX		
1.4 Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)	22,786,790	84,033,263	202,131,371									308,951,424	XXX	308,951,424	
1.5 Federal taxes and federal assessments															
1.6 State insurance, premium and other taxes (Similar local taxes of \$.....0)	428,447	2,321,347	5,306,877									8,056,671		8,056,671	
1.6A Community Benefit Expenditures (informational only)															
1.7 Regulatory authority licenses and fees	12,770	48,299	116,194									177,263		177,263	
1.8 Adjusted Premiums Earned (Lines 1.4 - 1.5 - 1.6 - 1.7)	22,345,573	81,663,617	196,708,300									300,717,490	XXX	300,717,490	
1.9 Net assumed less ceded reinsurance premiums earned	(92,065)	(307,370)	(739,442)									(1,138,877)	XXX	(1,138,877)	
1.10 Other adjustments due to MLR calculations - Premiums													XXX		
1.11 Risk Revenue													XXX		
1.12 Net adjusted premiums earned after reinsurance (Lines 1.8 + 1.9 + 1.10 + 1.11)	22,253,508	81,356,247	195,968,858									299,578,613	XXX	299,578,613	
2. Claims:															
2.1 Incurred claims excluding prescription drugs	14,618,264	43,746,375	120,613,611									178,978,250	XXX	178,978,250	
2.2 Prescription drugs	4,187,007	22,612,969	42,297,905									69,097,881	XXX	69,097,881	
2.3 Pharmaceutical rebates	193,924	1,137,607	2,127,912									3,459,443	XXX	3,459,443	
2.4 State stop-loss, market stabilization and claim/census based assessments (informational only)													XXX		
3. Incurred medical incentive pools and bonuses													XXX		
4. Deductible Fraud and Abuse Detection/Recovery Expenses (for MLR use only)															
5.0 TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 3) (From Part 2, Line 2.15)	18,611,347	65,221,737	160,783,604									244,616,688	XXX	244,616,688	
5.1 Net assumed less ceded reinsurance claims incurred													XXX		
5.2 Other adjustments due to MLR calculations - Claims													XXX		
5.3 Rebates Paid									XXX	XXX			XXX		
5.4 Estimated rebates unpaid prior year									XXX	XXX			XXX		
5.5 Estimated rebates unpaid current year									XXX	XXX			XXX		
5.6 Fee for service and co-pay revenue													XXX		
5.7 Net incurred claims after reinsurance (Lines 5.0 + 5.1 + 5.2 + 5.3 - 5.4 + 5.5 - 5.6)	18,611,347	65,221,737	160,783,604									244,616,688	XXX	244,616,688	
6. Improving Health Care Quality Expenses Incurred:															
6.1 Improve health outcomes	92,092	310,965	758,877									1,161,934		1,161,934	
6.2 Activities to prevent hospital readmissions	8,651	29,210	71,284									109,145		109,145	
6.3 Improve patient safety and reduce medical errors	12,682	42,823	104,505									160,010		160,010	
6.4 Wellness and health promotion activities	15,086	50,939	124,311									190,336		190,336	
6.5 Health Information Technology expenses related to health improvement	3,170	10,705	26,125									40,000		40,000	
6.6 TOTAL of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1 + 6.2 + 6.3 + 6.4 + 6.5)	131,681	444,642	1,085,102									1,661,425		1,661,425	
7. Preliminary Medical Loss Ratio: MLR (Lines 4 + 5.0 + 6.6 - Footnote 2.0) / Line 1.8	0.839	0.804	0.823						XXX	XXX		XXX	XXX	XXX	
8. Claim Adjustment Expenses:															
8.1 Cost containment expenses not included in quality of care expenses in Line 6.6															
8.2 All other claims adjustment expenses															
8.3 TOTAL Claims adjustment expenses (Lines 8.1 + 8.2)															
9. Claims Adjustment Expense Ratio (Line 8.3 / Line 1.8)												XXX	XXX	XXX	

**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1 (Continued)**

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

	Business Subject to MLR									10 Government Business (Excluded by Statute)	11 Other Health Business	12 Medicare Advantage Part C and Medicare Part D Stand-Alone Subject to ACA	13 Subtotal (Cols. 1 thru 12)	14 Uninsured Plans	15 Total (Cols. 13 + 14)
	Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans		9 Student Health Plans						
	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Individual	5 Small Group Employer	6 Large Group Employer	7 Small Group	8 Large Group							
10. General and Administrative (G&A) Expenses:															
10.1 Direct sales salaries and benefits	195,500	660,140	1,611,001										2,466,641		2,466,641
10.2 Agents and brokers fees and commissions	406,030	3,854,733	9,407,061										13,667,824		13,667,824
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)	10,541	35,595	86,866										133,002		133,002
10.4 Other general and administrative expenses	1,374,433	4,641,006	11,325,877										17,341,316		17,341,316
10.4A Community Benefit Expenditures (informational only)															
10.5 TOTAL General and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4)	1,986,504	9,191,474	22,430,805										33,608,783		33,608,783
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.6 - 8.3 - 10.5)	1,523,976	6,498,394	11,669,347										19,691,717	X X X	19,691,717
12. Income from fees of uninsured plans	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
13. Net investment and other gain/(loss)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
14. Federal income taxes (excluding taxes on Line 1.5 above)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	19,691,717	X X X	19,691,717
16. ICD-10 Implementation Expenses (informational only; already included in general expenses and Line 6.5)															
16A. ICD-10 Implementation Expenses (informational only; already included in Line 6.5)															
O. OTHER INDICATORS:															
O1. Number of Certificates / Policies	6,558	17,289	38,947										62,794		62,794
O2. Number of Covered Lives	9,532	24,859	98,248										132,639		132,639
O3. Number of Groups	X X X	1,740	90	X X X									1,830		1,830
O4. Member Months	132,150	304,994	1,232,322										1,669,466		1,669,466

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

Supp64 Grand Total

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

**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2**

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

REPORT FOR: 1. CORPORATION: MCS Life Insurance Company 2. LOCATION: San Juan, PR 00917

**BUSINESS IN THE STATE OF Grand Total DURING THE YEAR 2017**

NAIC Group Code 1301

NAIC Company Code 60030

Supp65 Grand Total

		Business Subject to MLR								9	10	11	12	13
		Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans						
		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	22,374,457	83,958,658	201,979,732										308,312,847
1.2	Unearned premium prior year	846,384	395,947	924,692										2,167,023
1.3	Unearned premium current year	434,051	321,342	773,053										1,528,446
1.4	Change in unearned premium (Lines 1.2 - 1.3)	412,333	74,605	151,639										638,577
1.5	Paid rate credits													
1.6	Reserve for rate credits current year													
1.7	Reserve for rate credits prior year													
1.8	Change in reserve for rate credits (Lines 1.6 - 1.7)													
1.9	Premium balances written off													
1.10	Group conversion charges													
1.11	TOTAL Direct premiums earned (Lines 1.1 + 1.4 - 1.9 + 1.10)	22,786,790	84,033,263	202,131,371										308,951,424
1.12	Assumed premiums earned from non-affiliates													
1.13	Net assumed less ceded premiums earned from affiliates													
1.14	Ceded premiums earned to non-affiliates	92,065	307,370	739,442										1,138,877
1.15	Other adjustments due to MLR calculation - Premiums													
1.16	Net premiums earned (Lines 1.11 - 1.5 - 1.8 + 1.12 + 1.13 - 1.14 + 1.15)	22,694,725	83,725,893	201,391,929										307,812,547
2.	Direct Claims Incurred:													
2.1	Paid claims during the year	19,303,412	63,838,200	157,072,122										240,213,734
2.2	Direct claim liability current year	1,861,588	8,553,221	21,044,965										31,459,774
2.3	Direct claim liability prior year	2,359,730	7,496,137	17,200,955										27,056,822
2.4	Direct claim reserves current year													
2.5	Direct claim reserves prior year													
2.6	Direct contract reserves current year													
2.7	Direct contract reserves prior year													
2.8	Paid rate credits													
2.9	Reserve for rate credits current year													
2.10	Reserve for rate credits prior year													
2.11	Incurred medical incentive pools and bonuses (Lines 2.11a + 2.11b - 2.11c)													
2.11A	Paid medical incentive pools and bonuses current year													
2.11B	Accrued medical incentive pools and bonuses current year													
2.11C	Accrued medical incentive pools and bonuses prior year													
2.12	Net healthcare receivables (Lines 2.12a - 2.12b)	(47,668)	(26,485)	(174,392)										(248,544)
2.12A	Healthcare receivables current year	45,666	267,887	501,086										814,639
2.12B	Healthcare receivables prior year	93,334	294,372	675,478										1,063,183
2.13	Group conversion charge													
2.14	Multi-option coverage blended rate adjustment													
2.15	TOTAL Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 2.4 - 2.5 + 2.6 - 2.7 + 2.8 + 2.9 - 2.10 + 2.11 - 2.12 + 2.13 + 2.14)	18,852,938	64,921,769	161,090,523										244,865,230
2.16	Assumed Incurred Claims from non-affiliates													
2.17	Net Assumed less Ceded Incurred Claims from affiliates													
2.18	Ceded Incurred Claims to non-affiliates													
2.19	Other Adjustments due to MLR calculation - Claims													
2.20	Net Incurred Claims (Lines 2.15 - 2.8 - 2.9 + 2.10 + 2.16 + 2.17 - 2.18 + 2.19)	18,852,938	64,921,769	161,090,523										244,865,230
3.	Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only)	6,755	22,810	55,666										85,231

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



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

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses		
4.	Individual Mini-Med Plans Expenses									
4.1	Salaries (including \$.....0 for affiliated services)									
4.2	Outsourced services									
4.3	EDP equipment and software (including \$.....0 for affiliated services)									
4.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
4.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
4.6	Other expenses (including \$.....0 for affiliated services)									
4.7	Subtotal before reimbursements and taxes (Lines 4.1 to 4.6)									
4.8	Reimbursements by uninsured plans and fiscal intermediaries									
4.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
4.10	TOTAL (Lines 4.7 to 4.9)									
4.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
5.	Small Group Mini-Med Plans Expenses									
5.1	Salaries (including \$.....0 for affiliated services)									
5.2	Outsourced services									
5.3	EDP Equipment and Software (including \$.....0 for affiliated services)									
5.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
5.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
5.6	Other expenses (including \$.....0 for affiliated services)									
5.7	Subtotal before reimbursements and taxes (Lines 5.1 to 5.6)									
5.8	Reimbursements by uninsured plans and fiscal intermediaries									
5.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
5.10	TOTAL (Lines 5.7 to 5.9)									
5.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
6.	Large Group Mini-Med Plans Expenses									
6.1	Salaries (including \$.....0 for affiliated services)									
6.2	Outsourced services									
6.3	EDP equipment and software (including \$.....0 for affiliated services)									
6.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
6.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
6.6	Other expenses (including \$.....0 for affiliated services)									
6.7	Subtotal before reimbursements and taxes (Lines 6.1 to 6.6)									
6.8	Reimbursements by uninsured plans and fiscal intermediaries									
6.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
6.10	TOTAL (Lines 6.7 to 6.9)									
6.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

Supp67 Grand Total

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

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9 General Administrative Expenses	10 Total Expenses (Cols. 6 to 9)
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses		
7.	Small Group Expatriate Plans Expenses									
7.1	Salaries (including \$.....0 for affiliated services)									
7.2	Outsourced services									
7.3	EDP equipment and software (including \$.....0 for affiliated services)									
7.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
7.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
7.6	Other expenses (including \$.....0 for affiliated services)									
7.7	Subtotal before reimbursements and taxes (Lines 7.1 to 7.6)									
7.8	Reimbursements by uninsured plans and fiscal intermediaries									
7.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
7.10	TOTAL (Lines 7.7 to 7.9)									
7.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
8.	Large Group Expatriate Plans Expenses									
8.1	Salaries (including \$.....0 for affiliated services)									
8.2	Outsourced services									
8.3	EDP equipment and software (including \$.....0 for affiliated services)									
8.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
8.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
8.6	Other expenses (including \$.....0 for affiliated services)									
8.7	Subtotal before reimbursements and taxes (Lines 8.1 to 8.6)									
8.8	Reimbursements by uninsured plans and fiscal intermediaries									
8.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
8.10	TOTAL (Lines 8.7 to 8.9)									
8.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									
9.	Student Health Plans Expenses									
9.1	Salaries (including \$.....0 for affiliated services)									
9.2	Outsourced services									
9.3	EDP equipment and software (including \$.....0 for affiliated services)									
9.4	Other equipment (excluding EDP) (including \$.....0 for affiliated services)									
9.5	Accreditation and certification (including \$.....0 for affiliated services)		XXX	XXX	XXX	XXX				
9.6	Other expenses (including \$.....0 for affiliated services)									
9.7	Subtotal before reimbursements and taxes (Lines 9.1 to 9.6)									
9.8	Reimbursements by uninsured plans and fiscal intermediaries									
9.9	Taxes, licenses and fees (in total, for tying purposes)	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
9.10	TOTAL (Lines 9.7 to 9.9)									
9.11	TOTAL fraud and abuse detection/recovery expenses included in Column 7 (informational only)									

Supp68 Grand Total



## SUPPLEMENTAL HEALTH CARE EXHIBIT'S EXPENSE ALLOCATION REPORT

(To Be Filed by April 1)

NAIC Group Code: 1301

NAIC Company Code: 60030

Description of allocation methodology:

Detailed Description of Quality Improvement Expenses:

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

**Supp70 Supp Term and Universal Life Ins Reinsurance Exhibit - Part 1 . . . . . NONE**

**Supp71-72 Supp Term and Universal Life Ins Reinsurance Exhibit - Parts 2A & 2B . . . . . NONE**

**PART 3 - COLLATERAL FOR ALL TERM AND UNIVERSAL LIFE INSURANCE REINSURANCE  
TRANSACTIONS REPORTED ON PART 2A OR PART 2B**

Part 2 Cession ID: 9999999

Name of Company: N/A

NAIC Company Code: N/A

ID Number: N/A

Effective Date or Prior Year Annual Statement Date: N/A

Security Category Description	As of Effective Date or Prior Year s Annual Statement		As of Current Year s Annual Statement	
	1 Assets	2 Affiliate or Parental Guarantee (YES/NO)	3 Assets	4 Affiliate or Parental Guarantee (YES/NO)
<b>Primary Security</b>				
1. Cash .....		X X X .....		X X X .....
2. NAIC 1 SVO-Listed Securities .....		X X X .....		X X X .....
3. NAIC 2 SVO-Listed Securities .....		X X X .....		X X X .....
4. NAIC 3 SVO-Listed Securities .....		X X X .....		X X X .....
5. NAIC 4 SVO-Listed Securities .....		X X X .....		X X X .....
6. NAIC 5 SVO-Listed Securities .....		X X X .....		X X X .....
7. NAIC 6 SVO-Listed Securities .....		X X X .....		X X X .....
8. Commercial Loans .....		X X X .....		X X X .....
9. Policy Loans .....		X X X .....		X X X .....
10. Derivatives acquired in the normal course .....		X X X .....		X X X .....
11. Subtotal Primary Securities .....		X X X .....		X X X .....
<b>Other Security</b>				
12. Other Investments Admissible per the NAIC AP&P Manual .....		X X X .....		X X X .....
13. Evergreen, Unconditional LOC's .....		X X X .....		X X X .....
14. Other LOC's .....		X X X .....		X X X .....
15. Affiliate or Parental Guarantees .....		X X X .....		X X X .....
16. LOC like Assets .....		X X X .....		X X X .....
17. Excess of Loss Reinsurance .....		X X X .....		X X X .....
18. All Other Assets .....		X X X .....		X X X .....
19. Subtotal Other Security .....		X X X .....		X X X .....
20. Total .....		X X X .....		X X X .....

NONE

Indicate here the basis for the valuation used if the ceding company is unable to determine the statutory accounting value of any asset after making a diligent effort to do so:

**PART 4 - NON-COLLATERAL ASSETS SUPPORTING RESERVES FOR ALL AFFILIATE TERM AND UNIVERSAL LIFE INSURANCE REINSURANCE TRANSACTIONS REPORTED ON PART 2A OR PART 2B**

Part 2 Cession ID: 9999999

Name of Company: N/A

NAIC Company Code: N/A

ID Number: N/A

Effective Date or Prior Year Annual Statement Date: N/A

Asset Category Description	As of Effective Date or Prior Year's Annual Statement		As of Current Year's Annual Statement	
	1 Non-Collateral Assets Supporting Reserves - Affiliate Transactions	2 Affiliate or Parental Guarantee (YES/NO)	3 Non-Collateral Assets Supporting Reserves - Affiliate Transactions	4 Affiliate or Parental Guarantee (YES/NO)
1. Cash .....		X X X		X X X
2. NAIC 1 SVO-Listed Securities .....		X X X		X X X
3. NAIC 2 SVO-Listed Securities .....		X X X		X X X
4. NAIC 3 SVO-Listed Securities .....		X X X		X X X
5. NAIC 4 SVO-Listed Securities .....		X X X		X X X
6. NAIC 5 SVO-Listed Securities .....		X X X		X X X
7. NAIC 6 SVO-Listed Securities .....		X X X		X X X
8. Commercial Loans .....		X X X		X X X
9. Policy Loans .....		X		X X X
10. Derivatives acquired in the normal course .....	<b>NONE</b>	X		X X X
11. Other Investments Admissible per the NAIC AP&P Manual .....		X		X X X
12. Evergreen, Unconditional LOCs .....		X		X X X
13. Other LOCs .....		X X X		X X X
14. Affiliate or Parental Guarantees .....		X X X		X X X
15. LOC-like Assets .....		X X X		X X X
16. Excess of Loss Reinsurance .....		X X X		X X X
17. All Other Assets .....		X X X		X X X
18. Total .....		X X X		X X X

Indicate here the basis for the valuation used if the ceding company is unable to determine the statutory accounting value of any asset after making a diligent effort to do so:

**PART 5 - SUPPLEMENTAL TERM AND UNIVERSAL LIFE INSURANCE REINSURANCE EXHIBIT INTERROGATORIES**

**PART 3 - INTERROGATORIES**

- 1.1 Is any collateral identified in Part 3 of the Supplemental Term and Universal Life Insurance Reinsurance Exhibit a letter of credit, synthetic letter of credit, contingent note, credit-linked note or other similar security that operates in a manner similar to a letter of credit? Yes[ ] No[ ] N/A[X]
- 1.2 If the response to 1.1 is yes:
  - 1.21 Describe the amount and nature of the collateral:
  - 1.22 Describe all contingencies or conditions to performance:
- 2.1 Is any collateral identified in Part 3 of the Supplemental Term and Universal Life Insurance Reinsurance Exhibit pledged to a financing provider? Yes[ ] No[ ] N/A[X]
- 2.2 If the response to 2.1 is yes:
  - 2.21 Describe the amount and nature of the collateral that is pledged:
  - 2.22 Describe the duration and the terms of the pledge:
- 3.1 Does any collateral identified in Part 3 of the Supplemental Term and Universal Life Insurance Reinsurance Exhibit have a duration that is less than the duration of the underlying policy liabilities? Yes[ ] No[ ] N/A[X]
- 3.2 If the response to 3.1 is yes:
  - 3.21 Describe the amount and nature of the collateral:
  - 3.22 Compare the duration of the collateral to the duration of the underlying policy liabilities:
- 4.1 Is any asset identified in Part 3 of the Supplemental Term and Universal Life Insurance Reinsurance Exhibit as being guaranteed by an affiliate or parent? Yes[ ] No[ ] N/A[X]
- 4.2 If the response to 4.1 is yes:
  - 4.21 Provide the legal name of the guarantor:
  - 4.22 Describe the nature of the affiliate relationship between the reporting entity and the guarantor:
  - 4.23 Specify the dollar amount of the guarantee: \$..... 0
  - 4.24 Describe all contingencies or conditions to performance of the guarantee:

**PART 4 - INTERROGATORIES**

- 5.1 Is any asset identified in Part 4 of the Supplemental Term and Universal Life Insurance Reinsurance Exhibit as being guaranteed by an affiliate or parent? Yes[ ] No[ ] N/A[X]
- 5.2 If the response to 5.1 is yes:
  - 5.21 Provide the legal name of the guarantor:
  - 5.22 Describe the nature of the affiliate relationship between the reporting entity and the guarantor:
  - 5.23 Specify the dollar amount of the guarantee: \$..... 0
  - 5.24 Describe all contingencies or conditions to performance of the guarantee:
- 6.1 Is any asset identified in Part 4 of the Supplemental Term and Universal Life Insurance Reinsurance Exhibit pledged to a financing provider? Yes[ ] No[ ] N/A[X]
- 6.2 If the response to 6.1 is yes:
  - 6.21 Describe the asset that is pledged:
  - 6.22 Specify the dollar amount of the pledge: \$..... 0
  - 6.23 Describe the duration and the terms of the pledge:



# Statement of Actuarial Opinion



## Actuarial Opinion on X-Factors



# Actuarial Opinion on Separate Accounts Funding Guaranteed Minimum Benefits



## Actuarial Opinion on Synthetic Guaranteed Investment Contracts



## Actuarial Opinion required by the Modified Guaranteed Annuity Model Regulation



**Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV**



**Reasonableness and Consistency of Assumptions Certification  
required by Actuarial Guideline XXXV**



**Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method  
required by Actuarial Guideline XXXVI**



**Reasonableness and Consistency of Assumptions Certification  
required by Actuarial Guideline XXXVI (Updated Average Market Value)**



**Reasonableness and Consistency of Assumptions Certification  
required by Actuarial Guideline XXXVI (Updated Market Value)**



**Actuarial Certifications Related to Annuity Nonforfeiture Ongoing Compliance for Equity Indexed Annuities**



## Actuarial Certification Related to Hedging required by Actuarial Guideline XLIII



**Financial Officer Certification Related to Clearly Defined Hedging Strategy  
required by Actuarial Guideline XLIII**



**Management Certification That the Valuation Reflects Management's Intent  
required by Actuarial Guideline XLIII**



## Actuarial Certification Related to the Reserves required by Actuarial Guideline XLIII



**Actuarial Certification regarding the use of Preferred Mortality Tables  
for use in Determining Minimum Reserve Liabilities**



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



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



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



60030201735000100

2017

Document Code: 350

## Management's Discussion and Analysis

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

The Company is a wholly owned subsidiary of MCS Healthcare Holding, LLC (MCSHH). The Company is also affiliated by ownership and common management with MCS Health Management Options, Inc. (MCS HMO), a health maintenance organization exclusively engaged in Medicaid health insurance in Puerto Rico and to MCS Advantage, Inc.

### Financial Position

The Company's financial position at December 31 was as follows:  
(In thousands)

	<u>2017</u>	<u>2016</u>
Bonds	\$ 32,669	\$ 9,206
Common and preferred stocks	359	570
Cash and short-term investments	42,953	39,622
Cash and invested assets	<u>75,981</u>	<u>49,398</u>
Premiums due and unpaid	14,525	12,140
Amount receivable related to unisrued A&H plans	6,108	6,040
Healthcare receivables	816	1,063
Other assets	111	67
Total admitted assets	<u>97,543</u>	<u>68,709</u>
Policy and contracts claims	31,710	27,307
Liability for amounts held under uninsured A&H plans	3,743	2,852
Premiums received in advance	1,528	2,167
Commissions payable	1,332	1,206
General expenses due or accrued	3,424	2,904
Income Taxes payable	2,910	1,804
Other liabilities	9,336	9,918
Total liabilities	<u>53,984</u>	<u>48,157</u>
Capital and Surplus	<u>43,559</u>	<u>20,551</u>
Total liabilities and capital and surplus	\$ 97,543	\$ 68,709
Cash & Invested assets to total admitted assets	77.89%	71.89%
Claims liab to capital & surplus	72.80%	132.87%
Claims to total admitted assets	32.51%	39.74%
Capital & surplus to total admitted assets	44.66%	29.91%

Cash and invested assets amounts to \$76.0 million, an increase of \$26.6 million from the balance of 2016. Such amount represents a 78% of total admitted assets. The Company has adopted investment policies and practice to manage the investment portfolio and asset allocation. Short-term investment and bonds are primarily government securities from agencies and instrumentalities of the federal government, and certificate of deposits. The Company maintains a high level of liquidity to respond for policy and contracts claims. Increase in cash and investment assets is mainly due to the 2017 result of operations with a net income of \$22.4 million.

Premiums due and unpaid amounts to \$14.5 million an increase of \$2.4 million with respects to the balance in 2016. Increase was mainly due to a slowdown in collections in the aftermath of Hurricanes Irma and Maria.

The Company maintains cost plus contracts for certain health plans. These contracts were accounted for as cost based reimbursement contracts under accounting practices for uninsured plans. At December 31, 2017, there was \$6.1 million in receivables to cover claim costs and administrative fees.

Healthcare receivables are composed of Rx rebates receivables of \$0.8 million.

## Management's Discussion and Analysis

Total admitted assets amounted to \$97.5 million an increase of \$28.8 million with respect to the balance in 2016. Increase was mainly due the increase of \$26.6 million in cash and invested assets.

Policy and contracts claims payable amounts to \$31.7 million a 33% of total admitted assets.

The liability for uninsured plans amounted to \$3.7 million and represents amounts deposited by the plans to cover claim payments, claim and other miscellaneous liabilities.

Total liabilities amounted to \$54.0 million an increase of \$5.8 million with respect to the balance in 2016. The main reasons for this increase were an increase of \$4.4 million in policy and contract claims and an increase of \$1.1 in income taxes payable.

The increase in contract claims was due to a slowdown in claims payment as result of the aftermath of the Hurricanes which affected the operations of providers and thus their billing processes.

Capital and surplus amounts to \$43.6 million, which represents 45% of total admitted assets. Increase in capital and surplus has been mainly due to the net income of the year of \$22.4.

### Results of Operations

In 2017 the Company ended in a net income of approximately \$22.4 million an increase of \$13.2 million with respect to 2016 result.

Other discussion follows:

(In thousands)

	<u>2017</u>	<u>2016</u>
Premiums	\$ 309,967	\$ 308,418
Net Investment Income	391	179
Total revenues	<u>310,358</u>	<u>308,597</u>
Policy benefits	245,047	257,734
Commissions	13,617	11,798
Expenses	<u>23,796</u>	<u>27,856</u>
Total	282,461	297,388
Income before income taxes and capital gains	27,897	11,210
Capital gains/(loss)	(596)	(35)
Income taxes	<u>4,869</u>	<u>1,958</u>
Net income / (loss)	22,431	9,217
MLR	79.06%	83.57%
Commission rate	4.39%	3.83%
Expense rate	7.68%	9.03%

In 2017 the Company reported in a net income of approximately \$22.4 million an increase of \$13.2 million with respect to 2016. The main reason for the improvement was an improvement in the claims loss ratio from 84% in 2016 to a 79% in 2017. Policy benefits amounted to \$245.0 million in 2017 and \$257.7 in 2016. Reduction in policy benefits was mainly due to a lower utilization in 4<sup>th</sup> quarter as result of the aftermath of Hurricanes Irma and Maria together with a better utilization of the Rx benefit.

## Management's Discussion and Analysis

Commissions in 2017 amounted to \$13.6 million, for a 4.4% of net premiums. Administration and other expenses in 2017 amounted to \$23.8 million, representing 7.7% of premiums. Administration and other expenses decrease \$4.1 million with respect to 2016. This decrease was mainly due to the waiver in of the Health insurance tax for which \$5.4 million was incurred in 2016.

As mentioned above, the Company maintains cost reimbursement contracts. Administration expenses were reduced by \$4.2 million in 2017 and \$3.8 million in 2016 for administration fees charged to these plans in accordance with the accounting practices for statutory reporting.

### Cash Flow and Liquidity

The Company cash flows are summarized as follows:

	<u>2017</u>	<u>2016</u>
Cash provided from operating activities	\$ 26,893	(2,529)
Cash from investing activities	(23,562)	(3,066)
Cash from financing activities	-	2,000
Net change in cash	<u>\$ 3,330</u>	<u>(3,596)</u>



# Audited Financial Report



# Accountant's Letter of Qualification



## Communication of Internal Control Related Matters Noted in an Audit



# Management's Report of Internal Control over Financial Reporting



# Regulatory Asset Adequacy Issues Summary (RAAIS)



# Actuarial Memorandum required by Actuarial Guideline XXXVIII 8D

## LIFE IRIS RATIOS - 2017

Financial Ratio Results		Unusual Values Equal to or		Amount
		Over	Under	
Ratio				
1.	Net Change in Capital and Surplus .....	50	-10	112
2.	Gross Change in Capital and Surplus .....	50	-10	112
3.	Net Income to Total Income (Including Realized Capital Gains and Losses) .....	X X X	0	7
4.	Adequacy of Investment Income .....	900	125	999
5.	Non-Admitted to Admitted Assets .....	10	X X X	0
6.	TOTAL Real Estate and Total Mortgage Loans to Cash and Invested Assets .....	30	X X X	0
7.	TOTAL Affiliated Investments to Capital and Surplus .....	100	X X X	0
8.	Surplus Relief .....			0
	(Over \$5 Million Capital and Surplus)	30	-99	
	(\$5 Million or Less Capital and Surplus)	10	-10	
9.	Change in Premium .....	50	-10	1
10.	Change in Product Mix .....	5.0	X X X	0.309
11.	Change in Asset Mix .....	5.0	X X X	3.045
12.	Change in Reserving .....	20	-20	0

## LIFE IRIS RATIOS - 2017

		Amount
Ratio 1	Net Change in Capital and Surplus	
	A. Capital & Surplus Current Year - Page 3, Column 1, Line 38	43,558,995
	B. Change in Surplus Notes - Page 4, Column 1, Line 48	0
	C. Capital Changes Paid-In - Page 4, Column 1, Line 50.1	0
	D. Surplus Adjustments Paid-In - Page 4, Column 1, Line 51.1	0
	E. Capital & Surplus Prior Year - Prior Year: Page 3, Column 1, Line 38	20,551,187
	Result = $100 \times (A - B - C - D - E) / E$	112%
	If A is zero or negative, result is -99	
	If E is zero or negative and A is positive, result is 999	
	If commenced business date is current year, no result is calculated (NR)	
Ratio 2	Gross Change in Capital and Surplus	
	A. Capital & Surplus Current Year - Page 3, Column 1, Line 38	43,558,995
	B. Capital & Surplus Prior Year - Prior Year: Page 3, Column 1, Line 38	20,551,187
	Result = $100 \times (A - B) / B$	112%
	If A is zero or negative, result is -99	
	If B is zero or negative and A is positive, result is 999	
	If commenced business date is current year, no result is calculated (NR)	
Ratio 3	Net Income to Total Income (Including Realized Capital Gains and Losses)	
	A. Net Income - Page 4, Column 1, Line 35	22,431,263
	B. TOTAL Income - Page 4, Column 1, Line 9	310,357,829
	C. Realized Capital Gains/Losses - Page 4, Column 1, Line 34	(596,246)
	Result = $100 \times A / (B + C)$	7%
	If B + C is zero or negative and A is positive, no result is calculated (NR)	
	If B + C is zero or negative and A is zero or negative, result is automatically considered unusual	
Ratio 4	Adequacy of Investment Income	
	A. Net Investment Income - Page 4, Column 1, Line 3	391,011
	B. Tabular Interest Involving Life or Disability Contingencies - Page 7, Column 1, Line 4	0
	C. Tabular Fund Interest on A&H Contracts - Page 14, Exhibit of Aggregate Reserves for A&H Contracts, Column 1, Line 18	0
	D. Investment Earnings Credited to Deposit-Type Contract Accounts - Page 15, Exhibit of Deposit-Type Contracts, Column 1, Line 3	0
	Result = $100 \times A / (B + C + D)$	999%
	If B + C + D is zero, result is 999	
	If Company has no beginning or ending reserves per Page 7 and Item B is zero, no result is calculated.	
Ratio 5	Non-Admitted to Admitted Assets	
	A. Non-Admitted Assets - Page 2, Column 2, Line 28	485,000
	B. Admitted Assets - Page 2, Column 3, Line 28	97,542,775
	Result = $100 \times A / B$	0%
	If B is zero or negative and A is positive, result is 999	
	If A and B are both zero or negative, result is zero	
Ratio 6	TOTAL Real Estate and TOTAL Mortgage Loans to Cash and Invested Assets	
	A. Mortgage Loans - First Liens - Page 2, Column 3, Line 3.1	0
	B. Mortgage Loans - Other - Page 2, Column 3, Line 3.2	0
	C. Real Estate - Properties Occupied by the Company - Page 2, Column 3, Line 4.1	0
	D. Real Estate - Properties Held for the Production of Income - Page 2, Column 3, Line 4.2	0
	E. Real Estate - Properties Held for Sale - Page 2, Column 3, Line 4.3	0
	F. Schedule BA - Mortgage Loans - Page E07, Column 12, Line 0999999 + 1099999 + 1999999 + 2099999	0
	G. Schedule BA - Real Estate - Page E07, Column 12, Line 1799999 + 1899999	0
	H. Cash and Invested Assets minus Payable for Securities - Page 2, Column 3, Line 12 - Page 3, Column 1, Line 24.09	75,981,657
	Result = $100 \times [(A + B + C + D + E + F + G) / H]$	0%
	If H is zero or negative and (A + B + C + D + E + F + G) is positive, result is 999	
	If (A + B + C + D + E + F + G) and H are both zero or negative, result is zero	
Ratio 7	TOTAL Affiliated Investments to Capital and Surplus	
	A. Receivable from Parent, Subsidiary & Affiliates - Page 2, Column 3, Line 23	0
	B. Investments in Parent, Subsidiary & Affiliates - Page 23, Column 1, Line 50	0
	C. Capital & Surplus - Page 3, Column 1, Line 38	43,558,995
	Result = $100 \times (A + B) / C$	0%
	If C is zero or negative and A + B is positive, result is 999	
	If A + B, and C are zero or negative, result is zero	
Ratio 8	Surplus Relief	
	A. Commissions and Expense Allowances on Reinsurance Ceded - Page 6, Column 1, Line 6	0
	B. Commissions and Expense Allowances on Reinsurance Assumed - Page 6, Column 1, Line 22	0
	C. Change in Surplus as a Result of Reinsurance - Page 4, Column 1, Line 51.4	0
	D. Capital and Surplus - Page 3, Column 1, Line 38	43,558,995
	Result = $100 \times (A - B + C) / D$	0%
	If D is zero or negative, result is 999	

## LIFE IRIS RATIOS - 2017

	Amount
Ratio 9 Change in Premium	
A. Premiums & Annuity Considerations - Page 49, Column 2, 3, 4, 5, 7, Line 99	309,966,818
B. Premiums & Annuity Considerations - Prior Year: Page 49, Column 2, 3, 4, 5, 7, Line 99	308,418,224
Result = 100 x (A - B) / B	1%
If A and B are both zero or negative, result is zero	
If B is zero or negative and A is positive, result is 999	
If commenced business date is current year, no result is calculated (NR)	

**Ratio 10: Change in Product Mix**

	Current Year		Prior Year		Column 2 % Less Column 4 % (5)
	Amount (1)	% of Total (2)	Amount (3)	% of Total (4)	
Premiums & Annuity Considerations					
<b>Page 6, Line 1</b>					
A. Industrial Life, Column 2	0	0	0	0	0
B. Ordinary Life Insurance, Column 3	0	0	0	0	0
C. Individual Annuities, Column 4	0	0	0	0	0
D. Credit Life, Column 6	0	0	0	0	0
E. Group Life, Column 7	2,154,270	1	2,235,161	1	0
F. Group Annuities, Column 8	0	0	0	0	0
G. Group A&H, Column 9	285,117,822	92	279,400,603	91	1
H. Credit A&H, Column 10	0	0	0	0	0
I. Other A&H, Column 11	22,694,725	7	26,782,460	9	(1)
J. TOTAL	309,966,818		308,418,224		
K. TOTAL of Ratio Column 5 Disregarding Sign					3
Result = K / 9					0.309%
If J for either current or prior year is zero or negative, no result is calculated (NR)					

**Ratio 11: Change in Asset Mix**

	Current Year		Prior Year		Column 2 % Less Column 4 % (5)
	Amount (1)	% of Total (2)	Amount (3)	% of Total (4)	
Assets					
<b>Current Year: Page 2, Column 3</b>					
A. Bonds, Line 1	32,669,124	43	9,206,029	19	24
B. Preferred Stocks, Line 2.1	359,150	0	354,860	1	0
C. Common Stocks, Line 2.2	0	0	215,532	0	0
D. Mortgage Loans, First Liens, Line 3.1	0	0	0	0	0
E. Mortgage Loans, Other, Line 3.2	0	0	0	0	0
F. RE, Prop. Occupied by Co., Line 4.1	0	0	0	0	0
G. RE, Prop. Held for the Prod. of Inc., Line 4.2	0	0	0	0	0
H. RE, Prop. Held for Sale, Line 4.3	0	0	0	0	0
I. Contract Loans, Line 6 minus Inside Amount 1	0	0	0	0	0
J. Premium Notes, Line 6 Inside Amount 1	0	0	0	0	0
K. Derivatives, Line 7	0	0	0	0	0
L. Cash, Cash Equivalents & Short Term Invest., Line 5	42,953,383	57	39,622,455	80	(24)
M. Other Invested Assets, Line 8	0	0	0	0	0
N. Rec. for Secur., Line 9 minus Pay. For Secur., Page 3, Col 1, Line 24.09	0	0	0	0	0
O. Securities Lending Reinvested Collateral Assets, Line 10	0	0	0	0	0
P. Agg. Write-Ins for Invested Assets, Line 11	0	0	0	0	0
Q. TOTAL	75,981,657		49,398,875		
R. TOTAL of Ratio Column 5 Disregarding Sign					49
Result = R / 16					3.045%
If Q for either current or prior year is zero or negative, result is automatically considered unusual (U)					

**Ratio 12: Change in Reserving**

	Current Year	Prior Year
A. Increase in Agg. Reserves, Industrial Life, Page 6, Column 2, Line 19 .....	0	0
B. Increase in Agg. Reserves, Ordinary Life Insurance, Page 6, Column 3, Line 19 .....	0	0
C. Net Single Premiums, Industrial Life, Page 9, Column 2, Line 10.4 .....	0	0
D. Net Renewal Premiums, Industrial Life, Page 9, Column 2, Line 19.4 .....	0	0
E. Net Single Premiums, Ordinary Life Insurance, Page 9, Column 3, Line 10.4 .....	0	0
F. Net Renewal Premiums, Ordinary Life Insurance, Page 9, Column 3, Line 19.4 .....	0	0
Result = $100 * [CY (A + B) / (C + D + E + F) - PY (A + B) / (C + D + E + F)]$ .....		0%
If (A+B) and (C+D+E+F) for current or prior year are both zero or negative, $(A+B)/(C+D+E+F) = 0$ for that year		
If (A+B) is positive and (C+D+E+F) is zero or negative for current or prior year, $(A+B)/(C+D+E+F) = 100%$ for that year		
This ratio represents the number of percentage points of difference between the reserving ratio for current and prior years. For each of these years, the reserving ratio is equal to the aggregate increase in reserves for individual life insurance taken as a percentage of renewal and single premiums for individual life insurance.		

# INDEX TO LIFE AND ACCIDENT AND HEALTH ANNUAL STATEMENT

Analysis of Increase in Reserves During The Year .....	7
Analysis of Operations By Lines of Business .....	6
Asset Valuation Reserve Default Component .....	30
Asset Valuation Reserve Equity and Other Invested Asset Component .....	32
Asset Valuation Reserve Replications (Synthetic) Assets .....	35
Asset Valuation Reserve .....	29
Assets .....	2
Cash Flow .....	5
Exhibit 1 - Part 1 - Premiums and Annuity Considerations for Life and Accident and Health Contracts .....	9
Exhibit 1 - Part 2 - Dividends and Coupons Applied, Reinsurance Commissions and Expense .....	10
Exhibit 2 - General Expenses .....	11
Exhibit 3 - Taxes, Licenses and Fees (Excluding Federal Income Taxes) .....	11
Exhibit 4 - Dividends or Refunds .....	11
Exhibit 5 - Aggregate Reserve for Life Contracts .....	12
Exhibit 5 - Interrogatories .....	13
Exhibit 5A - Changes in Bases of Valuation During The Year .....	13
Exhibit 6 - Aggregate Reserves for Accident and Health Contracts .....	14
Exhibit 7 - Deposit-Type Contracts .....	15
Exhibit 8 - Claims for Life and Accident and Health Contracts - Part 1 .....	16
Exhibit 8 - Claims for Life and Accident and Health Contracts - Part 2 .....	17
Exhibit of Capital Gains (Losses) .....	8
Exhibit of Life Insurance .....	25
Exhibit of Net Investment Income .....	8
Exhibit of Nonadmitted Assets .....	18
Exhibit of Number of Policies, Contracts, Certificates, Income Payable and Account Values .....	27
Five-Year Historical Data .....	22
Form for Calculating the Interest Maintenance Reserve (IMR) .....	28
General Interrogatories .....	20
Jurat Page .....	1
Liabilities, Surplus and Other Funds .....	3
Life Insurance (State Page) .....	24
Notes To Financial Statements .....	19
Overflow Page For Write-ins .....	55
Schedule A - Part 1 .....	E01
Schedule A - Part 2 .....	E02
Schedule A - Part 3 .....	E03
Schedule A - Verification Between Years .....	SI02
Schedule B - Part 1 .....	E04
Schedule B - Part 2 .....	E05
Schedule B - Part 3 .....	E06
Schedule B - Verification Between Years .....	SI02
Schedule BA - Part 1 .....	E07
Schedule BA - Part 2 .....	E08
Schedule BA - Part 3 .....	E09
Schedule BA - Verification between Years .....	SI03
Schedule D - Part 1 .....	E10
Schedule D - Part 1A - Section 1 .....	SI05
Schedule D - Part 1A - Section 2 .....	SI08
Schedule D - Part 2 - Section 1 .....	E11
Schedule D - Part 2 - Section 2 .....	E12
Schedule D - Part 3 .....	E13
Schedule D - Part 4 .....	E14
Schedule D - Part 5 .....	E15
Schedule D - Part 6 - Section 1 .....	E16
Schedule D - Part 6 - Section 2 .....	E16
Schedule D - Summary By Country .....	SI04
Schedule D - Verification Between Years .....	SI03
Schedule DA - Part 1 .....	E17
Schedule DA - Verification Between Years .....	SI10

# INDEX TO LIFE AND ACCIDENT AND HEALTH ANNUAL STATEMENT

Schedule DB - Part A - Section 1 .....	E18
Schedule DB - Part A - Section 2 .....	E19
Schedule DB - Part A - Verification Between Years .....	SI11
Schedule DB - Part B - Section 1 .....	E20
Schedule DB - Part B - Section 2 .....	E21
Schedule DB - Part B - Verification Between Years .....	SI11
Schedule DB - Part C - Section 1 .....	SI12
Schedule DB - Part C - Section 2 .....	SI13
Schedule DB - Part D - Section 1 .....	E22
Schedule DB - Part D - Section 2 .....	E23
Schedule DB - Verification .....	SI14
Schedule DL - Part 1 .....	E24
Schedule DL - Part 2 .....	E25
Schedule E - Part 1 - Cash .....	E26
Schedule E - Part 2 - Cash Equivalents .....	E27
Schedule E - Part 3 - Special Deposits .....	E28
Schedule E- Verification Between Years .....	SI15
Schedule F .....	36
Schedule H - Accident and Health Exhibit - Part 1 .....	37
Schedule H - Parts - 2, 3, and 4 .....	38
Schedule H - Part 5 - Health Claims .....	39
Schedule S - Part 1 - Section 1 .....	40
Schedule S - Part 1 - Section 2 .....	41
Schedule S - Part 2 .....	42
Schedule S - Part 3 - Section 1 .....	43
Schedule S - Part 3 - Section 2 .....	44
Schedule S - Part 4 .....	45
Schedule S - Part 5 .....	46
Schedule S - Part 6 .....	47
Schedule S - Part 7 .....	48
Schedule T - Part 2 Interstate Compact .....	50
Schedule T - Premiums and Annuity Considerations .....	49
Schedule Y - Part 1 - Information Concerning Activities of Insurer Members of a Holding Company Group .....	51
Schedule Y - Part 1A - Detail of Insurance Holding Company System .....	52
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates .....	53
Summary Investment Schedule .....	SI01
Summary of Operations .....	4
Supplemental Exhibits and Schedules Interrogatories .....	54

# Amended Explanation Page

## MERGER HISTORY

	1 Amount
Description	
1. Bonds (2016: Page 2, Column 3, Line 1) .....	
2. Preferred stocks (2016: Page 2, Column 3, Line 2.1) .....	
3. Common stocks (2016: Page 2, Column 3, Line 2.2) .....	
4. Mortgage loans on real estate - first liens (2016: Page 2, Column 3, Line 3.1) .....	
5. Mortgage loans on real estate - other than first liens (2016: Page 2, Column 3, Line 3.2) .....	
6. Real estate - properties occupied by the company (2016: Page 2, Column 3, Line 4.1) .....	
7. Real estate - properties held for the production of income (2016: Page 2, Column 3, Line 4.2) .....	
8. Real estate - properties held for sale (2016: Page 2, Column 3, Line 4.3) .....	
9. Cash, cash equivalents and short-term investments (2016: Page 2, Column 3, Line 5) .....	
10. Contract loans (2016: Page 2, Column 3, Line 6) .....	
11. Premium notes (2016: Page 2, Column 3, Line 6, Inside Amount 1) .....	
12. Derivatives (2016: Page 2, Column 3, Line 7) .....	
13. Other invested assets (2016: Page 2, Column 3, Line 8) .....	
14. Receivable for securities (2016: Page 2, Column 3, Line 9) .....	
15. Securities lending reinvested collateral assets (2016: Page 2, Column 3, Line 10) .....	
16. Aggregate write-ins for invested assets (2016: Page 2, Column 3, Line 11) .....	
17. Payable for securities (2016: Page 3, Column 1, Line 24.9) .....	
18. Capital & surplus (2016: Page 3, Column 1, Line 38) .....	
19. Premiums and annuity considerations - industrial life (2016: Page 6, Column 2, Line 1) .....	
20. Increase in aggregate reserves - industrial life (2016: Page 6, Column 2, Line 19) .....	
21. Premiums and annuity considerations - ordinary life (2016: Page 6, Column 3, Line 1) .....	
22. Increase in aggregate reserves - ordinary life (2016: Page 6, Column 3, Line 19) .....	
23. Premiums and annuity considerations - individual annuities (2016: Page 6, Column 4, Line 1) .....	
24. Premiums and annuity considerations - credit life (2016: Page 6, Column 6, Line 1) .....	
25. Premiums and annuity considerations - group life (2016: Page 6, Column 7, Line 1) .....	
26. Premiums and annuity considerations - group annuities (2016: Page 6, Column 8, Line 1) .....	
27. Premiums and annuity considerations - group accident & health (2016: Page 6, Column 9, Line 1) .....	
28. Premiums and annuity considerations - credit accident & health (2016: Page 6, Column 10, Line 1) .....	
29. Premiums and annuity considerations - other accident & health (2016: Page 6, Column 11, Line 1) .....	
30. Net single premiums - industrial life (2016: Page 9, Column 2, Line 10.4) .....	
31. Net renewal premiums - industrial life (2016: Page 9, Column 2, Line 19.4) .....	
32. Net single premiums - ordinary life (2016: Page 9, Column 3, Line 10.4) .....	
33. Net renewal premiums - ordinary life (2016: Page 9, Column 3, Line 19.4) .....	
34. Premiums and annuity considerations - total (2016: Page 49, Columns 2, 3, 4, 5, and 7, Line 99) .....	

## Prior Period Data for Non-required Crosschecks

Prior Period Statement Location	1 Amount
1. 2016 Annual, Page 2, Assets, Line 05, Column 1	39,622,455
2. 2016 Annual, Page 2, Assets, Line 28, Column 3	68,708,634
3. 2016 Annual, Page 3, Liabilities, Line 01, Column 1	
4. 2016 Annual, Page 3, Liabilities, Line 02, Column 1	
5. 2016 Annual, Page 3, Liabilities, Line 04.1, Column 1	250,000
6. 2016 Annual, Page 3, Liabilities, Line 04.2, Column 1	27,056,822
7. 2016 Annual, Page 3, Liabilities, Line 24.02, Column 1	
8. 2016 Annual, Page 3, Liabilities, Line 29, Column 1	2,500,000
9. 2016 Annual, Page 3, Liabilities, Line 30, Column 1	
10. 2016 Annual, Page 3, Liabilities, Line 33, Column 1	7,760,000
11. 2016 Annual, Page 4, Summary of Operations, Line 01, Column 1	308,418,224
12. 2016 Annual, Page 9, Exhibit 1 - Part 1, Line 20.1, Column 2	
13. 2016 Annual, Page 9, Exhibit 1 - Part 1, Line 20.1, Column 3	
14. 2016 Annual, Page 9, Exhibit 1 - Part 1, Line 20.1, Column 4	
15. 2016 Annual, Page 9, Exhibit 1 - Part 1, Line 20.1, Column 5	
16. 2016 Annual, Page 9, Exhibit 1 - Part 1, Line 20.1, Column 6	2,521,912
17. 2016 Annual, Page 9, Exhibit 1 - Part 1, Line 20.1, Column 7	
18. 2016 Annual, Page 9, Exhibit 1 - Part 1, Line 20.1, Column 8	280,420,940
19. 2016 Annual, Page 9, Exhibit 1 - Part 1, Line 20.1, Column 9	
20. 2016 Annual, Page 9, Exhibit 1 - Part 1, Line 20.1, Column 10	26,901,813
21. 2016 Annual, Page 12, Exhibit 5, Line 0799999, Column 2	
22. 2016 Annual, Page 14, Exhibit 6, Line 03, Column 1	
23. 2016 Annual, Page 14, Exhibit 6, Line 11, Column 1	
24. 2016 Annual, Page 14, Exhibit 6, Line 15, Column 1	
25. 2016 Annual, Page 27, Accident & Health Insurance, Line 10, Column 1	1,864
26. 2016 Annual, Page 27, Accident & Health Insurance, Line 10, Column 2	153,091,532
27. 2016 Annual, Page 27, Accident & Health Insurance, Line 10, Column 3	
28. 2016 Annual, Page 27, Accident & Health Insurance, Line 10, Column 4	
29. 2016 Annual, Page 27, Accident & Health Insurance, Line 10, Column 5	
30. 2016 Annual, Page 27, Accident & Health Insurance, Line 10, Column 6	
31. 2016 Annual, Page 29, Asset Valuation Reserve, Line 16, Column 1	165,772
32. 2016 Annual, Page 29, Asset Valuation Reserve, Line 16, Column 2	
33. 2016 Annual, Page 29, Asset Valuation Reserve, Line 16, Column 3	165,772
34. 2016 Annual, Page 29, Asset Valuation Reserve, Line 16, Column 4	32,198
35. 2016 Annual, Page 29, Asset Valuation Reserve, Line 16, Column 5	0
36. 2016 Annual, Page 29, Asset Valuation Reserve, Line 16, Column 6	32,198
37. 2016 Annual, Page 29, Asset Valuation Reserve, Line 16, Column 7	197,971
38. 2016 Annual, Page 38, Schedule H Part 2, Line A04, Column 1	2,167,023
39. 2016 Annual, Page 38, Schedule H Part 2, Line B03, Column 1	
40. 2016 Annual, Page 38, Schedule H Part 2, Line C01, Column 1	27,056,822
41. 2016 Annual, Page 40, Schedule S - Part 1 - Section 1, Line 0799999, Column 9	
42. 2016 Annual, Page 40, Schedule S - Part 1 - Section 1, Line 1099999, Column 9	
43. 2016 Annual, Page 41, Schedule S - Part 1 - Section 2, Line 0799999, Column 7	
44. 2016 Annual, Page 41, Schedule S - Part 1 - Section 2, Line 1099999, Column 7	
45. 2016 Annual, Page SI02, Schedule A Verification, Line 09, Column 2	
46. 2016 Annual, Page SI02, Schedule B Verification, Line 11, Column 2	
47. 2016 Annual, Page SI03, Schedule BA Verification, Line 11, Column 2	
48. 2016 Annual, Page SI03, Schedule D Verification, Line 10, Column 2	9,776,421
49. 2016 Annual, Page SI11, Schedule DB Part A Verification, Line 09, Column 2	
50. 2016 Annual, Page SI11, Schedule DB Part B Verification, Line 06, Column 4	
51. 2016 Annual, Page SI13, Schedule DB Part C, Section 2, Line 07, Column 9	
52. 2016 Annual, Page SI13, Schedule DB Part C, Section 2, Line 07, Column 10	
53. 2016 Annual, Page E17, Schedule DA Part 1, Line 9199999, Column 8	
54. 2016 Annual, Page E20, Schedule DB Part B, Section 1, Line 1449999, Column 15	
55. 2016 Annual, Page E20, Schedule DB Part B, Section 1, Line 1449999, Column 17	
56. 2016 Annual, Page E20, Schedule DB Part B, Section 1, Line 1449999, Column 18	
57. 2016 Annual, Page E20, Schedule DB Part B, Section 1, Line 1449999, Column 19	
58. 2016 Annual, Page E27, Schedule E Part 2, Line 8699999, Column 6	
59. 2016 Annual, Page Supp59, Supplemental Health Care Exhibit - Part 1 (Grand Total), Line 05.5, Col. 15	